

## CITY OF OLIVETTE

### ECONOMIC DEVELOPMENT TOOLS EVALUATION CHECKLIST

A key objective of the City of Olivette Strategic Plan is for the City to play an active role in promoting and facilitating redevelopment projects in the City that forward the goals of the Strategic Plan. One important role that the City can play is to use economic development tools available to Missouri municipalities to address funding gaps in projects that aim to achieve the dynamic sense of place envisioned in the plan. These tools, which are described in Appendix A of the *City of Olivette Redevelopment Project Management Process Policy*, equip the City with a considerable ability to facilitate important projects that would not otherwise be possible due to unusual or extraordinary development or public improvement costs. By using these tools, however, the City carries an important responsibility to its residents, property owners, and other affected jurisdictions, to optimize its public investment by assisting projects that demonstrate significant public benefits.

This checklist has been developed to guide the City of Olivette in reviewing projects by developers seeking assistance with an identified funding gap. For the purpose of this document, the term “developer” may refer to either a land developer or a business owner seeking to relocate to or expand in Olivette.

The goal of this checklist is to provide a mechanism for ensuring a consistent review of each proposed project. It should be noted that due to the varying nature of proposed projects, not all evaluation items will apply to every project, and some evaluation items will carry greater weight in some projects than others. However, each evaluation item will be considered for its applicability in the City’s review of applications.

This tool is organized chronologically, and is used at several stages in the City of Olivette Redevelopment Project Management Process, primarily by the Economic Development Commission (EDC), but also by the Planning and Community Design Commission (PCDC) for evaluating those items that relate to project design. In its review of applications, it is anticipated that the EDC will retain the services of one or more independent professionals to assist in the review and offer specific recommendations and suggestions to the EDC regarding the proposal. The costs of the professional services will be the responsibility of the developer per the provisions of the Interim Development Agreement and the Final Development Agreement.

Evaluation Category	Information to Provide	Evaluation Item
<b>I. CONFORMANCE WITH THE CITY OF OLIVETTE STRATEGIC PLAN</b>		
An applicant’s proposed development/new business is evaluated to determine if it forwards the goals established in the Olivette Strategic Plan which envisions the community characterized by a dynamic sense of place. Specifically, the proposed project and associated public improvements should advance one or more of the key issues identified in the plan.		
Community Image/Relations	Concept plan	<ul style="list-style-type: none"> <li>▪ Develop projects which achieve the dynamic sense of place envisioned in the Strategic Plan</li> <li>▪ Proactively engage the public for input on the proposed development</li> </ul>

Evaluation Category	Information to Provide	Evaluation Item
I-170 Interchange Improvements	Concept plan	<ul style="list-style-type: none"> <li>Develop a catalytic project to spur redevelopment west of the interchange</li> </ul>
Olive Boulevard	Concept plan	<ul style="list-style-type: none"> <li>Promote a consistent community image created through public and private improvements</li> </ul>
Industrial Parks	Concept plan	<ul style="list-style-type: none"> <li>Update the industrial parks, integrate mixed uses where appropriate, and integrate uses associated with the parks' niche</li> </ul>
Metrolink	Concept plan	<ul style="list-style-type: none"> <li>Support transit opportunities</li> </ul>
Saints Olivette	Concept plan	<ul style="list-style-type: none"> <li>Leverage ownership for Olive Boulevard redevelopment initiative</li> </ul>
Wi-Fi	Concept plan	<ul style="list-style-type: none"> <li>Implement wireless infrastructure using existing telecommunications infrastructure</li> </ul>
<b>II. PROJECTION OF DEVELOPMENT SUCCESS</b>		
A developer's experience, capabilities, and ability to make certain commitments should be examined to evaluate a proposed project's probability for success.		
Likelihood for developer to succeed	Portfolio of past projects and references from lenders	<ul style="list-style-type: none"> <li>Developer experience and capabilities</li> <li>Developer creditworthiness</li> </ul>
Development ownership	Developer/business commitment	<ul style="list-style-type: none"> <li>Commitment to retain ownership of the development for a certain number of years/ until it is stabilized</li> </ul>
<b>III. DEMONSTRATION OF NEED</b>		
Once a project's financial information has been evaluated which indicates a financing gap, the identified gap and the associated extraordinary circumstances/costs are evaluated in order to demonstrate that the project would not occur but for the use of an economic development tool.		
Unusual or extraordinary development expenses	Evidence of the need for each unusual/ extraordinary development expense	<i>Such costs may include, but not be limited to:</i> <ul style="list-style-type: none"> <li>Demolish/rehabilitate of existing buildings</li> <li>Environmental assessment and remediation</li> <li>Land assembly</li> <li>Site preparation</li> </ul>
Unusual or extraordinary public infrastructure/amenity expenses	Evidence of the need for each unusual/ extraordinary public infrastructure/amenity	<i>Such costs may include, but not be limited to:</i> <ul style="list-style-type: none"> <li>Infrastructure to address inadequate conditions or to create capacity for the new project</li> <li>Public amenities important for the success of the project</li> </ul>
Other unusual or extraordinary expenses	Evidence of the need for other unusual/ extraordinary expenses	<i>Such costs may include, but not be limited to:</i> <ul style="list-style-type: none"> <li>Business or resident relocation</li> <li>Elimination of blight at surrounding properties</li> </ul>
Developer equity	Commitment of the developer's resources to the project	<ul style="list-style-type: none"> <li>Cash to expend on development construction</li> <li>Non-cash assets committed to the project</li> <li>Cash and in-kind resources to expend on development preparation activities such as design, engineering, site acquisition and preparation, and legal fees</li> </ul>
Developer financing	Evidence of financing applied for and acquired	<ul style="list-style-type: none"> <li>Private, state, and federal loans</li> <li>Private, state, and federal grants</li> </ul>

Evaluation Category	Information to Provide	Evaluation Item
		<ul style="list-style-type: none"> <li>▪ State and federal income tax credit funding (e.g. Historic, Low Income, and New Markets)</li> </ul>
Tax increment projections	Incremental tax analysis specific to the type of economic development tool(s) being proposed	<p><i>If incremental tax revenue is being proposed as a source of gap financing, the following items should be evaluated:</i></p> <ul style="list-style-type: none"> <li>▪ Projected/guaranteed property value and associated incremental tax revenue</li> <li>▪ Projected/guaranteed incremental tax revenue from other sources (e.g. sales tax, utility tax)</li> </ul>
<b>IV. DEMONSTRATION OF COMMUNITY BENEFIT</b>		
<p>Once a project has been determined to be compatible with the City's Strategic Plan, a developer has demonstrated his/her likelihood to succeed, and a legitimate funding gap has been defined a developer must then demonstrate that the benefits of a project to the community outweigh any costs. The degree to which a developer can make a clear commitment to creating specific public benefit(s) as part of the Final Development Agreement will also be considered favorably.</p>		
<b>Demonstration of Economic Benefit</b>		
<p>The first type of community benefit that is examined is economic benefit. Developers should demonstrate how projects support each of the following economic goals for developments in the City of Olivette.</p>		
Increase tax base and maintain tax base diversity	Analysis of a impacts to tax base and tax revenue generation from development itself and from use of any economic development tools	<ul style="list-style-type: none"> <li>▪ Sales tax impacts</li> <li>▪ Property tax impacts</li> <li>▪ Utility tax impacts</li> <li>▪ Impacts to tax base diversity</li> <li>▪ Impacts on other taxing districts</li> <li>▪ Impacts to taxing potential of other businesses/ properties in Olivette and the metropolitan region</li> </ul>
Increase property values	Demonstration of the historical trend of the property(ies) valuation (e.g. rate of decline, stagnation, or rise) and projection of/ commitment to future property value	<ul style="list-style-type: none"> <li>▪ Historical property value trend</li> <li>▪ Projected property value</li> </ul>
Create or retain jobs	Evidence of/commitment to each evaluation item	<ul style="list-style-type: none"> <li>▪ Wages</li> <li>▪ Types of jobs</li> <li>▪ Number of jobs</li> <li>▪ Targeted recipients of jobs (e.g. currently unemployed local residents)</li> </ul>
Attract businesses	Business plan; leakage study; and evidence of/commitment to each evaluation item	<ul style="list-style-type: none"> <li>▪ Promotion of the Strategic Plan objectives</li> <li>▪ Contribution to business diversity</li> <li>▪ Impact on local and regional economies and specifically on existing businesses (e.g. avoid businesses that offer no net gain to the metro area)</li> <li>▪ Place within an identified local or regional economic niche (e.g. plant and life sciences)</li> <li>▪ Ability to catalyze additional economic development</li> <li>▪ Ability to attract outside investment such as from the</li> </ul>

Evaluation Category	Information to Provide	Evaluation Item
		state and federal government
Retain and expand existing businesses	Business plan and evidence of each evaluation item	<ul style="list-style-type: none"> <li>▪ Potential locations/offers being pursued outside of Olivette</li> <li>▪ Circumstances which lead to business' need for retention/expansion assistance</li> <li>▪ See also "Attract businesses"</li> </ul>
Promote economic sustainability	Business plan and any supplementary information	<ul style="list-style-type: none"> <li>▪ Likelihood of a long-term contribution to the economy</li> <li>▪ Likelihood that the business will serve the community's needs in the long-term</li> </ul>
Catalyze further public and private investment	Business plan and any supplementary information	<ul style="list-style-type: none"> <li>▪ Potential for development to expand in the future or to catalyze additional development at other properties in the City or the region</li> </ul>
<b>Demonstration of Environmental Benefit</b>		
The second type of community benefit that is examined is environmental benefit. Developers should demonstrate how projects support each of the following environmental goals for developments in the City of Olivette.		
Improve existing environmental conditions	Characterization of existing site conditions	<ul style="list-style-type: none"> <li>▪ Redevelop brownfields</li> <li>▪ Eliminate blight</li> </ul>
Promote environmental sustainability	Development plans, architectural plans	<ul style="list-style-type: none"> <li>▪ Construct buildings using high-quality materials with longer amortization schedules</li> <li>▪ Reuse existing buildings</li> <li>▪ Use "green building" methods and materials, evaluated in the following categories: <ul style="list-style-type: none"> <li>- Materials and building design</li> <li>- Site design and impacts, building orientation</li> <li>- Air quality impacts</li> <li>- Water use</li> <li>- Energy use</li> </ul> </li> </ul>
Mitigate any negative environmental impacts of the development	Development plans, architectural plans, environmental impact analysis	<ul style="list-style-type: none"> <li>▪ Mitigate impacts on: <ul style="list-style-type: none"> <li>- Soil/site</li> <li>- Air quality</li> <li>- Water use/quality</li> </ul> </li> </ul>
<b>Demonstration of Social Benefit</b>		
The third type of community benefit that is examined is social benefit. Developers should demonstrate how projects support each of the following goals for benefiting residents of Olivette.		
Develop uses desired/needed by the community	Leakage study, market study, demonstration of need/desire for particular use	<ul style="list-style-type: none"> <li>▪ Target market</li> <li>▪ Addresses a leakage</li> <li>▪ Provides more options to residents</li> <li>▪ Specific uses: <ul style="list-style-type: none"> <li>- Housing: affordable housing; life cycle housing; impacts on the mix of rental and owner-occupied housing</li> <li>- Niche commercial and retail</li> <li>- Office and industrial provides jobs to local residents</li> </ul> </li> </ul>

Evaluation Category	Information to Provide	Evaluation Item
Contribute to the <i>Dynamic Sense Of Place</i> envisioned in the Strategic Plan	Development plans, traffic impact analysis	<ul style="list-style-type: none"> <li>▪ Contribute to a mix of uses, both internal and external to the development</li> <li>▪ Promote multi-modal transportation access</li> <li>▪ Eliminate blight</li> <li>▪ Catalyze additional projects that benefit community residents</li> </ul>
Make investments in human capital	List of tenants	<ul style="list-style-type: none"> <li>▪ Create opportunities for job training</li> <li>▪ Create opportunities for youth and adult education</li> </ul>
Promote community uses and activities	Development plans, list of tenants	<p>Development and/or associated public improvements/amenities provides activities/uses/spaces for:</p> <p><u>Targeted Groups</u></p> <ul style="list-style-type: none"> <li>▪ Youth</li> <li>▪ Seniors</li> <li>▪ Working population</li> <li>▪ Disadvantaged populations</li> </ul> <p><u>Community Uses/Activities</u></p> <ul style="list-style-type: none"> <li>▪ Gathering</li> <li>▪ Recreating</li> </ul>
<b>Demonstration of Physical and Aesthetic Benefit</b>		
<p>The final type of community benefit that is examined is a development's physical and aesthetic contributions toward achieving the Dynamic Sense of Place envisioned in the Olivette Strategic Plan. Developers should demonstrate how projects support each of the following goals for developments in the City of Olivette.</p>		
Promote development with high design, aesthetic, and construction value, as envisioned by the Strategic Plan	Development plans	<ul style="list-style-type: none"> <li>▪ Support the Olivette preferred vision characterized by a dynamic sense of place</li> <li>▪ Contribute to a mix of uses, both internal and external to the development</li> <li>▪ Site buildings relative to public streets and neighboring properties to promote pedestrian orientation and to contribute to the character of urban design envisioned in the Strategic Plan</li> <li>▪ Contribute to an orderly and efficient development pattern</li> <li>▪ Incorporate multi-modal accessibility into site design</li> <li>▪ Comply with the zoning regulations and any adopted design overlay districts</li> </ul>
Eliminate blight; redevelop brownfield sites	Characterization of existing site conditions	<ul style="list-style-type: none"> <li>▪ Projected impact of the proposed development on improving conditions at the project site and at neighboring properties</li> </ul>
Improve the aesthetics and function of public facilities	Development plans	<ul style="list-style-type: none"> <li>▪ Proposed public improvements/amenities associated with the development</li> <li>▪ Projected impact of development on catalyzing additional public improvements and maintenance</li> </ul>
<b>V. OPTIMIZATION OF PUBLIC INVESTMENT</b>		
<p>Once it is determined that a proposed project's projected benefits sufficiently outweigh its projected costs,</p>		

Evaluation Category	Information to Provide	Evaluation Item
the available economic development tools are evaluated to determine which tool(s) will optimize the public investment made in the project to address a funding gap.		
Determine best economic development tool(s) to use to invest in the project which maximizes public benefit	Evidence of each evaluation item for each tool requested by a developer	<ul style="list-style-type: none"> <li>▪ Analyze each tool to determine:               <ul style="list-style-type: none"> <li>– Its ability to close the funding gap</li> <li>– Its efficiency</li> <li>– Its fairness</li> <li>– Its impacts on other taxing jurisdictions</li> <li>– If using bonding, the security of the revenue source (e.g. any guarantees made)</li> <li>– The City's/developer's ability to adhere to statutory requirements for the tool</li> </ul> </li> </ul>
Optimize financing mechanism and timing	Demonstration of optimal financing mechanism and timing	<ul style="list-style-type: none"> <li>▪ Determine optimal financing mechanism (e.g. reimbursement of developer costs once revenue is generated from the development or up-front funding of development/public improvement costs from bonds secured by the revenue source)</li> <li>▪ Determine timeframe of investment that provides the optimal benefit to both the City and the developer</li> </ul>
Secure the investment with developer guarantees	Commitment to guarantees	<ul style="list-style-type: none"> <li>▪ Determine any developer guarantees, such as (but not limited to):               <ul style="list-style-type: none"> <li>– Incremental tax revenue (or taxable value of project)</li> <li>– Revenue sharing with the City</li> </ul> </li> </ul>
Target investment on expenditures with the greatest long-term impact	Pro forma which includes both private and public costs	<ul style="list-style-type: none"> <li>▪ Prioritize investments in public infrastructure and amenities over private development costs</li> </ul>
Collaborate with other jurisdictions	Any information requested by participating jurisdictions	<ul style="list-style-type: none"> <li>▪ For projects with benefits that extend beyond Olivette, form partnerships with other jurisdictions to invest in projects</li> </ul>
Use City resources most efficiently by prioritizing investments made throughout the community	Pro forma	<ul style="list-style-type: none"> <li>▪ Target investments to projects that focus on one or more of the key issues identified in the Strategic Plan</li> <li>▪ Evaluate instituting a cap on individual investments, based on, but not limited to:               <ul style="list-style-type: none"> <li>– Percentage of project costs (with greater flexibility for developments with unusual or extraordinary costs)</li> <li>– Developer's equity in the project</li> </ul> </li> </ul>
<b>VI. PROJECT MONITORING</b>		
Once a project is constructed, both the developer and the City are obligated to meeting any commitments made in the Final Development Agreement, which include commitments that relate to the use of economic development tools. Such commitments may include, but not be limited to, the following:		
Jobs	Financial reporting	<ul style="list-style-type: none"> <li>▪ Wages</li> <li>▪ Types of jobs</li> <li>▪ Number of jobs</li> <li>▪ Targeted recipients of jobs</li> </ul>
Revenue	Financial reporting	<ul style="list-style-type: none"> <li>▪ Taxable property value/incremental property tax</li> </ul>

<b>Evaluation Category</b>	<b>Information to Provide</b>	<b>Evaluation Item</b>
		<ul style="list-style-type: none"> <li>▪ Incremental sales tax</li> <li>▪ Incremental utility tax</li> <li>▪ Revenue sharing</li> </ul>
Timing	Meet commitment	<ul style="list-style-type: none"> <li>▪ Remain at new location for a specified amount of time</li> </ul>
Equity investment	Financial reporting	<ul style="list-style-type: none"> <li>▪ Invest a minimum amount of developer's equity into the project</li> </ul>
Property maintenance	Meet commitment	<ul style="list-style-type: none"> <li>▪ Standard of maintenance quality</li> </ul>
Development ownership	Meet commitment	<ul style="list-style-type: none"> <li>▪ Retain ownership of the development for a certain number of years/ until it is stabilized</li> </ul>