Springfield Land Clearance for Redevelopment Authority
Tuesday, July 2, 2019
Conference Room 2-West, Busch Municipal Building

1. **Call To Order**

2. **Roll Call**

3. **Approval Of Minutes**

   3.I. **Minutes -June 4, 2019**

   Documents:

   MINUTES LCRA JUNE 4 2019.PDF

4. **New Business**

   4.I. **Request To Recommend The Ridge At Ward Branch Redevelopment Area Be Declared A Blighted Area Pursuant To Sections 99.800-865, RSMo, The Real Property Tax Increment Allocation Redevelopment Act (TIF Act); RW Developments, LLC, Applicant**

   Documents:

   RIDGE AT WARD BRANCH BLIGHT STUDY 06182019.PDF

   4.II. **Memo To LCRA June 2019**

   Documents:

   MEMO TO LCRA JUNE 2019.PDF

5. **Other Business**

6. **Adjourn**

Springfield Land Clearance for Redevelopment Authority

Tuesday, June 4, 2019 at 4:00 PM
Conference Room 2-West, Busch Municipal Building

Minutes

1. Call to Order

2. Roll Call

   Present: Ryan Cosby, Allen Grymes, Steve Jackson, and Nancy Herchenroeder
   Absent: Sarah Kerner and Dan Scott
   Others Present: John McQueary, Hotel Vandivort Owner and Matt Wine, Spence Fane

   Staff: Matt Schaefer, Bill Weaver, Judy White, and Tom Rykowski

3. Approval of Minutes

   a. Minutes – April 2, 2019

   Nancy Herchenroeder made a motion to approve the April 2, 2019 Minutes. Ryan Cosby seconded the motion. Motion was approved (4-0)

4. New Business

   a. Request for Real Property Tax Abatement for Redevelopment Project located inside the Downtown Redevelopment Area at 260 E. McDaniel Street, MBH2, LLC, Applicant. Resolution No. 2019-3260

   Allen Grymes made a motion to approve the application for Real Property Tax Abatement for the Redevelopment Project. Nancy Herchenroeder seconded the motion. Motion was approved (4-0)

RIDGE AT WARD BRANCH
TAX INCREMENT FINANCING
QUALIFICATIONS ANALYSIS

June 18, 2019

PGAV PLANNERS

ST. LOUIS, MISSOURI

TABLE OF CONTENTS

SECTION/SUB-SECTION TITLE **PAGE NUMBER**

SECTION 1 INTRODUCTION

Concept of Tax Increment Financing 1
The Redevelopment Area 2

SECTION 2 ANALYSIS OF BLIGHTED AREA FACTORS

Introduction 5
Existing Conditions 5
Defective or Inadequate Street Layout 5
Unsanitary or Unsafe Conditions 7
Deterioration of Site Improvements 7
Existence of Conditions which Endanger Life or Property by Fire and Other Causes 10
Economic Liability 10
Menace to the Public Health, Safety, Morals or Welfare 11
Summary 11

APPENDIX

Existing Conditions Photos

SECTION 1
INTRODUCTION

CONCEPT OF TAX INCREMENT FINANCING

In pursuit of the redevelopment of a declining area or to induce the development of an area that has been deficient in growth and development, the State of Missouri provides various statutory tools that a municipality may utilize in order to facilitate private and public development and/or redevelopment. One such tool is tax increment financing ("TIF"), as provided for in the Real Property Tax Increment Allocation Redevelopment Act (R.S. MO. Sections 99.800 to 99.865, as amended) (the "TIF Act"). The TIF Act provides for approval of plans and projects for the redevelopment of designated "redevelopment areas." In order to establish a redevelopment area, the municipality must make a finding that such area, on the whole, is one of the following types of areas as defined by the TIF Act:

- Blighted Area;
- Conservation Area; or
- Economic Development Area.

A redevelopment area cannot be established without the adoption of a "redevelopment plan," which outlines the comprehensive program of redevelopment that will reduce or eliminate the conditions which cause the redevelopment area to qualify as one of the aforementioned areas.

Generally, TIF utilizes the incremental increase in tax revenues generated within the boundaries of the designated redevelopment area to assist in the financing of certain eligible costs of completing "redevelopment projects" in the implementation of the redevelopment plan. Bonds or other financial obligations can be issued to fund the redevelopment project costs, which are subsequently retired using the incremental revenue generated from the new development. Alternatively, a municipality may finance project costs on a "pay-as-you-go" basis, utilizing revenues as they are generated, to fund projects.

During the period in which TIF is in effect (up to 23 years from the date of adoption of the ordinance approving the redevelopment project, as provided by the TIF Act), all of the taxing districts that levy ad valorem real property taxes within the redevelopment area continue to receive all of the real property taxes that they had been receiving prior to the adoption of the TIF; such revenues are based upon the tax rate applied to the property assessment values in effect prior to the adoption of TIF. These taxing districts also receive one hundred percent (100%) of the new revenues generated by the Commercial Surcharge levied against commercial property and one hundred percent (100%) of new personal property tax revenues.

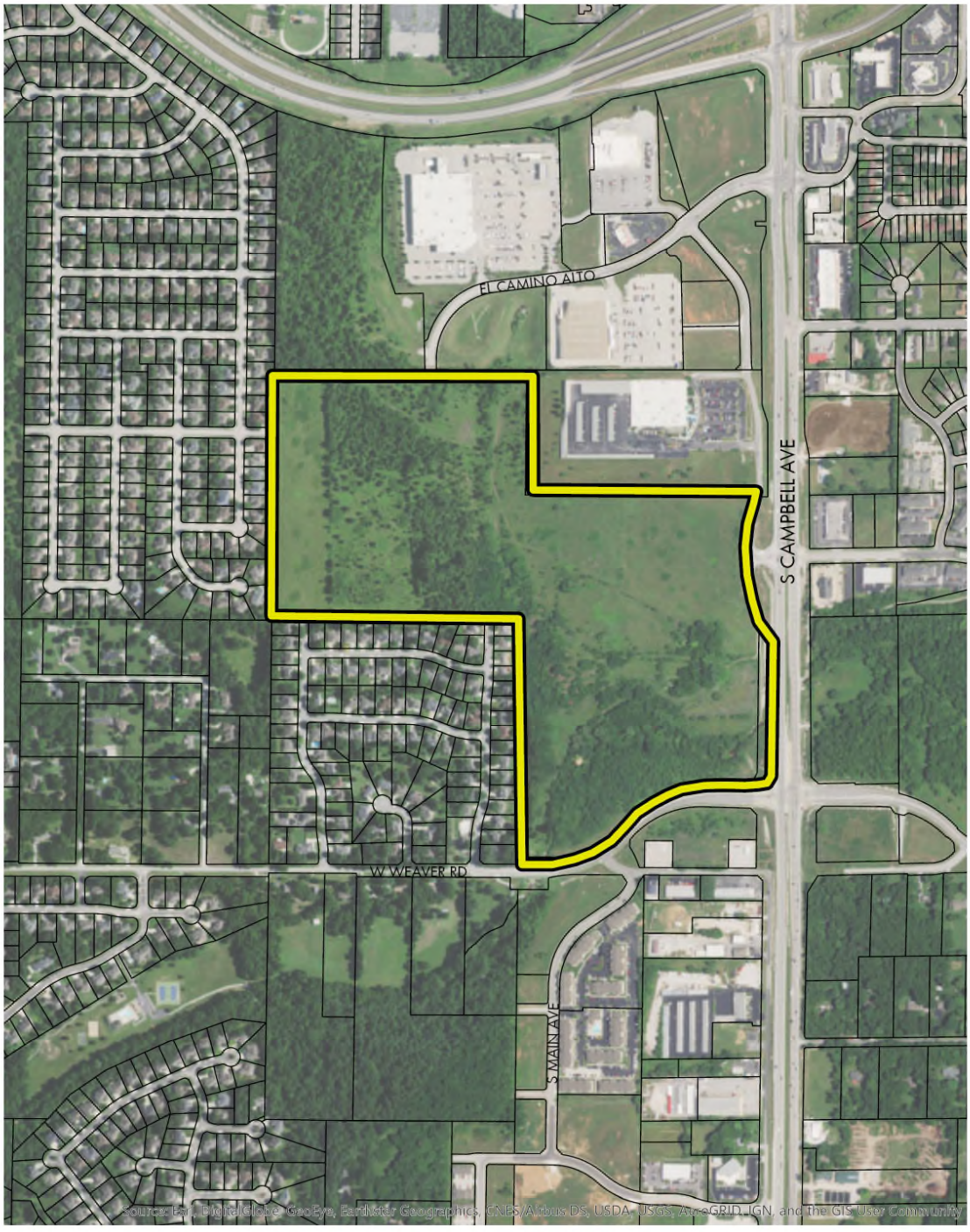
Local taxing districts which levy economic activity taxes (e.g. sales and utility taxes) continue to collect the amounts of these taxes that existed prior to the implementation of the TIF, and also collect fifty percent (50%) of the new economic activity taxes generated within the redevelopment area.

The TIF Act requires a municipality seeking to create a redevelopment area to establish a TIF Commission. In the City of Springfield (the "City") located in Greene County (the "County"), the TIF Commission consists of eleven members, six appointed by the chief executive officer of the City, two appointed by the Presiding Commissioner of the County, two appointed by the school district, and one appointed jointly by all other taxing districts. The TIF Commission's role is to review, consider and make recommendations to the City Council regarding proposed redevelopment plans, redevelopment projects and redevelopment areas.

THE REDEVELOPMENT AREA

The Ridge at Ward Branch Redevelopment Area (hereinafter referred to as the "Redevelopment Area" or "Area") is located within the City. The Area consists of one whole parcel (the "Area") having parcel identification number 1814400125 and contains approximately 90 acres of land. The Area is graphically depicted on the map on the following page.

The Area was an operating farm until approximately 10 years ago after which time it appears to have been abandoned. As the Springfield area grew over time, the Area has become surrounded by commercial and residential development. The Area is currently subject to three zoning designations, Office District 1, General Retail, and Medium-Density Residential. A map showing the existing zoning for the Area is included on page four. These zoning designations reflect the predominant land use categories in the vicinity of the Area. That the Area has not yet developed in conformance with the zoning designations to which it is subject is the result of several factors and existing conditions that challenge, frustrate, and impede development plans. These conditions are described in the following pages.

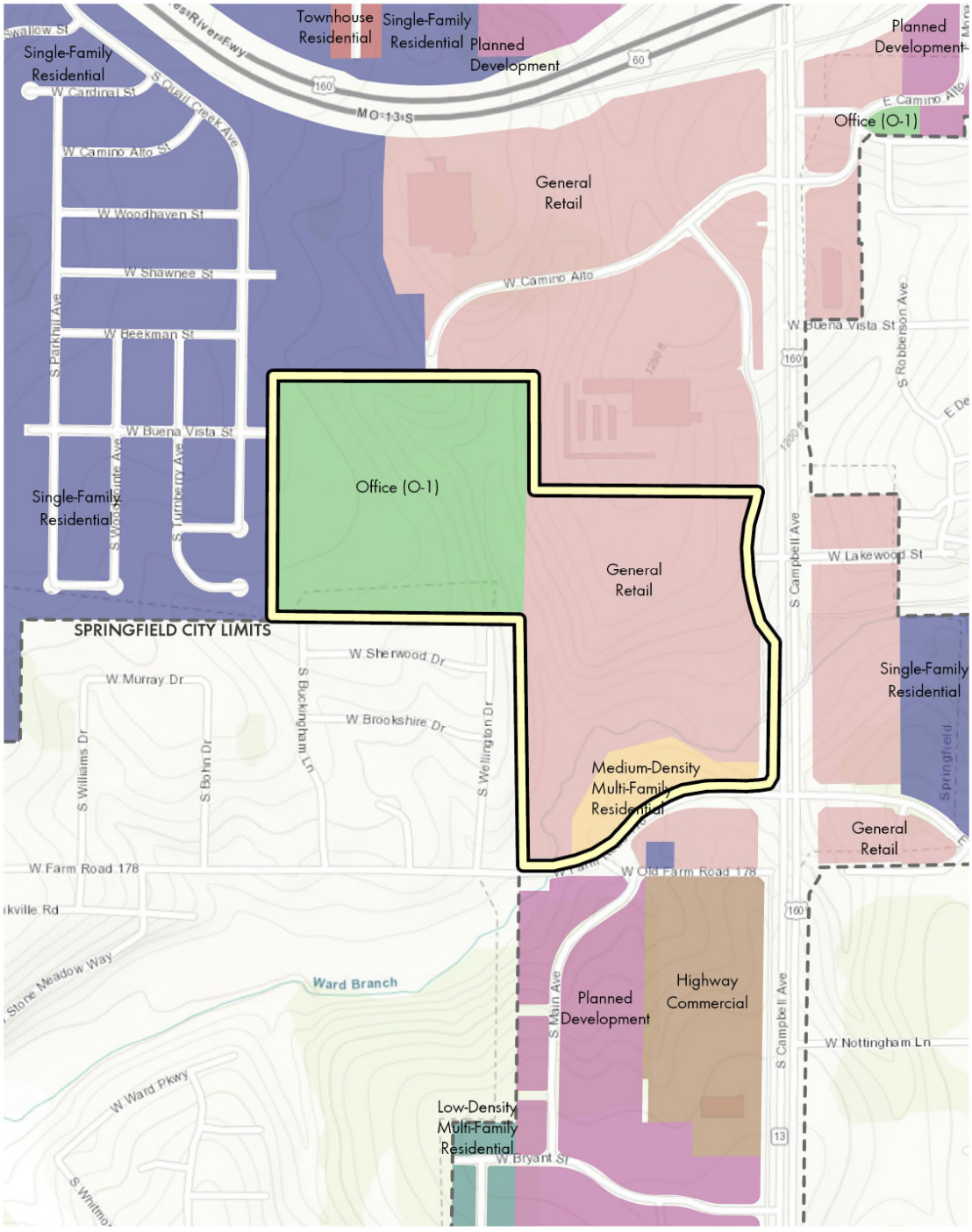


REDEVELOPMENT AREA BOUNDARY
Springfield, Missouri

PGAV PLANNERS LLC

0 500 1,000
Feet

N



REDEVELOPMENT AREA ZONING
Springfield, Missouri

PGAV PLANNERS LLC

0 500 1,000 Feet

N

SECTION 2
ANALYSIS OF BLIGHTED AREA FACTORS

INTRODUCTION

This Section documents the conditions that were found to be present in the Area and contains the analysis of how such conditions cause the Area to be a "Blighted Area" according to Section 99.805 of the TIF Act. The TIF Act defines a "Blighted Area" as follows:

> *"Blighted area", an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of such conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use; (R.S. MO 99.805(1))*

As such, blight conditions may be physical, such as "unsanitary or unsafe conditions," "deterioration of site improvements" or "the existence of conditions which endanger life or property by fire and other causes," or functional, such as "defective or inadequate street layout" or "improper subdivision or obsolete platting."

This analysis is based upon on-site investigations of the Area conducted by PGAV Planners staff in February 2019. PGAV Planners staff relies upon its extensive experience, knowledge of the real estate market, and professional expertise in the preparation of this analysis. Photographs illustrating representative blighting conditions were taken during the site visits and some of these photographs are displayed in the Appendix. This report will not reflect changes in conditions or events that have occurred subsequent to the date of the last site visit.

EXISTING CONDITIONS

As indicated above, PGAV Planners staff conducted field investigations of observable conditions in the Area. During these field investigations, both physical and functional conditions were observed.

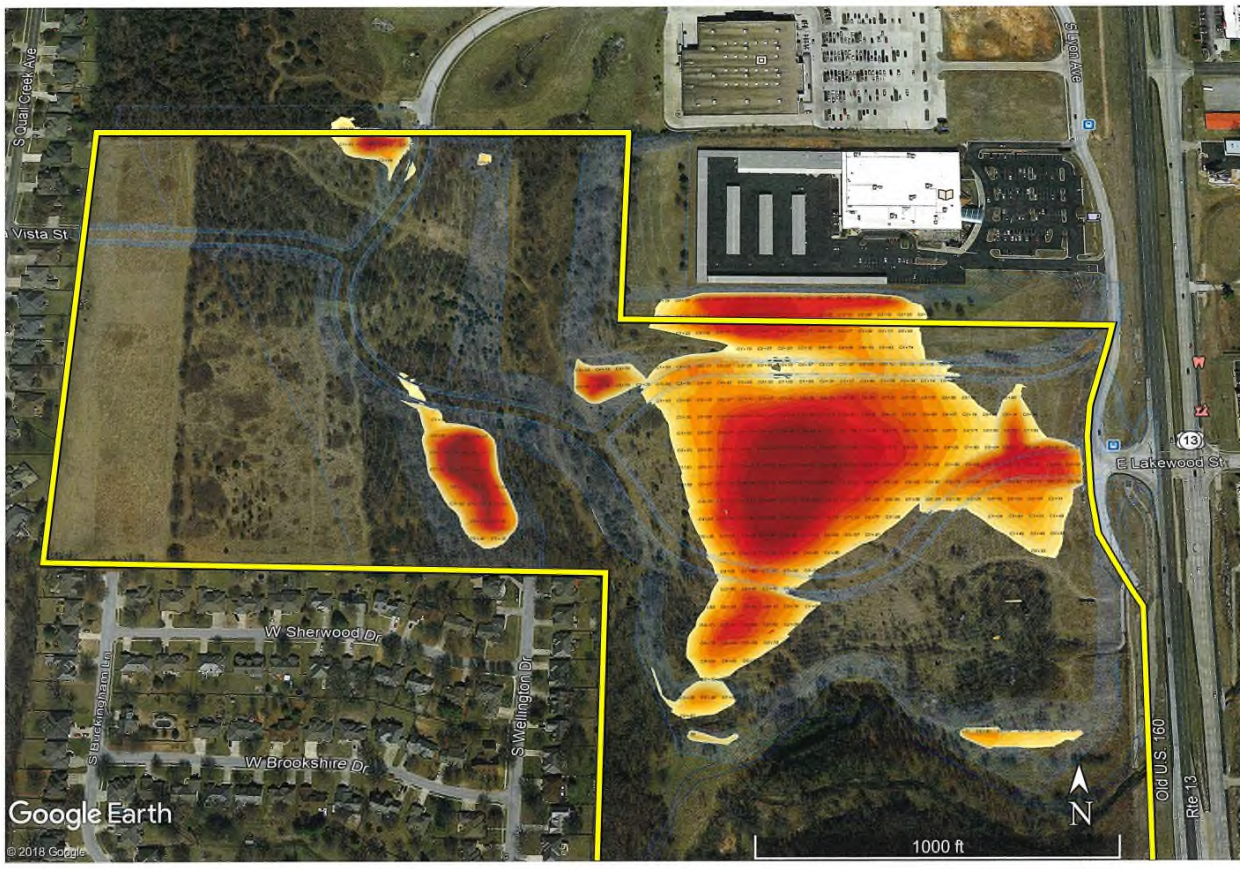
DEFECTIVE OR INADEQUATE STREET LAYOUT

For a site to be served by a proper and adequate street layout it should be easily accessible from nearby streets. This street network should provide for vehicular access, public transit, pedestrians, bicyclists, service and delivery vehicles, as well as emergency vehicles and equipment. Proper planning for an intuitive flow of automobile traffic decreases the frequency and severity of accidents. In addition, a proper internal street layout allows for pedestrians to move about safely. The design of effective and adequate street layouts must account for both the automobile and the pedestrian and decrease the conflict points between each.

Summary of Findings Regarding Defective and Inadequate Street Layout:

During the site visit, PGAV Planners staff both drove and walked the Area and surroundings to determine if the street layout was defective or inadequate. The following are the defective and inadequate conditions observed:

- The predominant characteristic of vehicular access to and through parcels within the Area is that of over-grown, narrow tracks that are difficult to find and difficult to navigate.
- The predominance of the Area lacks any road access.
- Due to the Area's topographic issues, the Area is not served by adequate or appropriate access.
- The construction of an adequate street layout is impeded by topographic issues and bedrock throughout the Area.
- The construction of an adequate road network within the Area is challenged by the amount of subsurface rock that must be removed in order to accommodate orderly development and the construction of an adequate road network. The image below shows, in red, the portions of the Area from which rock must be removed.



UNSANITARY OR UNSAFE CONDITIONS

Unsafe conditions are evidenced by a lack of proper public infrastructure adequate for ensuring the public's health and safety by properly addressing flooding or other infrastructure deficiencies and are contributed to by the deterioration of site improvements.

Summary of Findings Regarding Unsanitary and Unsafe Conditions:

- The Redevelopment Area is a large area that contains unsecured structures. The deteriorated and abandoned structures within the Area are open to the elements and to entry. The condition of these structures makes them unsafe for entry.
- The unsecured structures within the Area present an opportunity for vandalism, theft, and other criminal activity.
- The Area has evidently been subject to dumping. In several instances throughout the Area, piles of refuse, broken equipment, machinery, fallen utility poles and other material may be observed indicating a lack of care, attention, and presenting an unsafe condition.

DETERIORATION OF SITE IMPROVEMENTS

Deterioration may be evident in buildings with defects in the primary and secondary building components, where the defects cannot be cured in the course of normal maintenance. Primary building components include the foundation, exterior walls, floors, roofs, wiring, plumbing, etc. Secondary building components include the doors, windows, frames, fire escapes, gutters, downspouts, siding, fascia materials, etc. Deterioration may also be evident in buildings with sound primary and secondary components, due to such things as a lack of painting, loose or missing roof tiles, floor or ceiling plates, or holes and cracks over limited areas.

Summary of Findings Regarding Deterioration of Site Improvements:

- Deteriorated fencing whose wooden material has rotted and has become warped and broken;
- Deteriorated and rusted metal wall material;
- Deteriorated roofing material, siding and fascia indicated by warped components and the presence of mold and rust;
- Deteriorated bricks and mortar in primary structural components;
- Deteriorated wooden structural frame material; and
- Deteriorated, abandoned, and dilapidated structures.

Structures within the Area are shown on the aerial images on the following two pages.

AERIAL IMAGERY
Springfield, Missouri

PGAV PLANNERS LLC

0 300 600
Feet

N

LOCATION OF STRUCTURES
Springfield, Missouri

PGAV PLANNERS LLC

0 300 600
Feet

N

EXISTENCE OF CONDITIONS WHICH ENDANGER LIFE OR PROPERTY BY FIRE AND OTHER CAUSES

The existence of conditions which endanger life or property by fire and other causes includes such circumstances as structures in danger of collapse, the lack of modern life safety measures, physical deficiencies which could cause harm, the existence of hazardous conditions that could cause a fire or hinder the suppression of a fire, or potential flooding conditions which could threaten life or property.

Summary of Findings:

The aforedescribed unsanitary and unsafe conditions within the Area give rise to conditions which endanger life or property by fire and other causes. The property's overall vacancy and the unsecured structures within the Area present a fire hazard. Vacant structures are more likely to be intentionally set ablaze than those that are occupied. Fires in vacant structures account for a disproportionate amount of structure fires in which firefighters are injured. Vacant structures present a hazard for firefighters as the interior may have damage or deficiencies about which people may be unaware and about which people may be unable to alert firefighters. [1]

ECONOMIC LIABILITY

The Area, by reason of both a predominance of each of, as well as a combination of unsanitary and unsafe conditions, deterioration of site improvements, and the existence of conditions which endanger life or property by fire and other causes, constitutes an economic liability. The Redevelopment Area, in its present condition and use, is underutilized. The conditions described herein are a deterrent to future investment and development in the area. The Area does not generate a reasonable level of revenue for the City, given the Area's location. Although located in a prime location for residential and/or commercial development (as indicated by its zoning designations), the Area continues to be undeveloped and this present condition is a direct result of the aforedescribed factors. The Area does not generate the property tax revenues commensurate with nearby properties and neither does it generate any sales tax revenues as do other improved commercial retail properties in the immediate vicinity. As such the Area does not generate the level of revenue for the City and the other taxing districts proportionate to the level of services provided by such taxing districts, compared to the revenue of similarly situated commercial properties. Property improved for commercial and residential uses similar to those contemplated in this Redevelopment Plan, produce significant amounts of ad valorem, personal property, and sales tax revenue.

[1] National Fire Protection Association, "Fires in Vacant Buildings." February 2018

MENACE TO THE PUBLIC HEALTH, SAFETY, MORALS OR WELFARE

The Area, by reason of both a predominance of each of, as well as a combination of unsanitary and unsafe conditions, deterioration of site improvements, and the existence of conditions which endanger life or property by fire and other causes, constitutes a menace to the public health, safety, morals or welfare. The deteriorated and unsanitary conditions in the Area constitute a menace to public health and safety.

SUMMARY

The Area, on the whole, is a "Blighted Area," as such term is defined in the TIF Act. The Area meets the requirements for a Blighted Area, exhibiting factors including, but not limited to:

- Defective or Inadequate Street Layout
- Unsanitary and Unsafe Conditions;
- Deterioration of Site Improvements;
- Existence of Conditions Which Endanger Life or Property by Fire and Other Causes.

The aforedescribed conditions constitute an economic liability and a menace to the public health, safety, morals or welfare in the Area's present condition and use.

APPENDIX

EXISTING CONDITIONS PHOTOS

Photo of conditions indicative of:
Unsanitary or Unsafe Conditions
Deterioration of Site Improvements
Existence of Conditions Which Endanger Life or Property by Fire and Other Causes

Photo of conditions indicative of:
Unsanitary or Unsafe Conditions
Deterioration of Site Improvements
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Deterioration of Site Improvements
Existence of Conditions Which Endanger Life or Property by Fire and Other Causes

Photo of conditions indicative of:
Defective or Inadequate Street Layout

Photograph of vehicular access within Area.

Photo of conditions indicative of:
Unsanitary or Unsafe Conditions
Existence of Conditions Which Endanger Life or Property by Fire and Other Causes

Photographs showing dumped, abandoned equipment/appliance and dilapidated building material.

Photo of conditions indicative of:
Unsanitary or Unsafe Conditions
Existence of Conditions Which Endanger Life or Property by Fire and Other Causes

Photographs showing evidence of trespassers camping within the Area.

Photo of conditions indicative of:
Unsanitary or Unsafe Conditions
Deterioration of Site Improvements
Existence of Conditions Which Endanger Life or Property by Fire and Other Causes

Dilapidated structural components within the Area.

MEMORANDUM

DATE: June 26, 2019

TO: Land Clearance for Redevelopment Authority

FROM: Sarah Kerner, Economic Development Director

RE: Blight Report for The Ridge Tax Increment Financing Redevelopment Plan

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The City of Springfield is considering establishment of a Tax Increment Financing (TIF) District to facilitate redevelopment of approximately 90 acres at the northwest corner of South Campbell and Weaver Road. A portion of the incremental increase in sales and property taxes generated by new development will be used to reimburse the developer for public infrastructure costs. An integral part of the TIF Redevelopment Plan is the attached Blight Qualification Study.

The City's Economic Development Incentives Policy Manual contains the following policy related to the use of TIF:

"Proposed blight studies for TIF districts must be reviewed by the Land Clearance for Redevelopment Authority and TIF Commission for their recommendations regarding blight."

Staff and a representative of the developer will be at your July 2 meeting to discuss this project.

Department of Planning and Development
840 Boonville Ave • P.O. Box 8368 • Springfield, Missouri 65802
(417) 864-1031 • Fax: (417) 864-1030 • springfieldmo.gov

CITY OF Springfield