



**Creekside  
Development Incentives**

**March 19, 2019**

**Parkville Board of  
Aldermen**

1

**Project Summary**

### Creekside: I-435 and 45 Highway



**A. Southeast Corner:**

- **The Meadows at Creekside (SEC – Phase I)**
  - 101 Single Family Lots
  - 96 Townhome units (24 buildings)
  - 216 Apartment units
- **Old Town at Creekside (SEC – Phase II)**
  - 1 Hotel with 120 Rooms
  - 100 Apartment Units
  - 136,400 sq ft of restaurant, grocery, retail, bank
  - 38,000 sq ft public green space

**B. Northwest Corner:**

- **Creekside Commons (NWC)**
  - 3 Hotels with 320 Rooms
  - 48,300 sq ft of restaurant, retail, and fuel sales
  - 50 residential units
  - 15,000 sq ft pharmacy/medical office
  - 6 competitive baseball fields
  - Cemetery
- **The Woods at Creekside/Creekside Village (NWC)**
  - 114 Single Family Lots
  - 176 Townhome units (44 buildings)

**C. Southwest Corner:**

- **Creekside Industrial (SWC)**
  - 29 industrial lots

3

### Aerial View / Old Town and The Meadows at Creekside



4

### Old Town Architecture



5

### Old Town



6

### Town Center - Old Town at Creekside Typical Tenants/Users



- Operators that represent Marriott/Hilton/IHG
- Small grocery store concept
- Sports Bars
- Wine Bars
- Quick Service Restaurants
- Fast Casual Restaurants
- Bar & Grills
- Barbeque Restaurant
- Bank
- Yoga Studio
- Fitness Gym
- Chiropractor
- Ice Cream concept
- Donut Shop
- Coffee Shop
- Pickle Ball concept
- Bocce ball concept
- Splash Pad
- Gathering space
- Boutique movie theater

7

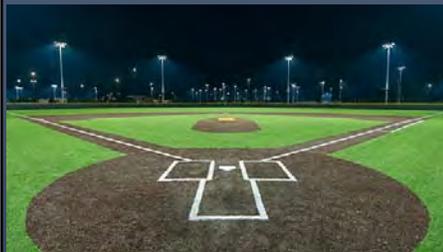
### Competitive Ballfields



6 college sized turf fields that have adjustable base paths and fencing to allow for all age groups.

An estimated 3,000 teams per season (26 weeks) will use the complex in tournament situations.

- 25% - 75% of those teams will travel from out of area and require overnight housing
- 15 rooms on average per team
- 865 rooms required per weekend



Showcase events, scouts, recruiters, and ancillary personnel can result in demand in excess of 900 hotel rooms on some weekends.

The complex can also be used for club practices, softball leagues, and small college tournaments early in the season and when not booked for tournaments.

8

### Creekside Meetings with Taxing Districts

- Discussions with the School District
  - Excluded residential real property from TIF Plan
  - Reduced PILOTs from 100% to graduated PILOTs scale
  - Met with District on multiple occasions
    - September 4
    - October 8
    - November 6
    - November 19
- South Platte Fire
  - February 12
- Mid-Continent Public Library
  - February 22

9

### History of the Redevelopment Site

- In 2000, Parkville annexed the site via Ordinance 1874 to have control over future development in the area.
- In 2006, in response to development plans for the site, the City created the Brinkmeyer NID and Brush Creek NID to create public road and sewer infrastructure.
- Due to a variety of factors, including the 2000 recession, private development did not occur on the site.
- In 2016, the City foreclosed on the site for nonpayment of the NID special assessment and acquired the property.

10

## History of the Redevelopment Site

- Large ravine in southwest corner requiring \$3.5 million in site work
- Difficult to find developers willing to move forward with redevelopment plans

**WORK SESSION MINUTES OF THE BOARD OF ALDERMEN OF JANUARY 17, 2017**

Page 1 of 2

Mayor Nanette K. Johnston opened the work session at 5:32 p.m. on January 17, 2017, at City Hall located at 8880 Clark Avenue, Parkville. In attendance were aldermen Greg Plumb, Douglas Wylie, Jim Werner, Diane Driver, Tina Welch (joined meeting at 6:00 p.m.), Dave Rittman and Marc Sportsman.

The following staff was also present:  
 Kirk Davis, Interim City Administrator  
 Kevin Chrisman, Police Chief  
 Alysén Abel, Public Works Director  
 Stephen Lachky, Community Development Director  
 Matthew Chapman, Finance/Human Resources Director  
 Tim Blakeslee, Assistant to the City Administrator  
 Melissa McChesney, City Clerk  
 Chris Williams, City Attorney

**B. I-435/Route 45 Development Update**

PEDC executive director Mike Kellam said the southwestern portion of the site and its topographical issues were discussed at the December 6, 2016, work session. The main issue was the large ravine on the southwestern portion of the sites and what the City could do to help find a developer for the property.

Sam Stahnke, principal and vice president of Arco Construction, said there was approximately 750,000 cubic yards of dirt that needed to be moved in order to balance the site, meaning the dirt could be moved around the site but not brought in or removed from it, which was the main concern for developers. He estimated that the cost to balance the site would be approximately \$3.5 million.

Kellam noted that the cost for streets, not including stormwater or sewers, was estimated at \$1 million and said it was hard to find interested developers because there were other sites that were ready and cheaper to build on. The Board discussed the option of phasing the roads to extend them to a certain point for one building and the City could build capital and interest to extend the roads for future development. The Board also discussed other types of development options, in addition to industrial, that included retail and multi-family homes.

In regards to the southeast portion of the properties, Stahnke said that multi-family and retail would be the best fit to help provide services to the residents in the surrounding subdivisions.

11

## History of the Redevelopment Site

- Remaining NID bond obligation of \$3.39 million for Brink Meyer and \$5.16 million for Brush Creek totals \$8.55 million and creates financial hurdles for redevelopment of property.
- Currently, City will cover \$6.4 million of \$8.55 million obligation.
- City expressed support for public incentives to offset NIDs.
- Private and public investment will not otherwise occur.

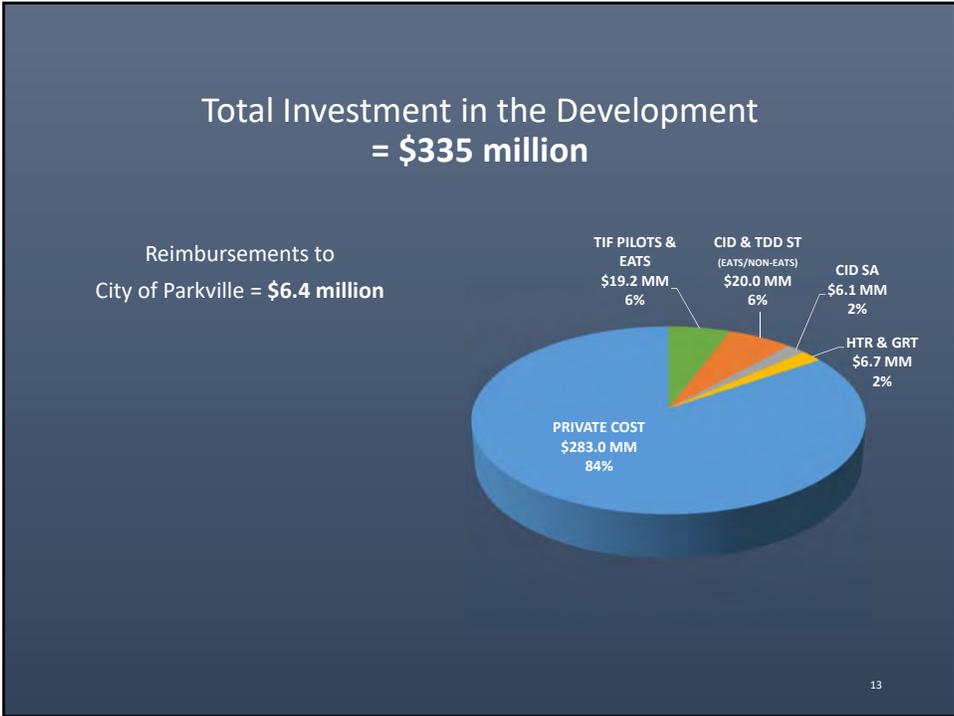
**CITY OF PARKVILLE, MO  
 RESOLUTION NO. 09-04-15**

**A RESOLUTION OF INTENT TO USE ECONOMIC DEVELOPMENT INCENTIVES  
 TO PROMOTE APPROPRIATE DEVELOPMENT IN THE BRUSH CREEK  
 DRAINAGE AND BRINK MEYER ROAD NEIGHBORHOOD IMPROVEMENT  
 DISTRICTS**

NOW, THEREFORE, BE IT RESOLVED that the Board of Aldermen of the City of Parkville hereby affirms the following policy statements related to economic development in the NIDs:

1. The NIDs assessments create an additional financial hurdle for the development of tracts within the NIDs. To accelerate development in this area, the City will support public incentives to offset the impact of the NIDs assessments on development.
2. In accordance with the Parkville Economic Development Incentive Policy, the City finds that incentives are necessary for tracts within the NIDs to attract private and/or other public investment that would not otherwise occur in a timely manner.

12



### Clarifying the Record

- Total redevelopment costs are estimated to be \$335 million
- Total financial assistance of \$52 million broken out as follows:
 

• TIF PILOTS	\$8.64 million	→	\$17.6 million TIF
• TIF EATS	\$8.97 million	→	
• CID Sales Tax	\$9.99 million		(\$4.14 million EATs capture)
• TDD Sales Tax	\$9.99 million		(\$4.14 million EATs capture)
• CID Special Assessment	\$1.30 million		
• Hotel Tax Rebate	<u>\$6.67 million</u>		
• Subtotal	\$45.6 million		
- Land
 

• TIF PILOTS	\$1.6 million	(Funds to City)
• CID Special Assessment	<u>\$4.8 million</u>	(Funds to City)
• Subtotal	\$6.4 million	
- Grand Total: \$52 million

14

## Clarifying the Record

### Misinformation – Claim #1:

The Project uses \$52 million in TIF and \$10.5 million in CID revenue for a total cost of \$62.5 million.

### Correcting the record:

The previous slide shows that the total amount of all incentives is \$52 million and includes the CID.

### Misinformation – Claim #2:

The “cost to taxpayers” is \$7,352 per person.

### Correcting the record:

No existing tax revenue is redirected. The Project also removes a \$6.4 million debt currently paid by the City which saves Parkville residents \$945 per resident. City also benefits from new tax revenues in excess of \$15.7 million.

15

## Where are incentive dollars being spent?

- City no longer pays NID special assessment
- Grading and infill for ravine identified in industrial tract
- Competitive youth baseball / softball complex
- Improvements for sewers, curbs, water detention, gutters, sidewalks, and lighting
- New street improvements and traffic signalization
- Interchange improvements for I-435 and Hwy 45
- Utility connection and construction
- Site preparation, including mass grading and cut and fill
- Parking lots, landscaping, hardscaping
- Walking trail connection per County master plan
- Other public improvements as necessary

16

# TIF Plan

## Creekside TIF Plan: Conformance with Parkville Master Plan

Node (7) – I-435 Highway Corridor

**The I-435 Corridor provides new opportunities for higher-density, larger scale development than is envisioned elsewhere in Parkville.** The intersections with 45 Highway and 152 Highway provide some of Parkville's larger development opportunities. Both benefit from large undeveloped properties with quick access to regional arterials and the interstate that connects Parkville to major employment and activity centers. Based on their access to major transportation corridors and large undeveloped acreage, **these areas provide two of the largest opportunities for integrated land-use development. Projections for this area include a blend of mixed use, office/business park, mixed-use residential and moderate density residential uses clustered around the interchanges.** Development in these areas should be guided by the development of **one or more master development plans and should not be developed prematurely in a piecemeal manner.** Areas outlying the interchange should be designed to be compatible residential patterns served by centralized sewer and water services. **Development of the I-435 corridor is crucial to the economic viability of the community and premature residential and low density development on package plants or similar systems should not be allowed to stifle economic development at these interchanges.**

## Blight Study

- Prepared by Pat Sterrett, AICP
- Certified Urban Planner
- 20+ years experience
- Bachelors of Architecture
- Masters of Urban Planning
- Prepared and reviewed dozens of blight reports in accordance with Missouri law



19

## Creekside TIF - Blight Analysis

*"Blighted area", an area which, by reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of 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; (RSMo. Ch. 99.805(1)).*

### Summary of Blighting Factors

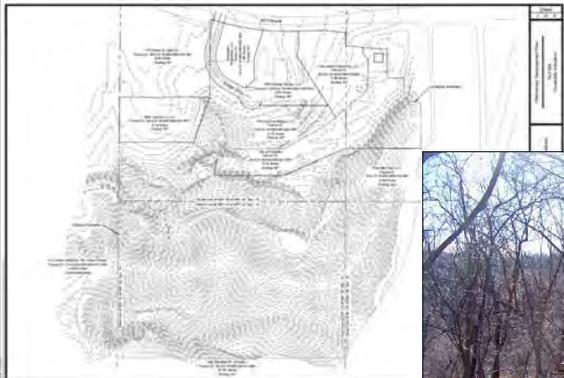
#### Creekside

#### Redevelopment Area

Study Area	Parcels	Pct.	Area (acres)	Pct.
Total	12	100%	115.7	100%
<b>Blighting Factors</b>				
Defective or inadequate street layout	4	33.3%	52.5	45.4%
Improper subdivision or obsolete platting	0	0.0%	0	0.0%
Insanitary or unsafe conditions	10	83.3%	113.8	98.4%
Deterioration of site improvements	5	41.7%	46.6	40.3%
Existence of conditions which endanger life or property by fire and other causes	0	0.0%	0	0.0%
Parcels with at least one blighting factor	10	83.3%	113.8	98.4%
Parcels with no blighting factors	2	16.7%	10.2	1.6%
Parcels with Predominance of Blighting Factors	9	75.0%	112.2	97.0%

20

### Blight: SW Corner Ravine





*Southwest Quadrant – looking south toward stream – steep slope*

21

### Creekside TIF Plan: Blight Conclusion

**Redevelopment Area constitutes a Blighted Area under the Act:**

- defective or inadequate street layout,
- insanitary or unsafe conditions,
- or deterioration of site improvements

**The predominance of these factors individually and in combination causes the Redevelopment Area to constitute an economic liability in its present condition and use.**

**The existing conditions within the Redevelopment Area make it unreasonable to anticipate that development will occur within the Redevelopment Area without the adoption of tax increment financing.**

22

### Creekside TIF Plan: Objectives

- Enhance the tax base of the City and other taxing jurisdictions
- Encourage new business and residents to relocate to the City
- Increase employment and quality housing in the City
- Eliminate adverse conditions which have hindered development
  - Board of Aldermen Work Session, Jan 17, 2017: SW portion has large ravine needing \$3.5 million in infill
  - Res. 09-04-15, intent to use development incentives to eliminate financial hurdles caused by NID
- Promote tourism by encouraging the development of additional hotel rooms, restaurants, retail, and entertainment
- Enhance the public health, safety and welfare of the community
- Provide adequate street layout, utilities, parking, streetscape, sewers and other improvements
- Encourage the orderly development of land within the Redevelopment Area by maximizing the public benefit from private investment.
- Provide needed goods and services on the west side of the City

23

### Creekside TIF Boundary Map



24

### Creekside TIF Plan and Phasing

#### Overview

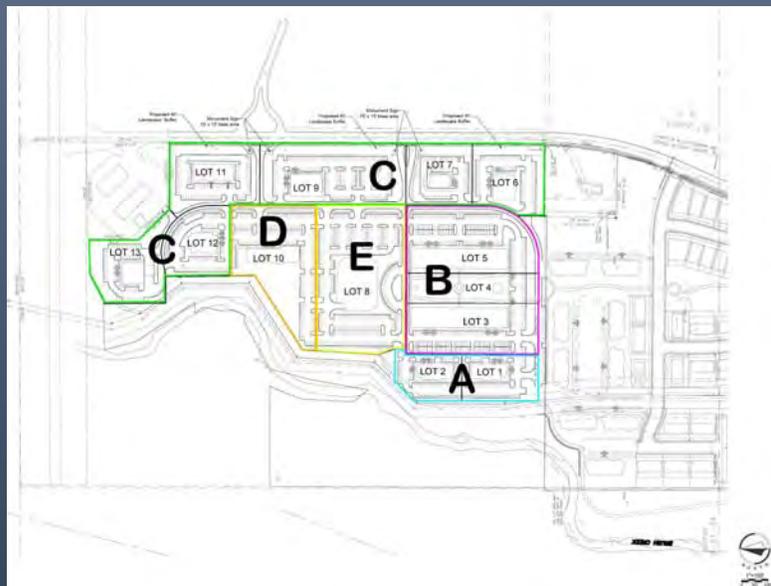
- **14 Project Areas that may be subdivided**
  - 200,000 square feet of new retail and restaurant space
  - 4 hotels
  - 400,000 square feet of industrial space

#### Development Phases

- **Southeast Corner**
  - The Meadows at Creekside 2019-2025 (non-TIF)
  - Old Town at Creekside 2019-2025
- **Northwest Corner**
  - The Woods at Creekside 2019-2025 (non-TIF)
  - Creekside Commons 2019-2025
- **Southwest Corner**
  - Creekside Industrial 2020-2025

25

### Creekside TIF Plan: Project Areas in Southeast Corner



26



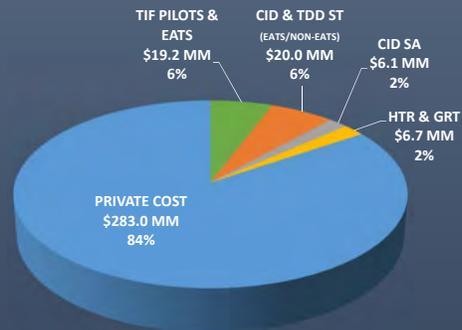
### Creekside Incentives: Financial Gap

- Delivering the Project requires an investment of \$335 million
- The Project's **return without assistance is 1.6%** resulting in a gap to financial feasibility
- **Tools needed to fill the "Gap"**
  - TIF on Commercial Only
    - Economic Activity Taxes (EATS) – 50% capture
    - Reduced PILOTS Capture Schedule:
      - Years 1 - 11: 50% capture
      - Years 12 - 17: 65% capture
      - Years 18 - 23: 75% capture
  - Hotel Sales Tax & Guest Tax Rebates
  - CID & TDD Sales Tax
  - CID Special Assessments
  - Chapter 100 Sales Tax Exemption
  - Chapter 100 abatement on apartments and mixed-use retail
- The estimated return **with assistance is 8.7%**

29

### Total Investment in the Development = \$335 million

Reimbursements to City of Parkville = \$6.4 million



30

### Summary of Redevelopment Costs

- Total redevelopment costs are estimated to be \$335 million
- Total financial assistance of \$52 million:
  - TIF PILOTS \$8.64 million
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  - Hotel Tax Rebate \$6.67 million
  - **Subtotal** **\$45.6 million**
  
- Land
  - TIF PILOTS \$1.6 million
  - CID Special Assessment \$4.8 million
  - **Subtotal** **\$6.4 million**
  
- **Grand Total:** **\$52 million**

\$17.6 million TIF  
 (\$4.14 million EATs capture)  
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(Funds to City)  
 (Funds to City)

31

### Creekside Community Improvement Districts

- CID Special Assessment already approved by Ord. No. 2984 on February 19, 2019
  - CID Special Assessment expected to produce \$1.3 million to the Project and \$4.8 million to the City
  - Special Assessment imposed on apartments and single family homes in Tract IX
- CID Sales Tax expected to produce \$9.99 million
  - 1% sales tax on sales within the CID boundary



32

### Transportation Development District

- TDD Sales Tax expected to produce \$9.99 million
- 1% sales tax on sales within the TDD boundary
- Primarily used to finance improvements to I-435 and Highway 45 interchange
- Additional parking, site, and road improvements, including signalization



### Hotel & Tourism Tax Rebates

- Hotel & Tourism Tax Rebates expected to produce \$6.67 million
- 75% rebate of City's 1.0% general sales tax imposed on hotels
- 75% rebate of the Tourism Guest Room Tax

### Chapter 100

- Sales tax exemption on construction materials:
  - \$6.6 million in estimated sales tax savings
  - City of Parkville's estimated portion of sales tax is \$1,400
- Property tax abatement on:
  - Mixed-use Commercial (23 yrs)
  - Tract IX Apartments (16 yrs)



35

# Comprehensive Review of Creekside Incentives

### Redevelopment Costs Summary

- Only new tax revenue is available to the project.
- No existing tax revenues are diverted.
- Total financial assistance of \$52 million:
  - TIF PILOTS \$8.64 million → \$17.6 million TIF
  - TIF EATs \$8.97 million →
  - CID Sales Tax \$9.99 million (\$4.14 million EATs capture)
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- Land
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  - **Subtotal** \$6.4 million
- **Grand Total:** \$52 million

37

### Creekside TIF Plan: Benefit to Taxing Jurisdictions

Taxing District	Total Benefit with Project	Total Benefit Without Project
State of Missouri	\$64,120,798	\$0
City of Parkville	\$15,784,733	\$5,286
Platte County	\$12,448,571	\$495
Park Hill Schools	\$7,717,437	\$44,548
South Platte Fire	\$1,809,609	\$7,900
Mid-Continent Public Library	\$602,746	\$3,267
Board of Disabled Services	\$497,704	\$1,049
Platte County Road #1	\$438,362	\$2,670
Health Department	\$118,201	\$646
Metropolitan Community College	\$309,915	\$1,894
Southern Platte Ambulance	\$223,221	\$979
Mental Health	\$147,751	\$807
State Blind Pension Fund	\$117,244	\$247
Senior Citizen Levy	\$66,112	\$404
<b>Total</b>	<b>\$104,402,404</b>	<b>\$70,192</b>

38

### Creekside Net Benefit to Park Hill Schools

- Residential components of this project are outside of TIF boundary
- Agreed to graduated PILOTs through discussions with School District
- Annual cost to educate a student is \$11,971 of which \$6,105 is funded by property taxes.
  - Approximately 51% of annual cost is funded by property taxes
  - State and other local sources of funding make up the difference
- With 262 new projected students, the **cost to educate** students from Creekside development funded by local property taxes **is \$38,864,881** over 25 years.
  - Enrolled students per single family unit: 0.35
  - Enrolled children per multi-family unit: 0.25
- Park Hill Schools **will receive \$43,258,195** in property taxes from the entire project over the same time frame.
- **Net benefit to Park Hill Schools of \$4,393,313.**

39

### Creekside Development: Project Benefits

- Eliminates need for \$315,000 annual transfer from the General Fund.
- Emergency Reserve Fund Balance Maintained
- No extension of the Temporary Tax Levy required in 2024 to 2034. Property taxes will be reduced when current 2004 COP Debt is retired.

40

### Creekside TIF Plan: Project Benefits

- No upfront costs to the City or Taxing Jurisdictions
- No City backed bonds
- Over \$335 million in investment
  
- Redevelopment Area AV in 2018: \$ 31,925
- Estimated Redevelopment Area AV upon stabilization: \$ 18,890,000
- Estimated Total Project AV upon project stabilization: \$ 48,873,700
  
- Current ad valorem taxes are **less than \$3,000** annually
  
- Reduced PILOTS schedule from standard 100% capture provides **immediate property tax revenue to all taxing jurisdictions**
  
- Over **\$3,400,000** in new annual property tax revenues for all taxing jurisdictions after stabilization during 50% PILOTS term from the entire project
  
- Over **\$250,000** in new annual property tax revenues for the City of Parkville after stabilization during 50% PILOTS term from the entire project

41

### Creekside Development: Project Benefits

- Taxable Sales in Redevelopment Area in 2018: \$ 0
- Taxable Sales upon project stabilization: \$ 80,000,000
  
- Over **\$550,000** in new annual sales tax revenues for the City of Parkville during the TIF term
  
- Over **\$550,000** in new annual sales tax revenues for Platte County during the TIF term
  
- Over **\$6.9 million** annually in property, sales, and hotel occupancy taxes to the City and local taxing jurisdictions after the TIF term
  
- Over **750 permanent jobs**
  
- Over **4,000 construction job years**
  
- Tournament Quality youth baseball facility
  
- Allows development of vacant land into a vibrant mixed use development
  
- Increased tourism spending from visitors to the project and amenities

42

**REQUEST:**

**Developer requests that the Board of Aldermen take the following actions:**

1. Approve a first reading for the following Bills and advance each to the April 2, 2019 docket:

- A: Bill No. 3022 approving Creekside Tax Increment Financing Plan
- B: Bill No. 3037 establishing the Creekside CID
- C: Bill No. 3038 approving the Chpt. 100 Master Plan for Industrial Development Projects for Creekside

2. Approve a Resolution authorizing the Mayor and City Attorney to execute the Creekside TDD Petition.

3. Approve a first reading for Bill Nos. 3023 through 3036 for Redevelopment Project Areas A through N of the Creekside TIF Plan and holding the second reading off-docket until project activation.

43

Thank You