

Memorandum Department of Planning & Public Works

To: Planning and Public Works Committee

From: Shawn Seymour, AICP Senior Planner

Date: May 6, 2010



RE: <u>**City Owned Real Property Revenue Generating Study:**</u> Summary of city owned real property and possible revenue generating activities.

<u>Summary</u>

In December of 2009, the Planning and Public Works Committee directed staff to identify potential revenue generating options for City owned real property. Staff has identified City owned real property for inclusion in this study and has conducted a property analysis of the current state of each property. Properties selected were:

- 1. Eberwein Property
- 2. Doorack Property
- 3. Pohlman/Holtzman Property
- 4. Rail Road Park
- 5. Chesterfield Valley Athletic Complex
- 6. Chesterfield City Hall
- 7. Chesterfield Public Works Facility
- 8. Central Park

Secondly, a list of possible revenue generating activities was created through staff brainstorming and the utilization of local and state wide contacts in the economic development industry. As a note, various City properties already generate revenue through their primary use (example: CVAC and field rentals). Therefore, staff did not include these activities in this study as their use and any and all fees associated with the utilization of these facilities are at present time determined and re-evaluated annually. Instead staff focused on new or additional revenue generating activities on City owned real property. Staff then researched each potential activity to determine if its application in the City of Chesterfield would be both an appropriate land use, given the property analysis conducted by staff and to determine if the activity would indeed generate sufficient revenue.

At this point a short list of proposed activities for revenue generation was created. The short list is provided below:

- 1. Dog Park Membership & Access Fees
- 2. Amphitheater & Gazebo Bridge User Fees
- 3. Farmers Market & Community Garden
- 4. Land Leasing
- 5. Cellular Telephone Towers
- 6. Advertising & Billboards
- 7. Naming Rights & Sponsors
- 8. Wetland Banking
- 9. Solar & Wind Power Stations

The activities on this short list were then matched to the City owned property or properties that were most appropriate; given the existing conditions of the property, surrounding land uses, and potential future site improvements needed. With each revenue generating activity matched to a potential site or sites, estimates were obtained to determine upfront costs. Additionally, potential return rates were calculated where possible, to create a primitive cost benefit analysis. Finally, a set of next steps was provided for the creation of a timeline describing what would need to be completed in order to initiate the start of the proposed activities.

City Owned Real Property Analysis

Summary:

The properties included in this study are as follows:

- 1. Eberwein Property
- 2. Doorack Property
- 3. Pohlman/Holtzman Property
- 4. Rail Road Park
- 5. Chesterfield Valley Athletic Complex (CVAC)
- 6. Chesterfield City Hall
- 7. Chesterfield Public Works Facility
- 8. Central Park

Properties are located in Wards 1, 2 and 4 of the City of Chesterfield. The size of the properties ranged from 1.24 acres in the Doorack Property to greater than 100 acres at CVAC with a median size 20.64 acres and a mean property size of 32.80 acres. Zoning and land entitlements for each property are varied; zoning districts such as "NU" Non Urban District and "PS" Park and Scenic District to Planned and Straight Commercial and Industrial Districts have been granted to those City owned properties. Two (2) of the properties were found to be in a dilapidated state, while others were either undeveloped, in a stage of land development, or completely developed and operating accordingly.

Property Details:

Note: A simplified spreadsheet of the below data is provided as Exhibit A of this report.

Eberwein Property

Also known as 1627 and 1657 Old Baxter Road, this property is found in Ward 2 of the City of Chesterfield. The property contains two (2) legally subdivided lots, one of 15.878 acres and the other of 1.41 acres in size. The properties are zoned "NU" Non Urban and as such are entitled to the land uses as provided for in section 1003.105 of the City of Chesterfield Zoning Ordinance. The Land Use Chapter of the Comprehensive Plan delineates this property as Residential Single Family. The property is currently developed and contains two (2) residential structures along with one (1) barn and various farm related structures. See below for a list of permitted uses as entitled in the "NU" district as well as those permitted by the Comp Plan.



Aerial View



Bird's Eye Viewing Northeast



Viewing West at Existing Structures

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Viewing North across open field

"NU"	Non	Urban	District:	

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N. N. H. 177 N. L

Eberwein Property						
1627 Old Baxter Rd.	1657 Old Baxter Rd.					
Churches	Churches					
Commercial vegetable and flower gardening, as well as plant nurseries and greenhouses, but not including any structure used as a sales room.	Commercial vegetable and flower gardening, as well as plant nurseries and greenhouses, but not including any structure used as a sales room.					
Dairy farming	Dairy farming					
Dwelling, single family	Dwelling, single family					
Dwelling, single family earth sheltered Forest, wildlife reservations, as well as conservation projects.	Dwelling, single family earth sheltered Forest, wildlife reservations, as well as conservation projects.					
Golf courses, including practice driving tees on the same premises. Miniature golf courses and independent practice driving tees are excluded.	Golf courses, including practice driving tees on the same premises. Miniature golf courses and independent practice driving tees are excluded.					
Home occupations	Home occupations					
Hunting and fishing as well as propagation of wildlife of any kind.	Hunting and fishing as well as propagation of wildlife of any kind.					
Libraries, public or private not-for-profit	Libraries, public or private not-for-profit					
Local public utility facilities	Local public utility facilities					
Mausoleums or crematoriums in an existing cemetery	Mausoleums or crematoriums in an existing cemetery					
Parks, parkways, and playgrounds, public private not- for-profit	Parks, parkways, and playgrounds, public private not- for-profit					
Schools, public or private kindergarten, elementary, secondary, and collegiate.	Schools, public or private kindergarten, elementary, secondary, and collegiate.					

Comprehensive Plan Land Use: Residential Single Family

- Detached Single-Family Dwellings
- > 2 or 3 Attached Single-Family Dwellings

This property has been vacant for a number of years and has only recently been purchased by the City of Chesterfield for passive park purposes. Conceptual plans for this property are currently being created by

the City of Chesterfield for its future utilization. The property's state is mostly undeveloped, as it was previously a farm, lends itself to an extensive list of potential land uses and future activities. However, current zoning entitlements and comprehensive plan land use designation restrict possible utilization to parks and other outdoor low intensity land uses without rezoning.

Doorack Property

Located at 16659 Old Chesterfield Road, this property is located in Ward 2 of the City of Chesterfield. The Doorack property is a single legal parcel of land and is the smallest of this data set as it only contains 1.24 acres. The property is currently zoned "C7" General Extensive Commercial District and is permitted the land uses as described in section 1003.143 of the City of Chesterfield Zoning Ordinance. The Land Use Chapter of the Comprehensive Plan delineates this property as Urban Core. The property as developed contains one (1) dilapidated commercial structure. The remaining property is either paved in asphalt or covered in gravel. The list of permitted land uses per the "C7" District are provided below as well as the land uses associated within the Urban Core land use designation of the Comp Plan.



Aerial View



Bird's Eye Viewing East



Viewing North at existing structure

"C7" General Extensive Commercial District:

Doorack Property					
16659 Old Chesterfield Rd.					
Animal hospitals, veterinary clinics, and kennels					
Laundries and dry cleaning plants, but not including personal and individual drop off and pick up service					
Mail order sale warehouses					
Offices and office buildings					
Parking areas, including garages, but not including any sales of automobiles, or the outdoor storage of wrecked or otherwise damaged and immobilized vehicles for a period in excess of seventy-two (72) hours					
Plumbing, electrical, air conditioning, and heating equipment sales, warehousing and repair facilities					
Police, fire, and postal stations					
Public utility facilities					
Railroad switching yards					
Sales, servicing, repairing, cleaning, renting, leasing, and necessary outdoor storage of equipment and vehicles used by business, industry, and agriculture, including leasing of automobiles and sales of automobiles affiliated with automobiles leasing businesses on the same premises. General retail automobiles sales are not permitted.					
Schools for business, professional, or technical training, but not including outdoor areas for driving or heavy equipment training.					
Storage yards for lumber, coal, and construction materials					
Terminals for trucks, buses, railroads, and watercraft					
Warehousing and wholesaling of goods or materials other than live animals, explosives, flammable gases, or liquids					
Welding, sheet metal, and blacksmith shops					

Comprehensive Plan Land Use: Urban Core

- > High-Density Residential
- > Retail
- > Office, including High Density

The Doorack Property although the smallest property contains sufficient current entitlements to utilize a number of prospective activities. The property is located at the intersection of Old Chesterfield Road and Baxter Road and is located at the eastern entry into the Chesterfield Valley. This property also has easy access to Interstate 64 which may be beneficial depending upon its usage.

Rail Road Park

Also known as 17410 Edison Avenue, the Rail Road Park is 33.34 acres in size in Ward 4 and is zoned "PS" Park and Scenic and is entitled the land use of section 1003.103 of the Zoning Ordinance. The Comprehensive Plan designates this property as having a land use of Park/Recreation. The permitted land uses per the "PS" District and the Park/Recreation land use are provided below:



Aerial View



Bird's Eye Viewing North



Viewing Southeast across half of site

"PS" Park and Scenic District:

Rail Road Park					
17410 Edison Ave.					
Fire stations					
Historic sites					
Local public utility facilities					
Natural or primitive areas and forests encompassed by the provision of the Missouri State Forestry law					
Public parks and parkways					
Wildlife habitats and fish hatcheries					

Comprehensive Plan Land Use: Park/Recreation

- > Public Recreation, Education, or Culture
- Conservation Area
- Open Space

The Rail Road Park is a large property located in the Chesterfield Valley and is undeveloped but due to zoning and the Comprehensive Plan it is restricted to park and other low intensity outdoor land uses and therefore has limited land development potential. Also detrimental to the development and utilization of this property is the fact that it is a non-levee protected property in the Chesterfield Valley. However, it may provide a vast array of cultural and natural activities through current land use entitlements. It is also hindered by a lack of access. The only access to this property currently is a low water crossing south of the levee.

Pohlman/Holtzman Property

This property is addressed as 17867 North Outer Forty Road in Ward 4 and contains 32.62 acres respectively. The Pohlman/Holtzman Property is currently zoned "M3" Planned Industrial and is governed under St. Louis County Conditional Use Permit Petition No. 42-75. The Comprehensive Plan Land Use Chapter has this property listed as Mixed Commercial Use. This site is undeveloped. Entitled permitted land uses per each Planned Industrial District are provided below as are the permitted uses as described in the Mixed Commercial Use of the Land Use Chapter of the Comprehensive Plan.



Viewing Southwest across half of site



Aerial View



Bird's Eye Viewing North



Viewing North at site

"M3" St. Louis County CUP Petition No. 42-75:

Pohlman/Holtzman Property					
17867 N. Outer 40 Rd.					
Recreational facility (CUP)					

Comprehensive Plan Land Use: Mixed Commercial

- > Retail
- ➢ Low-Density Office
- Limited Office/Warehouse Facilities

The Pohlman/Holtzman Property is a large undeveloped area although it is fairly restricted through the zoning it has much potential through its Comp Plan land use designation. This property was newly acquired by the City of Chesterfield and is site adjacent to the east of the CVAC.

Chesterfield Athletic Complex (CVAC)

CVAC is comprised of three (3) properties addressed as the following and located in Ward 4; 17891, 17925, and 17927 North Outer Forty Road. The entire facility is made up of 130.1 acres and is partially zoned "C8" Planned Commercial District under City of Chesterfield Ordinance 269. The remaining area of the CVAC is zoned "PS" Parks and Scenic District and is governed under Zoning Ordinance Section 1003.103. The Comprehensive Plan land use designation is both Park/Recreation and Mixed Commercial Use. The property is currently being developed and being utilized as a municipal recreational facility comprised of numerous sports fields, trails, and outdoor facilities as well as the location of the City of Chesterfield Parks Department's administrative offices and maintenance facility. A list of permitted land uses through zoning entitlements as well as the Comp Plan Land Use permitted uses are provided below.



Aerial View



Bird's Eye Viewing North at the Eastern-Most Property



Bird's Eye Viewing North at Center Property



Bird's Eye Viewing North at Western-Most Property





Viewing Northeast at site

Viewing Northwest at site

"C8" Permitted Uses at 17891 and 17927 North Outer Forty Road. "PS" Permitted Uses at 17925 North Outer Forty Road:

CVAC							
17891 N. Outer 40 Rd.	17925 N. Outer 40 Rd	17927 N. Outer 40 Rd.					
Automobile dealerships	Fire stations	Automobile dealerships					
Auto body shop	Historic sites	Auto body shop					
Offices	Local public utility facilities	Offices					
Sit down restaurant	Natural or primitive areas and forests encompassed by the provision of the Missouri State Forestry law	Sit down restaurant					
Hotel	Public parks and parkways	Hotel					
Parking structure	Wildlife habitats and fish hatcheries	Parking structure					
Automobile service station with car wash		Automobile service station with car wash					
Convenience retail uses per "C-2"		Convenience retail uses per "C-2"					

Comprehensive Plan Land Use: Mixed Commercial Use

- > Retail
- Low-Density Office
- Limited Office/Warehouse Facilities

Comprehensive Plan Land Use: Park/Recreation

- > Public Recreation, Education, or Culture
- Conservation Area
- > Open Space

The CVAC is largely planned and in the process of being developed as a comprehensive large scale municipal recreational facility. Currently a large portion of this property is developed and operating as such. It sits both adjacent to the Pohlman/Holtzman Property and along Interstate 64.

Chesterfield City Hall

Chesterfield City Hall is located at 690 Chesterfield Parkway West in Ward 1. It is comprised of 6.64 acres and is zoned "PC" Planned Commercial District under the terms of Chesterfield ordinance 1575. The Comprehensive Plan designates this property as part of the Urban Core area. The site is fully developed and contains the main municipal office for the City of Chesterfield. See below for a list of permitted uses both by Chesterfield Ordinance 1575 and by the Comprehensive Plan designation of Urban Core.



Aerial View



Bird's Eye Viewing North



Viewing front of City Hall

"PC" Ordinance 1575 Permitted Uses:

Chesterfield City Hall 690 Chesterfield Pkwy. W. Public buildings facility owned or leased by

the City of Chesterfield

Comprehensive Plan Land Use: Urban Core

- > High-Density Residential
- > Retail
- > Office, including High Density

This property is located along the Chesterfield Parkway adjacent to the Pfizer Complex. It is completely developed property with a fully functioning City Hall containing administrative offices as well as the City of Chesterfield Police Department. Although the zoning for this property is very restrictive the urban core designation of the Comprehensive Plan does provide some flexibility with regards to potential land use.

Chesterfield Public Works Facility

Located in Ward 4 at 165 Public Works Drive, this development contains 14.27 acres of area and is zoned "PI" Planned Industrial District under the terms of Ordinance 1576. The Comprehensive Plan designates this property as Mixed Use (Retail/Office/Warehouse). The property is completely developed and is utilized as the Public Works maintenance and storage facility. See below for a list of permitted uses by ordinance 1576 and by the Mixed Use Comp Plan designation.



Viewing Rear of City Hall



Aerial View



Bird's Eye Viewing North



Viewing North at Public Works Office



Viewing West at maintenance yard

"PI" Ordinance 1576 Permitted Uses:

Chesterfield Public Works Facility 165 Public Works Dr.	
Public buildings facility owned or leased by the City of Chesterfield	,

Comprehensive Plan Land Use: Mixed Use (Retail/Office/Warehouse):

- > Retail
- Low-Density and Mid-Density Office
- > Office/Warehouse Facilities

The Chesterfield Public Works Facility is centrally located in the Chesterfield Valley and is operated by the City of Chesterfield for maintenance and storage of all automotive and heavy equipment owned by the City. The property is fully developed. The site is restricted through its zoning; however has potential for a number of additional land uses through its Comprehensive Plan designation.

Central Park

Central Park is addressed at 16365 Lydia Hill Drive and is 23.99 acres in size. The property is zoned "PS" Park and Scenic and is governed under section 1003.103 of Chesterfield Zoning Ordinance. The Comprehensive Plan designates this property as Park/Recreation. The property is partially developed and is currently in its second phase of construction. See below for a list of permitted land uses in the "PS" District as well as the Park/Recreation Comp Plan designation.



Aerial View



Bird's Eye Viewing West



Viewing West at site of Bridge Gazebo



Viewing North at site of Lake 1



Viewing Northwest at site of Lake 1

"PS" Park and Scenic District:

Central Park					
16365 Lydia Hill Dr.					
Fire stations					
Historic sites					
Local public utility facilities					
Natural or primitive areas and forests encompassed by the provision of the Missouri State Forestry law					
Public parks and parkways					
Wildlife habitats and fish hatcheries					

Comprehensive Plan Land Use: Park/Recreation

- > Public Recreation, Education, or Culture
- Conservation Area
- > Open Space

This property is centrally located in the City of Chesterfield along the Chesterfield Parkway. It is located in an area that is generally referred to as, yet not fully developed as, Downtown Chesterfield. The property is restricted by both its zoning and Comprehensive Plan land use designation; however it has the opportunity to be the cultural and recreational focal point of the City of Chesterfield.

Potential Revenue Generating Activities

The following list of activities was generated through staff brainstorming and research into local and statewide economic development initiatives by local governments. The following list contains descriptions of each activity, necessary startup costs, potential returns, and sites most appropriate.

Park Memberships & Access Fees

Membership and access fees can be associated for specific activities within municipally owned and operated parks. Many local governments require a membership or access fee for both residents and non-residents to access and use certain facilities within their parks. Research was conducted to determine what fees local government assess to their users, how these fees are collected and what if any return does this fee provide. As the City of Chesterfield is currently designing a Dog Park, staff focused its research in that direction. Dog parks are found throughout the County and provide a low maintenance facility that may be wholly operated and maintained by a local government or may be operated and maintained jointly by both a local government and another entity. User fees usually came in the form of an annual membership and daily visitor passes. These fees ranged from \$395 per year to \$15 per year, with the majority of membership fees running in \$25 - \$50 range. Some local governments charged an additional fee for non-residents, typically \$5 to \$15 more than the residential membership fee. Also, in some cases additional fees were levied for those with more than one (1) dog, example, \$35 for the first dog and \$15 for each dog there after. Day and visitor passes are also provided by several local governments, those fees can range from \$25 to \$10 per day.

Upfront costs associated with a Dog Park vary dramatically, depending on site needs. Construction fees also vary and can range greatly depending upon size and location. Currently Staff is considering a 2 plus acre Dog Park on the Eberwein Property.

The potential for return of initial investment is considered minimal. Membership fees associated with dog parks are typically only intended to offset the cost of annual maintenance. Although many dog park advocates advertise that a dog park can provide a source of revenue. A privately owned dog park was found in Ohio that operated as a business; however this park levied an annual membership of \$395.

The most appropriate sites for such an activity would be the Eberwein Property and\or the Rail Road Park. These two (2) largely undeveloped properties would provide a clean slate for which this type of facility could be designed and implemented. Both properties are located in relative close proximity to a large number of residential properties that could potentially become users. However, access to the Rail Road Park is severely limited.

Amphitheater and Bridge Gazebo User Fees

As part of phase two of the Central Park development the City of Chesterfield is constructing both an Amphitheater and a Gazebo. Both structures have potential to generate revenue. Local governments with such facilities typically charge user or rental fees that range from by the hour and for only use of the structure or by the day and with various accessory items such as tables and chairs to audio and video systems. Some local governments also include in the rental fee aid to set up and tear down. User fees range from \$50 to \$400 per hour for an amphitheater with a capacity of 1,500 people. Gazebo rental

fees run from a low of \$10 per hour to a high of \$75 per hour. See the below table for a break down of potential additional fees associated with an amphitheater and a gazebo.

Amphitheater & Gazebo Potential Additional Fees								
Equipment/Service Rate Equipment/Service Rate								
Tables (3'x6')	\$5.00	Supervision (required per hour)	\$25.00					
Tables Round (60") \$7.00 Maintenance (required per hour)		\$18.00						
Umbrellas	\$5.00	Additional Security per hour	\$16.00					
Chairs	\$1.00	Sound System	\$125.00					
Podiums	\$25.00	Screen (7')	\$30.00					
Coat Rack	\$25.00	Data Projector	\$30.00					

Local governments with populations as small as 5,000 typically generate \$7,000 to \$8,000 annually in revenue for such facilities. However, larger local governments, with populations upwards of 30,000 have generated revenue of \$30,000 to \$70,000 annually. The City would be required to aggressively market these facilities to both local and county-wide residents and businesses to obtain optimal revenue. As construction is already underway, both the amphitheater and gazebo are to be located at Central Park.

Farmers Market and Community Gardens

A farmers market consists of a large open area, sometimes partially covered where vendors rent a small area for the purpose of selling goods to local residents. These activities are typically open on only a defined number of days per week, usually weekends. This requires little in way of infrastructure; as little as a large parking lot can fulfill the minimum standards. Other items such as a pavilion can be added to the facility to provide shelter from poor weather. Also, electricity can be provided to all or a number of these rentable stalls for varying purposes. Community gardens are again, large open natural areas where small plots are leased by residents for the purpose of growing their own produce and other vegetation. Again, the infrastructure for this activity is minimal and can be as simple as defining each plot and providing a parking area if needed. Storage sheds could also possibly be incorporated and rented with each plot.

In both the farmers' market and community gardens, little is required in the form of infrastructure. Depending upon the vision of each activity numerous structures can be added, which will in turn increase the upfront costs of providing both activities. The creation of stalls for the farmers market can be as simple as painted numbering or markings to delineate location and number of stalls provided. With regard to the community garden, each plot can be identified in a number of different ways, Winghaven, in O'Fallon Missouri utilizes wood framed planting boxes. This is a simple and cost effective approach. With regard to liability insurance, staff has found that many local governments require that vendors provide their own insurance and that it be verified when leasing each stall. In both activities, it is suggested that the City require that "hold harmless waivers" be signed by all stall and plot lessees. Frequently, a Farmer's Market is managed by a market manager. A staff person is responsible for leasing spaces, allocating spots, and overall management of the operation.

Although both the farmers market and the community garden are fairly simple and require little in form of upfront cost to get these activities operational, several members of the Missouri Economic Development Listserv indicated that these types of activities provide great cultural and social values, but they operate at a break even level, at best. The farmers market in Columbia Missouri requires a \$250 membership fee into the farmers market and then \$150 stall use fee, this is a significantly higher fee than is found elsewhere.

Annual stall fees can be found in the \$150 to \$250 range in other parts of the country. Depending upon the size and number of vendors, revenue can be generated; however as pointed out above typically these activities break even. Community gardens are somewhat similar in that they require little initial investment but produce small amounts of revenue. Plot rental fees range from \$50 per year for a 400 sf. plot to \$140 per year for a 400 sf. plot. Also, although this may not apply to the City of Chesterfield, some local governments utilize a sliding scale for plot rental fees, based on household income and number of gardeners.

Fortunately, for the City of Chesterfield, there currently are a number of properties that could be utilized for these types of activities. Firstly, the Doorack Property has good potential for a farmers market, although perhaps slightly smaller than desired. By removing the existing structure and providing a paved area for both rental stalls and parking this property could be utilized for this purpose. It has excellent access to Interstate 64, which could aid in drawing in non-residents.

Land Leasing

This is the process of the City leasing land so that it may be developed by a private party. The City is responsible for the legal fees associated with negotiating a lease contract, but has no maintenance or other costs over the period of the lease. Members of the Missouri Economic Development Listserv., have suggested this as an excellent way for local governments to generate revenue. Leases could potentially not only include a simple basic monthly payment but could contain items like a percent of sales fees. With the City as the land owner it would also use this as a way of encouraging certain types of businesses to locate in Chesterfield. The Pohlman/Holtzman Property as it sits currently would be an excellent property for this type of use. The property is undeveloped and due to it being located adjacent to the CVAC, the City could market this property to businesses that could feed off of the athletic complex and create a synergy between the two (2) properties. Lease periods range from 30 - 60 years and are negotiated during the development of the lease contract. However, please recognize that the primary reason that the Holtzman and adjacent parcels have not yet developed is due to the lack of infrastructure to serve the site. This activity of land leasing can also be applied to other items for potential revenue generation that will be discussed further in this report, such as, property leasing for cell towers and property leasing to local utility companies for alternative energy generation.

As this activity could potentially not cost the City anything during the life time of the lease, it has the potential to be a profitable venture. The best property suited for this activity would be the Pohlman/Holtzman Property located in the Chesterfield Valley. Current price per square foot in the Chesterfield Valley is at anywhere from \$1.25 plus, depending on location, zoning entitlements, and current infrastructure. A land lease agreement may be an attractive opportunity for the many commercial land developers in the region. It is of importance to note the lack of sufficient infrastructure in place in this area of the City of Chesterfield. Significant improvements will be required prior to the development of any commercial intensity.

Cellular Telephone Towers

Cellular telephone companies are always expanding and attempting to have the best possible coverage in a given area or region, as can be attested by the twenty-two (22) application for a telecommunications facilities siting permits that the City has received since 2008. Cellular carriers however, do not simply place their antennas in any and all places; they use propagation studies to determine the most efficient and appropriate location so that their coverage area is optimized. A quick study of the properties owned by the City of Chesterfield would reveal that several adjacent properties to those owned by the City have been utilized by a number of cellular carriers. Three (3) such examples are the Double Tree hotel located next to

City Hall, the Burgundy Arrow development located adjacent to the Public Works Facility, and Spirit 40 Park located directly across Interstate 64 from the CVAC. Therefore, one could assume that the opportunity exists for the location of a cellular apparatus on City owned property.

There are two (2) main ways to locate cellular antennas at a given property. The first is the typical mono pole method, where a single pole is erected and the antennas are mounted at varying heights. The typical cost to construct a mono pole is \$150,000. The second such method is to affix antenna to the top of a high structure. This can be a building, electrical transmission tower, or a flag pole. These types of mounting are usually done in a stealth form; meaning that all construction materials are designed to look a part of the high structure and not to resemble the typical mono pole style. The costs for this type of mounting is significantly less than that of an entire mono pole and can range from \$25,000 to \$75,000. Staffs research however, has in most cases found that it is thought that land leases or space leases are the best alternative for local governments when attempting to generate revenue through cellular telephone companies. Generally, even cellular carriers no longer own their own towers or high structures. They lease space from specified cellular tower and high structure property owners, typically for 10 to 25 year terms. Although this significantly reduces potential revenue, it also reduces upfront costs, maintenance and liability through the duration of the lease. Local governments are encouraged to lease land to cellular tower companies to construct their facilities and allow the same companies to lease space to the cellular carriers. At the same time, local governments may lease space to cellular carriers on their own high structures, such as roof tops, however, again it is not recommended that local governments begin constructing their own towers as they typically do not have the in-house expertise to own and operate these structures.

Land leases for local governments to cellular tower companies can be found to generate approximately \$12,000 to \$24,000 annually, depending on location and need of service. Alternatively, owning a tower or a high structure may generate up to \$100,000 annually from a fully leased mono pole or high structure. However, this comes with added up front costs, maintenance, and liability. While owning a mono pole or high structure may provide the greater amount of revenue, the liability of owning and the costs of construction may be more than a local government is prepared to handle. As a member of the Missouri Economic Development Listserv. recommended land leases, they also recommended leasing land to cellular tower companies. This provides essentially straight revenue without cost. The land lease is negotiated and from that point throughout the term of the lease the local government collects a fee at a predetermined timeline without so much as any further work or effort being exerted.

As stated above, a quick review of adjacent properties to those owned by the City does reveal that the cellular carriers are locating on properties adjacent to those City owned, leading Staff to believe that propagation studies would reveal that City owned properties are ideal for the location of cellular antennas. Although rate of revenue is significantly less than owning a mono pole, the City is in an opportunity to generate substantial revenue from land lease agreements.

Advertising and Billboards

Advertising is a marketing tool utilized and directed towards a certain group for the purpose of causing action. This can include strategically placing company, facility, or event names in certain physical places. One simple and effective way to advertise is the use of billboards. Billboards are essentially large free standing signs strategically placed along highly traveled routes. Due to the great size of billboards and the great numbers of people that see them, they are a cost effective way to advertise to the public. Currently there is a trend in the billboard industry that is pushing more technologically advanced signage in the form of LCD/LED based billboards. These new LCD/LED billboards are capable of displaying steaming video and essentially act as large televisions. The City of Chesterfield currently does not permit such billboards as the sign ordinance strictly prohibits electronic message boards, which these new LCD/LED based signs are deemed to be. However, companies are still willing to utilize a traditional billboard if the location warrants,

this is proven within the City of Chesterfield, as several traditional billboards are currently in use both along Interstate 64 and Chesterfield Airport Road.

Similar to Cellular telephone towers, it is not suggested that local governments start constructing their own billboards and attempting to lease space to advertising companies as the in house expertise is typically not available. Rather, the land leasing of desired properties by local governments to advertising and/or billboards marketing companies is suggested. As simple land leasing, the local government require little in form of upfront costs; legal fees are necessary to negotiate the terms of the lease. However, once the lease is in place and throughout its term, the City is not required to maintain the billboard nor are they liable for the billboard. All predetermined leasing fees are considered to be revenue for the local government. Currently, the monthly land lease for billboards range from \$600 to \$2,500 depending upon location and size of signage. As mentioned above, traditional billboards are in use in the City and the City does own property along arterial routes that may be ideal for the leasing of land for the location of a billboard. Properties such as the CVAC, Pohlman/Holtzman tract, and Doorack may be desired for this use by an advertising or marketing company. The City of Chesterfield Sign Ordinance currently does not permit off premises signs, thereby making this activity prohibited by city code.

Another popular approach of advertising is placing multiple smaller advertising signs in public spaces; such as athletic complexes, parks, and community centers. These signs are typically placed along fencing of athletic fields, concession stands, spectator structures, etc. Signs are purchased by entities wishing to advertise their products/services and provided to the City for location at the appropriate facility. Annual fees are collected by the City for the rental of advertising space; these fees are typically in the \$200 - \$400 range.

A new venue for advertising is not targeted at real property, but rather digital property located on the internet. Advertising on web pages has been popular since the inception of the commercial internet; however recently governmental agencies have started selling advertising space on their websites via simple header/footer banners or right hand skyscrapers. Multiple entities can be advertising on a webpage at any given time and because this form of advertising is purely digital different entities can be advertised in the same location on a website and rotate with every individual view of the page. Current rates vary and can be applied by a monthly flat fee or by a value per recorded number of displays; an example would be \$400 per month or \$50 per 1,000 displays.

Naming Rights and Sponsorships

Naming rights are the right to name a piece of property, this can be real property or an event that is granted or agreed to through a contract. In exchange for the naming rights a fee, which the frequency for payment and amount can be negotiated, is typically provided. The naming rights of major institutions, such as schools, places of worship, and hospitals have long accepted financial contributions in exchange for such right. A current trend is the selling or leasing of naming right to local government sporting venues; this has been common place in the professional sports market but is starting to occur in smaller local government facilities. Naming rights need not be sold or leased only to corporations; rather they may be sold or leased to families or non-profits. This is typical for educational institutions, where a former graduate of a certain school may provide an endowment or other such fund. In turn the institution may then name a certain building or faculty after that person. The typical timeline for such leasing is 15 - 30 years.

Local governments that sell or lease the naming rights to various facilities or events, run the risk of what is considered NASCAR-like sponsorship, the plastering of logos and brand names on anything and everything. Regardless of the revenue generated this will be seen negatively by some of the population. Although there is substantial revenue to be generated through lease the naming rights of professional sporting venues, trade centers, or museums; smaller local governments that consider this activity need to be aware that the

rewards will be significantly lower and risk in the form of political backlash will be much higher. As companies willing to leasing naming rights will be looking to maximize exposure in an attempt to generate their own revenue; it can be expected, that the Apple Computers Forest Park would therefore, constitute a better investment than the Dickies Clothing City of Chesterfield Public Works Facility. Audits are required to determine if the facilities owned by a local government appeal to certain corporations looking to sponsor or lease naming rights. Items in such audit need to include; which facilities are marketable, what assets do those facilities have, number of visitors expected to go to said facilities, and finally what type of corporations could be approached about leasing of naming rights and sponsorship. These audits are typically completed by marketing firms that specialize in assessing facilities and then seeking out appropriate candidate corporations for sponsorship.

Staff's research has found that those local governments looking to generate revenue through leasing of naming rights or sponsorships should contract with a marketing consulting firm. Of course the costs associated with this activity are varied; one such marketing firm quoted a monthly ballpark cost of \$10,000 from day 1, initial facility audit to signing final lease and sponsorship contracts. The lease payments made to the local government would be determined through contract negotiations and would rely on the findings of the facility audit.

Solar and Wind Power Stations

Solar and wind power stations harness alternative natural energy sources for the purpose of creating electricity. Solar power stations or photovoltaic systems generate electricity when exposed to sunlight. They are made up of photovoltaic cells that have no moving parts, require almost no maintenance, and can last for decades. Systems can be mounted almost anywhere where direct sunlight is found throughout the day. Systems can be mounted as stand alone, on a building or incorporated as part of the building structure. Wind energy systems generate electricity via a turbine that is driven by wind currents that in turn creates electricity through a generator. Depending upon the wind currents in a given area a turbine may need to be several hundred feet tall to capture sufficient wind energy to create electricity.

The Department of Natural Resources (DNR) has completed studies to determine if Missouri as a whole and the counties within are good candidates for creating electricity through solar and wind power stations. The solar insulation value given to Chesterfield Zip Code 63005 is an annual average of 4.08 kW hour per meter squared of photovoltaic cells per day. Simplified, you can expect to generate 4 kW hours per day multiplied by the size in meters of a given solar power station. See below for average monthly measurements:

Month	kWh/m^2*day	Month	kWh/m^2*day	
January	2.09	August	5.49	
February	2.82	September	4.73	
March	3.83	October	3.47	
April	4.87	November	2.25	
May	5.47	December	1.84	
June	6.00			
		Yearly		
July	6.10	Average	4.08	

Also, see Exhibit B, containing a map of solar insulation values for the nation. The value captured in the City of Chesterfield although not horrible, would not be considered ideal. Although as of 2008, with passage of Proposition C, the State of Missouri now requires increased usage of renewable energy sources, as much as 21% of all sources by 2021 and of that 2% must be solar generated. The City of Chesterfield may be

interested in contacting the local electric utility, AmerenUE, to determine if they would entertain discussions regarding leasing land to construct solar power generating station in the City of Chesterfield. Properties to be considered would be atop any City owned structure on the small scale or a large portion of the Pohlman/Holtzman property in the Chesterfield Valley. Land lease agreements could be created which could not only provide revenue to the City of Chesterfield, but would also be contributing to overall green energy initiative. Currently, in prime solar generating areas of the country, monthly lease rates of \$2,200 per month have been negotiated between local governments and utilities. This rate however, would be significantly lower in this area of the country due to decreased levels solar insulation.

Generation of electricity via wind turbines however, has not been deemed successful in this area of the State of Missouri. See attached Exhibit C and D, depicting wind speed maps for the state at both 30 and 100 meters in altitude. DNR states that for wind generated electricity to be considered viable, a mean annual wind speed of 12 mph is necessary. As shown on the provided maps, at 30 meters the City of Chesterfield creates less than 10 mph. It does however create well over 12 mph at 100 meters in height. It is assumed that with close proximity to two (2) airports a wind farm with turbines of this height would not be viable.

See Exhibit E, for a summary of potential revenue generating activities.

Next Steps

Eberwein Property

The existing natural state of this property lends itself to a multitude of land uses, however zoning and Comprehensive Plan restrictions limit its use to low intensity activities that are compatible with the surrounding residential properties. In addition, the City Council has directed Staff to utilize this project as a passive park. The most appropriate use for this property would be a low intensity park, possibly including a dog park and community garden. Both would not require much in the form of preparation, preliminary designs currently being prepared for presentation to the City Council have a general layout for proposed improvements, which include among other things a dog park. The property's Comprehensive Plan designation would permit low intensity recreational land uses; however it would be recommended, although not required, to amend the site zoning to "PS" Park and Scenic.

A request for proposals (RFP) could be drafted to include a detailed costs for the site preparation if City Council approves the preliminary design for the park as created by staff. Also necessary would be a final design and detailed cost projection for the dog park and if requested community garden. The change of zoning application could be initiated at any time and would take approximately three (3) months to complete.

Doorack Property

The Doorack property contains the most diverse zoning and land entitlements; it is located in a prime location and suitable for small scale commercial activities. An appropriate use for this property with less revenue generating potential but immense cultural and social energy potential would be a farmers market. The property is currently zoned "C7" General Extensive Commercial District, which does not permit a land use consistent with that of a farmers market. The City would therefore be required to amend the zoning. As stated above this could be completed in as little as three (3) months. The property also contains a dilapidated structure that would be required to be demolished. The remaining lot would be required to be graded and paved. Depending on if any structures were to be added to the site, additional resources would be necessary.

This site is also noted as being a possible site for cellular communications equipment location as there is a facility of the same use located on nearby property. If the City so wishes, it could reach out to cellular tower companies for propagation studies and if warranted possible land lease negotiations. The timeline for this activity is unknown, however due to the current zoning designation a zoning amendment would be required.

Rail Road Park

The Rail Road Park is a fairly large property that is currently undeveloped. It is located in the Chesterfield Valley however it is not protected by a levee, thus making it not ideal for the location of any significant structures. It already has been zoned "PS" Park and Scenic District. Appropriate land uses would include, low intensity out door recreation, anything that does not require a significant amount of preparation and infrastructure. Its close proximity to Wild Horse Creek Road and the residential neighborhoods in that area of the City are an asset that need to utilized. A specialized park or community garden would be an excellent choice for this property, although the revenue generated from either of these uses would be minimal or sufficient to cover maintenance cost. As uses of this nature require little infrastructure, the timeline to have a community garden operating would be months as opposed to years. The inclusion of plots to be leased could be easily constructed on site using in house design and construction. All administrative leasing agreements could be complete in house as well. Liability insurance may need to be obtained, which may include a not insignificant annual cost. As has been explored over multiple years, access to this site is seriously impaired. There are multiple identified wetland areas and this land is subject to frequent flooding.

Pohlman/Holtzman Property

The Pohlman/Holtzman Property is of large size and remains undeveloped. It is currently zoned industrial but has a limited number of permitted uses; however the Comp Plan allows for a multitude of commercial and industrial land uses. Potential activities that could be located at this property are land leasing, billboards, and renewable energy generation. Once again, however, it is important to note the lack of utility infrastructure serving this site.

Due to the limited number of permitted land uses on this property, a petition for a change of zoning will be required. As stated above this could be completed in as little as three (3) months. Land leasing and renewable energy generation are likely to be the most profitable activities for this property. Either by leasing the entire property or portions of it for private development, the city can expect to obtain a substantial amount of revenue over extended periods of time through said contracts. This would however, require legal negotiations with regards to drafting and agreeing to long term contracts for each activity. Due to the current real estate down turn it is unknown what length of time it would take obtain potential tenants. The City would be required to start marketing the property, either as is or once greater land use flexibility is

obtained through a city initiated change of zoning.

Although Proposition C has mandated that the State of Missouri must shift a significant portion of electrical generation activities to renewable energy sources, it is also known that the St. Louis area is not ideal for either solar or wind electrical generation due to geography, with solar being potentially functional and wind being not viable at all. The City may wish to contact AmerenUE, to determine if they will entertain discussions regarding solar power generation at the Pohlman/Holtzman property. As with all land lease agreements, significant legal fees would be required to negotiate a long term lease and exact time frame is unknown.

Chesterfield Valley Athletic Complex

CVAC as mentioned above is a partially developed large scale recreational complex. As it is currently being utilized it is potentially a source for additional revenue. The addition of uses such as, cellular telephone towers, billboards, advertising signs, and increased marketing could all add to the existing revenue of this facility. Land leasing of cell tower sites or billboard sites could add significant revenue and depending upon location would not detract from the existing recreational facilities. As stated above, legal contracts would be required to be negotiated prior to revenue being generated; however in both cases ordinance amendments would be required, thus adding a minimum three (3) months to the timeline. A need for this service will also need to be assessed as land development in Chesterfield Valley has slowed as of the last 2 - 3 years due to economic conditions. However, land entitlements have been issued and construction will return that will in no doubt require the mitigation of wetlands.

Chesterfield City Hall and the Public Works Facility

The City Hall and the Public Works Facility sites are fully developed and functioning; however they lend themselves to a number of potential activities. As the City Hall is located at a rather high elevation, it may be suitable for possible cellular communications; the public works facility although not located at such a high elevation, could do the same as there currently is a cellular tower located on an adjacent property. Possible stealth style equipment could be located atop City Hall, with little in way of visual change to the building architecture. The public works facility could utilize both the standard mono pole or a stealth design, such as a flag pole styled tower. Again, the City would need to contact local cellular service providers to have a propagation study conducted to determine if this would be a viable option for both parties. Also, a zoning amendment would be required to have cellular land use made permitable under the current entitlements.

Another option is the location of solar panels atop of City owned structures, where viable. This could be fed directly into the grid and would generate revenue in the form of lease payments, which of course would be negotiated between AmerenUE and the City. As previously mentioned, this would require an outreach from the City to the utility and again due to geographical issues it may not be a viable option for either party.

Central Park

Central Park is a property currently under construction. The amphitheater and bridge gazebo are expected to be completed by the end of the construction season of 2010 or fall of 2010. User fees have been researched and vary, but should provide additional revenue, provided that there is a consistent user base. Unfortunately, it is unlikely that the revenue will be sufficient to completely offset the maintenance obligations. Due to both of these structures being outdoor activity dependant it is expected that revenue will not begin to be generated until spring of 2011. At that time, the City should have in place all rental and user fees and policies.

Naming Rights and Sponsorship

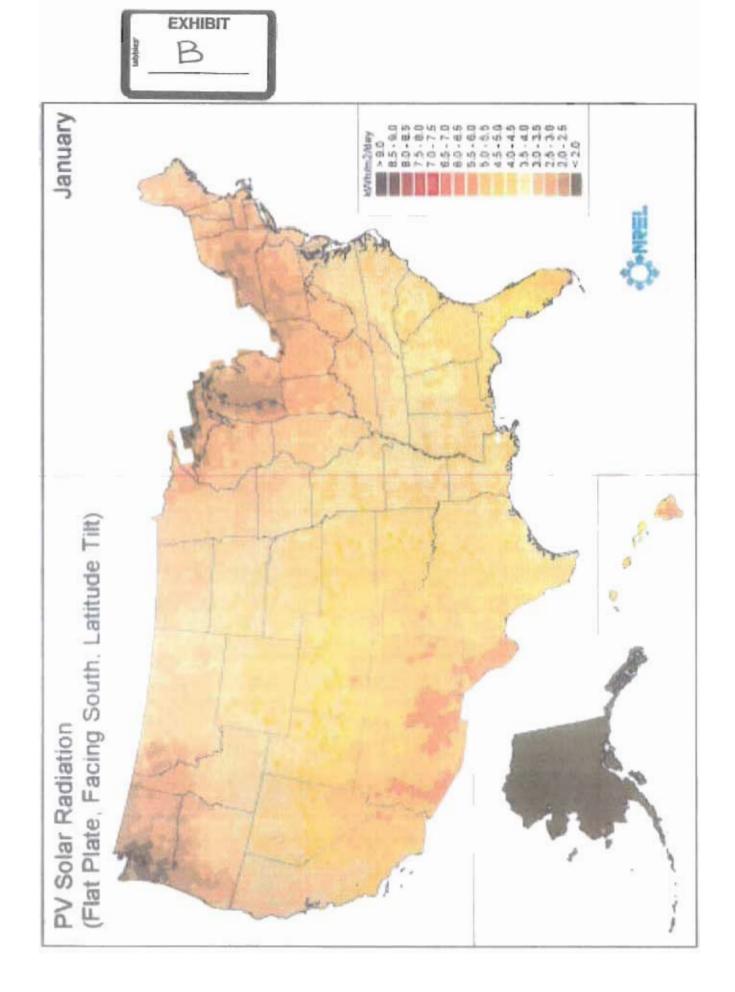
Naming rights and sponsorship have been provided their own section as this activity is largely dependant on public private partnership, with many unknowns. This activity can apply to all City owned real property, as well as events. Staff research has found that it is wise to contract with a marketing consultant to determine if the possibility exists for the leasing of naming rights and to determine what type of corporations would be appropriate for each facility, as not all facilities can be marketed in the same manner. The upfront costs for this activity are potentially quite large and may reveal that no potential exists within the City. In either case an RFP would need to be drafted outlining the need for a facility audit for the purpose of determining feasibility for leasing of naming rights or sponsorship. Once a consultant has been selected, a one (1) to three (3) month time frame would be required to complete such audit, which again may reveal that no

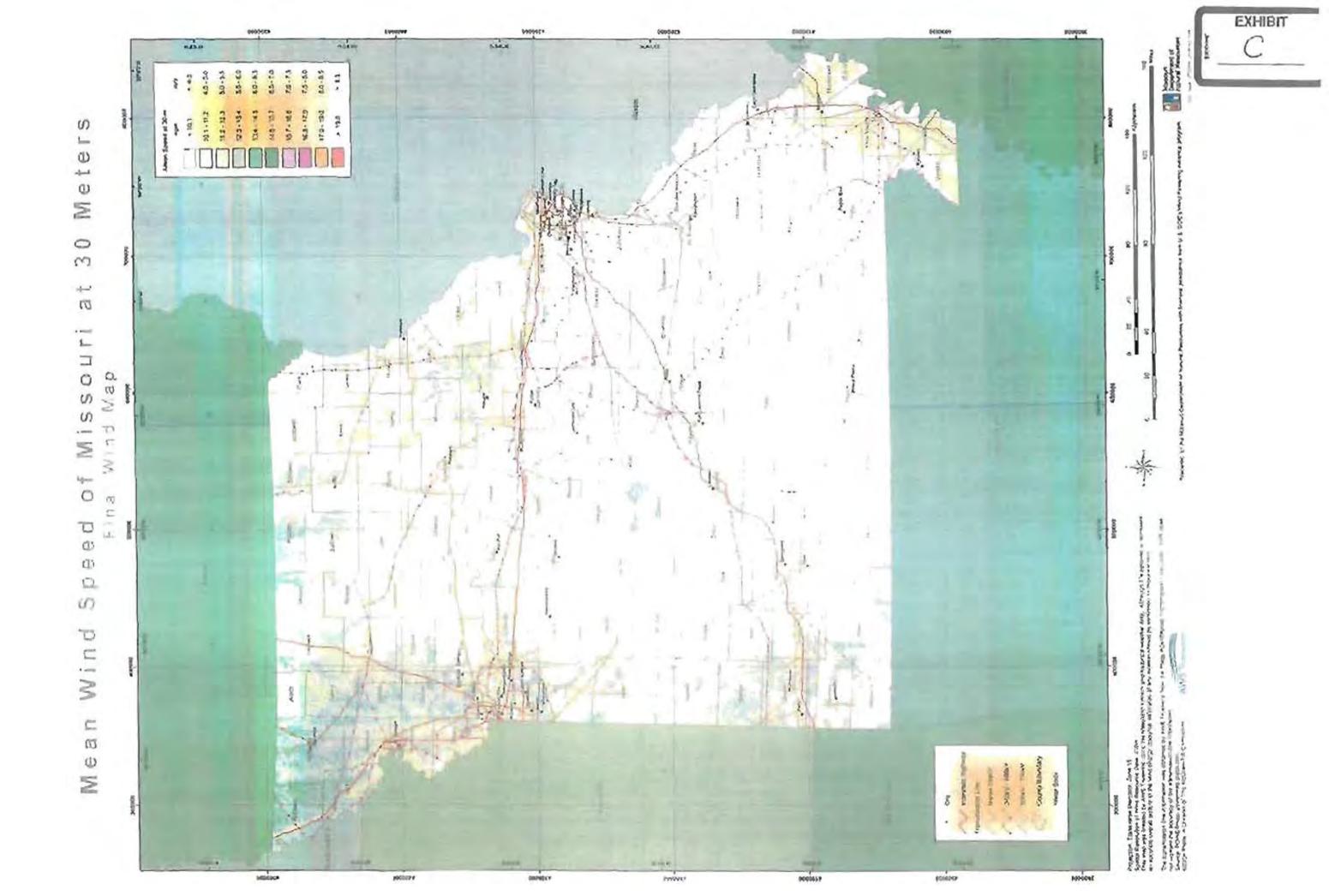
potential exists. However, in the case that there was significant potential for leasing of naming rights and sponsorship, a search would then commence to find the most appropriate corporation. A time frame for this is unknown. The best case scenario, that a potential lessee for naming rights is found, then contract negotiations would begin to determine lease fees and length of contract.

Exhibit A

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Assessment of City Owned Real Property									
Property Name	Address	St. Louis County Locator Number	City Ward	Size (Acres)	Total Size (Acres)	Zoning Designation	Specific Zoning Entitlements	Comprehensive Plan Land Use Designation	Property Status
					<u> </u>				SF Res Structure with barn and
Eberwein Property	1627 Old Baxter Rd.	19\$420547	2	15.878	17.286	NU	n/a	Residential SF	other accessory structures
	1657 Old Baxter Rd.	19S420558	2	1.408		NU	n/a	Residential SF	SF Res Structure
Doorack Property	16659 Old Chesterfield Rd.	17T220498	2	1.24	1.24	C7	n/a	Urban Core	Single Commercial Structure
Pohiman/Holtzman Property	17867 N. Outer 40 Rd.	17V630060	4	32.62	35.5	M3	CUP (stl co 42-75)	Mixed Commercial Area 3	Undeveloped
	17851 N. Outer 40 Rd.	17V630026	4	2.88		PI	Ord 1736	Mixed Commercial Area 3	Undeveloped
Rail Road Park	17410 Edison Ave.	17U210191	4	33.34	33.34	PS	Ord 1534	Park / Recreation	Undeveloped
Chesterfield Valley Athletic Complex	17891 N. Outer 40 Rd.	16V220044	4	30.94	130.1	C8	Ord 269	Mixed Commercial Area 3	Park/Recreation
	17925 N. Outer 40 Rd	16V210067	4	87.77		PS	Ord 1533	Park / Recreation Area 3	Park/Recreation
	17927 N. Outer 40 Rd.	16V110088	4	11.39		C8		Park / Recreation Area 3	Park/Recreation
Chesterfield City Hall	690 Chesterfield Pkwy. W.	17S120025	2	6.64	6.64	PC	Ord 1575	Urban Core	Single Government Structure
Chesterfield Public Works Facility	165 Public Works Dr.	17U210135	4	14.27	14.27	PI	Ord 1576	Mixed Use (Office/Retail/Warehouse)	Multiple Government Structures
Central Park	16365 Lydia Hill Dr.	18T340300	2	23.99	23.99	PS		Park/Recreation	In development stage





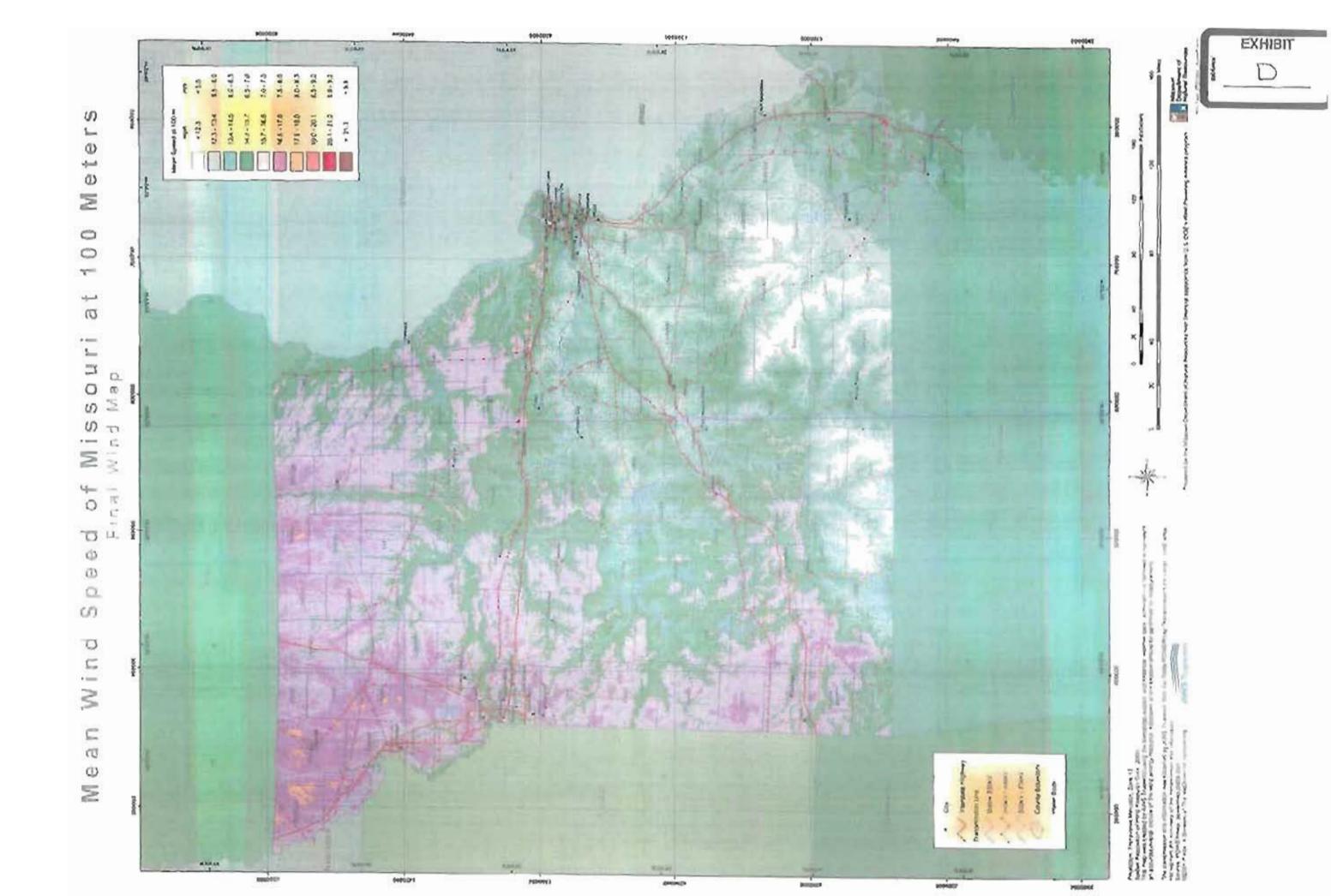


Exhibit E

Revenue Generating Activates

Activity	Description	Property Best Suited	Zoning (permitted?)	Comprehensive Plan (land use permitted?)	Costs	Benefit	Revenue Generation Potential
Park Membership & Access Fees	Membership fees charged to individuals for use of city parks, particularity the proposed dog park.	Eberwein Property Rail Road Park	N/A	N/A	Park Construction Annual Maintenance Insurance	Membership Fee Revenue = \$25.00 - \$50.00 per member + Annual day pass revenue	Minimal potential to generate significant revenue. Best case a break even activity. Provides significant cultural and social bene to community.
Amphitheater & Gazebo User Fees	User fees associated with facilities at Central Park.	Central Park	N/A	N/A	Construction Staffing Insurance	\$50.00 - \$400.00 per hour Amphitheater \$10.00 - \$75.00 per hour Gazebo plus any extra fees	Good potential for revenue generation. Use fees should be priced competitively and facilities need to be aggressively marketed to lure users.
Farmers Market & Community Garden	Membership fees for vendors at the farmers market. Membership fees for those wanting to lease gardening plots in City parks.	Doorack Property Eberwein Property Rail Road Park	Retail land use not permitted on any property - zoning map amendment required.	Permitted	Construction Staffing	\$150.00 - \$400.00 per year Farmers Market Stall \$50.00 - \$140.00 per year Community Garden plot	Minimal potential to generate significant revenue. Best case a break even activity. Provides significant cultural and social benef to community
Land Leasing	Large scale leasing of undeveloped property for private development.	Pohiman/Holtzman	Conditional on proposed land use of tenant.	Conditional on proposed land use of tenant.	Legal Billable hours	\$1.25 plus per square foot (retail & office zoning)	Excellent potential for revenue generation. Very little in the form of upfront costs. Once lease in place, all funds generated from lease are profit.
Cellular Telephone Towers	Leasing of areas for the construction of cellular towers or leasing of areas on City owned high structures for the mounting of same equipment.	All City Properties	Ordinance Amendment Required - Use Not Permitted T.S.P Required	Not Addressed	Legal Billable hours	Annual lease fees \$12,000.00 - \$24,000.00	Provided location is ideal for cellular service provider, potential to generate revenue is good. Works similar to land lease with little upfront costs.
Advertising & Billboards	Leasing of land for construction of billboards.	CVAC Pohlman/Holtzman	Off premises sign not permitted under zoning ordinance.	Not Addressed	Legal Billable hours	Annual lease payment of approx \$10,000.00 per billboard location	Due to sign ordinance, no potential for revenue generation.
Naming Rights & Sponsorships	Leasing of naming rights of City owned facilities.	All City Owned Facilities	N/A	N/A	Consulting Fee	Negotiated with lessee of Naming Rights	Audit study required to determine if City facilities are attractive to corporations. If audit finds that facilities are attractive, significant revenue can be obtained ~ potential negative political backlash.
Solar & Wind Power Stations	Leasing of land for construction of renewable energy facilities.	Pohlman/Holtzman City Hall Public Works Facility CVAC	Ordinance Amendment Required - Use Not Permitted	Permitted	Logal Billable hours	\$2,200.00 per acre in prime solar regions	Chesterfield not best suited for solar or wind generated power stations due to geography However, Prop. C may still encourage utilitie to invest. May produce revenue similar to land lease if utilities interested.