

Fenton Downtown Senior Housing Development

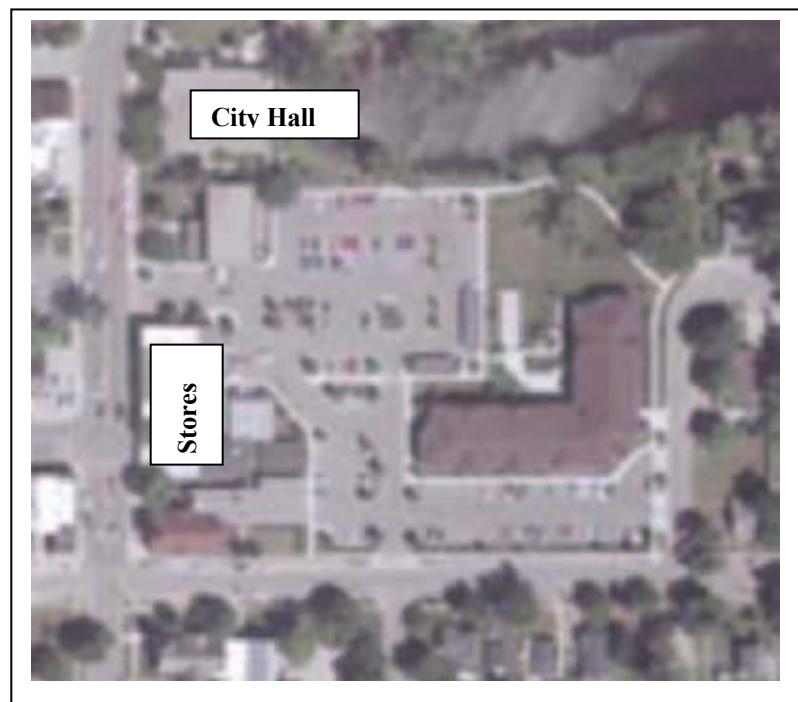
Problem:

The city's core downtown is small and did not have tax base to support a development initiative by a financially viable DDA. In addition, the City manager thought that the city might need to provide infrastructure financing for a new shopping center being proposed for the city's edge along I-23.

The Process:

We structured the boundary of the DDA district so that it picked up the core downtown and the entire commercial and industrial area between it and the location of the new shopping center. We carefully avoided most housing to eliminate the need for a Citizens' Advisory Committee. In addition, we needed to make a finding that there had been a loss of property value within the district boundary. In this case an economic analysis indicated that the property values of the district had not kept up with inflation thereby resulting in the loss of real value in constant dollar terms. This now established a DDA that had a projected financial capacity to make a real impact on the City's downtown. The new shopping center tax base would provide the tax increment financing needed to improve the city's downtown.

The city identified a factory located in the downtown district that was having a deleterious affect on the downtown area. The tenant made Styrofoam product that tended to be blown in the neighborhood. The factory had already been zoned out of the district so was operating under a grandfather clause. The downtown was small and marginal. It was made of small collection of specialty stores and restaurants that needed additional parking.



We proposed the development of senior housing on the site, integrated into the downtown area. We prepared a development plan that required the acquisition and demolition of the factory, remediation of the site, and the development of a senior housing development, with its parking integrated with the parking for seniors. A tax increment financing plan was prepared to finance the development. The city agreed to issue a bond to capitalize the tax increment. As seniors age in place, their need for parking becomes less as they stop driving. We put together the specification for the DDA and initiated a search for a developer. Proposals were received, developers interviewed, tours taken of their existing facilities, and a developer selected.

The DDA members actively participated in every aspect of the process. After the Developer was selected, we actively participated with him in reviews with MSHDA and managed the development.

Result

The 66 unit senior housing was built with an attractive parking lot providing more parking for the downtown stores. The project got awarded a prize for the most attractive development of the year by MSHDA.