

ULI-St. Louis Technical Assistance Panel Recommendations

I-170/Olive Blvd. Joint Redevelopment Task Force

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**Urban Land
Institute**

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ULI's mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. As the preeminent, multidisciplinary real estate forum, ULI facilitates the open exchange of ideas, information and experience among local, national and international industry leaders and policy makers dedicated to creating better places.

The ULI St. Louis District Council's Technical Assistance Program provides expert, multi-disciplinary advice to public agencies and non-profit organizations facing complex land use and real estate issues in the St. Louis metropolitan area. Drawing from its extensive membership base, ULI St. Louis conducts panels to offer objective and responsible advice on a wide variety of land use and real estate issues ranging from sitespecific projects to public policy questions.

The TAP program is intentionally flexible to provide sponsoring organizations a customized approach to specific land use and real estate issues.

While none of TAP Panel members reside in the two cities, all live in and know the St. Louis region and its economic and development dynamics. Collectively this Panel has decades of professional experience with local and national projects in real estate and land use planning, development, economics, markets, finance and legal issues. The recommendations in this report are solely the Panel's judgment developed over the course of one long day spent considering the three questions posed by the Task Force. The Panel had assembled for three hours a week earlier to meet one another and to receive a 60-page briefing book prepared by the city planners who staffed the Task Force.

Olive Boulevard Joint Redevelopment Task Force

The Task Force was established by the adjacent Missouri cities of Olivette and University City in May 2009 to explore joint redevelopment initiatives in the Olive Boulevard corridor along both sides of their shared border, the Interstate 170 interchange. The Task Force asked the ULI St. Louis Technical

Assistance Program for advice prior to sending its recommendations to the city councils of Olivette and University City. The Task Force is the Sponsor and recipient of this report, respectfully submitted by the TAP Panel.

Special thanks to City of Olivette staff Carlos Trejo and T. Michael McDowell and to City of University staff Andrea Riganti and Lehman Walker.

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Introduction and Background

The highway interchange of Interstate 170 and Olive Boulevard in suburban St. Louis County, Missouri, was fully upgraded by the Missouri Department of Transportation in 2008 to better manage high volumes of traffic. The interchange also effectively forms the boundary between two municipalities in St. Louis County, University City on the east and Olivette on the west. In anticipation of improved transportation conditions at this boundary point, the two cities formed a Joint Redevelopment Task Force (JRTF or Task Force) to study the opportunities for revitalization and more intensive development.

Formed in early 2009, the Task Force represents an unusual collaboration in a region where suburban municipalities are noted for their competitive behavior. The Task Force has equal representation from both cities (a council member, a planning commission member, and two citizens at large from each) despite their differences in population. University City has almost five times the number of residents as Olivette.

The Task Force was charged to explore redevelopment initiatives for the study area. In turn, the study area was not given any formal redevelopment boundaries by the respective governing bodies. In effect, the Task Force

was, and remains, free to determine the boundaries wherein its recommendations will apply. The Task Force was asked not to develop a master plan, but instead to brainstorm a vision following broad principles:

- Consistent for both sides of Olive Boulevard and I-170, crossing city boundaries
- Long-range, even decades into the future
- Amplifying the appeal of both cities
- Exploiting the transportation network of not only the highway interchange, but also planned regional trails through the area and the potential for a light rail transit station.

Meeting monthly, the Task Force eventually reached a point where outside, professional advice would be valuable. It, therefore, invited the Urban Land Institute St. Louis District Council to form a Technical Assistance Panel (TAP) of real estate industry professionals who could address several specific questions in order to help the Task Force arrive at specific recommendations to the two cities for focused redevelopment initiatives. These questions, and the TAP Panel's answers to them, form the basis of this report.

Three Study Questions

The Task Force drafted a set of preferred and prohibited land uses for the study area. Prior to making recommendations to their respective city councils, the Task Force engaged the ULI St. Louis Technical Assistance Panel to review its work and to answer three key questions:

1. Are the preferred uses realistic?
2. What can the municipalities do to attract and incentivize these uses?
3. What are the benefits, obstacles and drawbacks of working together?

Quick Answers

1. Yes, *with contingencies.*
2. Quite a lot, *but it will take a huge effort.*
3. Mostly benefits, but there are obstacles and drawbacks.

TAP Process

The workday began with a detailed presentation by the two city planners who also escorted the Panel on an hour and 45 minute bus tour of the land area surrounding the interchange. The Panel devoted several hours to listening to stakeholders and interest groups who were invited to talk about redevelopment surrounding the I-170 - Olive interchange. These groups included property owners, elected officials, transportation officials, representatives from the St. Louis County Economic Council, local business groups and developers.

During its deliberations, the Panel did not attempt to make a plan, only to consider what's possible in the study area and how the cities might get there. It is important for the Task Force and the cities to appreciate that moving toward the kind of redevelopment they envision will require extensive planning and close work with a wider range of interest groups.



Everyone agreed: the study area is ugly. Several people quoted Gertrude Stein, "There's no there there."

Some Context

Understanding the cities' respective demographics, culture and sales tax structure informed the Panel's deliberation.

2010 Census. The 2010 Census numbers had just been released to reveal that over the last 10 years, Olivette had grown slightly; University City, which is five times larger than Olivette, had shrunk slightly; and while the population of the metropolitan region as a whole grew by 4.2% (at about half the national growth rate of 9.7%), St. Louis County by itself remained relatively stable. In short, growth has improved but it's not flourishing; and much of the growth is happening at the fringes of greater St. Louis (Jefferson County, St. Charles County, Madison County, St. Clair County), not at the center. The 2010 census data is a call to action for the center – our two cities included: get competitive, re-attract business and people, become relevant for the future.

Appeal. Residents are drawn to Olivette because it is a suburban, residential neighborhood right in the middle of St. Louis County and it participates in the highly regarded Ladue School District while maintaining a level of affordability compared to



Ladue, its more affluent southern neighbor. University City boasts a broadly diverse populace and is home to "The Loop," a bustling district of eclectic shops and ethnic restaurants that draws shoppers regionally. U City is also home to the prestigious Washington University which has become influential in redevelopment at the eastern end of Olive Boulevard.

Sales Tax. For sales tax purposes, Olivette is a point-of-sale city and keeps most of the sales tax generated within its borders. University City is a "pool city" and shares sales tax revenues with other pool cities in St. Louis County on a per capita basis.

This is a serious difference that potentially affects joint land use decisions: Olivette benefits directly from retail sales; U City benefits directly from increased population.

Given this contextual lay of the land, the Panel wondered about the practicality of these two dissimilar cities working together in the study area to get more than the sum of their parts. Could it really work?

Comparison	Olivette	University City
2010 Census	7,737 (+4% from 2000)	35,371 (-5.5% from 2000)
	St. Louis County 998,954, -1.7% from 2000	
Appeal	Ladue schools, mostly residential	Loop, eclectic, diverse, Washington University
Sales Tax Structure	Point-of-sale city; keeps sales tax generated within its borders	Pool city; shares with other pool cities in the county on a per-capita basis
Sales Tax Grows With	Retail sales	Population growth
I-170 and Olive	Both cities regard the interchange as a gateway	

Reordering the Questions

The more the Panel members considered the preferred uses (see the Appendix) the more they recognized that, yes, under the right conditions — which is a big caveat — many could be realistic. It made sense to work out those conditions first, then view the preferred uses through that lens. The right conditions, ones that enable re-development, would mean the cities would need to set up a framework for change, something that does not now exist, something to “attract and incentivize” land use in the study area. Reordering the sequence of the questions focused the Panel’s discussion.

2. What can the municipalities do to attract and incentivize the preferred uses?
Create a framework for change.
3. What are the benefits, obstacles and drawbacks of working together?
1. Are the preferred uses realistic?

Step 1: A 353 District

The Panel’s number one idea: Build on the synergy of the Task Force and create an Olivette – University City joint development district in the study area, as an Urban Redevelopment Corporation under provisions of Chapter 353 of the Missouri Statutes. A Chapter 353 corporation would give the cities the legal and marketing power to set the stage for successful redevelopment. Forming a joint 353 corporation tells potential developers, business owners, government and civic partners and interest groups that these two cities mean business.

Two cities teamed up in a joint 353 district is a bold idea.

Other local governments have collaborated in redevelopment efforts, but not quite like this. North Park Partners is a joint development district formed



on the east side of Lambert Airport that pulls together land from three cities: Ferguson, Kinloch and Berkeley. University City and the City of St. Louis created a Transportation Development District that has received federal funding to run a restored streetcar across their shared border between The Loop and Forest Park. The proposed bi-city 353 district is bold, but not without precedent.

Benefits of a 353 District

There are several aspects of the Chapter 353 legislation that make it seem like the right tool for redeveloping the study area.

- *It requires a private, for-profit redevelopment corporation to manage the redevelopment.* Most important: this places responsibility for success on a profit-motivated entity. The cities will have strong oversight, but the burden of day-to-day operation moves to the corporation. It creates a virtual “one-stop shop” for developers interested in improving the area.
- *It requires a redevelopment plan that must be approved by municipal ordinance.* The cities write a plan appointing the corporation responsible for implementing it. Typically, a “353 plan” sets parameters and goals as a master plan, but is not a strict site plan with building placement requirements.
- *It makes special powers optional.* These are the ‘carrot’ of tax abatement and the ‘raw onion’ of eminent domain. The latter is a prickly public issue which the cities should avoid, but not dismiss. Because the project is so long-term and it is impossible to know what may happen in a decade or two, the Panel recommends that the special powers be held in reserve, for unique, otherwise irresolvable circumstances. Both cities have these powers now and should continue to

maintain them in their “toolbox”.

- *It helps the cities prepare for a bold move.* The Task Force set no limits geographically and few limits otherwise (no tattoo parlors...) for the study area. The desire is for something big, good, enriching. As difficult as it is to imagine the study area today as a place that draws people because of its élan, that mind-boggling possibility could come about. It will depend a lot on how the plan is written, but the biggest constraints will be imagination and passion. The Panel is jazzed by what a 353 corporation represents for the study area: élan? Why not?
- *It positions the site for national interest.* Undeniably, I-170 and Olive is a great location for transportation. It’s also a great location inside St. Louis County, which happens to be one of the more prosperous and healthy economies in the United States, with a diverse social network. Planned well, this location could set a national trend, the kind of model that typically starts in Chicago or L.A.

Because Olivette and University City are known for being well run and because they have a history of managing change effectively, it makes sense to create a joint district that straddles their boundary, that treats both sides equally, and that becomes an inviting location for business, national as well as local.

Framework for TIF, CID, TDD

Missouri offers a rich panoply of redevelopment and revitalization tools, and having a 353 redevelopment corporation sets up a framework for taking advantage of them.

- **TIF - Tax Increment Financing**, captures added taxes within a TIF district and those monies can be plowed back into redevelopment activities ranging from planning to land acquisition to rehabbing and many other associated costs.
- **CID - Community Improvement District**, adds a property-based assessment based and/or a sales tax within its district to pay for a very wide variety of operational services as well as public facilities and improvements ranging from pedestrian plazas and shopping malls, parks, sidewalks, streets, streetscapes, public art, arenas, aquariums... a long, intriguing list of possibilities.

- **TDD - Transportation Development District**, also adds a small tax or toll within its district to pay for transportation-related improvements.

There also are many other state and federal economic development and real estate development programs to leverage.





From Study Area to 353 District

Although the Task Force set no limits on the study area, a 353 area needs boundaries. The Panel suggests creating the 353 district within the red line on the study map, west to Price Road, east to Woodson/McKnight and north-south as shown. Later, if the market is strong, and/or residents request, the district could expand to the areas within the yellow lines.

Step 2: The SW Quadrant

Start redevelopment in the southwest quadrant, which already has empty land parcels and, most importantly, existing market interest. Help the developer(s) to come up with better site plans, reflecting the vision and design of the Task Force. Making the southwest corner work as soon as possible can generate TIF, CID and/or TDD money that will be fungible across the district; it can be used in one of the University City quadrants even though it was generated on the Olivette side. Before redevelopment, however, the rectangular area between Olive and Locust on the east side of Price Road should be added to this quadrant.



Further Actions

At the same time the cities are pursuing a joint 353 redevelopment district, there are other things to do that will help the project succeed:

- *Nurture multiple partners.* Look for help and collaboration with planning, funding and implementing from the St. Louis County Economic Council, the State of Missouri-MODOT, the regional East-West Gateway Council of Governments, Metro, and Great Rivers Greenway. The Panel heard good vibes from people representing all of these agencies.
- *Create a form-based zoning code for the district.* Form-based zoning is a modern land use code that emphasizes appearance and physical form over conventional zoning districts. The idea is to make the place look good and operate efficiently with greater density to take advantage of the location.
- *Attract MetroLink and transit-oriented development.* Be pro-active with Metro; when the time comes for MetroLink to move westward, make sure the plan includes a MetroLink station at I-170 and Olive. On top of that, redevelop the area along transit-oriented development principles that include pedestrians and bikers; it will impress transit funders.
- *Make heavy streetscape improvements.* Although some streetscape improvements have been attempted, they are lost in vertical clutter. Much more visible changes are needed. Consider such strategies as traffic calming, pedestrian walkways and bike lanes.
- *Enforce design quality.* Set high standards and insure that the property owners go fifty-fifty with the cities on enforcing them. Good physical appearance and long-term maintenance are critical to quality.
- *Allocate a hefty advertising budget.* Make sure everybody in the region knows about this place; theme it, name it, talk about it, promote it. Make this location a place people want to come. Put it on the national map for cooperative suburban redevelopment.
- *Find a strong champion.* The district needs someone (or some organization) with a strong vested interest whose force of enthusiasm for the place will catch on. In the Loop, this is Joe Edwards. Elsewhere in University City, it is Washington University. With the right booster, a similar, lively neighborhood could envelop the I-170 – Olive interchange. Ideally, this person or entity should be the leader of the 353 corporation whose main job is to promote this area and try to pull together parties and incentives.

Benefits of This Approach

The Task Force specifically asked the Panel to address the benefits of the two cities working together. The Joint 353 District starts when Olivette and University City approve the same redevelopment plan that is focused on design guidelines rather than specific uses, and can then be carried out by private market forces.

This is the purpose of the 353 law: private redevelopment under public control.

The cities set the standards; private enterprise makes good; everyone profits. The cities make their decisions up front, and the 353 corporation carries them out.

- *More than the sum of the parts.* If University City pursues one plan and Olivette pursues another, they end up fighting for resources and partnerships. In a joint district, instead of competing, the cities will be collaborating, which will be attractive to funders, partners and businesses.
- *Creative and bold.* This is a very creative move. Nobody else has done it and, though it will require a lot of analysis and planning, it will send a bold signal to the national marketplace that says, I-170 and Olive is a welcoming location. It's open for business! That signal that will echo happily with local businesses accustomed to dealing with fragmented groups in St. Louis County.
- *A new way of doing things.* A bi-city collaboration positions the project very favorably in the competition for resources from other agencies and government bodies. They will want to be part of this experiment and will offer their help because they'll want it to succeed.
- *Fostering broad goals.* Working together advances the overall goals of both cities, including raising the tax base, increasing the population, and upgrading the image of the study area.

Concerns

The Task Force also asked about drawbacks and obstacles.

- *Everybody's watching.* In the beginning, people want a project to succeed, but it's out there where people can see it. It absolutely needs to produce something excellent.
- *A 353 plan can trigger initial disinvestment.* Planning will be a public process and we know the completed project will be a long time coming. Don't be surprised if, in the meantime, some current property owners decide against upgrading their properties. In some cases, however, the plan could reflect uses that already exist which could trigger, indeed, will require, property upgrades.
- *A joint 353 district means the cities would relinquish some direct authority.* This is on purpose. The cities can always revoke that authority from the corporation if necessary. In the meantime, it creates a "one-stop shop" with a single set of rules for the development community.
- *A joint district is difficult to dissolve (but it should be).* Know going in that some parts of the plan will flop now and then; and some changes are very long term. Be prepared to give it lots of growing time. Make the 353 district difficult, but not utterly impossible, to unravel.
- *Some potential uses are very long-term in coming.* Creating a joint 353 district does not imply that everything in the plan will happen apace. Some of the uses – a Metro station, a corporate office building – may be decades away.

Realistic, Preferred Uses

This brings us back to the Task Force's first question: Are the preferred uses realistic?

- *Walkable design.* It's not a use, but it's a good idea because it helps to position the uses that the Task Force envisions.
- *Higher density housing.* For sure, this is a great spot; it will make use of the walkable design and will be a factor in attracting a Metro station. The new interchange is already designed to handle lots of cars. What a terrific number of choices for residents who will be able to walk to a restaurant for lunch, hop onto Metro to get to Busch Stadium, or nip onto the highway to visit friends in West County.
- *Metro station.* All are agreed that I-170 and Olive is a logical stop on a Clayton-Westport line; make sure to designate a place for the station and be sure it is included in both the area 353 plan and in Metro's long range plan.
- *Senior living.* This is a great idea and a real opportunity because it is a growing market segment. All cities should be thinking about ways to keep their seniors in the community when they get ready to move to smaller housing.
- *Civic and cultural buildings.* There may be an opportunity to move a city hall, a community center or a library into the area as an anchor. It would be a way to manifest that this is the place where the cities want to see things happen. And small business will spring up in a high traffic area.
- *Mid-rise buildings.* The panel was not enthused about high-rise buildings; but mid-rise would work. A corporate headquarters, higher education or a medical facility could be a good fit. When the land lays right, unexpected things can happen as with Express Scripts moving to NorthPark by the airport, or Alberici renovating a 50-year old structure into a signature building on I-170 north.
- *Community and regional retail.* It will be important to have shops and restaurants within walking distance of the higher density housing and easily accessible from the highway. Already Bob's Seafood is a regional attraction and so is the growing stretch of Asian and international shops and restaurants on the University City side of the highway. Capitalize on these.



Prohibited Uses

The Panel questioned a couple of categories on the prohibited use list, which, if carefully screened and landscaped, might work well. For example, the site begs for a service station. If the joint district has strong form-based zoning and signage standards, and if a gas station wants to be there because I-170

and Olive is a perfect spot for one, it could be both attractive and advantageous. The same could be true for a dry cleaner; not a dry cleaning plant, but a storefront that serves the neighborhood. A walkable design needs places to walk to; be open to ideas that come in from the market.

Summary of Recommendations

The Panel commends the Task Force for diligence in grappling with the land use problems near the I-170 – Olive interchange and for setting the stage for continued collaboration between the two municipalities.

The Panel's chief conclusion: Yes, it's an excellent idea for Olivette and University City to join together to transform this woebegone area, and they should start soon by taking these steps:

- Create a bi-city Chapter 353 district and corporation, which means the two cities have some big items to tackle going forward:
 - *Jointly adopt a redevelopment plan*
 - *Write strict, consistent design standards*
 - *Analyze the various financing options*
- Nurture partnerships. Approach private, county and regional sectors, government agencies as well as the chamber of commerce, developers, and businesses.
- Assemble and redevelop the southwest quadrant.
- At the same time, be working to:
 - *Establish a form-based zoning code for the 353 district.*
 - *Attract MetroLink and transit-oriented development.*
 - *Make heavy streetscape improvements.*
 - *Insist that property owners share design enforcement with the cities.*
 - *Budget for robust publicity.*
 - *Find a strong champion for the district.*

Preferred Uses	Prohibited Uses
Senior living	Gas/service stations
MetroLink/bus station	Convenience stores
Multi-level public parking structure	Drive-thru food establishments
Mid- or high-rise buildings for corporate HQ, medical facility, higher education	Telecommunications facilities not integrated into the building
Mid-scale retail	Car dealers
Restaurants, micro-breweries, wine bars	Limited service hotel
Bakeries, delis, personal services (banks, spas, barbers, tailors)	Package liquor facilities, pawn shops, short-term loan shops
Art galleries, museums	Warehouses
Child daycare	Resale/thrift shops
Entertainment (theatres)	Tattoo parlors
Hotels (full service)	Car wash
General offices	Dry cleaners/laundromats
Government/administrative offices	Animal hospitals, veterinary facilities
Residential units (lofts, studio, mixed income, upper end residential, penthouses, independent senior living)	Surface parking lots as principal use

Panel Professional Biographies

Robert M. Lewis, Panel Chair. Bob Lewis is Principal and President of Development Strategies, a St. Louis based provider of consulting services in real estate, community and economic development. He is DSI's chief economist and works on projects across the United States. He teaches business economics at the Keller Graduate School of DeVry University and a graduate course in Urban Systems and Infrastructure at Saint Louis University. Bob is a certified economic developer (CEcD) and a member of the American Institute of Certified Planners (AICP). He has an M.S. in City and Regional Planning from Southern Illinois University at Edwardsville and a B.S. in Business Economics from Miami University in Oxford, Ohio.

Tim Boyle, Panelist. Tim Boyle is the Founder and President of City Property Company, a real estate development firm that specializes in urban development and real estate services in St. Louis. Founded in 1990, City Property Company develops, manages and owns numerous commercial real estate properties in the City of St. Louis with two areas of special interest, the South Grand Business District and the Washington Avenue Loft area. City Property Company was the developer of ArtLoft and the ArtLoft Theater, forerunners of the current downtown living and entertainment movement. Tim has a B.S. in Mechanical Engineering from the University of Missouri.

Bill Burke, Panelist. Bill Burke is a Senior Planner with Oates Associates, an engineering and architecture firm where he directs planning and landscape architectural operations. He has over 20 years experience in site planning, streetscape design, master planning, smart growth planning, comprehensive planning and landscape architectural design. Currently, he is managing projects for the Illinois Department of Transportation, the City of Wildwood, MO, and the Great Rivers Greenway District. Bill is a member of the American Planning Association, and is Past President of the American Society of Landscape Architects. Bill is a registered landscape architect. He has a B.L.A. in Landscape Architecture from the University of Arkansas.

Gwen Knight, Panelist. Gwen Knight is Executive Vice President of Enhanced Value Strategies, Inc. in St. Louis, a national consultant on complex real estate issues. Gwen's experience in commercial real estate experience spans the spectrum of advisory and consulting services, development, public and private partnership ventures, financing, strategic planning, acquisitions, brokerage and marketing. She was instrumental in the \$80 million redevelopment of the Old Post Office in St. Louis and the \$85 million redevelopment of One City Centre and St. Louis Centre. In 2002, the St. Louis Business Journal named her one of St. Louis's Most Influential Business Women. She is a licensed real estate broker in Missouri and Utah and holds an M.B.A. from Washington University.

William J. Kuehling, Panelist. Bill Kuehling is a Senior Partner at the St. Louis law office of Polsinelli Shughart, P.C. His practice embraces real estate development, land use and municipal law. Bill has extensive experience in development, particularly governmental incentives to development including tax increment financing, tax abatement, community improvement districts and transportation development districts. Bill is a frequent conference presenter on topics such as "Nuts and Bolts of Establishing a Taxing District in Challenging Times" and "Legal Considerations in Urban Redevelopment." Bill has been admitted to the Bar in Missouri and the District of Columbia. He has a J.D. from Georgetown University, an M.B.A. from Washington University, and a B.A. from Tulane University.

Cady Scott Seabaugh, Panelist. Cady Scott Seabaugh is a Communications Manager and Sustainability Manager in the St. Louis office of McCormack Baron Salazar (MBS), an urban developer with projects across the United States. Cady serves as the hub of communications across the company with funders, government partners, resident partners and the media. She has special experience in economic impact modeling, geographic information systems, and she is a LEED-AP (Leadership in Energy and Environmental Design - Accredited Professional), with expertise in green building and neighborhood design and certification. Cady holds a B.A. in Humanities from Yale University and an M.A. in Urban Planning and Real Estate Development from Saint Louis University.