

## **PROPOSED AMENDMENT TO THE BEL-RIDGE NORTH TAX INCREMENT FINANCING (TIF) REDEVELOPMENT PLAN**

Tax increment financing (“TIF”) is a public financing method that is used to bring about redevelopment, infrastructure, and other community-improvement projects in targeted areas. In Missouri, TIF is governed by Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended.

In 2006, the City of Bel-Ridge (the “City”) approved the Bel-Ridge North TIF Redevelopment Plan (the “Bel-Ridge TIF”) for the redevelopment of an area encompassing property lying north of Natural Bridge Road, near the intersection of Interstate 170. Since 2006, no material development activity associated with the Bel-Ridge North TIF has occurred.

An audit performed by the Missouri State Auditor in September, 2020 disclosed, among other things, that the City had used funds generated in the Bel-Ridge TIF area for expenses outside the scope of the Bel-Ridge TIF and that the City commingled TIF funds with the City’s general fund.

The proposed amendment to the Bel-Ridge TIF aims to address and resolve these issues by identifying additional eligible expenses to which TIF funds can be applied. The proposed amendment will also enable the City to terminate the Bel-Ridge TIF as of December 31, 2023. The proposed amendment will have no effect on the taxes owed by property owners or the assessed value of property within the Bel-Ridge TIF.

# Bel Ridge North Tax Increment Financing (TIF) Amended Redevelopment Plan

**November 1, 2023**

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**BEL RIDGE NORTH  
TAX INCREMENT FINANCING (TIF)  
AMENDED REDEVELOPMENT PLAN**

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November 1, 2023

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## 1. INTRODUCTION

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### Background

On April 4, 1991, the City of Bel-Ridge (the “City”) adopted Ordinance 91-4, which approved the Natural Bridge Road Tax Increment Financing District (“Natural Bridge Road TIF”). The Natural Bridge Road TIF included a large area to the north and south of Natural Bridge Road.

Over time, development occurred in the southern portion of the Natural Bridge Road TIF, and multiple bonds (collectively, the “Bonds”) secured by the revenues flowing from that tax increment financing district were issued. These bonds included:

- Tax-Exempt Tax Increment Revenue Note (Natural Bridge Road Project) Series A
- Tax-Exempt Tax Increment Revenue Note (Natural Bridge Road Project) Series B
- Tax Increment Revenue Bonds, Series 2005

In 2005, the northern portion of the Natural Bridge Road TIF—including the parcels that ultimately were included in the Bel-Ridge North TIF—was removed from the Natural Bridge Road TIF under Ordinance 2005-02.

In May of 2006, the City adopted Ordinance 2006-11, which approved the Bel-Ridge North TIF Redevelopment Plan (the “Bel-Ridge North TIF”). The redevelopment activity was anticipated to occur along the northern portion of Natural Bridge Road, near the intersection of Interstate 170, and included parcels that were formerly part of the Natural Bridge Road TIF. The project as originally contemplated was intended to redevelop a blighted commercial and residential area with modern retail amenities.

Since the adoption of Ordinance 2006-11, no material development activity associated with the Bel-Ridge North TIF Redevelopment Plan occurred.

According to records provided by St. Louis County, payments in lieu of taxes (“PILOTs”) that were generated by incremental eligible real property taxes began to be allocated to the Bel-Ridge North TIF in 2007. In 2010, the City reported that economic activity taxes (“EATs”), which are generated by eligible incremental sales and other taxes, were on hand. According to City officials and a review of available documentation, it appears that between 2007 and 2014, these funds from the Bel-Ridge North TIF were used to satisfy the payments for the Bonds issued for the Natural Bridge Road TIF. After the Bonds were retired, the Bel-Ridge North TIF funds were co-mingled with general revenue funds, instead of being deposited into a separate Special Allocation Fund. Over the years, the City utilized the TIF revenues for work both within and outside of the approved Redevelopment Area.

Given the lack of new development in the Redevelopment Area and the previous use of TIF revenues for studies and professional services, and public infrastructure within the Redevelopment Area, an amendment to the TIF is sought to align those expenditures with the TIF revenues spent to date. In addition, it is intended that the designation of the Redevelopment Area will be terminated by the end of calendar year 2023, and all funds remaining in the special allocation fund will be redistributed to the taxing districts in the Redevelopment Area as surplus.

### **Overview of Bel Ridge North TIF Redevelopment Area**

The Bel Ridge North Tax Increment Financing ("TIF") Redevelopment Area (the "Redevelopment Area" or "Area"), is a triangular-shaped area located at the northeast corner of Natural Bridge Road and Interstate 170. The Redevelopment Area, which contains approximately 63 acres (exclusive of rights-of-way), is generally bounded by Natural Bridge Road to the southwest, private property and Severin Street to the north, and the rear property line of the parcels along the west side of Shirley Street to the east. Including the rights-of-way, the Redevelopment Area contains approximately 78 acres. The Redevelopment Area contains a mix of commercial, single family, and multi-family uses.

### **Summary of Amended Redevelopment Plan**

This Redevelopment Project proposes:

- No change in the size or configuration of the former area;

However, the Amended Redevelopment Plan proposes to change the date of termination of designation of the Redevelopment Area to occur on or before December 31, 2023. In addition, no TIF notes will be issued under the Amended Redevelopment Plan.

Between 2007 and 2014, available documentation shows that the PILOTs and EATs generated by the Bel-Ridge North TIF were used to pay the Bonds issued for the Natural Bridge Road TIF. For those PILOTs and EATs generated between 2015 and 2023, the Amended Redevelopment Plan proposes applying the total estimated TIF revenues for those years to eligible expenses that include studies and professional services and public infrastructure improvements that were undertaken between 2015 and 2023.

## **2. REDEVELOPMENT PROJECT DESCRIPTION**

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**General Land Use and Redevelopment Project** - The Bel-Ridge North Redevelopment Project will remain a mix of single-family residential homes along with light retail uses.

**Redevelopment Project Area Plan** - Following are the previously completed and proposed redevelopment activities:

- Studies & Professional Services
- Public Infrastructure Improvements
- Financing costs including, but not limited to, all necessary incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations issued pursuant to sections 99.800 to 99.865 of the TIF Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves thereto

**Anticipated Phasing of Development** – The majority of the work for the Redevelopment Area was completed between 2015 and 2023.



### **3. REDEVELOPMENT PROJECT COSTS TO DATE**

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Section 99.805(15) of the TIF Act authorizes the City to include as "redevelopment project costs", "...the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan or redevelopment project, as applicable."

The TIF Act states that eligible redevelopment project costs include but are not limited to:

- a) Costs of studies, surveys, plans, and specifications;
- b) Professional service costs including, but not limited to, architectural, engineering, legal, marketing, financial, planning, or special services, subject to the limitations of Section 99.805(15)(b) of the TIF Act;
- c) Property assembly costs including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
- d) Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
- e) Costs of construction of public works or improvements;
- f) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations issued pursuant to sections 99.800 to 99.865 of the TIF Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves thereto;
- g) All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;
- h) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or are required to be paid by federal or state law; and
- i) Payments in lieu of taxes.

The estimated costs of the Bel-Ridge North Redevelopment Area totals approximately \$2,645,000. The table below illustrates the allocation of total costs.

<b>BEL-RIDGE NORTH REDEVELOPMENT AREA AMENDED REDEVELOPMENT PROJECT COSTS<sup>1</sup></b>								
	<b>Studies &amp; Professional Services</b>	<b>Property Acquisition, &amp; Relocation</b>	<b>Demolition &amp; Site Prep</b>	<b>Public Infrastructure</b>	<b>New Building</b>	<b>Financing</b>	<b>Contingency</b>	<b>TOTAL</b>
	\$1,400,000	\$0	\$0	\$500,000	\$0	\$745,000	\$0	\$2,645,000

1. The estimation of Redevelopment Project Areas Costs are based upon an accounting of allowable expenditures that occurred within the Redevelopment Area.

The following table illustrates the project costs for the Redevelopment Area that are eligible to be funded by a combination of TIF revenues:

<b>BEL-RIDGE NORTH REDEVELOPMENT AREA AMENDED REDEVELOPMENT PROJECT TIF-ELIGIBLE FUNDED PROJECT COSTS</b>								
	<b>Studies &amp; Professional Services</b>	<b>Property Acquisition, &amp; Relocation</b>	<b>Demolition &amp; Site Prep</b>	<b>Public Infrastructure</b>	<b>New Building</b>	<b>Financing</b>	<b>Contingency</b>	<b>TOTAL</b>
	\$1,400,000	\$0	\$0	\$500,000	\$0	\$745,000	\$0	\$2,645,000

Distribution of costs among the various cost categories for the Redevelopment Project is based on the total amount spent on those categories to date.

#### **4. FUNDS TO PAY COSTS**

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##### **Sources of Funds to Pay Redevelopment Costs**

While no material new development occurred in the area, the incremental increase in property value and sales tax revenues due to inflation caused both PILOTs and EATs to be generated and allocated to the Bel-Ridge North TIF. Between 2007 and 2014, the available records imply that the funds collected by the Bel-Ridge North TIF in the form of PILOTs and EATs were used to pay down the Bonds. Beginning in 2015, the funds collected by the TIF in the form of PILOTs and EATs were allocated to the City's general revenue fund. These funds collected between 2015 and 2023 are available to pay the costs of the Project.

##### **Type and Term of Sources of Funds to Pay Costs**

As noted above, the funds available to complete the Redevelopment Project—consisting of PILOTs and EATs—were collected between 2015 and 2023. These funds will be dedicated to the work previously completed, and the termination of designation of the Redevelopment Area will occur on or before December 31, 2023. After such date, no additional funds will be collected, and all funds then remaining in the special allocation fund shall be redistributed to the taxing districts in the Redevelopment Area as surplus. The following tables detail the eligible real property tax rates for those revenues captured as PILOTs and the eligible sales tax rates for those revenues captured as EATs.

**BEL-RIDGE NORTH REDEVELOPMENT AREA  
TIF-ELIGIBLE REAL PROPERTY TAX RATES  
(2022 TAX RATE PER \$100 OF ASSESSED VALUATION)**

Taxing Jurisdiction	Total Residential Property Tax Rate	TIF-Eligible Residential Property Tax Rate	Total Commercial Property Tax Rate	TIF-Eligible Commercial Property Tax Rate	Total Agricultural Property Tax Rate	TIF-Eligible Agricultural Property Tax Rate
State of Missouri	0.0300	0.0000	0.0300	0.0000	0.0300	0.0000
County General	0.1650	0.1650	0.1860	0.1860	0.1460	0.1460
County Health Fund	0.1110	0.1110	0.1250	0.1250	0.0970	0.0970
County Park Maintenance	0.0400	0.0400	0.0440	0.0440	0.0350	0.0350
County Bond Retire	0.01900	0.01900	0.0190	0.0190	0.0190	0.0190
Roads and Bridges	0.0830	0.0830	0.0930	0.0930	0.0730	0.0730
St. Louis Community College	0.2787	0.2787	0.2787	0.2787	0.2787	0.2787
Special School District	1.0495	1.0495	1.0495	1.0495	1.0495	1.0495
Metropolitan Zoo Museum District	0.2528	0.2528	0.2528	0.2528	0.2528	0.2528
County Library	0.2060	0.2060	0.2400	0.2400	0.2140	0.2140
School - Normandy	5.7823	5.7823	6.4759	6.4759	6.4035	6.4035
Metropolitan Sewer District	0.1053	0.1053	0.1053	0.1053	0.1053	0.1053
Sewers - Maline Cr	0.0790	0.0790	0.0900	0.0900	0.1000	0.1000
Fire - Northeast Ambulance & Fire	2.4055	2.4055	2.3424	2.3424	2.8260	2.826
City of Bel Ridge	0.3500	0.3500	0.5800	0.5800	0.0000	0.0000
Dev. Disability - Productive Living Board <sup>1</sup>	0.0700	0.0700	0.0860	0.0860	0.0750	0.0750
<b>TOTAL</b>	<b>11.0271</b>	<b>10.9271</b>	<b>11.9976</b>	<b>11.8816</b>	<b>11.7048</b>	<b>11.5998</b>

<sup>1</sup> Represents current 2022 property tax rate. Please note, at the time the TIF was created, property taxes from Developmental Disability property tax were eligible for capture as PILOTs. Beginning in 2014, any new voter-approved rate increases in the property tax rate were ineligible for capture by the TIF.

<b>BEL-RIDGE NORTH REDEVELOPMENT AREA TIF-ELIGIBLE 2023 SALES TAX RATES</b>			
<b>Taxing Jurisdiction</b>	<b>Bel-Ridge Sales Tax Rate 2005</b>	<b>Bel-Ridge Sales Tax Rate 2023</b>	<b>TIF-Eligible Bel-Ridge Sales Tax Rate</b>
<b>State of Missouri</b>	<b>4.2250%</b>	<b>4.2250%</b>	<b>0.0000%</b>
St. Louis County			
Prop A Transportation (Metro Sales Tax)	N/A	0.5000	0.0000
Regional Parks/Trails	0.1000	0.1000	0.1000
County Transportation	0.5000	0.5000	0.5000
Children's Services	N/A	0.2500	0.0000
Emergency 911	N/A	0.1000	0.0000
Prop P Public Safety	N/A	0.5000	0.5000
<b>Total St. Louis County</b>	<b>0.6000%</b>	<b>1.9500%</b>	<b>1.1000%</b>
<b>Total Local Taxing Jurisdiction</b>	<b>1.375%</b>	<b>2.25%</b>	<b>2.25%</b>
Other Taxing Jurisdictions			
Zoo Tax	0.1250	0.1250	0.1250
Metro Parks/Arch Tax	N/A	0.1875	0.0000
Mass Transit (Metrolink)	0.2500	0.2500	0.0000
<b>Total Other</b>	<b>0.3750%</b>	<b>0.5625%</b>	<b>0.1250%</b>
<b>TOTAL</b>	<b>6.575%</b>	<b>8.9875%</b>	<b>3.4750%</b>

## 5. EQUALIZED ASSESSED VALUATIONS

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### Most Recent Equalized Assessed Valuation of Property within the Redevelopment Area

The certified equalized assessed valuation ("EAV") of property within the Redevelopment Area is provided by the records of the St. Louis County Assessor's Office. The Redevelopment Area commenced on December 21, 2007, and the Assessor's Office established a base EAV of \$3,626,000.

### 2022 Equalized Assessed Valuation

The 2022 EAV is predicated upon increases in property values due to inflation within the Redevelopment Area. The table below provides the current EAV, based on information from the St. Louis County Assessor's office.

BEL-RIDGE NORTH REDEVELOPMENT AREA 2022 EAV (Current Dollars)			
Year	Base EAV	Taxable EAV in Year	Increment
2022	\$3,626,000	\$4,573,260	\$947,260

Source: St. Louis County and Development Strategies

## 6. ECONOMIC ACTIVITY TAXES

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Economic Activity Taxes have been generated at the Redevelopment Area due to normally occurring incremental inflation on existing sales between 2015 and the present.



## 7. REPORTED HISTORIC COLLECTIONS

The following table details the estimated collected historic TIF revenues between 2007 and 2014:

### Bel-Ridge Reported TIF Revenues 2007-2014

	GRAND TOTAL
PILOTs*	\$ 261,954
Total EATs**	\$ 241,239
<b>TOTAL</b>	<b>\$ 744,431</b>

\*Reported incremental eligible real property taxes distributed to the Bel-Ridge North TIF by St. Louis County. Reported values do not include interest.

\*\*Reported incremental eligible economic activity taxes attributable to the Bel-Ridge North TIF by St. Louis County.

The following table details the reported collected historic TIF revenues between 2015 and year-to-date 2023:

### Bel-Ridge Reported TIF Revenues 2015-2023\*

	2015	2016	2017	2018	2019
PILOTs	\$ 35,415	\$ -	\$ 11,818	\$ 145,361	\$ 94,161
EATs	\$ 91,416	\$ 162,405	\$ 171,124	\$ 228,203	\$ 207,892
<b>TOTAL</b>	<b>\$ 126,831</b>	<b>\$ 162,405</b>	<b>\$ 182,942</b>	<b>\$ 373,564</b>	<b>\$ 302,053</b>

  

	2020	2021	2022	YTD 2023 <sup>1</sup>	GRAND TOTAL
PILOTs	\$ 144,848	\$ 88,987	\$ 165,151	\$ 62,343	\$ 748,085
EATs	\$ 258,965	\$ 295,723	\$ 295,844	\$ 10,983	\$ 1,722,554
<b>TOTAL</b>	<b>\$ 403,813</b>	<b>\$ 384,710</b>	<b>\$ 460,996</b>	<b>\$ 73,326</b>	<b>\$ 2,470,639</b>

\*City of Bel-Ridge. Data represents the year in which funds were received.

<sup>1</sup> Through February 2023.

# **APPENDIX A**

## **Legal Descriptions of Bel-Ridge North TIF Area**



Beginning at the intersection of the Northeast right-of-way line of Natural Bridge Road (Highway 115 TR, variable width) with the East right-of-way line of Interstate Highway I-170 (variable width): thence along said East line, Northwestwardly, 620 feet, more or less, to the intersection of said right-of-way line with the North line of the Corporate Limits of the Village of Bel Ridge; thence along said Corporate Limit line, Eastwardly, 2,215 feet, more or less, to the East line of Springdale Lake Sites, recorded in Plat Book 37, Page 13 of St. Louis County records; thence along said East line, Southeastwardly, 490 feet, more or less, to the Southeast corner of Lot 69 of said subdivision; thence along the North line of Berry Meadows Plat 4, recorded in Plat Book 84, Page 47 of said records, Southwestwardly, 372 feet, more or less, to the Northwest corner of Lot 10 of said subdivision; thence along the West line of said subdivision and along the West line of Berry Meadows Plat 3, recorded in Plat Book 78, Page 8 of said records, Southwardly, 1,650 feet, more or less, to the Northeast corner of a tract of land conveyed to Lynnc Co., Inc. by deed recorded in Book 8241, Page 1903 of said records; thence along the North line of said tract, along the North line of a tract of land conveyed to HR Petroleum by deed recorded in Book 16017, Page 1836 of said records and along the North line of a tract of land conveyed to the Housing Authority of St. Louis County by deed recorded in Book 7862, Page 543 of said records, Northwestwardly, 250 feet, more or less, to the East line of a tract of land conveyed to the Housing Authority of St. Louis County by deed recorded in Book 7862, Page 543 of said records; thence along the East line, Northwardly, 65 feet, more or less to the Northeast corner of said tract; thence along the North of said tract, Northwestwardly, 325 feet, more or less, to the Northwest corner of said tract; thence along the West line of said tract, Southwardly, 525 feet, more or less, to the aforementioned North right-of-way line of Natural Bridge Road; thence along said right-of-way line, Northwestwardly, 2,115 feet, more or less, to the POINT OF BEGINNING, containing 82.3 acres, more or less