
TIF Frequently Asked Questions

Updated 10/31/2022

→ Cortex has already received TIFs in the past. Why is Cortex applying for more TIF's?

- ◆ Cortex is not seeking more TIFs. In 2013, the City of St. Louis granted Cortex a \$167.7 million TIF package that could be used for development projects throughout the Cortex district. This package outlined the funds available to Cortex. However, each individual project still requires approval from the TIF Commission, the HUDZ Committee, the Board of Estimate & Apportionment, the Board of Aldermen, SLDC, and the mayor.
- ◆ To date, Cortex has allocated \$116.05 million of TIF financing to projects. \$51.65 million of the TIF package is currently unused.
- ◆ Cortex is seeking approval to use \$4.6 million of the existing TIF package for a project in RPA 6. It is also seeking activation of RPA 4 & 8. More details about activation are below.
- ◆ \$67 million of the overall \$167.7 million package can be used for an area-wide TIF. Of that \$67 million, \$32.2 million has been used to date for area-wide improvements. More details about area-wide TIFs are below.

→ How is Cortex engaging with St. Louis Public Schools during the TIF process?

- ◆ Cortex and SLDC have been in regular communication with the President and Vice President of the SLPS Board of Education (BOE). Through these meetings, the BOE directed Cortex to work with the Career and Technical Education Department to build an intentional pathway into job opportunities for Cortex and the cyber security job training we are providing in partnership with our partner Per Scholas. We will be kicking off that planning in November, 2022.

→ What programs and benefits does Cortex provide to SLPS students?

- ◆ Cortex, along with its partners Per Scholas and St. Louis Community College, is dedicated to building a career pipeline for SLPS students to gain free or affordable training that will prepare them for cybersecurity and IT professions. Cortex also works closely with employers and partners to ensure that well-paying jobs are available to graduates of these training programs.
- ◆ Cortex provides robust entrepreneurial training and support for SLPS graduates to build their own businesses, through our own Square One series of programs. We

also provide support to Harris Stowe State University's entrepreneurship training activities both on campus and inviting them to the district; many of these students are graduates of St. Louis Public Schools.

- ◆ As we work to build more strategic pipelines with the district, here are some examples of one-time activities provided:
 - Cortex is providing 40 registrations for SLPS employees to the 2022 NICE K12 Cybersecurity Education Conference in December 2022. This will further build capacity for SLPS and Cortex to strengthen the tech career pipeline for SLPS students and graduates.
 - Cortex worked with local school districts, including St. Louis Public Schools, to host 100 high school students, with a majority being from SLPS to the district in October. They worked on real-world cyber problems with employees housed in the district.
 - As a follow-up, student attendees were offered free access to working space inside the 4220 Duncan building.

→ **How is Cortex engaging with other key stakeholders regarding the TIF process?**

- ◆ Cortex has been in conversation with the 17th ward Alderperson for more than 18 months regarding the most recent TIF requests. As a result of these conversations, the most current TIF project (RPA 6) will include affordable housing at 60% of AMI, and a \$250,000 contribution to the City of St. Louis Affordable Housing Fund.
- ◆ The St. Louis Development Corporation (SLDC) has worked closely with Cortex to develop a responsible and fair TIF agreement. Cortex's current TIF development scores very high on the SLDC scorecard.

→ **What is the financial impact of the TIF project on the surrounding community?**

- ◆ Increased Tax Revenue – refer to the table below for details
 - This table is for all Cortex activity during the reporting period
 - The tax revenues are net of TIFs, meaning that tax revenue has increased for each taxing jurisdiction as a direct result of the TIF projects in Cortex.

Taxing Jurisdiction	2014-2022 Total Tax Revenues *	2014-2022 Tax Revenue without Cortex activity*	Net New Tax Revenues 2014-2022*
State of Missouri	\$56,900,000	\$19,800,000	\$37,100,000
St. Louis City	\$32,900,000	\$8,200,000	\$24,700,000
St. Louis Public Schools	\$17,100,000	\$7,300,000	\$9,800,000
St. Louis Community College	\$680,000	\$300,000	\$380,000
St. Louis Zoo/Museum District	\$860,000	\$400,000	\$460,000
St. Louis Public Library	\$1,206,000	\$800,000	\$406,000
Sheltered Workshop	\$475,000	\$200,000	\$275,000
Community Mental Health	\$295,000	\$100,000	\$195,000
Community Children's Service Fund	\$600,000	\$300,000	\$300,000
Senior Services	\$220,000	\$36,000	\$184,000
Metro Parks	\$1,080,000		\$1,080,000
MetroLink	\$2,700,000		\$2,700,000
MSD	\$500,000	\$144,000	\$356,000
Totals	\$115,516,000	\$37,580,000	\$77,936,000
* Actual revenues: 2014-2020; Estimated revenues: 2021 and 2022			

→ How much is this specific TIF request and what will it go towards?

- ◆ \$4,600,000
- ◆ Cortex will use RPA 6 TIF funds to exclusively reimburse public improvements

PRA 6 TIF REQUEST UPDATED BUDGET BREAKDOWN

DESCRIPTION	Public Realm
Site General Conditions	\$ 133,729.15
Excavation, Erosion Control, & Site Demo	\$ 326,642.34
Storm Sewers	\$ 1,245,540.05
Streetscape BioBasins	\$ 315,118.09
Site Concrete	\$ 265,884.72
Striping and Painting	\$ 11,916.30
Sarah and Clayton Intersection Allowance	\$ 119,162.95
Asphalt Mill and Overlay at Sarah and Clayton	\$ 139,023.84
Onsite Landscaping and Irrigation Allowance	\$ 23,832.59
Public Realm/Catenary Lights	\$ 201,394.92
Ductbank Offsite	\$ 475,460.18
Site Surveying	\$ 6,685.04
Material Testing Allowance	\$ 5,958.15
SUBTOTAL	\$ 3,270,348.33
PERMITS	\$ 32,703.48
INSURANCE	\$ 32,703.48
CONTINGENCY	\$ 163,517.42
SUBTOTAL	\$ 3,499,272.71
OVERHEAD & PROFIT	\$ 146,969.45
TOTAL PUBLIC REALM COSTS	\$ 3,646,242.16
Total Public Realm Cost Estimate:	\$ 3,646,242.16
Tower Grove Connector Costs	\$ 1,000,000.00
Total TIF Ask	\$ 4,646,242.16

→ **What public benefits are being provided from the use of this TIF?**

- ◆ Public Improvements
 - Sarah St. & Clayton Ave. Streetscaping
 - Improved pedestrian-oriented intersection
 - Metered public parking
 - Electrical infrastructure burial
 - Updated sewer infrastructure
- ◆ \$250,000 to City of St. Louis Affordable Housing Fund paid by Keeley Properties
- ◆ The 165-unit apartment building will include 17 units of affordable housing for people making less than 60% of the area median income (\$45,600 for a household of two)
- ◆ 10% of the value of the TIF incentive will be allocated to the city-controlled infrastructure fund for low-income areas
- ◆ Further increase to regional tax revenue (refer to table above), including \$3.7 million to the City of St. Louis and \$1.7 million to St. Louis Public Schools (2022-2045)
- ◆ Continued and improved access to workforce development (ex: Per Scholas) & the entrepreneurial start-up ecosystem (Square 1 / Ignite / other CET programs) for community members with a special emphasis on Black and indigenous people of color.
- ◆ Cortex provides open programming for tenants and neighbors: outdoor concerts, lunch & learns, happy hours, etc.

→ **When will Cortex's TIFs be paid off? When will the regional taxing jurisdictions receive 100% of the tax revenues?**

- ◆ Each of Cortex's standard TIFs have a 23 year pay-back period. This means that the portion of new tax revenues that are captured by TIF can be captured for up to 23 years following the activation of that project area.
- ◆ Cortex is a unique redevelopment area. In addition to standard TIFs, Cortex also has an area-wide TIF. The area-wide TIF is used to reimburse Cortex for streetscaping, utility relocations, structured parking, sewer relocation, district programming, Cortex Commons, and the Cortex Metro Station.
- ◆ If a standard TIF is paid off before 23-years, then the new tax revenues transition to pay off the area-wide TIF for the remainder of the time. If a standard TIF is not

paid off in 23-years, then no revenue transfers to the area-wide TIF. No single piece of real estate will capture tax revenues for TIFs for longer than 23 years.

- ◆ The area-wide TIF can capture revenues for up to 23 years after the last activated RPA.

→ If a TIF is pledged to bonds, does this extend the payback period?

- ◆ No. Pledging a TIF to bonds does not extend the payback period.
- ◆ Pledging a TIF to bonds does reimburse Cortex more quickly, which means that Cortex can provide programming to train & support entrepreneurs, attract new businesses to St. Louis, and/or develop partnerships to improve the equity of regional economic development.

→ Who receives the TIF revenue? Cortex or the Developer?

- ◆ Cortex receives TIF reimbursements.
- ◆ Keeley will self-fund the public improvements (ex: repaving streets). Then some, but not all, new tax revenues are paid to Cortex, who will reimburse these expenses.

→ Is there support from the Mayor's office, SLDC, and the TIF Commission for this TIF request?

- ◆ Yes. With community benefits in place, both SLDC and the Mayor's Office are in support of this TIF. SLDC reviewed all project details and has also confirmed that this project will not happen without TIF (aka: the project passes the "But for" test).
- ◆ The City of St. Louis TIF Commission recommended the board of alderman approve the Cortex's TIF request on September 14th, 2022 with a vote of 4 yeses 1 nay, 2 abstentions

→ Is TIF really still necessary in the Cortex District footprint?

- ◆ Yes, TIF is still necessary within the Cortex District footprint. RPA 6 passes the "But for" test, meaning that the project will not happen without TIF.
- ◆ This specific TIF request is to reimburse the expenses to improve the streets and sidewalks that belong to the city. The public right of way will continue to be

owned by the city after the improvements are made, and Cortex will continue to pay for the maintenance because it is in the district.

- ◆ It is impossible to say if future development projects will pass the “But for” test because we do not yet have project details to calculate financial need. However, it is likely that future projects will still require TIF funding, because:
 - Supply chain delays and rising material costs have dramatically increased the budget for ALL development projects. Cortex is unable to afford these price increases without TIF.
 - Redeveloping spaces with existing and decaying infrastructure, such as Cortex, is significantly more expensive than developing “green” spaces that have never been developed, such as fields in St. Charles. TIF financing enables Cortex and developers to afford building in St. Louis City, rather than green spaces.
 - The 200-acre Cortex District looks very different than it did only 10 years ago and has become an attractive location to developers. It has changed for the better, due largely to Cortex’s TIF-financed development. However, developers have several options when looking for locations to build (ex: St. Louis County, St. Charles, similar cities like Cincinnati & Pittsburgh). Without TIF financing, developers can find more affordable locations than St. Louis City to build. The amount of development that has already occurred in Cortex does not correlate to the cost of doing a new project.
 - Activating RPA 4 & 8 now - Cortex has updated the redevelopment requirements to require that we re-visit the TIF Commission and Board of Aldermen to approve specific projects. Activating those areas does not commit the city to any TIF funding.

→ **What does it mean if an RPA gets activated without project-specific details?**

- ◆ Activating a project allows Cortex to potentially use TIF down the road, if it is approved by the TIF Commission and the Board of Aldermen, once a project is developed. Cortex is asking for activation because if we do not activate before February 2023, then we will not be able to use TIF to support future projects without starting over (see below about the significant costs associated with that).
- ◆ Activating RPA 4 & 8 starts the clock on the 23 year TIF window. This means that the TIF repayment period begins as soon as the RPAs are activated, rather than when a development plan is created and approved.

→ **Will the TIF Commission and Board of Aldermen be able to review the development plans for future developments? (ex: RPA 4 & 8)**

- ◆ Per the updated redevelopment agreements, Cortex is legally required to bring projects to the TIF Commission and Board of Aldermen when plans are further developed. This includes opening all applicable hearings to public discussion.

→ **Why can't we just let the TIF run out and start over using the current status (not as blighted) to evaluate whether TIF is necessary?**

- ◆ Allowing our 10-year TIF timeframe to run out the clock would result in the loss of a decade of work and negotiations. This work was primarily done by St. Louis City officials, nonprofit employees, and contractors (ex: lawyers & architects). Taxpayers paid for this work, both directly and indirectly. Taxpayers paid directly for the work of city officials and indirectly for many contractors. Cortex, a nonprofit, has used their resources to pay for staff and contractors, as well. If Cortex and the City of St. Louis are forced to start the TIF process over again, then these resources will have been wasted and additional taxpayer and nonprofit money will be required. Cortex will have to divert \$150,000 of mission-driving funds to restart the process, limiting its capacity to provide tech workforce training and entrepreneurial training for BIPOC neighbors. Other partners would have to divert funds as well.
- ◆ The current projects fall into the plan that the City of St. Louis agreed to 10 years ago, with the intention of reducing blight in the City. While the Cortex District is less blighted than it was 10 years ago, the current un-developed parcels are still blighted, and thus in need of financial support for development. Cortex previously was light industrial, so all land needs environmental remediation before development can happen. That is an additional expense that can and should be offset through a TIF.

→ **Would your TIF pass the BOA today like it passed 10 years ago?**

- ◆ SLDC has confirmed that RPA 6 currently passes TIF requirements of "blight" and "but for".
- ◆ It is impossible to say if future projects will pass the "but for" test because we do not have specific project details. However, it is likely they will pass. See above for more details.

→ **Does the development include affordable housing?**

- ◆ The sub-developers will offer 10% of residential units at 60% annual median income.
- ◆ Cortex is a nonprofit that reinvests any revenue we receive back into mission-driving activities, like job training. We are focused on expanding access to living-wage and workforce-wage jobs, so more people can move into the surplus of workforce housing in the region.

→ **What is the impact of this TIF on taxes that fund city services and public schools?**

- ◆ Granting a TIF to the RPA 6 project will increase the funding for SLPS by \$1.14 million and the City of St. Louis by \$3.99 million over the course of the TIF repayment period (23 years). These tax revenues are foregone if RPA 6 is not developed.
- ◆ Between 2014-2022, the TIFs that have been used in Cortex have increased net new tax revenue by nearly \$78 million, to include \$9.8 million for St. Louis Public Schools and \$24.7 million for the City of St. Louis. These developments would never have happened without TIF and all taxing jurisdictions would have foregone these new tax revenues. Moving forward, TIF is still a necessary component for development and will increase new taxes for the area.
- ◆ It is projected that RPA 6 will generate \$10.8 million in net new taxes for all taxing jurisdictions (2021-2044).

→ **How many jobs will this new phase of the TIF create?**

- ◆ The construction of the mixed-use residential project and the associated public realm improvements will support 200-300 jobs.

→ **What are your requirements/goals for MBE/WBE hiring during construction?**

- ◆ Below are Cortex's goals and actuals (as of August 2022)

Construction Contract Ammount	M/WBE Contracts		Workforce Inclusion				
	MBE	WBE	Hours to Date	People of Color	Women	City Residents	Apprentices
	Goal 25%	Goal 5%		Goal 25%	Goal 5%	Goal 20%	Goal 15%
\$826,012,460	46%	33%	2,384,927	21%	5%	11%	16%

→ **I am worried this project will cause more gentrification in the area. How are you working to make sure there is room for existing residents and businesses to stay in the neighborhood?**

- ◆ St Louis is not sufficiently growing its economy; additional businesses and jobs are needed to create the stability this region needs. To do this work, Cortex is serving as a multiplier of growth. This means that the investments made in the Cortex District, via TIF and other sources, can be leveraged to help local communities. These community investments include workforce development programs aimed at upskilling neighbors to middle-wage jobs, entrepreneurial support services, attracting new and existing businesses to the region, increased tax revenue for SLPS, and more.
- ◆ Diversity and inclusion are critical to Cortex's mission. We build systems and incentives to ensure that the workforce in the district includes our neighbors who have been living in the city for decades. We do this inclusive work not because of mandates but because it is the right thing to do and the smart thing to do. Our diversity and inclusion work is attracting new businesses from across the country, thus growing and strengthening the regional economy.

General Questions

→ **Is Cortex a nonprofit or a developer?**

- ◆ Both. Cortex is the nonprofit master developer of the Cortex Innovation District, a 200-acre urban innovation hub. It is a mission driven organization that works to accelerate inclusive economic growth in St. Louis. We are building a dynamic, 24/7 neighborhood of restaurants, shops, green spaces, and apartments to complement the tech-related businesses who are making Cortex their home.

When our development plan is complete, we will have created 4.5 million square feet of mixed-use buildings (research, office, clinical, residential, hotel, and retail), as well as a MetroLink light-rail station, a major highway interchange, and a publicly-accessible park, all totaling \$2.3 billion of development. We anticipate that 15,000 permanent jobs will be added to the St. Louis region.

Currently, over 400 companies and 7,200 employees are located in the Cortex Innovation Community.

→ **What is the mission & vision of Cortex?**

- ◆ [About Cortex](#)
- ◆ **Mission:** Cortex is a vibrant innovation community serving as an inclusive economic engine for the St. Louis region. We create equitable economic impacts by leveraging high quality facilities, developing a portfolio of programmatic offerings that build knowledge and networks, and convening a collection of strategic partnerships that attract and support emerging and established companies.

→ **What is the difference between Cortex, CIC, CET, & Venture Cafe?**

- ◆ **Cortex** is the nonprofit master developer of the 200-acre Cortex Innovation District. It oversees the development planning for the district, provides inclusive entrepreneurial support & training, convenes new & existing business in the St. Louis region, and monitors safety of the district.
- ◆ **CET** (Center for Emerging Technologies) is an affiliate of Cortex and serves as the largest and oldest innovation center in Missouri. CET is nationally recognized for providing the infrastructure and resources needed for early-stage, high-growth companies in the fields of information technology, bioscience and manufactured products to innovate and thrive. CET is the home of Square One entrepreneurship talent training that has graduated 346 entrepreneurs in the last 7 years. Our graduates represent the diversity of the bi-state region: 38% Black, 10% Asian, 4% Latinx, 8% Other and 40% are white. Our graduates have gone on to be accepted into Arch Grants, WEPOWER, UMSL DEI Accelerator, and others.
- ◆ **CIC** is not an affiliate of Cortex, but operates in three buildings in the Cortex Innovation District. CIC provides high-quality, flexible office and coworking spaces, as well as stocked community kitchens, conference rooms, operational and technical support, concierge services, perks and wellness offerings, and much more. Clients have access to hundreds of diverse entrepreneurs, service providers, investors, and mentors, while CIC-supported events draw thousands of innovators from across the global startup community to CIC. CIC runs a Social Innovation Cohort program that provides capacity building and free office space to nonprofits doing good in the region.
- ◆ **Venture Cafe** is not an affiliate of Cortex, but operates in the Cortex Innovation District. Venture Cafe partners with companies and organizations that are evolving business, education, technology, social justice, science and the arts within St Louis and beyond. Along with pitch nights, thought provoking content

and one-on-one sessions, their flagship program – Thursday Gathering – provides participants with hundreds of connection and action opportunities each week.

→ **What is the impact from Cortex on the region so far?**

- ◆ Cortex is a powerful, and growing, economic engine for the region
 - 400 companies and 7,200 jobs are supported by the Cortex Innovation Community
 - The economic activity of operations at Cortex generating \$2.1 billion in economic output impacts for the St. Louis region in 2018.
- ◆ Cortex is expanding the regional tax base - \$69.6 million in total Cortex-related state and local tax revenues for 2018, and \$185.4 million in federal taxes (primarily payroll taxes) generated.
- ◆ Cortex, its development partners, and key stakeholder institutions demonstrate a robust commitment to inclusion and social equity – with specific Board policies and a series of programs and initiatives designed to promote inclusion and high-levels of community engagement.
- ◆ This spring, Cortex announced a new 5 year strategic plan that names 4 strategic pillars for growing our impact in accelerating inclusive economic growth in St. Louis, towards equitable economic outcomes:
 - Business Recruitment & Retention
 - Entrepreneurship Talent Development
 - Tech Talent Development
 - Building Development & Placemaking
- ◆ The newest strategic direction is targeted tech talent development through building an integrated workforce development process. Cortex engages in this work by playing the role of convener for a range of external partners to create new job training and career pathways that lead to good jobs.

→ **What is your commitment to using MBE/WBE vendors in your everyday operations?**

- ◆ Cortex uses M/WBE across our organization. We write M/WBE requirements into our subleases, and use M/WBE consultants and contractors when possible (ex: community engagement/relations consultants, entertainment and food vendors at events)

→ **Can the public use the Cortex campus?**

- ◆ Yes. The general public can access Cortex Commons (at Boyle & Duncan). Many public events are held in this space and it is a lovely location for picnics and lounging on a warm day.
- ◆ There are several businesses within Cortex that are open to the public, including Vicia, Park Avenue Coffee, Aloft Hotel, Taqueria Morita, Wasabi Sushi Bar, and Move by BJC.
- ◆ People can access the space via the Cortex MetroLink station.
- ◆ Inquires about meeting spaces can be made by contacting Cortex through our website.

→ **How can neighborhood residents be involved in what is happening at Cortex?**

- ◆ Refer to our [Events Calendar](#).

→ **How are the public schools or universities involved with Cortex?**

- ◆ The economic activity within the district generates tax revenue for SLPS, to include \$9.8 million between 2014 and 2022.
- ◆ [COLLAB](#) - a first-of-its-kind space designed to harvest the research and talent generation capacities of Washington University in St. Louis and St. Louis University. COLLAB is located within the Cortex District.
- ◆ Cortex was founded in 2002 by five regional anchor institutions, including Washington University in St. Louis, St. Louis University, and University of Missouri St. Louis. Representatives of these institutions serve as Cortex Board members.
- ◆ The five founding institutions of Cortex are major research institutions (Washington University in St. Louis, St. Louis University, University of Missouri in St. Louis, BJC, and Missouri Botanical Garden). They aligned their efforts to establish Cortex as an innovation space in which scientists can turn academic research into marketable businesses. Cortex is home to several such businesses (ex: Wugen).