

## **TIF CASE STUDY: CHESTERFIELD VALLEY CITY OF CHESTERFIELD, MISSOURI**

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**Finance:** \$50,945,000 Tax Increment Refunding and Improvement Revenue Bonds, Series 2002

**Overview:**

The city of Chesterfield Valley was advised to create a TIF District for the commercial and industrial development of Chesterfield Valley. The purpose of this community-driven TIF District is two-fold: first to capture incremental property taxes to fund needed infrastructure improvements including the 100-year levee, and secondly, to provide an economic development tool to accelerate the redevelopment process.

In 1997, Chesterfield approved two TIF applications for development in the Valley. Chesterfield Commons is a 700,000 square foot retail shopping center being developed by THF Realty. Chesterfield Grove is a 184,000 square foot multi-use development consisting of a hotel, retail space and office buildings being developed by Old Smokehouse Investment Group, L.L.P. The City issued TIF notes for two Chesterfield Valley Development Projects, Chesterfield Commons and for Chesterfield Grove, during the course of construction.

Due to the size of the TIF district, the diversity of the tax base and the predominance of PILOTS (vs. EATS), we were able to obtain a rating of 'A' on the transaction from S&P. The bond issuer utilized municipal bond insurance on selected maturities of the transaction, where it made financial sense to the City of Chesterfield to do so.



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