Springfield Land Clearance for Redevelopment Authority

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

Agenda

1. Call to Order

2. Roll Call

   Present: Ryan Cosby, Allen Grymes, Steve Jackson, Nancy Herchenroeder, and Dan Scott
   Absent: None
   Others Present: Katie Kull, Springfield News-Leader; Charles and Micki Dischinger, Landowner; Linda Simkins, Public; Trip Rhodes, Developer; Phil Williams, Developer; Andy Struckhoff, PGAV; and Nick Irmen, Spencer Fane
   Staff: Sarah Kerner, Matt Schaefer, Bill Weaver, Nick Woodman and Judy White

3. Approval of Minutes

   a. Minutes – June 4, 2019

      Ryan Cosby made a motion to approve the June 4, 2019 Minutes. Nancy Herchenroeder seconded the motion. Motion was approved (5-0)

4. New Business

   a. 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. Resolution 2019-3261.

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Overview of the blight application was presented to the Commission by Andy Stuckhoff, Vice President, PGAV.

Steve Jackson, Commissioner asked Mr. Stuckhoff which factors of blights were they submitting to show blight? Mr. Stuckhoff replied:

1) Unsanitary or Unsafe Conditions
2) Deterioration of Site Improvements
3) Existence of Conditions which Endanger Life or Property by Fire or Other Causes
4) Defective or Inadequate Street Layout

Steve Jackson and Dan Scott stated that they did not believe this met the standards of blight. Dan Scott reference the attached memo that he sent to the Commission.

Allen Grymes, Commissioner stated that the question for his decision is whether this is blighted or prime land waiting to be developed.

Dan Scott stated that he supports the TIF but not the blight. We go by the statutory definition not by the dictionary definition of blight and this does not meet that definition.

Steve Jackson also stated that he feels this is a stretch to use what's there for the blight vehicle and that he's struggles with declaring this blighted. Mr. Jackson also asked if a TIF was used to the north at James River Commons?

Sarah Kerner replied that only a CID was used and not a TIF.

Charlie Dischinger asked to speak, he stated that he lives south of this property on North Branch and is very concerned about flooding with Ward Creek that already has problems and increasing the runoff will create more problems. This is just an unoccupied farm land and is not blight.

Steve Jackson stated that he is fully behind the development and it is the highest and best use of that tract but just can't blight vacant land.

There was a question from the Commission of whether a motion needed to be made or with no motion it was an automatic denial. Nick Woodman, Assistant City Attorney explained that an affirmation motion by the Commission needs to be made so the vote will reflect either an approval or denial of said motion.

Ryan Cosby made a motion to approve the 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). Allen Grymes seconded the motion. Motion was denied (0-5).

5. Adjourn at 4:29 p.m.

DANIEL E. SCOTT, AIA, MBA

July 2, 2019 (via email)

Sarah Kerner, Economic Development Director
City of Springfield Missouri

Dear Sarah,
Tom asked me at a previous meeting to give advanced notice of proposals I would not be supporting. Today's proposal is in that category. While my overwhelming support of tax incentives will keep me from voting against it, I will abstain my vote for the measure unless affirming information can be presented.

In short, this proposal is what gives tax incentives a bad name. It is the epitome of a "wink and a nod" blight that give this critical tool a bad name in the eyes of many. Specifically, using weak arguments of dilapidated farm structures as Unsanitary and Unsafe Conditions and farm paths as Defective and Inadequate Street Layouts to justify bight is untenable, and an abuse of the blight statute.

I am equally concerned that the accompanying memo you presented to seemingly justify the proposal pointed out the LCRA blight review requirement in the Policy Manual without also pointing out that a TIF could be presented as an Economic Development incentive without needing a blight designation.

In my opinion, this belongs at Council as a straight economic development proposal, not LCRA as a blight incentive. This, of course, would require the use of a bit of political capital to achieve; but the willingness of staff and Council to present this as a valuable development worthy of a TIF is where this proposal should be. This approach would keep reputation of the use of blight intact as well.

I have spent the better part of a year and one half gradually presenting thoughts and evidence to Dr. Jungman, Regina Cooper, and, to a lesser extent, Dr. Higdon--whose organizations are the top three recipients of property tax revenue. My goal is to convince them they should be supporting tax abatement as a long-term benefit to their organization, instead of fighting it as a short-term loss of revenue. While I'm making progress while this goal, I see proposals like the Ridge at Ward Branch to be the type to tarnish the reputation of blight and tax abatement.

As in all things, I reserve the right to be wrong in my assessment and will look forward to today's presentation to see if it can shed light on my assumptions in order to change my mind and vote.

Best Regards,

Dan Scott, AIA, MBA
LCRA Commissioner

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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.

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