DESCO Group Seeks Subsidies on Lindenwood Town Center Project

St. Charles City Council convenes Tax Increment Financing Commission.

By Kalen Ponche

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A large display of the Lindenwood University Village shows the different parts of the development, from the student dorms that will face First Capitol Drive to the post office situated at the rear of the project off of the proposed Fairgrounds Road extension.

Photos (1)
St. Charles City Council took the first steps toward considering a tax subsidy for Lindenwood Town Centre, a multi-use development located across from the university that will be anchored by a grocery store and student housing.

In June, the council approved rezoning for the 31.5-acre property. Now, the project's developer, the DESCO Group, is seeking tax increment financing (TIF) for commercial portion of the $69 million project. TIF financing uses future taxes to pay for capitol improvements in the redevelopment area.

David Leezer, director of economic development for St. Charles, said the city is still negotiating an incentive package with the DESCO Group. He said the package will be nowhere near the size of the $55 million TIF package offered to the mixed-use Streets of St. Charles Development located at Fifth Street and Interstate 70 intersection.

"If you look at the overall project, it's in the range of $30 million, so it will be much less," he said. "The TIF will only deal with the commercial portion of the project."

An East-West Gateway study published in January found that these types of subsidies often fail to generate additional jobs for the area and divert tax revenue from other groups like schools and library districts.

Any TIF redevelopment proposal would need approval from the TIF commission and then from the St. Charles City Council.

On Tuesday, St. Charles City Council members amended the code of ordinances related to the TIF commission so they are consistent with amendments made in 2008 to the Missouri TIF Act.

The changes increase the number of people on the commission from 11 to 12 and require six of those members to be appointed by St. Charles County Executive Steve Ehlmann, who is a sharp critic of TIFs.

Three other members will be appointed by other cities in St. Charles County that have TIF districts, two more members by school boards, and one other member by all other taxing districts.

Mayor Sally Faith said letters would be sent out on Aug. 10 to the various taxing authorities requesting they submit nominations for the commission. The commission is expected to meet about a month from now.

On Tuesday, the city council also approved a $35,000 contract with Development Strategies, Inc., which will create a redevelopment plan, blight study and cost-benefit analysis. The DESCO Group will reimburse the city for the cost of the study.