

**PUBLIC HEARING
OF THE
CITY OF SHREWSBURY
March 9th, 2010**

A Public Hearing of the Board of Aldermen of the City of Shrewsbury, Missouri, was held at 7:00 p.m. this 9th day of March, 2010 to discuss with interested citizens a development plan pursuant to the Urban Redevelopment Corporations Law, Chapter 353 of the Revised Statutes of Missouri, as amended, for an area commonly known as Kenrick Plaza, which includes approximately 25 acres of real property and rights-of-way on the northwest side of Watson Road and west of the Burlington Northern Santa Fe railroad tracks, wholly within the City's jurisdiction.

There were present:

Bert L. Gates	Mayor
Elmer Kauffmann	Alderman
Ed Purvis	Alderman
Mike Travaglini	Alderman
Chris Gorman	Alderwoman
Felicity Buckley	Alderwoman
Sam Scherer	Alderman

There were also present:

Barry Alexander	City Administrator
Jonathan Greever	Asst. to the City Administrator/City Clerk
Tony Wagner	Street Superintendent
Jeff Keller	Police Chief
Bill Fox	Fire Chief
Rick Jett	Finance Director
Marc Bernstein	Parks Director

Presentation

Mayor Gates opened the meeting and provided background information for the topic under discussion. He stated that the City had taken preliminary steps a couple of years ago to assess possible redevelopment opportunities. These steps including hiring a consulting firm, Peckham Guyton Albers & Viets, Inc. (PGAV) to conduct a study of the Watson Road corridor. He stated that the study concluded that the area was conducive to redevelopment, particularly at the Kenrick Plaza location. Mayor Gates then introduced Mr. John Brancaglioni and Mr. Terry Beiter from PGAV and gave them the floor.

Mr. Brancaglioni gave a short presentation summarizing the findings of the Watson Road Corridor Study, particularly those involving Kenrick Plaza. He stated that the study had recommended that the City give serious consideration to possible redevelopment of the area given the consistent deterioration of the site. He added that the study recommended that the City consider development incentives due to the obstacles that the site posed, obstacles that directly contributed to the vacancy rate of the site.

Mr. Brancaglioni overviewed the proposed ordinances under consideration for the regular meeting scheduled to begin after the public hearing and described how they fit into the overall development process. He then turned the floor over to Mr. Beiter to give a presentation on the findings of the PGAV study completed in February 2010 that analyzed the City's ability to designate Kenrick Plaza as a Chapter 353 Area.

Mr. Beiter began by summarizing the PGAV study. He first described the existing conditions of the seven parcels of land that comprise the redevelopment area of Kenrick Plaza. He stated that these parcels presented several significant obstacles that had impeded development on the site. These impediments included: the supporting KDNL Tower guy wires that are anchored at several places within the proposed redevelopment area, the site's elevation variation, the dividing road, and the creek. He then reviewed the Qualifications Analysis section of the report, which analyzed the factors that would qualify the site as a Chapter 353 Area. These factors include functional and economic obsolescence, inadequate or outmoded design, physical deterioration, economic liability, social liability, and inability to pay reasonable taxes. He stated that while the acceptable vacancy rate for this type of commercial development is around 5%-9%, the vacancy rate for Kenrick Plaza is approximately 60%. Conversely, he continued, the vacancy rate for Mackenzie Point, a nearby shopping center, is only 5%. He added that this high vacancy rate directly corresponded with a sharp reduction in sales tax and property tax.

Mr. Beiter then described the deterioration of the old Kenrick Theater building, citing its leaking roof, its pervasive mold, its damaged walls and flooring, and its high rate of vandalism. He added that the Plaza, as a whole, had accessibility issues due to the location of the creek and the topography of the site. He added that the creek's location and Trianon Parkway's location made navigation throughout the site difficult, particularly for pedestrians. He also stated that 5 of the 7 properties on the site, essentially 84% of the total area, exhibited one or more blighting factors.

Regarding the contributing factors creating economic liability, Mr. Beiter stated that sales taxes collected from economic activity on the site over the past 10 years had declined by 60%. He added that the decline in assessed value of real property at the site had also declined by 27% between 2005 and 2009. Mr. Beiter stated that the presence of mold, vandalism, pedestrian hazards, and lack of sales and property tax revenue to the taxing districts all constituted social liability.

In summary, Mr. Beiter stated that a number of the blighting factors that existed in the development area coincided with those outlined in Chapter 353. He continued by stating that these conditions rendered the area incapable of generating reasonable taxes and that absent a viable redevelopment plan, the site would likely continue to physically deteriorate due to the lack of appropriate and necessary investment.

Mr. Beiter stated that if taken as a whole, the area represents a portion of the City that by reason of obsolescence, inadequate or outmoded design, and physical deterioration, has become an economic and social liability which cause conditions that are conducive to ill-health, transmission of disease, crime, or the inability to pay reasonable taxes. Accordingly, the area meets the definition of a blighted area as defined in Chapter 353.

Mayor Gates then stated that the first proposed ordinance to be considered in the regular meeting would involve designating the area as blighted and that the second proposed ordinance would involve adopting a redevelopment plan. He added that the Board would also consider a motion to authorize the issuance of a Request for Proposals (RFP) for the redevelopment of the designated area. He then opened the floor for questions or comments from the Board and the public.

Public Discussion

Mr. Richard Slais of 5312 Kenrick Manor Court asked what a Chapter 353 development was. Mayor Gates stated that it was a redevelopment plan created by state statute. He added that it allowed a City to enter into an agreement with a corporation that would acquire the necessary property pursuant to the development plan.

Mr. Louis Saur of 7354 Whitehall Colonial Lane asked why Phase II, known as Lower Kenrick Plaza, was not included in the development plan at this point and added that its inclusion would make the overall area more attractive to a developer. Mayor Gates answered that this site was owned by another entity, which may not be interested in development. He added that there might be negotiations with this owner in the future, but stated that at the present time, this portion of the site was not included in the development plan.

Mr. Saur asked what the "Watson Road Corridor" phrase referred to, and how far this designation extended. Mayor Gates answered that the designated stretch of road extended from the City of St. Louis limit to the point where Marlborough starts at the Rothman Furniture site, essentially the stretch of Watson Road that borders and lies within Shrewsbury.

Mr. Saur asked if the portions of land on both sides of Trianon Parkway, which divides the site, would have to be included in commercial development. Mayor Gates, along with Aldermen Purvis and Travaglini, explained that the inclusion of the whole site would most likely be necessary to implement the type of development that would be most beneficial to the City, especially given the value of this land. Alderman Purvis added that the development may also include moving this road.

Mr. Chris Polka of 5014 Kain Drive asked if the City had pursued any alternatives to the current development plan under discussion. Mayor Gates stated that the City and the owner of the property had independently sought out development options in previous years and found little to no interest on the part of prospective businesses on account of the development impediments that the site presents.

Mr. James Altadonna of 5412 Lake Kenrick Court asked why the theater portion of the redevelopment area was included in the proposed redevelopment, since it was located on the other side of Trianon Parkway Drive. Mayor Gates stated that, as was described in the presentation, Trianon Parkway Drive was poorly placed in the original development. Mr. Altadonna asked if this redevelopment would close Trianon, and Mayor Gates answered that details such as this would still need to be examined. Mayor Gates reiterated that there was not yet any specific development proposal for the Board to examine.

Mr. Altadonna also asked if First Bank would be included in the redevelopment and Mayor Gates stated that it was located in the redevelopment area.

Mr. John Caruso of 5400 Chapelford Lane asked if the development could be residential instead of commercial, and he also asked what the best use of the land would be. Mayor Gates stated that it was currently zoned as commercial as part of the City's overall plan. This plan, which was judiciously envisioned by the City's forefathers, essentially placed the residential portion of the City in the center and placed the commercial areas around the outside portion of the City. Mayor Gates added that the current economic climate made it essential for the City to have an appropriate mix of commercial development as well as residential development in order for the City to have the ability to supply the level of services that the residents of the City needed and desired. Alderman Purvis added that the high value of the land in the redevelopment area made it wiser to consider commercial development over residential development.

Mayor Gates added that cities in the State of Missouri could either be an "A" city, which means that the city keeps the sales tax receipts originating within the city limits, or a "B" city, which means that the city puts its sales tax receipts into a statewide city "pool" and draws a proportional share from this same "pool." Since Shrewsbury is an "A" city, he continued, it must maintain a certain level of commercial development in order to remain financially sustainable. Mayor Gates stated that previous Shrewsbury Boards had decided that remaining an "A" city was best for the overall financial condition of the City and stated that this decision had proven to be a wise one. He added that this was a significant reason why the City must maintain a certain level of sales activity. He added that from the redevelopment site alone, sales tax receipts had dropped from around a quarter of a million dollars to approximately ninety thousand in only ten years.

Alderman Travaglini added that the success of this development would positively affect the entire corridor, and that this decision had to be made correctly in order for the whole corridor to be successful. Alderman Purvis added that a correct decision would benefit the entire City of Shrewsbury as well as the entire Watson Road Corridor.

Mr. Gary Grewe of 9109 Watson Road stated that he wished to applaud the City for taking these progressive steps to move forward with examining potential development opportunities and he cited several examples from Crestwood whereby positive development occurred as a direct result of that City's involvement.

Mr. James Brady of 5330 Kenrick Parke Drive stated that he thought that this development idea was a good one, but asked for a clarification. He stated that this area used to be called the Shrewsbury Trianon Subdivision and he asked if there were any Shrewsbury Trianon Trustees present at the hearing. No one answered as such, and Mayor Gates said that he was not aware of any that were present. Mr. Brady continued by saying that it was important to him and his neighbors who lived in the condominiums adjoining Kenrick Lake to locate these trustees, who he claimed were responsible for the maintenance of a portion of the lake. He also asked if these trustees were involved in the redevelopment process.

Mayor Gates said that the Shrewsbury Trianon Subdivision was subdivided into several areas, one of which became Kenrick Plaza. Subsequently, he continued, several owners have owned this property. Mayor Gates reiterated that the redevelopment under consideration did not directly address Kenrick Lake or the adjoining subdivisions.

Mr. Garen Miller of 5115 St. Charles Place said that he was in favor of redevelopment of the area, and he offered several guidelines for the development to follow. These guidelines included ensuring that responses to the RFP be sustainable and forward-thinking projects, that the plans address short term housing and roadway issues, and that the plans follow urban development guidelines to create a sustainable mixed land use area. He also asked that locally owned and operated companies be given the highest priority in the bidding process.

A representative from Powerhouse Gym asked about the development's timeline and Mayor Gates stated that the City was currently sending out RFPs, the responses to which should be received within 30 days, at which time the Board would evaluate the proposals that the City receives. Mayor Gates added that although it would be nice to be able to wait to see what develops, the City had been waiting for nearly 8 years for something to happen, to no avail. He added that there was no specific timeline yet since the City had not yet reviewed any proposals.

Mr. Altadonna reiterated the importance of Kenrick Lake, particularly as a receptacle for storm water runoff for the adjoining subdivisions.

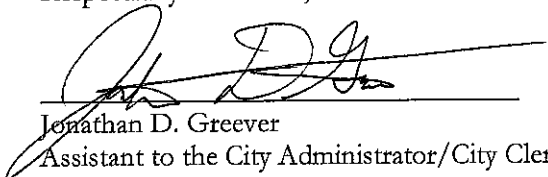
Mr. Jim Chambers of 7821 Tanager Court asked if any other developers had shown interest in the area. Mayor Gates stated that to date, there had been no other interest other than Mr. Grewe's company.

Mr. Bruce Kurka of 5417 Chapelford Lane stated that he had heard rumors that the redevelopment might include a Wal-Mart and asked if this was verifiable or if the question was too preliminary. Mayor Gates stated that the current stage of the process made this type of question preliminary since proposals had not yet been received. Alderwoman Buckley stated that although interest from Wal-Mart had been discussed at an earlier meeting, no proposals had been received. Mr. Kurka stated that a development that included Wal-Mart would have a significant impact on Shrewsbury. He asked if the citizens would vote on whether to proceed with the development and Mayor Gates answered that the Board of Aldermen would be responsible for voting on any development proposal. Alderman Travaglini added that the Board would be sure to evaluate all of the impacts that the proposed development would have on the community.

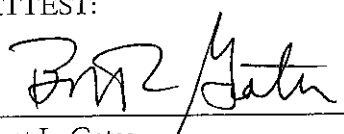
There being no further discussion, Mayor Gates asked if there was a motion to adjourn the Public Hearing. Alderman Travaglini made a motion to close the Public Hearing and Alderman Purvis seconded the motion. The Board of Aldermen unanimously agreed to close the Public Hearing.

The Public Hearing adjourned at 8:00 p.m.

Respectfully Submitted,


Jonathan D. Greever
Assistant to the City Administrator/City Clerk

ATTEST:


Bert L. Gates
Mayor