

ORDINANCE #65973
Board Bill No. 150

AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI, AS A REDEVELOPMENT AREA KNOWN AS THE 2500 SOUTH 18TH STREET REDEVELOPMENT AREA PURSUANT TO THE REAL PROPERTY TAX INCREMENT REDEVELOPMENT ACT; APPROVING A REDEVELOPMENT PLAN AND A REDEVELOPMENT PROJECT WITH RESPECT THERETO; ADOPTING TAX INCREMENT FINANCING WITHIN THE REDEVELOPMENT AREA; MAKING FINDINGS WITH RESPECT THERETO; ESTABLISHING THE 2500 SOUTH 18TH STREET SPECIAL ALLOCATION FUND; AUTHORIZING CERTAIN ACTIONS BY CITY OFFICIALS; AND CONTAINING A SEVERABILITY CLAUSE.

WHEREAS, the City of St. Louis, Missouri (the "City"), is a body corporate and a political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of its charter, the Constitution and laws of the State of Missouri; and

WHEREAS, on December 20, 1991, pursuant to Ordinance No. 62477, the Board of Aldermen of the City created the Tax Increment Financing Commission of the City of St. Louis, Missouri (the "TIF Commission"); and

WHEREAS, the TIF Commission is duly constituted according to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri (2000) (the "TIF Act"), and is authorized to hold public hearings with respect to proposed redevelopment areas and redevelopment plans and to make recommendations thereon to the City; and

WHEREAS, staff and consultants of the City and Restoration St. Louis, Inc., prepared a plan for redevelopment titled "2500 South 18th Street TIF Redevelopment Plan" dated April 18, 2003 (the "Redevelopment Plan"), for an area which is comprised of the structures located at 2500 South 18th Street in the Soulard Neighborhood Historic District, which district is listed on the National Register of Historic Places (the "Redevelopment Area" or "Area"). The Redevelopment Area is more fully described in the Redevelopment Plan, attached hereto and incorporated herein as **Exhibit A**; and

WHEREAS, the Redevelopment Plan proposes to redevelop the Redevelopment Area by rehabilitating and renovating the existing structures in the Area into residential apartments with on-site parking and other improvements as set forth in the Redevelopment Plan (the "Redevelopment Project," or "TIF Project" as further set forth in the Redevelopment Plan); and

WHEREAS, on June 4, 2003, after all proper notice was given, the TIF Commission held a public hearing in conformance with the TIF Act and received comments from all interested persons and taxing districts relative to the Redevelopment Area, the Redevelopment Plan, and the Redevelopment Project; and

WHEREAS, on June 4, 2003, the TIF Commission found that completion of the Redevelopment Project would provide a substantial and significant public benefit through the creation of new jobs, the preservation of historic structures, the strengthening of the employment and economic base of the City, increased property values and tax revenues, stabilization of the Redevelopment Area, and facilitation of economic stability for the City as a whole, and further found that without the assistance of tax increment financing in accordance with the TIF Act, the Redevelopment Project is not financially feasible and would not otherwise be completed; and

WHEREAS, on June 4, 2003, the TIF Commission voted to recommend that the Board of Aldermen adopt an ordinance in the form required by the Act (i) approving the Redevelopment Plan, (ii) approving and designating the Redevelopment Area as a "redevelopment area" as provided in the Act, (iii) approving the Project as described within the Redevelopment Plan, and (iv) approving the issuance of a TIF Note in the amount as specified in the Redevelopment Plan; and

WHEREAS, the Developer has demonstrated that the Redevelopment Project would not reasonably be anticipated to be developed without the adoption of tax increment financing and, therefore, redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan is not feasible and would not otherwise be completed; and

WHEREAS, the Board of Aldermen has received the recommendations of the TIF Commission regarding the

Redevelopment Area and the Redevelopment Plan and finds that it is desirable and in the best interests of the City to designate the Redevelopment Area as a “redevelopment area” as provided in the TIF Act and adopt the Redevelopment Plan and Redevelopment Project in order to encourage and facilitate the redevelopment of the Redevelopment Area; and

WHEREAS, the Redevelopment Area qualifies for the use of tax increment financing to alleviate the conditions that qualify it as a “conservation area” as provided in the TIF Act and as set forth herein; and

WHEREAS, it is necessary and desirable and in the best interest of the City to adopt tax increment allocation financing within the Redevelopment Area and to establish a special allocation fund for the Redevelopment Area in order to provide for the promotion of the general welfare through redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan which redevelopment includes, but is not limited to, assistance in the physical, economic, and social development of the City of St. Louis, providing for a stabilized population and plan for the optimal growth of the City of St. Louis, and in particular, Soulard Neighborhood, encouragement of a sense of community identity, safety and civic pride, preservation and restoration of properties of historical and architectural value and significance, prevention of physical and environmental blighting factors, and the elimination of impediments to land disposition and development in the City of St. Louis.

BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:

SECTION ONE. The Board of Aldermen hereby adopts the foregoing recitals as findings.

SECTION TWO. The Board of Aldermen hereby makes the following findings:

A. The Redevelopment Area on the whole is a “conservation area”, as defined in Section 99.805(3) of the TIF Act, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. This finding includes, the Redevelopment Plan sets forth, and the Board of Aldermen hereby finds and adopts by reference: (i) a detailed description of the factors that qualify the Redevelopment Area as a “conservation area” and (ii) an affidavit, signed by the Developer and submitted with the Redevelopment Plan, attesting that the provisions of Section 99.810.1(1) of the TIF Act have been met, which description and affidavit are incorporated herein as if set forth herein.

B. The Redevelopment Plan conforms to the comprehensive plan for the development of the City as a whole.

C. In accordance with the TIF Act, the Redevelopment Plan states the estimated dates of completion of the Redevelopment Project and retirement of the financial obligations issued to pay for certain redevelopment project costs and these dates are twenty three (23) years or less from the date of approval of the Redevelopment Project.

D. A plan has been developed for relocation assistance for businesses and residences in Ordinance No. 62481 adopted December 20, 1991.

E. A cost-benefit analysis showing the economic impact of the Redevelopment Plan on each taxing district which is at least partially within the boundaries of the Redevelopment Area is on file with the St. Louis Development Corporation, which cost-benefit analysis shows the impact on the economy if the project is not built and is built pursuant to the Redevelopment Plan.

F. Redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan is not financial feasible without the assistance of tax increment financing and would not otherwise be completed.

G. The Redevelopment Plan does not include the initial development or redevelopment of any gambling establishment as that term is defined in Section 99.805(6) of the TIF Act.

H. The Redevelopment Area includes only those parcels of real property and improvements thereon directly and substantially benefitted by the proposed Redevelopment Project.

SECTION THREE. The Redevelopment Area described in the Redevelopment Plan is hereby designated as a “redevelopment area” as defined in Section 99.805(11) of the TIF Act.

SECTION FOUR. The Redevelopment Plan as reviewed and recommended by the TIF Commission on June 4, 2003,

including amendments thereto, if any, and the Redevelopment Project described in the Redevelopment Plan are hereby adopted and approved. A copy of the Redevelopment Plan is attached hereto as **Exhibit A** and incorporated herein by reference.

SECTION FIVE. Tax increment allocation financing is hereby adopted within the Redevelopment Area. After the total equalized assessed valuation of the taxable real property in the Redevelopment Area exceeds the certified total initial equalized assessed valuation of the taxable real property in the Redevelopment Area, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in the Redevelopment Area by taxing districts and tax rates determined in the manner provided in Section 99.855.2 of the TIF Act each year after the effective date of this Ordinance until redevelopment costs have been paid shall be divided as follows:

A. That portion of taxes, penalties and interest levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in the area selected for the Redevelopment Project shall be allocated to and, when collected, shall be paid by the City Collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing;

B. Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the Redevelopment Project and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the area selected for the Redevelopment Project shall be allocated to and, when collected, shall be paid to the City Treasurer, who shall deposit such payment in lieu of taxes into a special fund called the "2500 South 18th Street Special Allocation Fund" for the purpose of paying redevelopment costs and obligations incurred in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the Redevelopment Project from which they are derived and shall be collected in the same manner as the real property tax, including the assessment of penalties and interest where applicable.

SECTION SIX. In addition to the payments in lieu of taxes described in Section Five of this Ordinance, fifty percent of the total additional revenue from taxes, penalties and interest which are imposed by the City or other taxing districts, and which are generated by economic activities within the area of the Redevelopment Project over the amount of such taxes generated by economic activities within the area of the Redevelopment Project in the calendar year prior to the adoption of the Redevelopment Project by ordinance, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri (2000), or taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri (2000), licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, shall be allocated to, and paid by the collecting officer to the City Treasurer or other designated financial officer of the City, who shall deposit such funds in a separate segregated account within the 2500 South 18th Street Special Allocation Fund.

SECTION SEVEN. There is hereby created and ordered to be established within the treasury of the City a separate fund to be known as the "2500 South 18th Street Special Allocation Fund." To the extent permitted by law, the City hereby pledges funds in the 2500 South 18th Street Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof.

SECTION EIGHT. The Comptroller of the City is hereby authorized to enter into agreements or contracts with other taxing districts as is necessary to ensure the allocation and collection of the taxes and payments in lieu of taxes described in Sections Five and Six of this Ordinance and the deposit of the said taxes or payments in lieu of taxes into the 2500 South 18th Street Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof, all in accordance with the TIF Act.

SECTION NINE. The City Register is hereby directed to submit a certified copy of this Ordinance to the City Assessor, who is directed to determine the total equalized assessed value of all taxable real property within the Redevelopment Area as of the date of this Ordinance, by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract or parcel of real property within the Redevelopment Area, and shall certify such amount as the total initial equalized assessed value of the taxable real property within the Redevelopment Area.

SECTION TEN. The Mayor and Comptroller of the City and all other officers, agents, representatives and employees of the City are hereby authorized to take any and all actions as may be deemed necessary, desirable, convenient or proper to carry out and comply with the intent of this Ordinance with regard to the implementation of the Redevelopment Plan and to execute and deliver for and on behalf of the City all certificates, instruments or other documents as may be necessary, desirable, convenient or proper

to carry out the matters herein authorized.

SECTION ELEVEN. The Mayor and the Comptroller or their designated representatives are hereby further authorized and directed to make any changes to the documents and instruments approved and authorized by this Ordinance as may be consistent with the intent of this Ordinance and necessary, desirable, convenient or proper in order to carry out the matters herein authorized.

SECTION TWELVE. It is hereby declared to be the intention of the Board of Aldermen that each and every part, section and subsection of this Ordinance shall be separate and severable from each and every other part, section and subsection hereof and that the Board of Aldermen intends to adopt each said part, section and subsection separately and independently of any other part, section and subsection. In the event that any part, section or subsection of this Ordinance shall be determined to be or to have been unlawful or unconstitutional, the remaining parts, sections and subsections shall be and remain in full force and effect, unless the court making such finding shall determine that the valid portions standing alone are incomplete and are incapable of being executed in accord with the legislative intent.

EXHIBIT A

2500 SOUTH 18TH STREET TIF REDEVELOPMENT PLAN

2500 S. 18th Street

TIF REDEVELOPMENT PLAN

**Presented to
City of St. Louis
Tax Increment Financing Commission
April 18, 2003**

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I. INTRODUCTION

The following is a plan prepared by the City in conjunction with Restoration St. Louis, Inc. (the “Developer”) for redevelopment of the building constructed in 1886 located at 2500 S. 18th Street in the Soulard Neighborhood Historic District in the City of St. Louis, Missouri (the “Redevelopment Area”). The Redevelopment Area is comprised of one parcel of land upon which stands (1) a vacant historic building originally constructed in 1886 as a convent, and most recently used as a nursing home, and (2) a small auxiliary structure. A legal description of the Redevelopment Area is contained herein as **Appendix 1**.

The proposed Redevelopment Area qualifies as a conservation area under Missouri’s Real Property Tax Increment Allocation Redevelopment Act (Revised Statutes of Missouri § 99.800 et. seq.) (the “TIF Act”).

This plan proposes to completely renovate and rehabilitate this historic Soulard Neighborhood building into twenty-one apartments with on site parking and a swimming pool (the “Redevelopment Project”).

This Redevelopment Plan proposes that the City initially authorize and issue a Tax Increment Financing Note (“TIF Note”) in an amount equal to Five Hundred Ten Thousand Dollars and no/100 (\$510,000) plus issuance costs to fund a portion of the Project Costs. Upon receipt by the City of a written request by Developer and evidence that the Developer has met certain criteria as agreed upon by the City and Developer in a Redevelopment Agreement, the City shall cause one of its agencies to immediately proceed to issue tax increment financing bonds (“TIF Bonds”) to repay the TIF Note. The TIF Bonds issued shall be reimbursed solely from the revenue stream of Payments In Lieu Of real estate Taxes (“PILOTS”) and Economic Activity Taxes (“EATS”) generated by the Project over a twenty-three year period. Fifty percent of EATS, as defined in the TIF Act, generated within the designated Redevelopment Area will be allocated to retire the TIF Note and/or TIF Bonds. PILOTS within the Redevelopment Area will also be allocated to retire the TIF Note and/or TIF Bonds.

Other financing aspects of the Redevelopment Project are discussed in more detail in Section V.

II. OVERVIEW OF TAX INCREMENT FINANCING (TIF)

In order to promote the redevelopment of a declining area, or to induce new activity in an area that has been lacking in growth and development, the State of Missouri has provided statutory tools to counties and municipalities to assist private, and initiate public investment. One such tool is the TIF Act.

The TIF Act allows cities and counties to: (1) identify and designate redevelopment areas that qualify as Blighted Areas, Conservation Areas, or Economic Development Areas as each are defined in the TIF Act; (2) adopt a redevelopment plan that designates the redevelopment area and states the objectives to be attained and the program to be undertaken; (3) approve a redevelopment project(s) for implementation of the redevelopment plan; and (4) utilize the tools set forth in the TIF Act to assist in reducing or eliminating those conditions that cause the area to qualify as a redevelopment area. Generally, the TIF Act allows municipalities to foster economic and physical improvements in a redevelopment or project area and to enhance the tax base of all taxing districts that levy taxes in such area. Within redevelopment areas, municipalities may use the power of eminent domain to provide necessary property acquisition for the implementation of a redevelopment plan and redevelopment project.

The concept of tax increment financing is outlined as follows: implementation of a redevelopment project within the redevelopment area will produce increased real estate assessments attributable to the redevelopment within the area. The owner of real property located within the Redevelopment Area then makes PILOTS on the increased assessed value of the improved property. The project also generates new EATS resulting from operations within the redevelopment or project area. The TIF Act authorizes the capture of certain PILOTS and EATS in the redevelopment or project area over and above such levels within that area in the year prior to the approval of the redevelopment project. New development is made possible within the redevelopment area through the municipality's use of incremental revenues to finance certain costs of developing or redeveloping the area.

Typically bonds or other financial obligations are issued by the municipality to finance certain costs of the redevelopment project. These financial obligations are then retired using the incremental revenues generated by the redevelopment project(s) within the redevelopment or project area. The municipality segregates these incremental revenues into a special account, the "Special Allocation Fund," during the period of time in which the incremental revenues are dedicated to the purposes identified in the redevelopment plan. The municipality is further authorized to pledge additional net new revenues from the project to the purposes identified in the redevelopment plan. All taxing districts that levy taxes on property within the redevelopment or project area continue to receive tax revenues based upon property values which existed prior to the adoption of ordinances establishing the redevelopment or project area. Taxing districts also benefit from the increase in certain other taxes resulting from the increased economic activity in the redevelopment or project area. These taxes resulting from development of the redevelopment project are not deposited in the Special Allocation Fund pursuant to the provisions of the TIF Act, but are distributed to the affected taxing districts.

The TIF Act requires that, prior to establishing a redevelopment area or approving or amending TIF redevelopment plans and projects, a municipality must create a TIF Commission. A TIF Commission is comprised of six individuals appointed by the chief elected official of the municipality, with the consent of its governing body, and three individuals who are appointed by the other taxing districts within the proposed redevelopment area. Two of these three members are to represent the school district(s) that tax property within the proposed redevelopment area; the other member is appointed by all the remaining taxing districts. The TIF Commission's role is to review, consider, and make recommendations to the municipality's governing body concerning the adoption of redevelopment plans and redevelopment projects and the designation of redevelopment areas; and to exercise such other powers as are available to it under the TIF Act.

III. CONSERVATION AREA ANALYSIS

The Redevelopment Area on the whole is a conservation area. As defined in the TIF Act, a "conservation area" is:

[a]ny improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A conservation area shall meet at least three of the factors provided in this subdivision for projects approved on or after December 23, 1997.

The Redevelopment Area is a conservation area based upon the City's finding and the fact that it exhibits at least three of the factors enumerated above which are further discussed as follows:

1. Age of Structure in the Redevelopment Area. Two structures have been erected in the Development Area. The primary building was first constructed in 1886 for use as a convent. There is also a small auxiliary structure in the Redevelopment Area of an undetermined age. Therefore, at least fifty percent of the structures within the Redevelopment Area have an age of thirty-

five years or more.

2. Excessive Vacancies and Abandonment. The Redevelopment Area was most recently occupied as a nursing home operating under the name Little Flower Nursing Home ("Little Flower"). On December 10, 2002, Little Flower filed an application with the Missouri Certificate of Need Program to transfer its nursing home license to a facility Little Flower is planning to construct in Richmond Heights. The historic Soulard Neighborhood building is now vacant and abandoned, and due to the numerous building and code violations cited by the Missouri Department of Social Services, it is unlikely that Little Flower, or any other entity, will desire to re-occupy the building. Therefore, the Redevelopment Area is entirely vacant and abandoned, and is likely to stay so unless redeveloped.

3. Deterioration. The Redevelopment Area consists of a deteriorated, vacant building and a small dilapidated auxiliary structure. Deterioration of the structures within the Redevelopment Area is evidenced by rusting equipment, significantly sloping floors, leaking, boarded-up and/or blocked-in stained-glass windows, rotted or otherwise damaged exterior doors, window frames and exterior trim, deteriorating roofing shingles, and pervasive mold. The alley and sidewalk within the Redevelopment Area are cracked and spotted with vegetation. In its present condition, the Redevelopment Area requires significant clean-up, restoration and rehabilitation before it can be available for any type of use. In a January 3, 2003 article published in the St. Louis Business Journal, the attorney for Little Flower was quoted as stating, "Little Flower is an old facility. If you want to stay in business, you have to meet the demands of people in the community and they want nicer facilities."

4. Dilapidation. Significantly sloping floors, chipped paint, damaged flooring and a pervasive mold smell exist throughout the building. The elevator, which is too small to fit a wheelchair, and the few air conditioning units that do exist are not in working order. The sewer connections leak and need recanalization and replacement. Many of the windows do not function and leak, and the commercial kitchen is defunct. The building's systems, structural elements and aesthetics are all in need of significant repair and replacement.

5. Presence of Structures Below Minimum Code Standards. In its present condition, the Redevelopment Area suffers from severe neglect and is well below minimum code standards. The November 16, 2001 Missouri Department of Social Services Division of Aging inspection report of Little Flower's operations cited numerous violations of both the Missouri Department of Health regulations, as well as the Life Safety Code (fire code). Among the violations cited were: (1) the corridors are not at least eight feet wide, (2) the exit doors are not at least thirty inches wide, and (3) there are not at least two unobstructed exits remote from each other, one of which must be an outside or enclosed stairway and the other which may lead to a lobby with exit facilities directly outside at grade level. The building is only partially equipped with sprinklers. Further, with its obsolete bathrooms, broken elevator, narrow doorways, multiplicity of stairs to compensate for sloping floors and obsolete plumbing fixtures, the building significantly fails to comply with the Americans with Disabilities Act ("ADA").

6. Depreciation of Physical Maintenance. The structures in the Redevelopment Area suffer from a lack of physical care and maintenance. This is evidenced by decay of both the exterior and interior of the Redevelopment Area, including decay of the structure, façade, woodwork and other finishing. Chipped paint, damaged flooring, rusting equipment and cracked ceramic tiles in the bathrooms are evident throughout the building. The kitchen appliances, air conditioning units, elevator and other mechanical equipment show signs of excessive wear and are in disrepair. The patio and yard area within the Redevelopment Area suffer from a lack of maintenance, as evidenced by numerous cracks in the surfaces, as well as the vegetation growing through such surfaces.

7. Obsolescence. In addition to the fact that building fails to comply with health and safety code requisites for nursing homes, the building's structure and systems are too obsolete for the building to be used for any type of residence. The November 16, 2001 Missouri Department of Social Services Division of the Aging inspection report cited significant health and safety violations in its inspection report of Little Flower's operations. The violations included insufficient width of the corridors and aisles, insufficient width of the exit doors, and deficient fire exits. Few air conditioning units have been installed and many of those are in disrepair. Many of the residents' rooms do contain small sinks, but none have complete bathroom facilities. The building's residents had to use community bathrooms located off the hallways on each floor. Such bathrooms do not contain any toilet stalls meeting ADA criteria and there are few shower stalls and bathtubs. The hallway bathrooms would be in violation of residential construction codes if the building's plans for multi-family housing come to fruition.

The elevator in the building is extremely small and is no more than three feet in depth. The elevator's current condition is so poor that it cannot receive a new certificate of occupancy. A new shaft and cabin are needed to obtain such a certificate. The wiring and plumbing in the building are substandard and have been attached to the outside of walls, often in a haphazard manner so as to resemble a spider web. The building is plagued with sloping floors, level changes, and ADA violations. There is only one common, defunct kitchen located in the basement.

8. Excessive Land Coverage. The present structures in the Redevelopment Area cover almost all of the property and lack sufficient off-street parking for use as a nursing home. Therefore, the Redevelopment Area may become blighted due to excessive land coverage.

9. Detriment to the Public Health, Safety, Morals or Welfare in its Present Condition and Use. The Redevelopment Area exhibits many factors, which constitute a menace to the public health, safety, morals, or welfare in its present condition and use. The deteriorating, unsanitary, and unsafe site conditions as illustrated above represent a menace to the public health and safety; the economic liability illustrated above represents a menace to the public welfare.

The above factors, whether considered alone or as combined, not only retard the provision of housing accommodations within the surrounding area and community, but also constitute an economic and social liability, and constitute a menace to the public health, safety, and welfare. As long as such conditions are present in the Soulard Neighborhood Historic District, there will be little incentive for private investment and development, commercial or residential, to benefit the area. Such disuse of property as is evidenced by the current condition of the area retards historic preservation and redevelopment, lowers the morale of citizens, encourages abuse and social harm, and furthers the social stigma, which currently plagues that and other areas of the City of St. Louis.

In determining if the proposed Redevelopment Area meets the eligibility requirements for TIF per the TIF Act, a number of sources of information were utilized. These include, but are not limited to, the following:

- a. Determination of the age of structures within the Redevelopment Area;
- b. Exterior survey of the condition and use of buildings within the Redevelopment Area;
- c. Analysis of existing uses and their relationships;
- d. Analysis of building and street design and layout; and
- e. Review of previously approved existing condition studies.

IV. REDEVELOPMENT PLAN INCLUDING NECESSARY FINDINGS

1. Description of the Redevelopment Area

The Redevelopment Area is comprised of one parcel lot. A legal description of the Redevelopment Area is included herein as **Appendix 1**.

2. Redevelopment Plan Objectives

Developer has established the following objectives for the 2500 S. 18th Street Redevelopment Plan:

- To cure the conditions and factors which designate the Redevelopment Area as a “conservation area” as defined by Section 99.805(1) of the TIF Act and as described in Section III of this Redevelopment Plan.
- To preserve and enhance the cultural and historical heritage of the City of St. Louis by effectuating the complete restoration and rehabilitation of a historic landmark in the City of St. Louis
- To enhance the public health, safety, morale and welfare of the community by improving the infrastructure, preventing and curing conditions that may otherwise lead to blight and encouraging other public improvements necessary for insuring the area’s stability and existing and future redevelopment.
- To create new, permanent residences in the City.
- To provide a funding mechanism that will pay for a portion of the public improvements needed to stimulate private development and redevelopment in the area surrounding the Redevelopment Area.
- To increase the tax base and the resulting tax revenues for the City and all other taxing districts within the Redevelopment Area.

- To serve as a catalyst for residential development and private investment, in the historic Soulard Neighborhood Historic District of the City of St. Louis.

3. Redevelopment Project Activities

Specifically, the above objectives will be satisfied by implementing each of the following, which together comprise the Redevelopment Project:

- **Residential Use** Renovate and rehabilitate the existing structure into approximately 21 residential units with on-site parking.
- **Landscaping; Structural Enhancements** Provide for certain landscaping, structural enhancements to increase the aesthetic value of the Redevelopment Area and surrounding neighborhood.

The Redevelopment Project Activities are generalized to leave room for design creativity and accommodations as needed, and so that Developer can respond to prospective purchaser's needs and historic agency requirements as completion of the Redevelopment Project progresses. Redevelopment of an area of this type must take into consideration the unique needs of a mix of residents with specific space needs and requirements including the provision of adequate parking and access for the disabled.

It is expected that the Redevelopment Project will in turn encourage and foster continued private as well as public investment in the surrounding areas. In addition, the safety of the area will improve due to the public improvements and other amenities provided by the Redevelopment Project.

4. General Land Uses to Apply

The proposed land use for the Redevelopment Area is residential. Currently, the Redevelopment Area is comprised of one commercially assessed lot. The lot is underutilized, abandoned, in severe disrepair and stands as a vacant improvement. The Redevelopment Area is currently zoned "Multiple Family Dwelling District." Consequently, the Redevelopment Project does not require re-zoning.

5. Redevelopment Schedule

Estimated dates for implementation of this Redevelopment Plan are set forth in **Appendix 2**. The estimated date for completion of the TIF Projects and retirement of obligations incurred to finance the TIF Projects shall not be more than 23 years from approval of the TIF Projects, or by 2026.

6. Most Recent Equalized Assessed Value

The current (2003) Equalized Assessed Value of the property in the Redevelopment Area is attached as **Appendix 3**. This value is established by the Assessor of the City of St. Louis. Currently, the assessed land value of the Redevelopment Area is \$9,690.00, and the assessed improvement value is \$61,290.00, which assessed total equals \$70,980.00.

7. Estimated Equalized Assessed Value After Redevelopment

The total estimated Equalized Assessed value of all taxable property in the Redevelopment Area after redevelopment is \$526,222 (in 205) as set forth in greater detail in **Appendix 4**.

8. Acquisition

Developer is the owner in fee of all of the property required for the Redevelopment Plan and Redevelopment Project. No further acquisition or eminent domain is necessary.

9. Conservation Area

As previously described in greater detail in Section III, the Redevelopment Area as a whole is a conservation area, and has

not been subject to growth and development through investment by private enterprise and will not reasonably be expected to be developed without the adoption of tax increment financing. The Developer has executed an affidavit attesting to the existence of these conditions, included herein as **Appendix 5**.

10. Conforms with Comprehensive Plan of the City of St. Louis

This Redevelopment Plan conforms to the City's comprehensive plan for the City of St. Louis.

11. Cost-Benefit Analysis

A cost benefit analysis showing a net benefit to each taxing district impacted by this Redevelopment Plan is on file with the St. Louis Development Corporation, 1015 Locust Street, Suite 1200, St. Louis, MO 63101.

If the TIF Redevelopment Project is completed, then each of the taxing districts will continue to receive all of the tax revenues currently received from the Redevelopment Area. Additionally, they will benefit from the additional property taxes and economic activity taxes which will be paid and not contributed to the TIF. The TIF Act allows for the collection of only 50% of the EATS for payment of project costs. The other 50% of the EATS are distributed to the appropriate taxing authorities. EATS also exist which are not applied to the TIF Projects as provided in the TIF Act. For example, the MetroLink portion of the local sales tax, the State Blind Pension levy and the Commercial Surcharge are all excluded from the TIF.

12. Plan for Relocation Assistance

Relocation of residents or businesses are not anticipated to be necessary within the Redevelopment Area with respect to the TIF Projects. To the extent relocation would be necessary, this Redevelopment Plan adopts the City of St. Louis Relocation Policy (Ordinance No. 62481) as the relocation policy for this Redevelopment Plan.

13. Does Not Include Gambling Establishment

The Redevelopment Plan does not include the initial development or redevelopment of any gambling establishment.

14. Reports to DED

As required by the Statute, the TIF Commission shall report to the Department of Economic Development by the last day of February each year, the name, phone number, and primary line of business of any business which locates within the Redevelopment Area.

V. FINANCING PLAN

1. Eligible Redevelopment Project Costs

The TIF Act provides for the use of tax increment revenues generated by a designated redevelopment area to pay all reasonable or necessary costs incurred, estimated to be incurred, or incidental to a redevelopment plan or redevelopment project within a TIF redevelopment area ("Redevelopment Project Costs"). A municipality may pledge all or any part of the funds in and to be deposited in the special allocation fund established for a redevelopment project area to the payment of redevelopment project costs and obligations within the redevelopment area, including the retention of funds for the payment of future redevelopment project costs.

The estimated Redevelopment Project Costs to be incurred in connection with the TIF Project is approximately \$3,784,753 and are set forth in **Appendix 6**. More specifically, the TIF Act allows the City and/or its designated developer(s) to incur redevelopment costs associated with implementation of an approved Redevelopment Plan and approved Redevelopment Project. These costs include all reasonable or necessary costs incurred, and any costs incidental to a Redevelopment Project. Thus, this Redevelopment Plan anticipates that a portion of the sources of funds used to pay the Project Costs will come from the TIF revenues, which, in accordance with the TIF Act, may include but are not limited to:

- Cost of studies, surveys, plans and specifications;
- Professional service costs including, but not limited to, architectural, engineering, legal marketing, financial,

planning or special services;

- Property assembly costs including, but not limited to, acquisition of land and other property real or personal or rights, or interests therein;
- Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
- Costs of construction of public works or improvements;
- Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include the payment of interest on any obligations issued under the provisions of this Redevelopment Plan accruing during the estimated period of construction of any redevelopment Project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto; and
- All or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Project, to the extent the City, by written agreement, accepts and approves such costs.

The costs as shown on **Appendix 6** represent the total approximate cost of the project regardless of the source of funding. Typical plan implementation and financing costs are based on the experience of the Developer. It should be noted that these costs are estimated based on the knowledge of the project at this time and that the actual redevelopment cost items for implementing the Redevelopment Plan and the Redevelopment Project may vary from these estimates.

It is not the intent of **Appendix 6** or this Redevelopment Plan to restrict the City or the Developer to the cost amounts or cost items as outlined. During the life of the Redevelopment Area, Plan and Project, other costs may be incurred or adjustments may be made within and among the line items specified in **Appendix 6**, if necessary and reasonable to accomplish the program objectives of the Redevelopment Plan.

2. Anticipated Sources of Funds to Pay Costs

There are five principal sources of funds that are anticipated to be used to pay the costs of implementation of the Redevelopment Plan and the Redevelopment Project previously described. These sources are:

- State Historic Tax Credits;
- Federal Historic Tax Credits;
- Owner Equity;
- Private Financing; and
- Funds available through the issuance of Tax Increment Financing Notes ("TIF Note"), bonds, loans, certificates or other certificates of indebtedness (herein collectively referred to as "TIF Note or other financial obligations").

3. TIF Note Funding

It is anticipated that the City will issue TIF Notes or other types of TIF obligations in an amount of \$510,000 plus issuance costs, in the aggregate of all such issues, exclusive of the costs of financing or refinancing costs as described above, and with a term of retirement for all such issues of not more than 23 years. The TIF Notes or other financial obligations will be issued only to finance the Redevelopment Plan and project costs as previously outlined in **Appendix 6** which are eligible costs as specified in Section 99.805(11) of the TIF Act, including any costs of issuing the TIF Notes or other financial obligations.

Upon receipt by the City of a written request by Developer and evidence that the Developer has met certain criteria as agreed upon by the City and Developer, the City, or one of its agencies, shall immediately proceed to issue tax increment financing bonds ("TIF Bonds") to repay the TIF Note. The TIF Bonds issued shall be reimbursed solely from the revenue stream of PILOTS and EATS generated by the Project over a twenty-three (23) year period. Fifty percent (50%) of Economic Activity Taxes, as defined in the TIF Act, generated within the designated Redevelopment Area will be allocated to retire the TIF Note. Payments in lieu of real estate taxes within the Redevelopment Area ("PILOTS") will also be allocated to retire the TIF Note.

It is the City's intent to pay for the principal and interest on the TIF Note, TIF Bonds, or other financial obligations, in any

year, solely with money legally available for such purpose within the City’s Special Allocation Fund. In addition, the TIF Notes, TIF Bonds, or other obligations may be privately placed.

The City’s Special Allocation Fund will contain at least two accounts:

1. The “PILOTS Account” which will contain all payments in lieu of taxes derived from all taxable, lots, blocks, tracts, and parcels of real property (or any interest therein) within the Redevelopment Area as such property is described in **Appendix 1** to the Redevelopment Plan; and
2. The “Economic Activity Taxes (“EATS”) Account” which will contain fifty percent (50%) of the total funds from taxes imposed by the City which are generated by the operations and activities within the Redevelopment Area as such property is described in **Appendix 1** to the Redevelopment Plan, excluding licenses, fees or special assessments, and excluding personal property taxes and payments to the PILOTS Account.

Funds on deposit in the PILOTS Account will be pledged to the payment of the Redevelopment Project Costs. Funds on deposit in the EATS Account will be subject to annual appropriation by the City for payment of the Redevelopment Project Costs. Such payment obligations shall not constitute debts or liabilities of the City, the State of Missouri, or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction and neither the City nor the State of Missouri shall be liable thereon except from the PILOTS Account, and, to the extent appropriated by the City on an annual basis, from funds derived from other taxes deposited into the Special Allocation Fund.

4. Evidence of Commitment to Finance Project Costs

Appendix 7 contains a letter provided by the U.S. Bank, which has made a preliminary review of the development proposal and has expressed an interest to finance the Project Costs.

APPENDIX 1

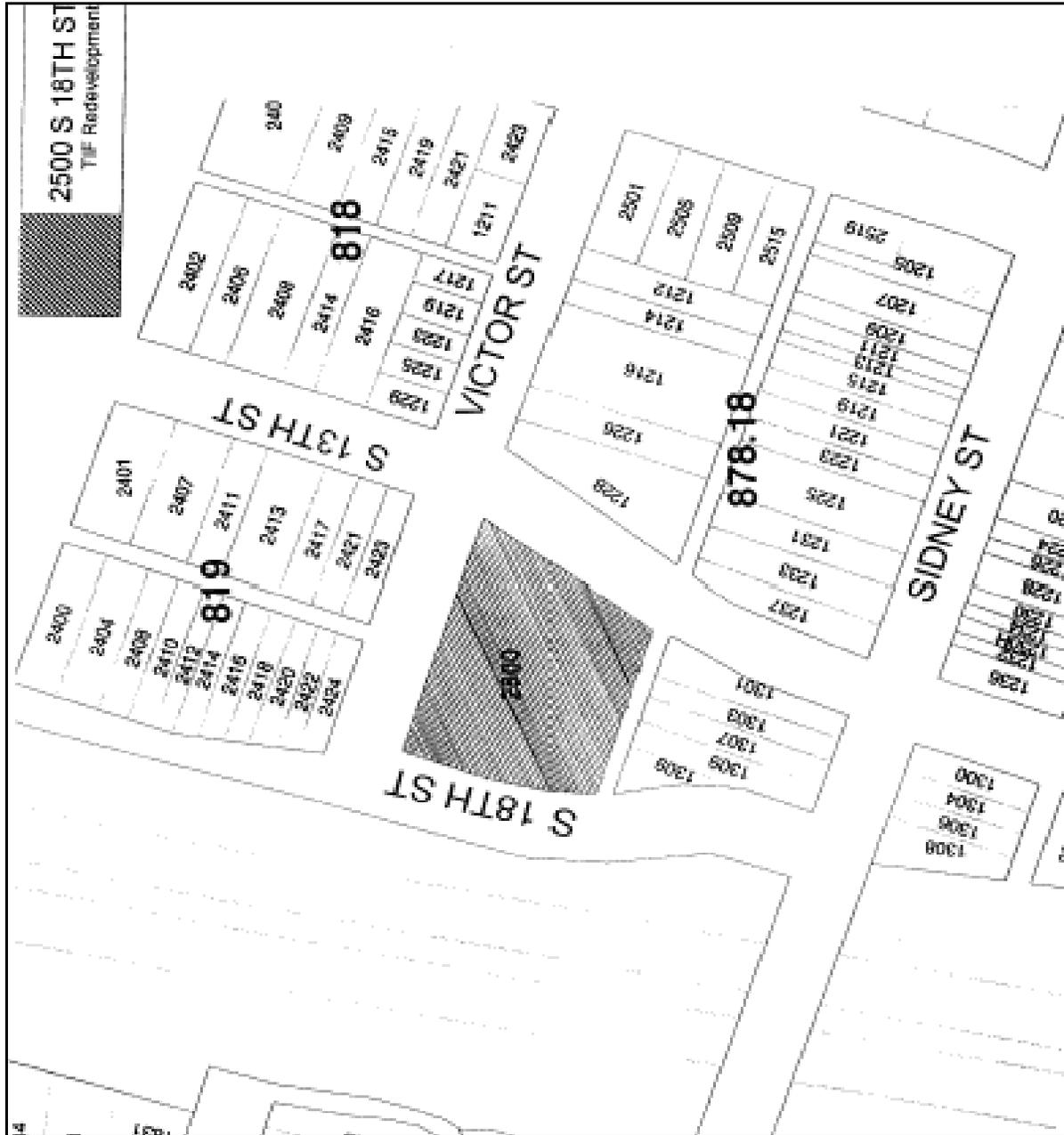
2500 S. 18th Street

LEGAL DESCRIPTION OF REDEVELOPMENT AREA

Lots 67, 68, 69, 70, 71 and 72 and parts of Lots 73, 74 and 75 in Block 3 of the Continuation of Fairview Addition, and in Block 878-W of the City of St. Louis, having an aggregate front of 214.706 feet on the South line of Victor Street, by a depth Southwardly of 157 feet 11-1/2 inches along the West line and 164.246 feet along the East line to an alley, along which there is an aggregate width of 170.608 feet; bounded East by Thirteenth Street and West by Eighteenth Street.

2500 S. 18th Street Avenue

Parcel Number: 0878 18 00100



APPENDIX 2

2500 South 18th Street Proposed Schedule	Date	March					April				May				June				
		2	9	16	23	30	6	13	20	27	4	11	18	25	1	8	15	22	29
Notice of formation of proposed TIF District to taxing districts and school districts to appoint members to TIF Commission (RSMo. § 99.820.2(7))	3/13/03																		
Advertise RFP for TIF Redevelopment Projects	3/13/03																		
City TIF Review Committee Meets Sets TIF Commission agenda	3/20/03																		
TIF Commission Meeting to Review proposal and approve Resolution 00-TIF-XX which sets a time and place for Public Hearing	4/16/03																		
Submit Redevelopment Plan to TIF Commission (at least 45 days prior to public hearing)	4/18/03																		
Mailing of Notice of TIF Commission Public Hearing to Taxing Districts (not less than 45 days prior to hearing) RSMo. § 99.830.3)	4/18/03																		
First Publication of Notice of TIF Commission Public Hearing (not more than 30 days prior to hearing) (RSMo. § 99.830.1)	5/10/03																		
Second Publication of Notice of TIF Commission Public Hearing (not more than 10 days prior to public hearing) (RSMo. § 99.830.1)	5/25/03																		
Written Notice to Property Owners (Not less than 10 days prior to public hearing) (RSMo. § 99.830.3)	5/23/03																		
Public Hearing by TIF Commission (RSMo. § 99.825)	6/4/03																		
TIF Commission Recommendation to Board of Aldermen (within 90 days of TIF Public Hearing) (RSMo. § 99.820.3)	6/4/03																		
TIF Ordinances Introduced adopting plan, approving project, establishing district, establishing special allocation fund, approving redevelopment agreement and authorizing Issuance of TIF Notes (no sooner than 14 days after and not more than 90 days after the hearing) (RSMo. § 99.820.1.(1))	6/20/03																		
HUDZ Committee Hearing on TIF Ordinances	6/25/03																		
Second Reading of TIF Ordinances	6/27/03																		
Perfection of Board Bills(s)	7/11/03																		
Third Reading and Final Passage of TIF Ordinances	7/11/03																		
Mayor Signs Bills	7/15/03																		
Construction Complete	7/1/04																		

**APPENDIX 3
2500 S. 18th Street
EQUALIZED ASSESSED VALUE OF PROPERTY
WITHIN THE REDEVELOPMENT AREA**

Parcel I.D. No.
0878 18 00100

Property Address:
2500 S. 18th Street Avenue

Assessed Total (2003):
\$70,980.00

**APPENDIX 4
2500 S. 18th Street
ESTIMATED TIF REVENUES**

Estimated TIF Revenues on file on in the Register's Office

**APPENDIX 5
2500 S. 18th Street
DEVELOPER AFFIDAVIT**

STATE OF MISSOURI)
CITY OF ST. LOUIS)

AFFIDAVIT

I, the undersigned, am over the age of 18 years and have personal knowledge of matters stated herein.

The undersigned swears, affirms, and certifies the following to be true to induce the approval of Tax Increment Financing for the area of the 2500 South 18th Street TIF Redevelopment Area, in the City of St. Louis, Missouri.

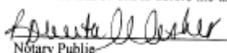
1. I am a duly authorized representative of Restoration St. Louis, Inc. (the "Developer"), and am authorized by the Developer to attest to the matters set forth herein.
2. I am familiar with the property described in the 2500 South 18th Street Tax Increment Financing ("TIF") Redevelopment Plan, prepared by Developer, and dated as of April 18, 2003 (the "Redevelopment Plan"). In my opinion, based on the analysis of factors set forth in the Redevelopment Plan, the Redevelopment Area, on the whole, qualifies as a "conservation area" as defined in Section 99.805(3) of the Missouri Revised Statutes (2000), has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing.

And Further Affiant Sayeth Not.

RESTORATION ST. LOUIS, INC.

By: 
Name/ Amrit Gill
Its: President

Subscribe and sworn to before me this 10 day of April, 2003.


Notary Public

My Commission Expires: May 12, 2006

ROBERTA A. ASHER
Notary Public-Notary Seal
State of Missouri
Saint Louis City
My Commission Expires May 12, 2006

FORM: Notarized The Platters of St. Louis, 17th St. 1507501, 1/16/03 - 5000 106-0001 (1/03)

APPENDIX 6
2500 S. 18th Street
Estimated Redevelopment Project Costs

USES OF FUNDS	
DESCRIPTION	Development Cost
Acquisition 2500 S 18th Street	\$ 350,000
Rehabilitation	\$ 1,750,008
Construction Contingency	\$ 175,001
Remediation	\$ 60,000
Construction Period Interest (12 months)	\$ 57,741
Lease-up Period Interest	\$ 20,209
Swimming Pool & Parking Lot Construction	\$ 80,000
FFE Units	\$ 60,000
FFE Lobby	\$ 20,000
Debt Origination Fees	\$ 15,776
Architect / Decorator / Engineering	\$ 100,000
Marketing	\$ 25,000
Tax Credit Fees	\$ 5,000
Soft Cost Contingency	\$ 20,000
Insurance	\$ 50,000
Legal	\$ 20,000
Legal for Condominium Documents	\$ 20,000
Consulting Fees	\$ 60,000
Construction Management Fee	\$ 60,000
Accounting	\$ 10,000
Utilities During Construction	\$ 45,000
Utility Deposits	\$ 15,000
Cost Certification	\$ 15,000
Market Study/Appraisal	\$ 10,000
TIF Expenses	\$ 33,300
Developer's Fee	\$ 707,718
Total Uses of Funds	\$ 3,784,753

APPENDIX 7
2500 S. 18th Street
EVIDENCE OF COMMITMENT TO FINANCE PROJECT COSTS

St. Louis, MO 63108
314 418-0899 fax

March 17, 2003

Mr. Amrit Gill
Restoration St. Louis, Inc.
3701 Lindell Boulevard
St. Louis, MO 63108

Re: Proposed TIF Project at 2500 South 18th Street

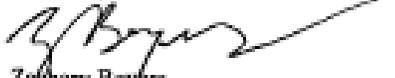
Dear Mr. Gill:

The purpose of this letter is to reiterate our interest in providing financing for your proposed project to renovate and rehabilitate the existing structure located at 2500 South 18th Street (the "Project").

As we have discussed, financing of the Project would not be feasible without the assistance of tax increment financing. Therefore, please be advised that we are excited to explore the possibility of financing the Project should the City of St. Louis issue the necessary tax increment financing.

Should you have any questions, please do not hesitate to call.

Very truly yours,



Zachary Boyers
Vice President

Approved: July 23, 2003