

**Carondelet Coke Redevelopment Area
TIF Commission**

**City of St. Louis
November 20, 2012**



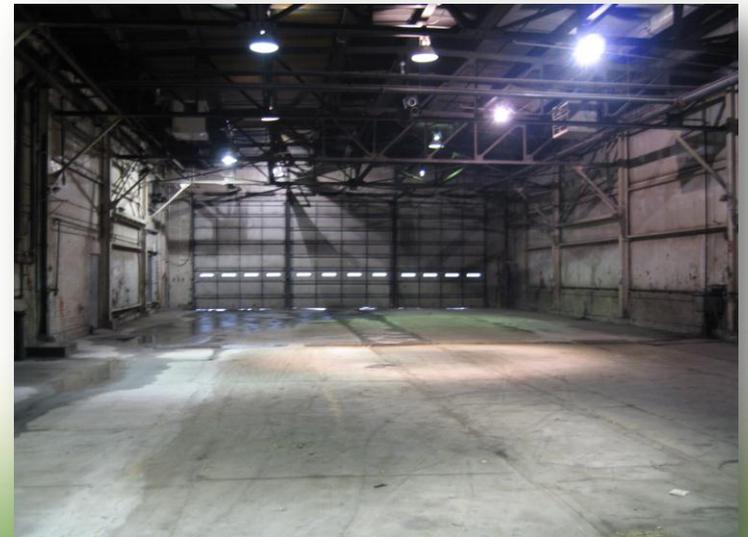
Green Street Profile

- Green Street Real Estate Ventures, LLC & Green Street Development Group, LLC (“Green Street”)
- Full service development, real estate brokerage, and management group
- Experienced in redevelopment and build-to-suit construction
 - In total, GS or affiliates have financed 30 business parks or buildings over the last 10 years collectively valued at \$175M
- Focus on LEED certified and sustainable real estate projects
- Provide real estate finance and incentive advisory services
- Significant investment to Low Income Community’s (LIC’s)
 - 19 business parks or buildings in **LIC’s** over the last 10 years collectively valued at \$117M
 - Principal development focus is the City of St. Louis
- 3-time City of St. Louis Development of the Year Award

Green Park Broadway
840 E. Taylor
St. Louis, MO

Goedecke
Raben Tire & Auto Service

Before Photos



**Green Park Broadway
840 E. Taylor
St. Louis, MO**

**Goedecke
Raben Tire & Auto Service**

After Photos



St. Louis Business Center
8000 Hall Street
St. Louis, MO

Before Photos



St. Louis Business Center
8000 Hall Street
St. Louis, MO

After Photos



**Chouteau Crossing
2301 Chouteau Avenue
St. Louis, MO 63104**

**Sheet Metal Workers' Local 36
Dynamalabs**

Before Photos



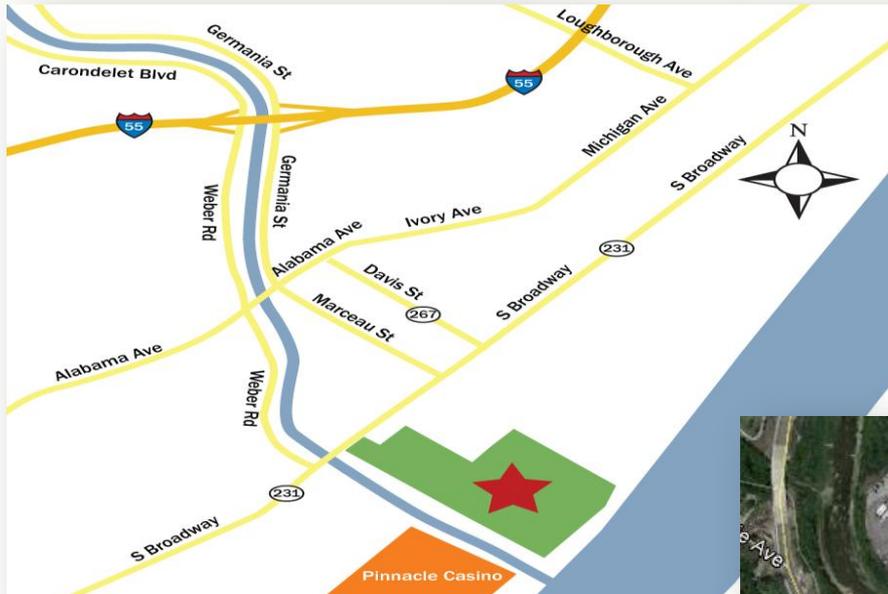
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After Photos



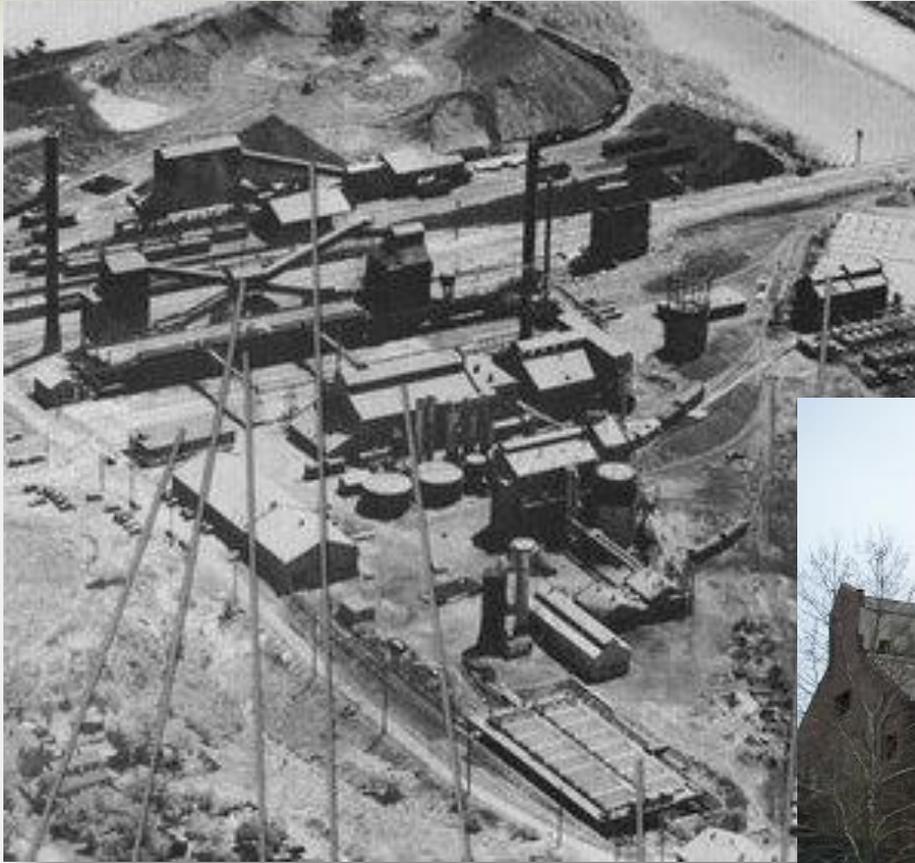
Carondelet Coke Redevelopment Area -Location



Carondelet Coke – Property History

- Operated as a steel plant from 1870-1896 (St. Louis Ore and Steel Company)
- Sat idle from 1896-1913
- Laclede Gas operated a coke oven/coal gasification plant from 1918-1950
- Sold to Great Lake Carbon Corporation in 1950
 - Constructed additional 40 coke ovens
- Sold to Carondelet Coke Corporation in 1980
 - Shuttered the coke plant operation in 1987
- Entered the Land Reutilization Authority inventory in 1994
 - Result of tax reversion

Carondelet Coke - Property History



Carondelet Coke – Brownfield Site

- Historical use of property resulted in significant environmental concerns
 - Asbestos in buildings
 - Various chemicals of concern located in buildings
 - Various chemicals of concern located in soils
 - Various chemicals of concern located in groundwater
- Property was unsafe with significant levels of contamination
- LRA enrolled site into MO Voluntary Clean-up Program (MOVCP)
- Established preliminary Remedial Action Plan (RAP) to remove, mitigate or “cap” environmental contaminants in order to bring the property into compliance with environmental standards for health and safety for future commercial/industrial uses

Carondelet Coke – Brownfield Remediation



Carondelet Coke – Redevelopment Program

- LCRA issued RFP for development partners
- Phil Hulse & Summit Development were selected as developers
- Later transferred to Phil Hulse & Green Street Development Group LLC
- LRA completed necessary environmental plan RAP review with the MOVCP
- LCRA/Green Street partner to apply for Brownfield tax credits
 - Approved by Missouri Department of Economic Development
- Environmental remediation begins in 2009
 - Active remediation to be completed by year end 2012
 - Ongoing monitoring and compliance
- **Majority of existing infrastructure (streets, sewer, water, electric, etc.) was vacated and removed in connection with the remediation actions required by the RAP**

Carondelet Commons

LCRA/LRA/Green Street

- Public-private partnership
 - Pool limited financial resources to execute remediation
 - Archeological studies and findings
 - Geotechnical studies
 - Assist with other site consolidation issues
 - Street vacations, utility vacations, etc.
 - Site engineering plans for future development
 - Assess site elevation to avoid flood plain encroachment
 - Storm water quality/detention
 - Road infrastructure design and access
 - Reconstruction of site utilities
 - Import qualified fill material to raise overall site elevations
- Green Street acquired approx. 11 acres, retains purchase option for LRA-owned 42 acres

Carondelet Commons Property Ownership Map



Carondelet Commons Business Park Overview

- Largest, contiguous “pad ready” site in the City of St. Louis
 - No competitive locations within the south City and south St. Louis County submarkets for this type of product
- Offers “master-planned” amenities within the urban context
 - Coordinated signage and landscaping, security enhancements, shared parking
 - Planned to incorporate sustainable business park features such as bio-swales, biking/hiking trails and LEED buildings
- Contains multi-modal features – auto/truck, rail, barge
- Total estimated development impact:
 - 650,000+ sf of new, contemporary building space (LEED)
 - 400 + employment positions to be created
 - Over \$68 million in private investment
- Favorable zoning for development (“J” - Industrial & “K” – Unrestricted)

Carondelet Commons Development Plan

- Development to occur in **five phases**
 - Building A
 - Building B
 - Building C
 - Building D
 - Building E
- Projected development timeline
 - Begin construction 2013
 - Complete construction 2017
- With assistance of TIF, plan to construct east-west street access road during the construction of first building
- At completion of road project, dedicate to City, Developer to enter into agreement for ongoing maintenance

Carondelet Commons – Site Plan



Carondelet Commons – Neighborhood Anchors

- River City Casino
 - Completed \$24 million connector road between Broadway and I-55 providing lighted, landscaped road infrastructure to “front door” of Carondelet Commons
- New World Pasta
- Italgrani USA
 - Investing in rail spur to increase distribution capacity between rail/barge
- South Broadway Commercial Corridor
 - Extension of streetscape enhancements will connect Carondelet Commons with the neighborhood businesses

City of St. Louis

Business Retention/Expansion/Attraction Trends

- Pent up demand by existing City companies
 - Need newer, contemporary space
 - Willing to relocate and expand in the City for “right” building location
 - Acquiring out of state companies to relocate to Missouri
 - Option of returning overseas production to Missouri
 - Historically, did not have any alternative options and left City
- New businesses to the City
 - Food production and distribution
 - Value added manufacturing
 - Pharmaceutical production
 - Printing/bottling
- Focus on production and value added process companies due to higher ratio of employment

City of St. Louis

Business Retention and Expansion

- Past 50 years, City has been uncompetitive in offering locations/real estate opportunities to help industrial business expansion
- Past 5 year, City has improved competitive position
- Carondelet Commons levels or beats competition for business expansion – increasingly a global competition
- International Economic Development Council:
 - “Around 65 to 80 percent of new jobs are created by existing businesses in a community rather than by those that relocate to a community. “
 - “An effective business retention and expansion program also gives credence to a business attraction program because existing businesses are the best sources for finding out if a locality or region is a good place to locate and conduct business.”
 - “The survival of firms and the ability to retain them is integrally related to bringing new businesses into an area. New businesses can mean new customers and suppliers for existing businesses.”

City of St. Louis

Green Street Experience

▪ **New City Businesses**

- Kemlab
- Love's Travel Centers
- Raben Tire
- Salem Steel
- Ozburn-Hessey Logistics
- Missouri Bus Company
- BLAST Fitness
- Alro Steel
- Roadsafe

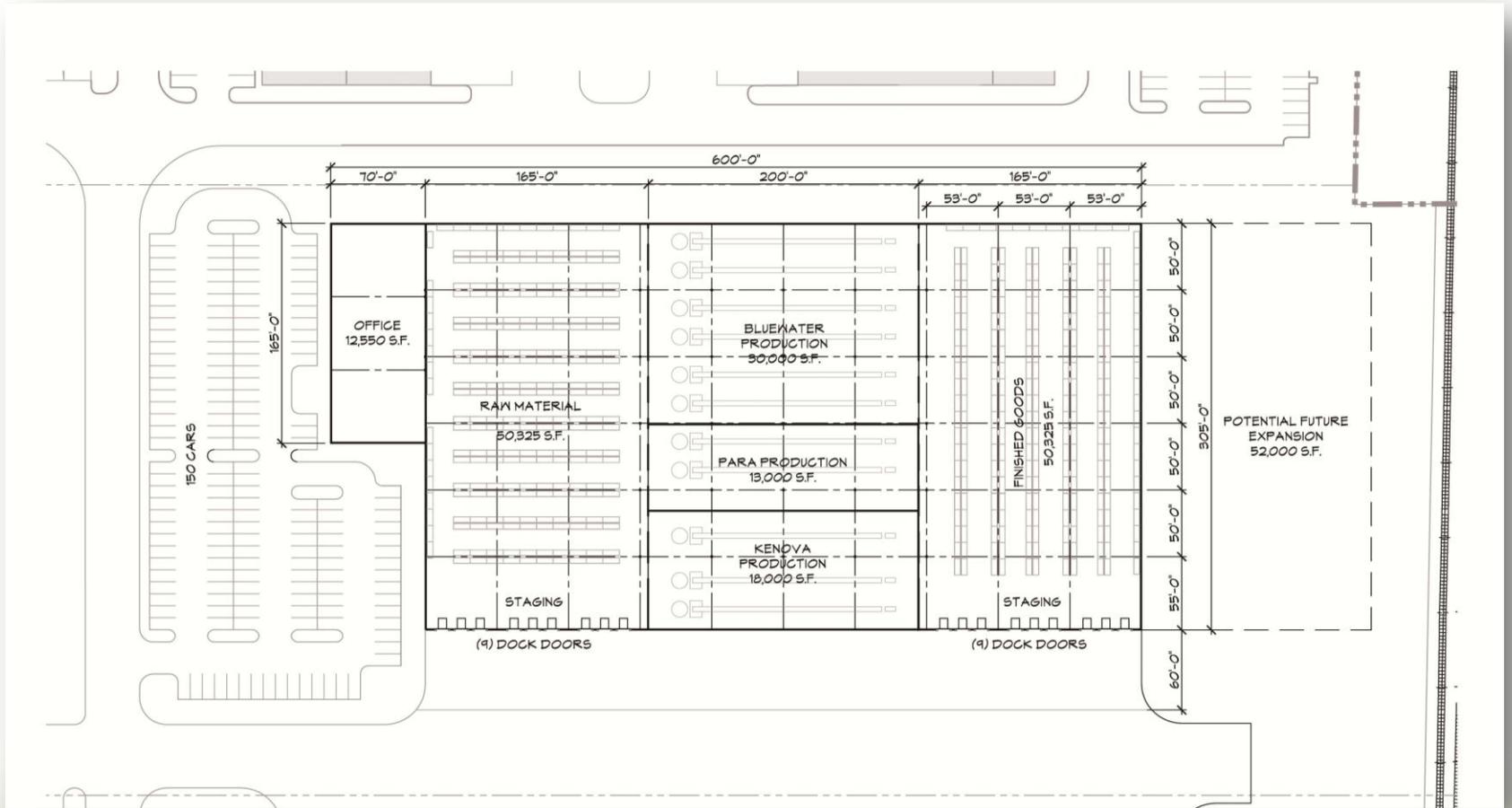
▪ **Retained City Businesses**

- Goedecke Equipment
- Dynalabs
- Local 36 Sheetmetal Workers

Carondelet Commons – Representative Projects

- Pharmaceutical Production
 - 180,000 sf building, \$15M investment, 90 jobs
- Food Production and Distribution
 - 155,000 sf building, \$22M investment, 195 jobs
- Paper Distributor
 - 110,000 sf building, \$12M investment, 60 jobs
- Metal Fabricator (Active Lead for Building #A)
 - 120,000 sf building, \$8M investment, 150 jobs
- Home Products Manufacturer (Active Lead for Building #C)
 - 200,000 sf building, 175jobs

Building C - Site Plan



Carondelet Commons Building C

– Project Summary

- Green Street (GS) to construct a 200,000 sf production building (LEED) on 10+ acres
- **Tenant #1 Employment:** 140 retained, 25 new – avg. salary \$38,000
- **Tenant #2 Employment:** 25-50 new – avg. salary \$40,000 (est.)
- First building in 50+ acre “Carondelet Commons” business park
- Multi-tenant building containing 2 tenants
 - Tenant #1 is a manufacturer of household products (150,000 sf)
 - Tenant #2 – future spec space (50,000 sf)
- Spec space (50,000+ sf) will be aggressively marketed to companies looking to locate within the City in order to attract new employment opportunities for residents

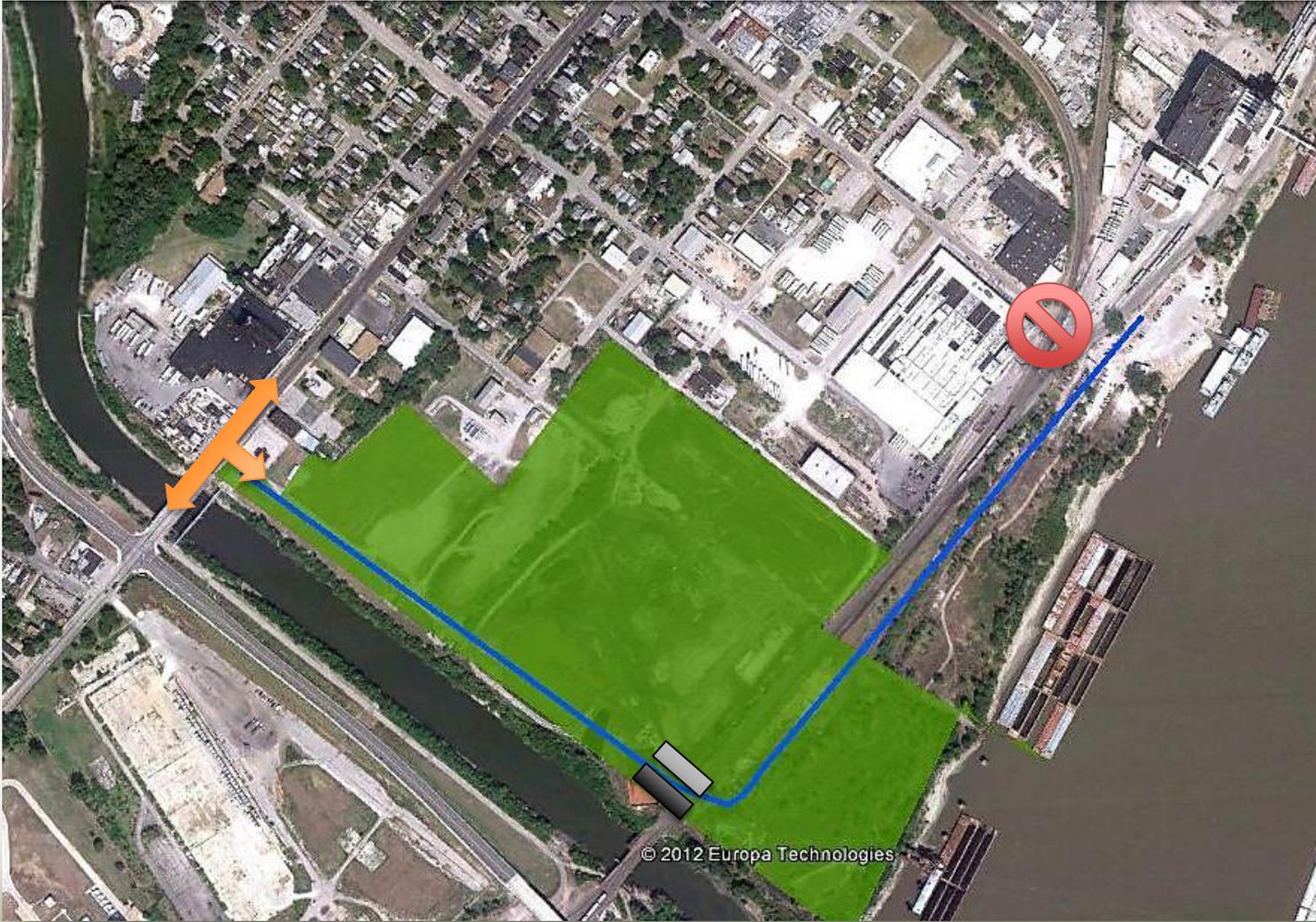
Need for TIF

- Costs of elevating site out of the 500 year floodway
 - Import of additional clean fill
 - Relocation of on-site stock piles
- Costs of required site infrastructure
 - Site has no existing infrastructure on-site
 - New access road, intersection signal, railroad crossing
- Additional costs to building construction due to ongoing environmental requirements
 - Installation of vapor barrier in foundation as a precaution against future gas emission from subsurface material
- Maximizing site acreage to accommodate buildings while avoiding easement impediments
 - Impacts acreage available for income stream to recover extraordinary costs of development

Road Infrastructure

- Primary access drive connecting S. Broadway to Italgrani
- Secondary access drive connecting primary access road with northern development pad sites
- Rail crossing at UP tracks to provide access to eastern Carondelet Commons development site ACL Barge and Italgrani
 - This crossing requires closing at Davis Street and will be the primary access to ACL Barge and secondary access for Italgrani
- New signal at primary access road and S. Broadway for traffic control

Road Infrastructure Access Plan



Funding of Extraordinary Costs

- Located in existing LCRA Redevelopment Areas
 - Utilize 10-year tax abatement to assist tenant attraction
- Creation of tax increment financing district
- Creation of community improvement district
 - Establish 1% sales tax on any taxable sales
 - Establish a \$0.30/sf tax or assessment on buildings for initial 10 years (same duration as tax abatement)
 - Tax/assessment provides baseline revenue to offset any variability in TIF revenue
- Green Street/SLDC to pursue other potential State and Federal funding sources to replace need for TIF
 - Uncertain if those will be available at this time
 - Intent is to leverage non-City resources

Total Project Budget

CARONDELET COMMONS PROJECT COSTS		
Building Construction & Site Work		52,875,000
Street Infrastructure Costs		2,650,000
Construction Costs	1,900,000	
Traffic Signal	250,000	
Union Pacific Railroad Crossing	500,000	
Property Acquisition		1,500,000
Utility Infrastructure		1,000,000
Stormwater Discharge	300,000	
Stormwater Detention	700,000	
Environmental Monitoring/Compliance		500,000
Legal, Professional, Closing & Misc. Costs		4,250,000
Subtotal		62,775,000
Contingency (10%, excluding land)		5,900,000
CARONDELET COMMONS PROJECT COSTS		68,675,000

CARONDELET COMMONS PROJECT FUNDING SOURCES		
Private Financing & Equity	85.44%	58,675,000
New Market Tax Credits	4.37%	3,000,000
Community Improvement District	1.64%	1,125,000
Tax Increment Financing	8.55%	5,875,000

Total TIF/CID Budget

CARONDELET COMMONS PROJECT COSTS TO BE PAID BY TIF/CID		
Building Construction & Site Work		17.86% 1,250,000
Street Infrastructure Costs		37.86% 2,650,000
Construction Costs	1,900,000	
Traffic Signal	250,000	
Union Pacific Railroad Crossing	500,000	
Property Acquisition		7.14% 500,000
Utility Infrastructure		14.29% 1,000,000
Stormwater Discharge	300,000	
Stormwater Detention	700,000	
Environmental Monitoring/Compliance		7.14% 500,000
Legal, Professional, Closing & Misc. Costs		8.00% 560,000
Subtotal		6,460,000
Contingency (10% Building/Site, Street, Utility & Environmental)		540,000
CARONDELET COMMONS PROJECT COSTS TO BE PAID BY TIF/CID		7,000,000

CARONDELET COMMONS PROJECT FUNDING SOURCES	
Private Financing & Equity	0
New Market Tax Credits	0
Community Improvement District	1,125,000
Tax Increment Financing	5,875,000

Carondelet Commons

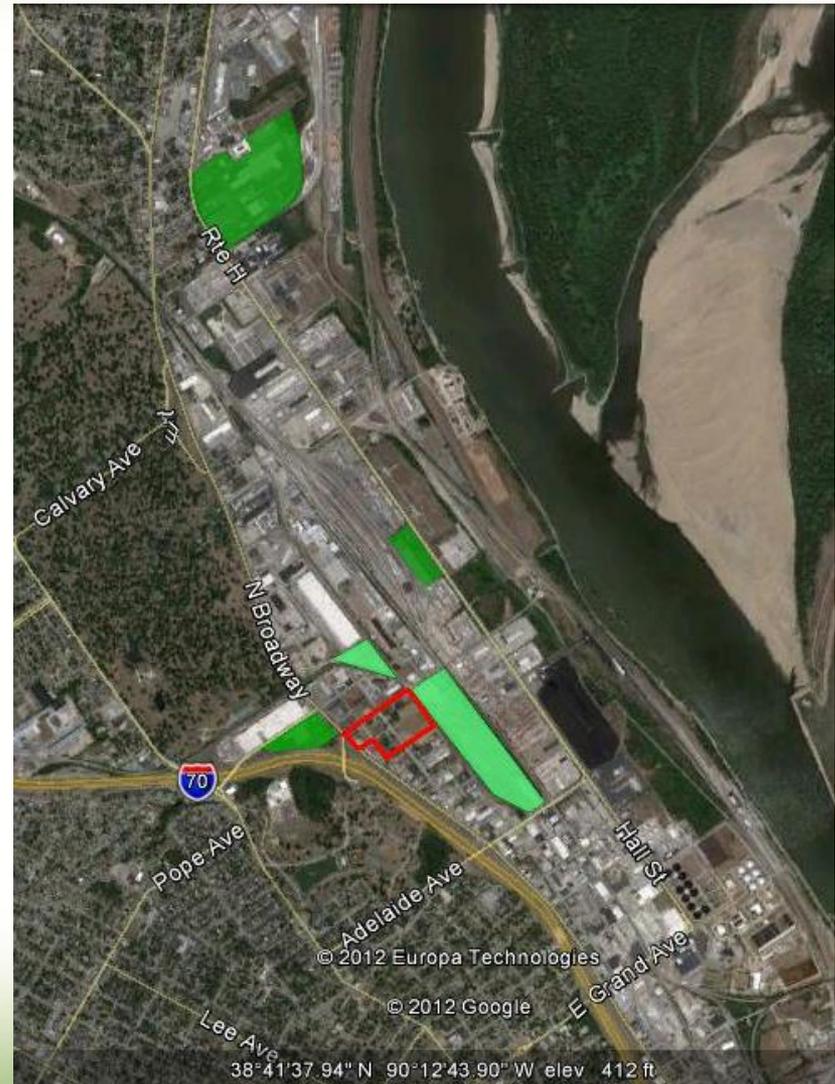
Community Impacts

- Inject a catalytic employment center into Carondelet neighborhood
 - Expand customer base for existing and future neighborhood businesses along S. Broadway and in Carondelet area
 - Support ongoing housing regeneration by introducing potential buyers
 - Southern anchor to neighborhood revitalization plans
- Convert blighted, vacant property into tax generating buildings
- Opportunity for new employment positions in the City
- Positive impact on adjacent properties with potential for reinvestment and business attraction

Green Street

City of St. Louis Impacts (North)

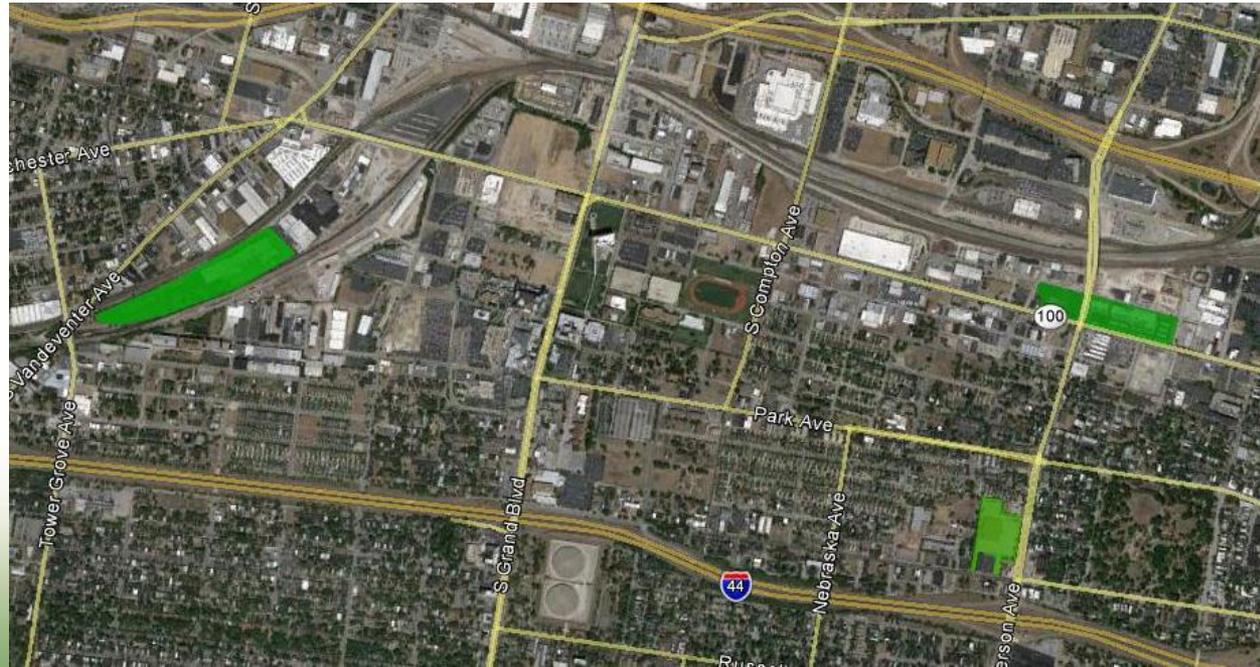
- St. Louis Business Center
 - 11 Companies, 500 jobs, \$25M investment, 900,000 sf
 - 85% Minority residents in census tract
- 6501 Hall Street
 - 2 Companies, 25 jobs, \$8M investment, 175,000 sf
- Green Street Broadway
 - 2 companies, 100 jobs, \$11M investment, 95,700 sf
 - 98.8% Minority residents in census tract
- Love's Travel Center/Subway/McDonalds
 - 80 jobs, \$9M
 - 98.8% Minority residents in census tract



Green Street

City of St. Louis Impacts (Central)

- Chouteau Crossing
 - 2 companies, 75 jobs, \$30M investment, 140,000 sf
 - 38.8% Minority residents in census tract
- Jefferson Commons
 - 4 companies, 100 employees, \$8M investment, 56,000sf
 - 70.6% Minority in census tract
- 1218 Central Industrial
 - 2 companies, 200+employees, \$7M investment, 200,000sf
 - 82% Minority in census tract



Green Street

City of St. Louis – Direct Impacts

Summary of Green Street Projects - Direct Economic Impacts

	<i>Companies</i>	<i>Jobs</i>	<i>SF</i>	<i>Investment</i>
North City	16	705	1,175,700	\$ 53,000,000
Central City	8	375	396,000	\$ 45,000,000
Total	24	1,080	1,571,700	\$ 98,000,000

	<i>Jobs</i>	<i>SF</i>	<i>Investment</i>
Carondelet Commons (est.)	400	650,000	\$ 68,000,000

Carondelet Commons

MBE/WBE

- MBE/WBE Participation
 - Mayor's Executive Order
 - Work with SLDC to establish workforce participation goals
 - SLATE
- Retain Sal Martinez, Executive Director of Community Renewal & Development Inc./Minority Contractor Initiative
 - Assist in development of MBE/WBE program for ongoing participation of "service" firms to ownership/tenants
 - Coordinate General Contractor with Subcontractors for construction opportunities for each Phase
 - Monitor and assist with workforce participation goals
 - Connect minority/low-income residents with employment opportunities

Carondelet Commons – Great Rivers Greenway

- In discussion with GRG to extend trail across River des Peres and south of Access Road
- Enhances community impact and public benefit of project
- Provides an additional amenity to assist in business attractions

