

Frequently Asked Questions Regarding the Clayton-Centene Public-Private Partnership

The City of Clayton staff has announced a proposed development plan that will be considered by the Board of Aldermen for a public-private partnership with Centene Corporation for their Clayton Campus Expansion project. The following Frequently Asked Questions can help residents and businesses better understand the terms of the proposed agreement and how it impacts our community.

What is a public-private partnership?

A public-private partnership is a mutually-agreed upon arrangement between a public entity (City of Clayton) and a private business (Centene). In this case, the partnership will help provide economic benefits and fund a civic auditorium and other public benefits as part of the Centene Clayton Campus Expansion.

How will all taxing districts benefit under this proposed partnership?

Economic benefits:

- **\$110 million** in real and personal property taxes over 20 years – 500% increase above what the properties currently deliver.
- Centene would also pay full real and personal property taxes for the high-end luxury residential apartments, as well as 100% personal property taxes of development tenants and other sales, utility and hotel taxes.
- **1,000** new jobs
- New retail and entertainment options

Public benefits:

- Community use of civic auditorium
- Ticketed events that may include performing arts, concerts, films, exhibitions, conferences, seminars, workshops or lectures.
- Public park or plaza
- Connections to MetroLink
- Pedestrian enhancements and wayfinding
- Upscale retail
- Streetscape improvements and traffic mitigations

What tax abatement terms did Clayton staff negotiate?

To help fund the project's public and economic benefits, Clayton staff negotiated a 40% real property tax abatement for 20 years and 50% personal property tax abatement for 10 years. This was lower than Centene's requested level.

How much tax revenue will be abated?

Under the agreement, **\$38.9 million** (net present value) will be abated, or 5% percent of Centene's \$755 million project. This equals \$74 million (with inflation) over the next 20 years.

How will this impact the Clayton school district?

The residential component of the project will not receive tax abatement so the school district will receive 100% of the residential property taxes, in addition to **\$50 million** in commercial property tax revenue over 20 years.

How will this impact police, fire and other city services?

One of the first things Clayton looks at when evaluating a project is how will it affect police, fire, and other city services. The Clayton Chief of Police, Fire Department Chief and the Director of Public Works have determined there will be minimal impact from the project beyond current service capacities.

The Clayton staff believes that if there were increased service demands, the total revenue associated with the proposed project (property tax, sales tax, utility taxes, hotel fees, personal property) would more than cover any increased costs.

Does Clayton have to give Centene any money?

No.

When will the Board of Aldermen consider this development plan?

As currently scheduled, the Board of Aldermen will consider the proposed development plan on Tuesday, November 15 at 7:00 p.m. at Clayton Middle School at 6500 Wydown Blvd.