



WILDWOOD

PUBLIC FINANCING PROPOSAL

Proposal 2015-01

Payne Family Homes (Main Street Crossing Project)

City of Wildwood, Missouri

Development Finance Group's Addendum to Previous Report and Recommendation

Issue Date – March 14, 2016

“Planning Tomorrow Today”

The Development Finance Group (DFG) has continued its review of the application that was submitted by Payne Family Homes (“Payne”) for the Main Street Crossing Project. The group met with the applicant to address some of the referenced misunderstandings that were described by Payne at the City Council meeting on this matter, as well as to have an understanding of the applicant’s intent in terms of any payments or planned participation in regards to the cost of these collective required roadway improvements. The latter of these two (2) matters was of prime importance to the DFG, since the original application in this regard noted no participation/funding from Payne.

At this meeting, the following items were noted by the applicant relating to these improvements.

1. The applicant is funding the entirety of the Eatherton Road improvements set forth in the site-specific ordinance for the project. This amount is just less than three hundred seventy thousand dollars (<\$370,000.00).
2. The applicant had set aside in its budget for this project approximately four hundred thousand dollars (\$400,000.00) for Main Street construction, thinking of it as a collector street, not an arterial type of roadway.
3. The applicant had not budgeted any funding for State Route 109 improvements, despite being advised in its first meeting with the City on this potential project of this requirement to provide a connection to it from this site.
4. The on-going desire of the applicant for the City to offer the solution to this funding shortfall, given the housing project is a positive for Town Center.
5. The detailed discussion of cost breakdowns for these two (2) roadways, particularly the inclusion of the contingency amounts in the applicant’s request for City funding, did not result in an agreement for their removal from the submitted application (contingency amounts assigned for both roadways totals over \$286,000.00).

6. The future allocation of fees from the Traffic Generation Assessment that will be placed on the development of the three (3) commercial outlots be allocated to Payne, given that these outlots benefit from these required roadway improvements. The DFG believes that payment to Payne upon collection of TGA's for development of these outlots is a reasonable approach to offset the cost of the Main Street Improvements.
7. The fees available from the current East and West Funds of the Traffic Generation Assessment Trust Fund total under one hundred sixty-five thousand dollars (\$165,00.00), which the applicant requested be paid toward these roadway costs. The DFG believes providing the current funds that are available from the West Traffic Generation Assessment Fee (TGA) for the State Route 109 improvements is a reasonable accommodation to the applicant's request and would reduce the amount of its twenty (20) percent match to the Transportation Improvement Program (TIP) referenced below by approximately eighty-two thousand dollars (\$82,000.00). The contribution from the West TGA was found to be reasonable by DFG due to the roundabout design exceeding what would be minimally necessary for the proposed Main Street Crossing Project, i.e. western leg to roundabout, additional widening.
8. The applicant would agree to participate in the Transportation Improvement Program (TIP) for the State Route 109 improvements, thereby incurring almost three hundred thousand dollars (\$300,000.00) of its costs.

The outcome of the meeting can be summarized in the following requested terms:

Improvements (Estimated Cost)	Applicant's Contribution (\$)	City's Requested Contribution from City or Other Sources (\$)
State Route 109 (\$1,832,563.00)	284,351.33 (20% match to City's TIP Application minus TGA Contribution)	1,466,050.00 (Federal funding if awarded to City) \$82,161.67 (West TGA Fund)
Main Street (\$1,306,802.00)	400,000.00 (Amount budgeted in the project's original Pro Forma)	906,802.00
Total	684,351.33	2,455,013.67

The DFG still has reservations regarding this request and cannot support the City's sharing in the cost of these improvements beyond the \$82,161.67 West TGA Fund contribution and future TGA's from development of the commercial outlots. In addition, the City will be providing its efforts and expertise in proceeding with the TIP application. Finally, as noted in the DFG's initial report dated February 22, 2016, it is also recommended that the TGA's assessed for the Main Street Project itself (approximately \$250,000.00) be waived in light of the off-site improvements.

If any of the City Council members should have questions or comments in this regard, please feel free to contact any of the members of the DFG. A presentation is planned on this matter at tonight's City Council meeting. Thank you for your consideration of this information and action on the same.