

University City TIF: An Opportunity for Development

University City seeks to use this unique opportunity to bring attention to and reinvest in the 3rd Ward and Olive Boulevard, a part of the city that has long been neglected. The City envisions a healthy, vibrant, stable residential neighborhood north of Olive that is racially and economically inclusive. TIF revenues will be used to improve quality of housing, increase homeownership opportunities, and improve the overall quality of life in the neighborhood. In tandem with this outcome, Olive Boulevard will see further investment and growth, and reach its full potential as a unique, accessible, and thriving commercial corridor that serves the community.

Revenues generated by the primary commercial development portion of the TIF (Redevelopment Plan Area 1), which would not be available otherwise, will be transferred to other parts of the community through investment in the 3rd Ward (RPA 2) and Olive Boulevard (RPA 3). The long-term benefits of the TIF will go beyond the currently anticipated redevelopment to the school district, business districts, and the whole of University City. These benefits include higher property values for the whole of the city, increased revenue for city services, and consequently improved neighborhood stability and quality of life for the residents.

Description of Tax Increment Financing (TIF):

TIF is a tool for economic development provided under Missouri law that may be implemented by local municipalities. The purpose of TIF is to induce development in an area that has been declining or has been deficient in growth and development. Once the area is defined, a redevelopment plan is adopted to address the conditions that have led to a lack of development. The Council must conclude that development would not happen but for the use of TIF as an incentive to the developer.

In a TIF district, taxing districts (city, school board, library, etc.) continue to receive certain taxes at the level they were before the TIF was initiated. For the duration of the TIF (maximum 23 years), any increase in real property taxes is put in a fund and used to pay costs associated with the redevelopment project. This fund also receives 50% of new economic activity taxes generated (sales taxes) within the redevelopment area. After 23 years, the taxing districts begin collecting 100% of the then-current taxes (see graphic). TIF does not capture personal property taxes.

University City Development:

University City is seeking to use the TIF in a unique way to accomplish a broad strategy of redevelopment, beyond the development of just a new retail area. The City intends to use some of the funds from the retail development in RPA 1 to fund redevelopment activities in RPA 2 and RPA 3.

As noted above, the proposed TIF has three Redevelopment Project Areas (RPAs): RPA 1, RPA 2, and RPA 3 (See map).

RPA 1 (Olive/170): This area is the site of a proposed new commercial development west of McKnight and Woodson, on the north and south sides of Olive, including a national “anchor” tenant (a big box retailer). This area will generate the majority of the funds for the TIF through property and sales tax increases.

RPA 2 (primarily residential areas north of Olive): This area includes all of University City north of Olive Boulevard. This predominantly residential area will be the focus of a strategic plan to increase housing

values, promote economic diversity, encourage homeownership, convert renters to owners, and stabilize and invigorate the 3rd Ward.

RPA 3 (Olive Commercial Corridor): This area includes all of Olive Boulevard east of McKnight/Woodson. The north and south sides of Olive Blvd are included. Using funds generated by the TIF, the City will implement a strategy to stimulate economic development along Olive Boulevard based on a Master Plan for the corridor.

Redevelopment Projects

RPA 2 (3rd Ward Residential):

- Housing rehabilitation and other housing activities
- Neighborhood Improvements
- Acquisition of residential property
- Landscaping
- Demolition
- Park development
- Construction of housing
- Renovation of commercial properties

RPA 3 (Olive Blvd Commercial)

- Renovation of commercial property
- Acquisition of commercial property
- Demolition
- Public improvements
- Landscaping
- Park development
- Construction for commercial uses