

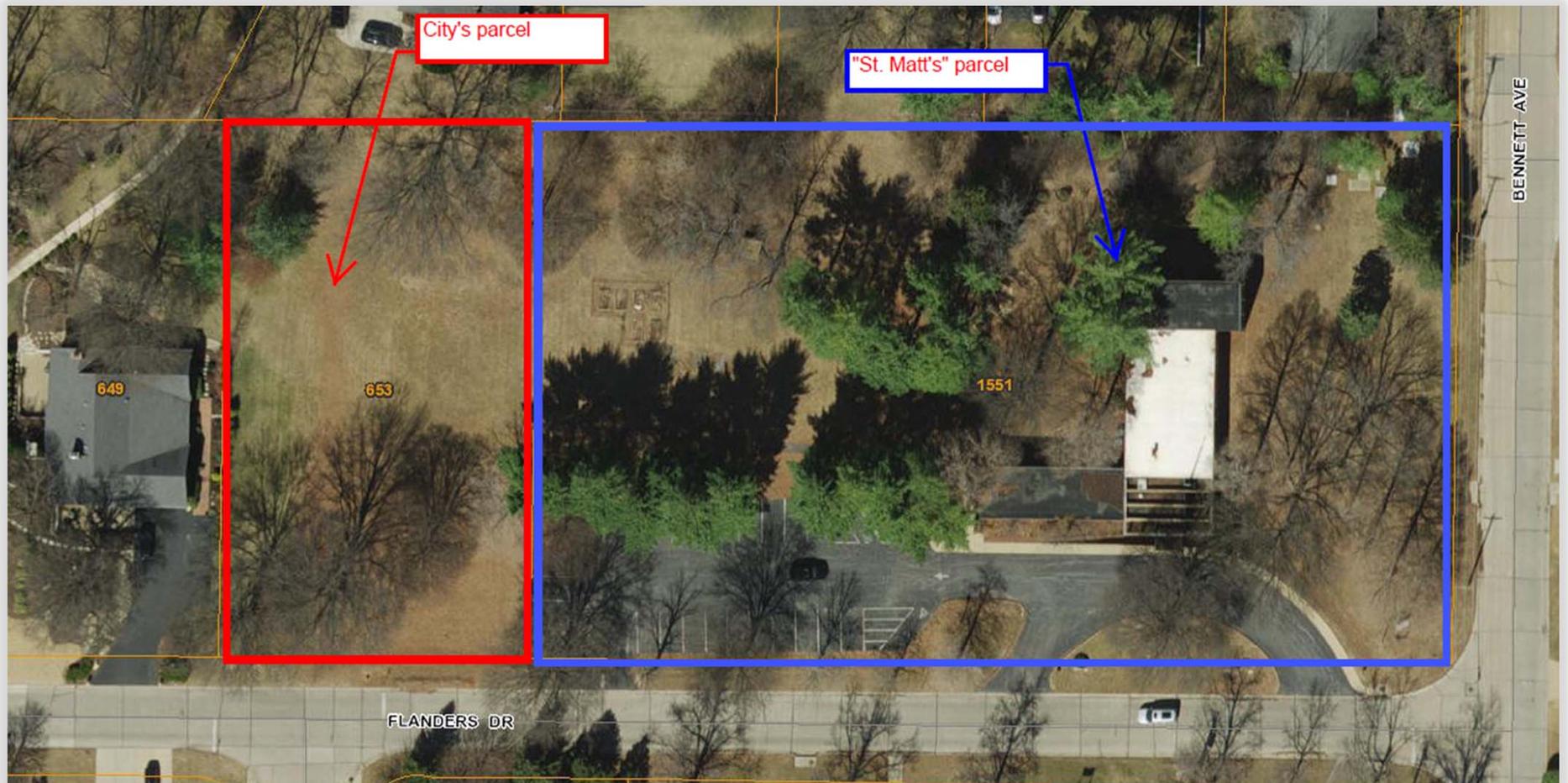


# **St. Matthew's Church Property**

February 16, 2015



# Aerial View of St. Matthew's







## Topics for Discussion

- Current Park Facilities
- Right of First Refusal
- Valuation
- Condition of St. Matthew's Church Structure
- Status of Parks/Stormwater Tax
- Types of Financing
- Options
- Wrap-up/ Questions



# Current Warson Woods Parks

- Royal Oaks Park (Memorial Park)
- Dreher Park
- Bergfeld Park





## Right of First Refusal (RoFR)

- Granted to City by St. Matthew's in 2012
  - Key condition for purchase of City parcel on Flanders
- City has right to buy property at same price as offer by 3<sup>rd</sup> party



## Fair Market Value of Property

- History - 2014
  - Since Parks/Stormwater tax passed, City has negotiated with Grace Episcopal (now owner)
  - Appraisals –
    - City                   \$ 830,000 (Preliminary Due Diligence)
    - Church               \$1,725,000
  - Grace asked for \$1,200,000
  - City counter -- \$800,000
  - Unable to reach an agreement



## Right of First Refusal (RoFR)

NOW - 2015

- 3<sup>rd</sup> party Offer made at \$935,000 (\$10.85 sq. ft.)
- Establishes Fair Market Value --
- City now must decide whether to exercise right or let property go
- March 1, 2015 deadline
- If RoFR exercised, City would have 90 days for further due diligence



# St. Matthew's Site Facts

## Future Uses

- St. Matthew's Site Facts
  - Approximately 1.98 acres (86,203 square feet)
  - 2,100 sq. ft. Missouri American Water easement in NE corner -- restricts any future development in that area
  - Zoned Residential
  - City of Warson Woods' parcel to west of St. Matthew's site (653 Flanders)
    - approximately .67 acres (28,990 square feet).
  - **IF** purchased, entire site would be approximately 2.64 acres (115,193 square feet)



# St. Matthew's Church Building Future Uses

- Preliminary Due Diligence by City
- January 2015 – Board Authorized Evaluation/Investigation of St. Matthew's Church Building
  - Potential future uses
  - Aid city decision-making process for potential site purchase

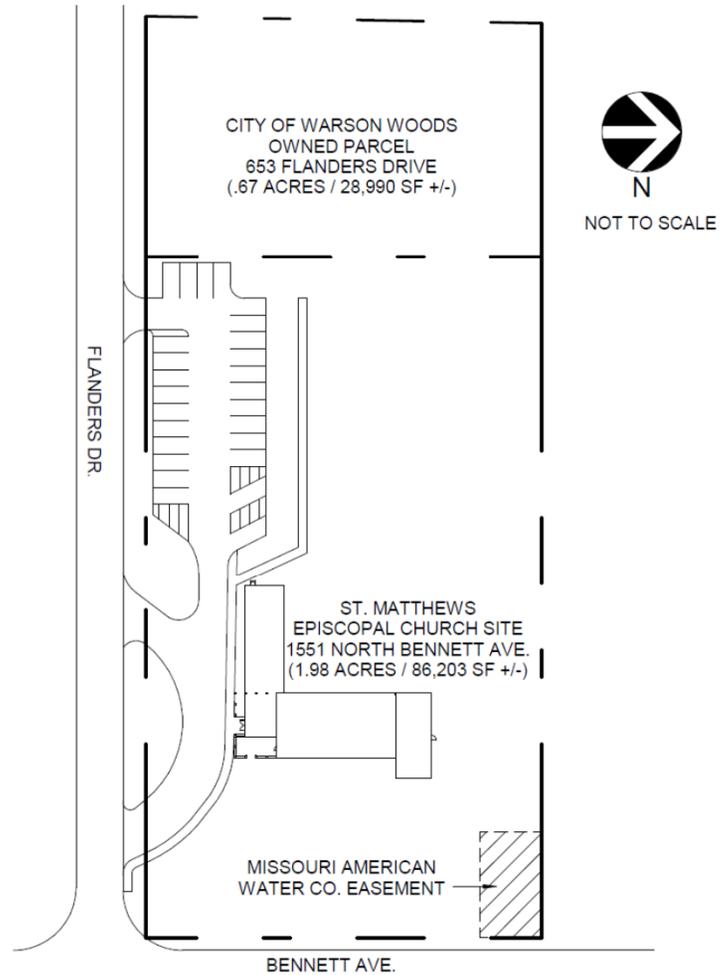


# St. Matthew's Church Building Future Uses

- St. Matthew's Building Facts
  - Originally constructed in 1959-1960; sanctuary addition (North End) in 1972
  - Approximately 10,284 square feet split evenly between 2 floors



# St. Matthew's Site and Adjoining Parcels



D-7



WARSON WOODS  
BUILDING INVESTIGATION

02/11/15  
150020-0001

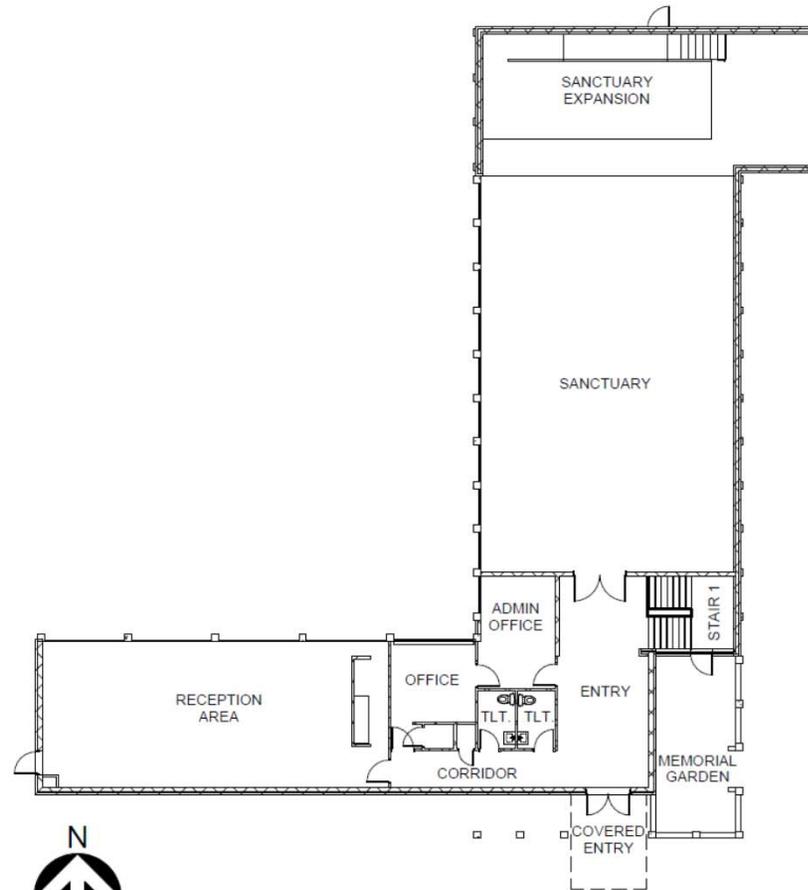
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ARCHITECTURAL SITE PLAN





# St. Matthew's Building Existing 1<sup>st</sup> Floor Plan



NOT TO SCALE

D-5



WARSON WOODS  
BUILDING INVESTIGATION

02/11/15  
150020-0001

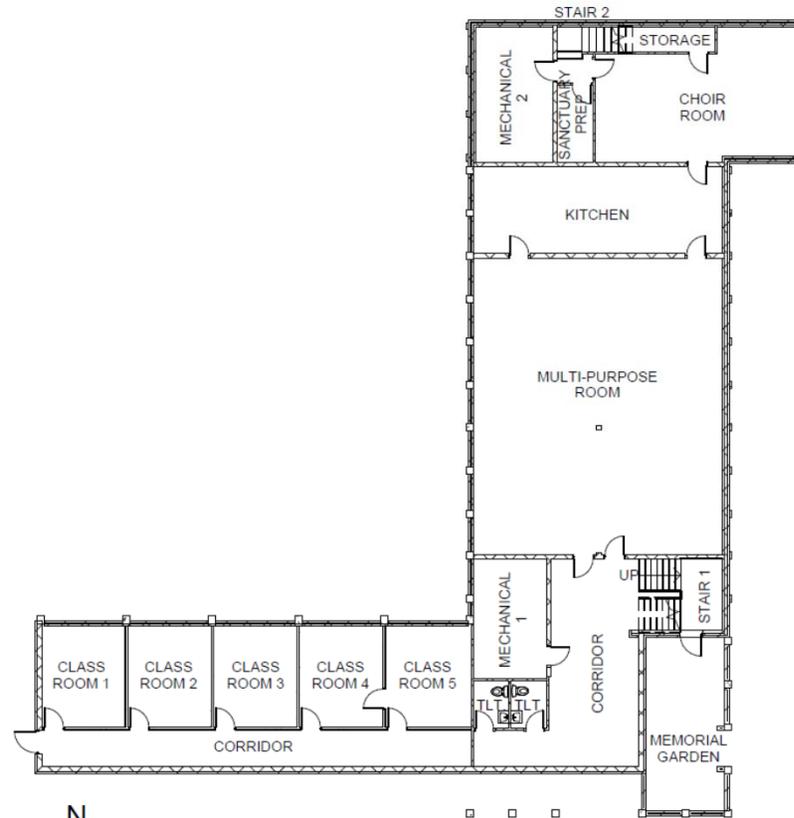
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EXISTING 1ST FLOOR PLAN





# St. Matthew's Building Existing Lower (basement) Floor Plan



NOT TO SCALE

D-6



WARSON WOODS  
BUILDING INVESTIGATION

02/11/15  
150020-0001

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EXISTING LOWER FLOOR PLAN





## Results - St. Matthew's Building Investigation

- Evaluated Future Use: Combined Community Center/ City Hall
- Save \$ vs. current rental situation?
- **Findings:** Building would require substantial renovation for future use by the City
  - Change in use will trigger compliance with current Building Codes
  - Multiple building systems require significant upgrades
  - Electrical and HVAC systems beyond useful life.
  - Asbestos-containing material suspected in existing finishes
    - requires encapsulation or removal (**recommended**).
  - Additional toilet/ restroom facilities would be required.



## Results - St. Matthew's Building Investigation

- ***Findings*** (cont'd)
  - Building envelope needs work (portions of roof, all windows covering walls on north and west sides) for energy efficiency & occupant comfort
  - Structural work required to comply with seismic code for police facilities
  - Accessibility issues/handicap access require both site work to enter/use building
  - Estimated cost to renovate: **\$2.5 million**
- ***Apparent Conclusion*** –cost of renovation too high for future use as combined community center/ city hall when compared to new construction



# Warson Woods Comprehensive Plan Park Facilities – Community Input

- Revisions to Comprehensive Plan addressed city planning issues – including parks & recreation facilities
- Broad community support for Warson Woods Municipal Parks overall evidenced by August 2014 voter approval of additional ½ cent sales tax for parks/stormwater
  - Passed by 2-1 margin; over 50% of city registered voters went to polls
  - Warson Woods Citizens Group played huge role in mobilizing support



## Status of Parks/Stormwater Tax

- Collection by MO Dept. of Revenue began January of 2015 (last month)
- Projections based on prior retail sales\* is conservatively \$120,000 to \$150,000+

*\*Past retail sales performance is not indicative of future results*



## Financing Options for City

- Finance both Royal Oaks Park and St. Matthew's
- Only St. Matthew's
- Pay-as-you-go on Royal Oaks Park
- Other?
  - Reserve funds
  - Joint venture
  - Sale of other lot(s)
  - Donations



## Types of Financing

- Lease-Purchase (owner finance)
- Certificates of Participation – pledging revenue from parks/stormwater sales tax
- Leasehold Revenue



## Lease Purchase

- Assumed \$100,000 down payment & purchase price of \$935,000
- Assumed a flat rate of 3.50% (actual rates may vary)
- Roughly \$103,000/year for 10 years



## 3<sup>rd</sup> Party Financing

- Certificates of Participation
  - Subject to annual appropriation
  - Need to have property to pledge as collateral
  - Involves lease of property to trustee and lease back to the City
- Leasehold Revenue Bonds
  - Would require creation of an “on behalf of” corporation
  - Subject to annual appropriation
  - Need to have property that could be pledged as collateral
  - Transfer fee interest in property to leasehold corporation, and then leasing property back to City
- Both typically paid by whatever revenues City would like to use
  - understanding that parks tax revenue would pay for principal & interest, but that revenue would *not* be pledged, so could be used for other purposes
- Private placement (e.g. UMB?) might lower costs of issuance

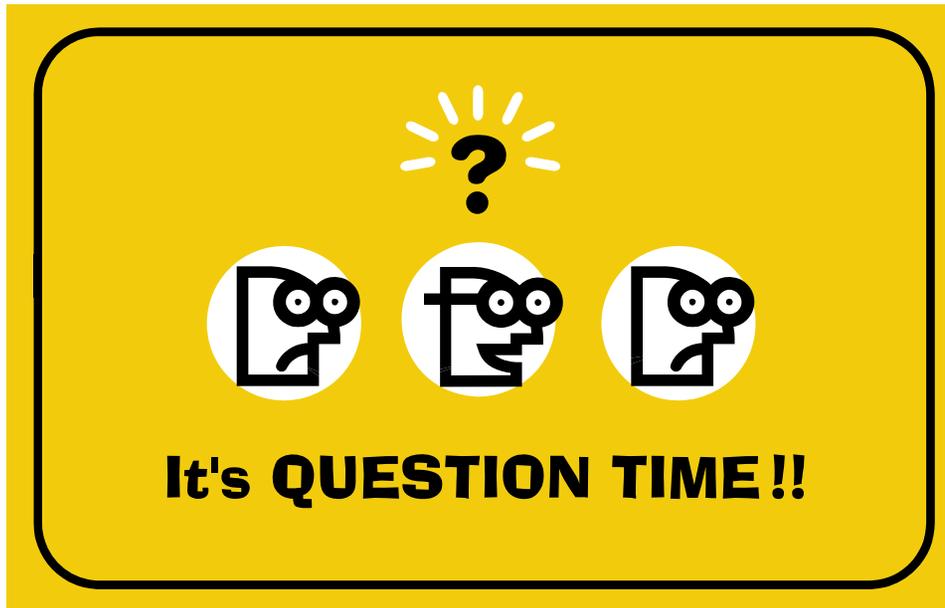


## Summary: Options

- Don't exercise RoFR and sell City lot
  - **Likely Outcome:** 4-5 homes built on St. Matt's and City lot
- Don't exercise RoFR but don't sell City lot
  - **Likely Outcome:** 3-4 homes at St. Matt's; Flanders pocket park
- Exercise RoFR and finance both purchase and Royal Oaks Project
  - **Likely Outcome:** Improvements to Royal Oaks Park; demolition of St. Matt's bldg and site regraded; substantial annual payments to finance Royal Oaks project & purchase 2.64 acre site at St. Matt's with lots of options for future use
- Exercise RoFR and sell other lot(s) to reduce amount financed
  - **Likely Outcome:** Same as above but reduced annual payments to finance purchase (less financial risk to City)



# Questions





End