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# PRESS RELEASE

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FOR IMMEDIATE RELEASE:

## **SANSONE GROUP TO BREAK GROUND ON MAJOR RETAIL DEVELOPMENT IN JENNINGS, MISSOURI**

### **500,000 Square Foot Facility Named for Late County Executive A Case Study in Effective Use of Tax Increment Financing**

St. Louis, MO, March 30, 2005 – It's a new day in Jennings, Missouri. Sansone Group, a nationally recognized commercial real estate developer, will soon break ground on a massive retail center that promises to breathe new life into a long-forgotten city and awaken a vitality that hasn't been seen there in nearly fifty years. This ambitious undertaking is the latest example of government and the private sector partnering for a community's benefit.

Tax Increment Financing (TIF) was the primary vehicle used to bring this project to fruition. TIF reinvests a portion of the new taxes generated in a designated area--or TIF District--into developing that community. In Jennings, community leaders joined forces with Sansone Group in using TIF incentives to develop this new shopping center. Now, a town that has suffered more losses than wins in its recent past finally scores a big victory.

#### **The Vision – From Forgotten to Fabulous**

Things were a lot different in 1955. You could buy a gallon of gas for 23 cents. 92 Cents would buy you a gallon of milk, and 18 cents bought a loaf of bread. A brand new restaurant chain named McDonald's™ opened that year, as did a new California theme park called Disneyland™. In Jennings, Missouri, the living also was easy. The town was a major hub between city and suburban living -- a vibrant bedroom community filled with wage earners who were optimistic about the future. That year, builders constructed Northland Shopping Center.

In time, however, it became a less viable place to do business. And in 1994, Northland closed when Famous Barr, its anchor store, vacated the property.

Since then, a spirit of cooperation and vision has led to the planned development of the new Buzz Westfall Plaza on the Boulevard. Plaza on the Boulevard, a 500,000 square foot, \$60 million mixed-use development will replace what was once known as Northland Shopping Center. Buzz Westfall Plaza on the Boulevard, named for the late St. Louis County Executive, will feature a 124,000 square foot Target Store and a 63,000 square foot, newest prototype Schnucks Supermarket – the first to include a drive-through pharmacy.

### **How TIF Makes It Possible**

More than five years ago, when the City of Jennings issued a Request for Proposal, the idea this property could somehow return to its former glory was more fantasy than probability. Any commercial developer could see the enormous cost involved. There would have to be asbestos abatement from the buildings built before asbestos was the health concern it is today. Huge gasoline holding tanks where service stations once stood would need to be removed, as well as contaminated soil removed and treated. The developer would incur countless other expenses. It would take great courage for a developer to touch the project and, in fact, no other developer responded to the RFP besides Sansone Group.

"At Sansone Group, we sensed a demographic shift that suggested a power center should work. Once we considered the community's substantial, if not underestimated, buying power and new residential growth, we saw vitality rising from the ashes of the old shopping center," said Jim Sansone, a Principal of Sansone Group.

A glance at the community's population and geography tells the tale of its economic potential. Almost 290 thousand people reside in nearly 112 thousand homes within a five-mile radius of the shopping center. There are nearly 22 thousand students who attend the nearby University of Missouri-St. Louis and Florissant Valley Community College. The redevelopment site is located directly across the street from Emerson Electric's world headquarters, a Fortune 500 company. It also offers convenient access to Interstate 70 and Lambert St. Louis International Airport.

But bringing a new shopping experience to this North County community would take more than promising demographics and a vision; it would require serious financial backing.

That backing came in the form of Tax Increment Financing, or TIF. In this instance, Jennings—upon awarding Sansone redevelopment rights—agreed to issue the bonds necessary to fund a portion of the project. In return, the city will use the additional property, sales and utility taxes the shopping center generates to repay the bonds. Once the bonds are repaid, Jennings then becomes the recipient of any additional tax revenue.

Furthermore, the project will create 600 new construction jobs, 1,000 permanent jobs upon completion and encourage other nearby redevelopment.

The first phase of the redevelopment project broke ground on June 6, 2002 and now houses a 52,000 square foot office building, 100% leased by the State of Missouri and a discount grocer, Aldi. Developing the remaining 49 acres necessitated acquiring control of the site by purchasing the Famous Barr building. Here, the State of Missouri issued tax credits to Famous Barr as an incentive to sell the building to the county, thus paving the way for Sansone Group to attract strong anchor tenants to the planned new shopping center.

"Anyone who said this couldn't be done simply lacked the vision or commitment to make the project work," said Mr. Sansone. "We were fortunate to have the desire and the resources to see this through. That, plus the availability of TIF money, is what brought us to where we are today."

### **About Sansone Group**

Founded in 1957 by Anthony F. Sansone Sr., Principal and Chairman of the Board, Sansone Group is a nationally-recognized, St. Louis-based premier commercial real estate firm that specializes in property and facility management, brokerage, development and redevelopment of retail, industrial, office and residential properties. Currently, Sansone Group manages more than 20 million square feet of retail, industrial and office properties and 2,000 residential units. For more information, please visit [www.sansonegroup.com](http://www.sansonegroup.com).