

The Shoppes at North Village

IRR's C&P Client:

City of St. Joseph, Missouri

Project Highlights:

- *Conducted Feasibility Analysis using IRR's National Database*
- *Prepared TIF projections for Redevelopment Proposal and Presentation*
- *Assisted in development of TIF Plan*
- *Assisted in negotiations between City and County Government*
- *Assisted Underwriter in sizing and phasing*



Corporate & Public Finance, LLC
1901 W 47th Place, Suite 300
Westwood, KS 66205
(913) 236-4700
www.irr.com

On August 4, 2003, the City of St. Joseph, Missouri, “the City”, approved the North County Development Tax Increment Financing Plan and the Redevelopment Agreement with St. Joseph Development Company LLC, “the Developer”, to develop the initial phase of the project. These actions were the culmination of a year long effort to assist the Buchanan County Commission to implement a Master Development Plan for a 245 acre tract of land that the County controlled and wished to utilize as an economic development asset for its community.

In September 2002, Buchanan County, “the County”, issued a Request for Proposals (RFP) for 65 acres within the proposed Redevelopment Area. The redevelopment site is located along Belt Highway (U.S. Highway 71). The U.S. Highway 169 exit from I-29 serves the area and a new parkway was to be constructed through the site to Belt Highway. Belt Highway was to be the primary arterial and frontage for the initial proposed commercial development pursuant to the RFP. IRR C&P was engaged by the R. H. Johnson Company and RED Development to assist in the preparation of a Response to the Request for Proposals, and if selected as the Redeveloper, to represent the Developers in the preparation of the TIF Plan and in negotiating the subsequent financing and development agreements.

IRR C&P initiated a preliminary retail supply and demand analysis and market study, developed a preliminary public and private finance sources and uses analysis, and prepared projections of potential Tax Increment Financing (TIF) and Transportation Development District Financing (TDD) revenues. Buchanan County received five proposals in response to its RFP. The proposal submitted by R.H. Johnson and RED Development for “The Shoppes at North Village” was selected by the County in large part due to the Developer’s proven track record, the proposed quality of design and amenities and the knowledge and detailed presentation of TIF and TDD financing structures included in the Proposal.

Buchanan County determined that rather than creating a County TIF Commission, that the Plan would be submitted to the City of St. Joseph for review and approval. Neither the City nor the County had previously participated in preparing or considering a Tax Increment Plan. As a result, IRR C&P in addition to representing the Developer also became an ongoing advisor to both the City and the County.

For more information about this project and others like it, please contact Kevin Nunnink at: knunnink@irr.com

A working partnership developed between the City, the County and the Developer in order to advance the Proposal and Plan through the approval process, to incorporate the needed public improvements and planning concerns within the development plan, and design a public/private financing structure that would accomplish these common goals.

The approved TIF Plan for the North County Development includes eleven project areas, incorporates likely market absorption timetables and probable TIF revenue generation. In order to improve the project's competitiveness and reduce the costs and complexity of the financing plan, IRR C&P recommended a restructuring of the project financing to exclude the initial anticipated TDD financing and issue \$16.4 Million Tax Increment Financing bonds. IRR C&P further assisted the Developer and the proposed underwriter by incorporating provisions in the tenant and major anchor tenant's lease and sale agreements which will expedite the ability to issue TIF Bonds early within the construction process. IRR C&P additionally recommended, and successfully negotiated, a Redevelopment Agreement that was approved at the time of the TIF Plan consideration, in order to insure that all parties to the transaction were fully in agreement as to the nature of the parties' obligations and expectations.



IRRC&P has once again provided its expertise and knowledge of real estate market demand and public/private finance to complete a complex project in a timely manner; and in doing so, IRR C&P is pleased to have served both the Developer and the Public Sector, in successfully accomplishing a mutually beneficial joint venture development agreement.

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