

LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY (LCRA)
CHAPTER 99
REDEVELOPMENT PROCESS AND SUBMITTAL REQUIREMENTS

The first step in the tax abatement process is to determine that the property is blighted. Therefore, the tax abatement application should be submitted to SLDC **BEFORE** major construction is underway.

In order for the Staff of the St. Louis Development Corporation ("SLDC") to prepare a Chapter 99 Blighting Study and Plan, the Tax Abatement Application (Exhibit A), including all Attachments (A-E), must be submitted by the first of the month in which the Plan is to be considered by the LCRA Board. The Staff will evaluate each Application based on nine (9) Evaluation Factors (See Exhibit B).

The LCRA Board meets once a month, considers the Blighting Study and Plan and makes a recommendation to the Board of Aldermen. If approved, a Board Bill is prepared with the Blighting Study and Plan attached. Typically, the Alderperson of the ward in which the project is located introduces the Bill into the Board of Aldermen. The Plan must also be reviewed by the Planning Commission (PDA). A properly noticed public hearing before the appropriate Committee of the Board of Aldermen is required prior to passage (See Procedural Diagram, Exhibit C). Submission of a Tax Abatement Application and fee does not guarantee that abatement will be authorized.

For projects with over \$1 million of proposed new improvements to the property including soft costs but not including Furniture, Fixtures and Equipment (F, F, & E) or projects including eminent domain and for some selected smaller projects, the LCRA must advertise for redevelopers, and potential redevelopers may submit proposals. A redeveloper for the project will then be designated by the LCRA Board. The LCRA will then enter into a redevelopment agreement with the designated redeveloper ("Redeveloper"). It is imperative that the Redeveloper be present at the LCRA Board meeting at which it is designated redeveloper, and at the Board of Aldermen public hearing outlined above.

The Redeveloper(s) will be expected to fully comply with Ordinance Nos. 69427, 70767 and 71094, as may be amended or supplemented, pertaining to minority-owned and women-owned business participation, workforce development, and prevailing wage compliance, to the extent the provisions of those ordinances apply to the Project.

All project construction drawings must be reviewed and approved by SLDC staff prior to initiation of construction. *Tax abatement will not be implemented until all approved work is substantially completed. At that time, the redeveloper must contact the SLDC staff to complete the tax abatement process and provide staff with a copy of an occupancy permit for the property, photographs of the completed project and the remainder of the tax abatement fee (if required). If this is not done, tax abatement will not be initiated, and the property is subject to a substantial increase in taxes based on improvements that have been made to it.*

Available online@

Stlouis-mo.gov:
Departments & Agencies
St. Louis Development Corporation
Real Estate Development
Real Estate Tax Abatement
Tax Abatement Application

Exhibit "A"

A complete application shall include all the following:

Tax Abatement Application

Attachment A - Project Pro Forma (Select A-1 or A-2)

Attachment B - Current Photos: front, rear, side

Attachment C - Proposed Construction Plans

Attachment D - Sustainability Impact Statement

Attachment E - Application Processing Payment

Attachment F – Secretary of State Certificate in Good Standing of Redeveloper
(for projects over \$1 million)

When completed send to:

St. Louis Development Corporation

ATTN: Development Incentives

1520 Market St. - Ste. 2000

St. Louis, MO 63103

TAX ABATEMENT APPLICATION

**Chapter 99 Redevelopment Process
INFORMATION REQUIRED
BY THE ST. LOUIS DEVELOPMENT CORPORATION
STAFF FOR PREPARATION OF A CHAPTER 99 (LCRA)
PLAN**

Address of property or properties to be included in the proposed redevelopment area

Applicant (Authorized Representative of Redevelopment Entity)

Date of Application

Entity to be designated Redeveloper (see attachment F)

Street Address of Applicant

City

State

Zip

Email Address

Telephone

The Application must address the following (if applicable):

1. Legal description and map of all properties to be included in the proposed redevelopment area:

2. Ownership of all the properties to be included in the redevelopment area:

3. Condition of buildings, if any, on the property: _____

4. Number of existing occupants of property: _____

5. Relocation required: if there are any occupants in the property, list all to be relocated and characteristics (residential, commercial, and number):

6. If all or a portion of the property is used for commercial purposes, what is the number of existing jobs (full time/part time):

7. Proposed objective of proposed redevelopment (i.e. rehab, new construction): _____

8. Proposed use of the property (building by building): _____

9. Proposed zoning of the property needed to carry out project: _____

10. Proposed on-site parking (numbers and ratios): _____

11. Proposed changes in street and alley patterns- if any: _____

12. Public improvements proposed (street, alley, sidewalks, and parks); if any:

13. If all or a portion of the property is to be for commercial purposes, indicate the proposed number of new jobs, including type; full time, part time, and salary range; proposed number of retained jobs, including type; full time, part time and salary range:

14. If the property is not currently controlled by the applicant, indicate plan for property acquisition required by applicant or LCRA:

15. Proposed time of initiation and completion of phases of project:

16. Square footage of proposed construction and/or rehabilitation, number of residential units by bedroom count for residential construction and/or rehabilitation, number of rental units, number of condominium units, non-residential square footage.

17. Proposed method of financing the project (include any other incentives being sought):

18. Total anticipated construction cost excluding acquisition and FF & E (this should be reflected on the project's building permit application(s)): \$_____

19: The following attachments shall be included in the application packet:

- A. A pro forma financial statement:
- B. One (1) set of photos of the property, front and rear.
- C. Set of architectural construction drawings including floor plans, elevations and a site plan with landscaping (if available).
- D. Sustainability Impact Statement (address all items that may relate to proposed redevelopments and summarize input on last page).
- E. Tax Abatement Processing Fee: Attach a check made out to Land Clearance for Redevelopment Authority (LCRA) for the initial portion of the Tax Abatement Processing Fee
- F. State Certificate in Good Standing of Redeveloper (for projects over \$1 million)

With my signature below, I hereby certify and acknowledge the following:

1. I am the authorized representative of the applicant and/or the property owner and that all information submitted to the SLDC pertaining to the subject property, including details regarding sources of funds, tax credit revenues, projected sale price(s) of any unit(s) involved and proposed uses of the subject property, are true, accurate and complete to the best of my knowledge and belief.
2. Tax abatement will not be implemented until all approved work is substantially completed. At that time, I acknowledge that I must contact the SLDC staff to complete the tax abatement process and provide staff with a copy of an occupancy permit for the property photographs of the completed project and the remainder of the tax abatement fee (if required). If this is not done, tax abatement will not be initiated, and the property is subject to a substantial increase in taxes based on improvements that have been made to it.
3. I will follow Ordinance Nos. 69427, 70767 and 71094, as may be amended or supplemented, pertaining to minority-owned and women-owned business participation, workforce development, and prevailing wage compliance, to the extent the provisions of those ordinances apply to the project. To the extent those ordinances apply, I also:
 - a. Acknowledge a SLDC representative shall be notified and permitted to attend formal bid openings. The Redeveloper or its selected general contractor shall provide the SLDC Minority Business Development and Compliance Office (“Office”) at least five business days’ notice of any bid opening specifying the date and time of opening and allow a representative of the Office to witness the opening of bids.
 - b. Understand that the designated general contractor shall meet in person or via a video media conference platform with the Office at least once every two months, unless otherwise agreed by the Office, from the bid opening process until all lien waivers have been approved to give updates on their progress towards meeting the participation goals and demonstrating Good Faith Efforts.
 - c. Agree to cause the general contractor to provide or upload to SLDC all construction sub-contracts entered into by prime contractors for construction work to be performed, as directed by the Office, and shall ensure that these requirements are incorporated into contracts with prime contractors and that the prime contractors and sub-contractors comply with these requirements.
 - d. Understand that in the event there is a failure to achieve the MBE and WBE utilization goals and workforce participation goals specified by SLDC or St. Louis Agency for Training and Employment (SLATE), liquidated damages may be imposed.

The undersigned believes the statements presented in this filing are true and correct to the best of my knowledge and belief, and that I am subject to the penalties provided under section 575.040 RSMo. for making a false declaration under Section 575.060 RSMo.

Applicant/Owner

Date

The Applicant hereby affirms that for all property owned in the City of St. Louis by Applicant, or an entity controlled by Applicant (any entity in which Applicant and/or Applicant's immediate family own more than 50% interest in any said entity) the following is accurate currently, and will remain accurate during the pendency of any period for which a development of Applicant receive an incentive from the City of St. Louis and/or the St. Louis Development Corporation and agencies it staffs or administers, such as LCRA, PIEA, or EEZ.: i) all property taxes have been timely paid, ii) no properties have an unresolved nuisance property complaint, and iii) no properties are on the Problem Properties List maintained by the St. Louis City Counselor's office and/or the St. Louis Department of Public Safety. In the event Applicant cannot so affirm, please identify in the space below the properties which do not meet the criteria above and any good cause to be considered to justify waiving these requirements.

Applicant/Owner

Date

Send completed application to the following:

**St. Louis Development Corporation
ATTN: Development Incentives
1520 Market St., Ste. 2000
St. Louis, MO 63103**

ADDRESS For-Sale Residential rehab					
BUILDING CHARACTERISTICS:					
Retail:			sq. ft.		
Office			sq. ft.		
Total commercial:		0	sq. ft.		
For-sale units:			sq. ft.		
Total "Saleable" Area:			sq. ft.		
Total # of Residential Units:					
Gross building area:					
Types/sizes of residential units:					
		<i>Anticipated</i>			
<i>BR/BA</i>	<i>SIZE IN SQ. FT.</i>	<i>SALE</i>	<i>#</i>	<i>TOTAL</i>	<i>TOTAL</i>
		<i>PRICE</i>	<i>UNITS</i>	<i>PROCEEDS</i>	<i>SALEABLE</i>
					<i>AREA:</i>
TOTAL SALES PROCEEDS:					
COSTS:					
USES					
Acquisition Costs					
Hard Construction Costs					
	Demolition				
	Construction/Rehabilitation				
	Site Work				
	Construction Contingency				
Soft Costs					
	Architectural/Engineering				
	Construction Permits				
	Project Management				
	Property Survey				
	Property Appraisal				
	Historic Consultant				
Financing Costs					
	Construction Period Insurance				
	Construction Period Interest				
	Construction Loan Fee				
	Construction Period Taxes				
	Title, Recording & Disbursing				
	Misc. Closing Costs				
	Accounting Fees				
Marketing Costs					
	Advertising & Promotion				
	Sales Literature				
	Contractor/Developer Profit				
Total Uses:		\$ -			
Per Square Foot					
SOURCES OF FUNDS--					
PERMANENT:					
Residential sales price/sq. ft.:			per sq.		

			ft.		
Residential sales proceeds:		\$0			
LESS: Commissions:		\$0	7.00%		
Commercial sales price/sq. ft.:			per sq. ft.		
Commercial sales:		\$0			
LESS: Commissions:		\$0			
Total sales proceeds:		\$0			
PLUS:	Historic Tax Credits	\$0			
Total proceeds:		\$0			
LESS: Total costs:		\$ -			
Total profit:		\$0			

SAMPLE

Analysis -

Financing Information	
Bank Loan Amount	
Interest Rate	6.00%
Amortization (Years)	1
Monthly Debt Service Payment	\$ -
	\$ -
TOTAL MONTHLY DEBT SERVICE PAYMENT	\$ -

Revenue & Expense Information	
Vacancy & Collection Loss Factor	5.00%
Monthly, Per-Unit Planned Annual Operating Expenses (less taxes)	\$ 183
Annual operating expense w/o tax:	\$ 4,388
Rent Inflation Factor	2.75%
Parking Inflation Factor	0.50%
Other Income Inflation Factor	0.50%
Expense Inflation Factor	2.25%
RE Tax Inflation Factor	0.00%
Residential Assessment Rate	19%
Commercial Assessment Rate	32%

Assessment Information	
State Historic Tax Credits?	X
Fed. Historic Tax Credits?	X
Residential?	
Commercial?	
Mixed?	

Tax Abatement Term:	
Current Assessment	\$9,080.00
Improvements (less acq. Cost)	\$100,000.00
Current Market Value	\$47,789.47
Future Market Value	\$147,789.47
Assessed-Value Calc for tax abated period	\$90.80
Assessed Value Calc without tax abatement	\$472.93

REAL ESTATE TAX PROJECTIONS:	
Total residential Market Value:	\$147,789
Valuation factor:	90.00%
Total residential value:	\$133,010
Residential assessment rate:	19.00%

Total residential assessment:	\$25,272
Commercial Market Value	\$0.00
Valuation factor:	90.00%
Commercial Value:	\$0.00
commercial assessment rate:	32.00%
Total commercial assessment:	\$0
TOTAL ASSESSED VALUE:	\$25,272
Tax @ \$8.64/\$100	\$4,048
LESS: Tax on purchase price:	(\$920)
Tax abated:	\$3,127
Debt supported @ 7%/25 years:	\$36,446

HISTORIC TAX CREDIT CALCULATOR	
Total cost less acquisition:	132,025
% eligible for historic tax credits:	95.00%
Eligible for historic tax credits? yes/no	no
State tax credit pricing rate:	84.00%
State tax credit proceeds:	\$31,355.94
Federal tax credit pricing rate:	84.00%
Federal tax credit "face value":	20.00%
Federal tax credit proceeds:	\$21,071
TOTAL HISTORIC CREDIT PROCEEDS:	\$52,427

Sources & Uses of Funds		PER DEVELOPER:
Sources		
Mortgage Debt		#DIV/0!
Owner Equity		#DIV/0!
Tax Credit Proceeds		#DIV/0!
		#DIV/0!
		#DIV/0!
Total Sources	\$ -	#DIV/0!
Uses		
Acquisition Costs	\$ 70,000	
Hard Construction Costs		
Construction: New		
Construction: Rehabilitation	\$ 120,000	
Construction: FFE		
Construction Contingency		
Construction Utilities & Deposits		
Soft Costs		
Design & Construction Mgmt.	\$ 4,800	
Developer fee		(Utilities)
Engineering		
Property Survey		
Market Study/Appraisal		
Permits	\$ 900	
Soft Cost Contingency		
Legal, Accounting, Professional fee	\$ 1,000	
Accounting Fees	\$ 2,000	
Consultant	\$ 2,100	
Financing Costs		
Construction Period Insurance	\$ 725	
Construction Period Interest		
Construction Loan Fee		
Construction Period Taxes		
Title, Recording & Disbursing	\$ 500	
Tax Credit Fees		
Marketing Costs		
Advertising & Promotion		
Sales Literature		
Miscellaneous		
Total Uses:	\$ 202,025	

PER ANALYSIS:		
Sources		
Mortgage Debt	\$ -	0%
Owner Equity	\$ -	0%
Tax Credit Proceeds	\$ -	0%
Total Sources	\$ 202,025	0%

DEVELOPER FEE CHECK:		
Acquisition costs:	\$ 70,000	
Development costs:	\$ 132,025	
Developer fee on acquisition @ 4%:	\$ 2,800	
Developer fee on development costs @ 15%:	\$ 19,804	
Total allowable developer fee:	\$ 22,604	
Total developer fee in proforma:	\$ -	
LESS: Equity or deferred developer fee:	0	
Actual developer fee:	\$ -	

Developer fee OK?	OK
(OK if actual is less than allowable.)	

CONSTRUCTION PERIOD INTEREST CHECK:		
Loan amount:	\$ -	
Construction period annual interest rate:	7.25%	
Average disbursement factor:	65.00%	
Construction period--months:	15.00	
Construction interest calculated:	\$ -	
Construction interest per developer:	\$ -	
Excess construction interest:	\$ -	
Construction interest OK?	TOO MUCH	
(OK if excess is <25% of calculated.)		

Unit Type	# of Units	% of Total	Area (SF)	Total SF	Monthly Income	Mo Rent	Annual Income
1 br/1 ba	1	33.33%	1,000	1,000	\$1,000.00		\$12,000
1 br/1 ba	1	50.00%	1,000	1,000	\$1,000.00		\$12,000
							\$0
Totals	2	50.00%	1000	2,000	\$2,000		\$24,000
Other Information				LESS: Vacancy:	5.00%	Total:	(\$1,200)
				LESS: Operating expenses:	\$183/unit/month	Total:	\$ (4,388)
				LESS: Real estate tax--purchase price:			
Years for Analysis	15			Net operating income:			\$18,412
Cost per Sq Ft (less acq)	\$66.01			At 1.25 debt service coverage:			\$14,730
				Debt supported:			\$14,262
				1	years		
				6.00%	interest rate		

ATTACHMENT "B"

Current Photos

ATTACHMENT "C"

Proposed Construction Plans

SUSTAINABILITY IMPACT STATEMENT

The St. Louis Planning Commission adopted a Sustainability Plan on January 9, 2013. The following chart lists selected Functional Categories and development related objective of the City's Sustainability Plan and the Mayor's related Sustainability Action Agenda. Please put an X next to each item applicable to your project. Then on the last page list all items that are applicable and briefly describe how your project is addressing each of these applicable items.

		Applicable	Not Applicable
I. URBAN CHARACTER, VITALITY AND ECOLOGY			
A1	Reinforce the City's Central Corridor as the dynamic "heart" of the region		
A3	Develop designated areas via incentives for "green" and technical industries		
A4	Increase riverfront development and provide safe public access and associated recreational activity		
A5	Provide development incentives to encourage transit-oriented development		
B1	Prioritize infill development to develop thriving compact communities/vibrant mixed-use main streets		
SAA	Make LRA land available at no cost for smart, productive, creative re-use of the land.		
B2	Update local street design standards and implement the Complete Streets Ordinance		
B3	Create Citywide, and multiple neighborhood-scale mobility plans		
B4	Discourage development that reduces transit, bike and pedestrian activities		
C1	Design public spaces and neighborhood streets as gathering spaces for people		
C5	Maintain public spaces and neighborhood streets		
D7*	Expand the City's urban tree canopy		
E1	Celebrate and increase activity along the Mississippi River		
E2	Remove/change infrastructure to improve riverfront access		
F1	Preserve and reuse buildings as a means of achieving sustainability		
F2	Continue to integrate preservation into the planning and building approval process		
F4	Protect historic properties vulnerable to foreclosure, tax forfeiture, or demolition		
F5	Promote the redevelopment of historic homes and commercial properties		

G1	Develop affordable homes in concert with long-range transit and development planning		
G2	Encourage mixed-use affordable housing in high amenity neighborhoods		
G4	Integrate low income housing into market-rate and mixed-use development		
G6	Experiment with new ways to create partnerships to build sustainable and affordable housing		
G8	Offer housing that is energy efficient and environmentally sustainable		
H4	Continue to remove site contamination and promote brownfields redevelopment		
I4	Ensure urban agriculture is a profitable, viable enterprise		
J4	Preserve neighborhood residential areas/commercial and mixed-uses on corners/major corridors		
J5	Increase the effectiveness of major commercial corridors		
J8	Incorporate sustainability in economic development programs		
II. ARTS, CULTURE AND INNOVATION			
A4	Encourage the development of affordable artist housing, studios and ventures		
A5	Diversify the City's range of arts, creative and innovative industries		
SAA	Build Phase II of CORTEX bioscience and technology research district		
C2	Facilitate development of arts, culture and innovative TODs		
C5	Target developing arts and cultural districts for streetscape and public space improvements		
E1	Use distinctive public art, architecture, landscape to build City and neighborhood identity		
F1	Revitalize existing and develop new arts and cultural facilities		
III. EMPOWERMENT, DIVERSITY AND EQUITY			
E4	Expand the capacity to create additional affordable housing units		
E5	Create pathways for qualified low-income families to become homeowners		
F1	Address blighting and environmental health hazards		
F6	Ensure the application of universal design and accessibility codes		

IV. HEALTH, WELL-BEING AND SAFETY		
A5	Plan and design buildings, spaces and environments for safety	
B5	Reduce exposure of lead-paint poisoning	
C1	Eliminate food deserts and improve access to fresh produce	
C3	Support urban agriculture opportunities in the City	
D4	Design buildings to encourage physical activity	
V. INFRASTRUCTURE, FACILITIES AND TRANSPORTATION		
A1	Advance the City as a transportation hub	
A2	Encourage transit oriented development	
SAA	Increase bike racks by 150%	
E3	Use pilot projects to explore ways to achieve net zero storm water discharge	
G2	Strive for the highest levels of energy efficiency and maximize clean energy in buildings	
G3	Ensure building and site development integrated with natural site ecology	
G4	Advance the use of high-efficiency building related water systems and technologies	
G5	Encourage re-use of materials and divert waste from land-fills	
G6	Provide healthy interior environments in commercial buildings	
VI. PROSPERITY, OPPORTUNITY AND EMPLOYMENT		
SAA	Require a sustainability impact statement for all new City development	
B1	Increase the inventory and availability of business and industrial real estate through environmental clean-up and land assembly	
B2	Encourage small scale redevelopment with economic incentives	
B4	Leverage the Mississippi River as an inexpensive transportation, drinking water and recreational resource	
C3	Focus on small and local businesses as a key part of the City economy	
C4	Re-use existing buildings for inexpensive incubation of entrepreneurial ideas	
D1	Pursue transit oriented development at MetroLink stations and major bus nodes to encourage more walking/fewer carbon emissions	
D5	Market and encourage living in the City to recent college graduates	

E3	Promote flexible development approaches by developers, land owners and business firms	
E4	Direct new commercial and mixed-use development to designated corridors and districts that demonstrate market support	
SAA	Create at least 8,500 new jobs at Ballpark Village, CORTEX, Carondelet Coke, St. Louis Army Ammunition Plant and North Riverfront	
G3	Foster innovation	
SAA	Remediate and prepare at least 40 vacant properties for redevelopment	
SAA	<i>Please comment in what ways you believe the Mayor's Sustainability Action Agenda overlaps with your successes on your project.</i>	

Tax Abatement Processing Fee Schedule LCRA/PIEA/EEZ

The LCRA/PIEA/EEZ Boards have adopted the following fee schedule for processing tax abatement:

1. Fixed Fees:

COMMERCIAL OR MIXED-USE PROJECTS

Commercial or Mixed-use projects with expected development costs of less than \$1 million – \$500 application fee plus 0.15% of all costs associated with the new improvements to the property, including soft costs, but not including Furniture, Fixtures and Equipment (F, F & E) due at the time Tax Abatement is implemented.

Commercial or Mixed-use projects with expected development costs of more than \$1 million – \$1,000.00 application fee plus 0.15% of all costs associated with the new improvements to the property, including soft costs, but not including F, F & E due at the time Tax Abatement is implemented.

RESIDENTIAL PROJECTS

Development cost	< \$200,000	\$200,000 - \$500,000	\$500,000 - \$1,000,000	> \$1,000,000
Due with the Application, based on anticipated Development cost	\$200 fee	\$300 fee	\$500 fee	\$1,000 fee
Due at substantial completion of the project when Tax Abatement is implemented, based on actual Development cost	\$200 per unit	\$300 per unit	\$400 per unit	0.1% of all costs associated with the new improvements to the property, including soft costs, but <u>not</u> including F, F & E

2. Recording Fees: In addition, the cost of recording will be charged for all projects requiring transfer of title to initiate Tax Abatement.

All checks should be made payable to the order of the Land Clearance for Redevelopment Authority (LCRA).

ATTACHMENT "F"

Secretary of State Certificate in Good Standing of Redeveloper
(for projects over \$1 million)

TAX ABATEMENT
EVALUATION
FACTORS

In addition to the length of tax abatement supported by the Alderman of the ward, the SLDC staff considers many factors in determining its recommendation to the LCRA Board for a property(s). Factors considered (but are not limited to) include:

1. Condition of property
2. Condition of nearby properties
3. Residential Tax Abatement Map (for projects less than \$1 million)
4. Proposed use
5. Sustainability objective including energy standards
6. Consistency with current zoning
7. Consistency with City's Strategic Land Use Plan
8. Design of proposed development
9. Redeveloper's pro forma including financial analysis and anticipated redeveloper's profit

Proposals that involve LIHTC's are usually recommended for 15-year tax abatement to coincide with the tax credit requirements.



