

**ORDINANCE #66822**  
**Board Bill No. 167**

**AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI, AS A REDEVELOPMENT AREA KNOWN AS THE SWITZER BUILDING REDEVELOPMENT AREA PURSUANT TO THE REAL PROPERTY TAX INCREMENT ALLOCATION 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 SWITZER BUILDING 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), as amended (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 Clarinet LLC, a Missouri limited liability company (the “Developer”), prepared a plan for redevelopment titled “Switzer Building TIF Redevelopment Plan” dated March 25, 2005 (the “Redevelopment Plan”), for an area generally located at 612-614 N. First Street and commonly known as the Switzer Building in downtown St. Louis (the “Redevelopment Area” or “Area”), which 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 renovating and rehabilitating the structure that currently exists in the Area into residential units and commercial space with related parking and other improvements, as set forth in the Redevelopment Plan (the “Redevelopment Project,” or “TIF Project”); and

**WHEREAS**, on May 11, 2005 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 May 11, 2005, 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 elimination of blight, 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 May 11, 2005, the TIF Commission voted to recommend that the Board of Aldermen adopt an ordinance in the form required by the Act (i) adopting tax increment financing within the Redevelopment Area, (ii) approving the Redevelopment Plan, (iii) approving and designating the Redevelopment Area as a “redevelopment area” as provided in the Act, (iv) approving the Redevelopment Project as described within the Redevelopment Plan, and (v) approving the issuance of tax increment financing revenue notes 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, 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 “blighted 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, encouragement of a sense of community identity, safety and civic pride, preservation and restoration of property of historical and architectural value and significance 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 makes the following findings:

A. The Redevelopment Area on the whole is a “blighted area”, as defined in Section 99.805 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 “blighted 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 Redevelopment 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 financially 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 TWO.** 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 THREE.** The Redevelopment Plan as reviewed and recommended by the TIF Commission on May 11, 2005, 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 FOUR.** There is hereby created and ordered to be established within the treasury of the City a separate fund to be known as the "Switzer Building Special Allocation Fund." To the extent permitted by law and except as otherwise provided in the Redevelopment Plan, the City hereby pledges funds in the Switzer Building Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof.

**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 the Switzer Building 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 (50%) 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) as amended, or taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri (2000) as amended, 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 Switzer Building Special Allocation Fund.

**SECTION SEVEN.** 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 Switzer Building 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 EIGHT.** 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 NINE.** The Mayor and Comptroller of the City or their designated representatives are hereby authorized and directed to take any and all actions as may be necessary and appropriate in order to carry out the matters herein authorized, with no such further action of the Board of Aldermen necessary to authorize such action by the Mayor and the Comptroller or their designated representatives.

**SECTION TEN.** The Mayor and the Comptroller or their designated representatives, with the advice and concurrence

of the City Counselor and after approval by the Board of Estimate and Apportionment, are hereby further authorized and directed to make any changes to the documents, agreements and instruments approved and authorized by this Ordinance as may be consistent with the intent of this Ordinance and necessary and appropriate in order to carry out the matters herein authorized, with no such further action of the Board of Aldermen necessary to authorize such changes by the Mayor and the Comptroller or their designated representatives.

**SECTION ELEVEN.** 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.

**SECTION TWELVE.** After adoption of this Ordinance by the Board of Aldermen, this Ordinance shall become effective on the 30th day after its approval by the Mayor or adoption over his veto; provided that if, within ninety (90) days after the effective date of this Ordinance, the Developer has not (i) executed a redevelopment agreement pertaining to the Redevelopment Project and (ii) paid all fees due to the City in accordance with the terms of the redevelopment agreement, the provisions of this Ordinance shall be deemed null and void and of no effect and all rights conferred by this Ordinance on Developer, shall terminate, provided further, however, that prior to any such termination the Developer may seek an extension of time in which to execute the Redevelopment Agreement, which extension may be granted in the sole discretion of the Board of Estimate and Apportionment of the City of St. Louis.

**EXHIBIT A**

**SWITZER BUILDING TIF REDEVELOPMENT PLAN**

**SWITZER BUILDING**

**TIF REDEVELOPMENT PLAN**

**Submitted to  
the City of St. Louis  
Tax Increment Financing Commission**

**March 25, 2005**

Switzer Building

TIF Redevelopment Plan  
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SWITZER BUILDING TIF REDEVELOPMENT PLAN

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**I. INTRODUCTION**

The following is a plan prepared by the City of St. Louis ("City") for redevelopment of the property commonly known as 612 North First Street, located on Laclede's Landing (the "Landing") in St. Louis (the "Redevelopment Area" or the "Area"). A legal description and map of the Redevelopment Area are attached hereto as **Appendix 1** and incorporated herein by this reference.

The Redevelopment Area consists of the building and annex commonly known as the Switzer Building (the "Building"), which is currently completely vacant. The Redevelopment Area qualifies as a blighted area under Missouri's Real Property Tax Increment Allocation Redevelopment Act, Section 99.800-99.865 of the Revised Statutes of Missouri (2000) (the "TIF Act"). This Redevelopment Plan proposes to completely redevelop the Area into residential space, commercial space, and related parking (the "Redevelopment Project" or "Project").

This Redevelopment Plan proposes that the City initially authorize and issue one or more Tax Increment Financing Note(s) ("TIF Note") in an amount up to One Million Three Hundred Forty Thousand and No/100 (\$1,340,000.00) plus issuance costs to fund a portion of the costs of the Redevelopment Project. The TIF Note 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. Up to fifty percent of EATS, as defined by the TIF Act, generated within the designated Redevelopment Area will be allocated to retire the TIF Note. Up to one hundred percent of PILOTS within the Redevelopment Area will also be allocated to retire the TIF Note. After completion of the Redevelopment Project, the City may issue TIF Note(s) or other TIF obligations to the developer of the Project ("Developer") or a third party to evidence the City's obligation to reimburse the Developer for a portion of the costs of the Redevelopment Project. Such TIF Note(s) will be paid solely from revenues on deposit in the Switzer Building Special Allocation Fund, in accordance with and pursuant to the TIF Act. Upon receipt by the City of a written request by Developer and evidence that the Developer has met certain criteria 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 Notes may be issued in one or more series and may include notes, temporary notes or other financial obligations to be redeemed by TIF Notes upon completion of the Redevelopment Project. In addition, these Notes or other financial obligations may be privately placed. It is the City's intent to pay for the principal and interest on these Notes or other financial obligations, in any year, solely with money legally available for such purpose within the City's Special Allocation Fund.

## **II. OVERVIEW OF TAX INCREMENT FINANCING**

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 project 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.

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.

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. FINDING THAT REDEVELOPMENT AREA IS A BLIGHTED AREA**

As defined in the TIF Act, a "blighted area" is:

An area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.

Section 99.805(1). Mo. Rev. Stat.

The Redevelopment Area is a blighted area based upon the fact that it exhibits the factors set forth above, which are further discussed as follows:

- i. Deterioration of Site Improvements. In general, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair. Deterioration may be evident in basically sound buildings containing minor defects, such as a lack of painting, loose or missing roof tiles, floor or ceiling panes, or holes and cracks over limited areas. Deterioration which is not easily curable, however, and which cannot be accomplished in the course of normal maintenance includes buildings with defects in the primary and secondary building components. Primary building components include the foundation, exterior walls, floors, roofs, wiring, plumbing, etc. Secondary building components include the doors, windows, frames, fire escapes, gutters, downspouts, fascia materials, etc. Deterioration of streets and alleys includes evidence of pot holes, cracks, depressions, overgrowth, and poor drainage. Deterioration of sidewalks is evidenced by settled areas, cracks, gravel sections, overgrowth, or depressed curb areas.

The Building suffers from deterioration of both primary and secondary building components. Several primary building components exhibit evidence of deterioration. The exterior walls are cracked throughout the Building and are in need of major tuck pointing. The roof is completely collapsed in many areas, leaving much of the Building inaccessible and completely unfit for occupation of any sort. As such, the roof will need to be completely replaced. The floors of the Building are severely damaged. There are numerous holes in the floors and the floors are caved in throughout the Building. Moreover, only two of the walls in the Building are still fully in tact from the ground level to the roof of the Building. The Building is partially inaccessible due to the deteriorated conditions of the floor and the roof. Moreover, the Building has been cited in the past for violating the City Building Code, including missing, loose, or deeply eroded mortar on the exterior walls, defective or missing gutters, a collapsed roof, broken sidewalk, missing sidewalk, and broken roof rafters.

In addition, significant deterioration is evident in many of the secondary components of the Area. Wiring and components of utilities and ventilation systems have disintegrated and need to be completely replaced. The windows are almost all missing and are currently boarded up. Furthermore, the boards are cracked, broken or missing entirely, leaving much of the Building exposed. Lighting components are also in need of replacement because of general deterioration. The loading dock, fire escape, gutters, and exterior pipes are rusted and deteriorating. The steel work on the front of the Building is rusted and in need of replacement. The fire escape is also not functional, as part of it is completely destroyed. The sidewalks in the Area suffer from cracking and overgrowth. Garbage and unsightly debris has accumulated throughout the Area, including old glass bottles, clothes, and other trash.

- ii. Existence of Conditions which Endanger Lives or Property by Fire and Other Causes. Endangerment by fire and other causes is typically due to the presence of structures below minimum code standards. Such code standards include building, housing, property maintenance, fire, environmental or other governmental codes applicable to a particular property. The principal purpose of such codes is to require buildings to be constructed and maintained so that they will have the capacity to support the type of occupancy, and necessary fire and similar hazard protection, or to establish the minimum standards essential for safe and sanitary use, occupation, and/or habitation.

As previously stated, the Building has been cited for several code violations in the past, including violations for missing and broken windows, warped, rotted, worn or missing window frames, collapsed window arch, missing, loose, or deeply eroded mortar on the exterior walls, defective or missing gutters, collapsed roof, broken sidewalk, missing sidewalk, and broken roof rafters. Moreover, the deteriorated condition of the Area poses the risk of several other code violations and generally endangers lives or property. Due to missing windows, walls and roofing, the Area is largely unsecured, posing a risk to lives or property from theft or natural external elements. The rusted and broken exterior components throughout the Area present hazards to personal physical well-being. The deteriorated wires constitute a fire hazard. The caving floors and collapsed roof endanger any person who enters the Building. Additionally, the accumulated trash and debris throughout the Area represent unsanitary conditions for the Area and surrounding neighborhood due to the risk of illness or disease.

- iii. Economic and Social Liability. The Area in its current condition is a significant liability to the social welfare

and economic independence of the City. The Area is located within the Landing, an area of the City targeted for redevelopment pursuant to the Downtown Development Action Plan for the City. The Area is currently vacant and in significant disrepair. Such vacancy and unsightly conditions create an economic liability because of their damaging effects on neighboring property values, and a social liability because of their impact on the public perception of this visible area of the City of St. Louis. Given its central location, in immediate proximity to the Mississippi Riverfront, LaClede's Landing, and the Jefferson National Expansion Memorial Park and St. Louis Gateway Arch, the vacancy and deterioration of the Area, which is an eyesore in a highly visible location in the City of St. Louis, erodes public confidence in and perception of the City.

Furthermore, the Area in its current condition hampers the economic vitality and independence of the City by failing to generate tax revenue. The current state of the Area negatively impacts the economic vitality of the City by failing to make economic use of and capitalize on the inherent value of this property due to its location directly on the Riverfront. The Area in its current state is unmarketable and underutilized, and thus poses a significant liability to the economic and social health of the City.

- iv. Unsanitary or Unsafe Conditions. The Redevelopment Area is characterized by several serious unsanitary and unsafe conditions. The deteriorated condition of the exterior of the Building, including the rusted exterior components, caving floors, and collapsing roof, as noted above, are all tremendously unsafe. The rusted gutters, loading dock, fire escape, and other components of the Building present the risk of injury to anyone who is around the Area. The caving floors pose a danger to anyone who is inside the Building, not only from falling debris but also from the already collapsed floor, which prevents movement throughout the Building. Moreover, the holes in the floors that are still in place create an unsafe condition in that people walking through the Building could harm themselves by stepping in the holes. Additionally, the roof leaves much of the interior of the Building exposed to the natural elements and presents further risk of injury from the falling debris. The presence of debris on the exterior portions of the Area as well as the accumulation of dust, dirt, rust, and rotten components throughout the Building is unsanitary.
- v. Menace to the Public Health, Safety, Morals or Welfare. As discussed above, 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, unsafe and below standard site conditions as discussed above represent a menace to the public health and safety, as does the existence of refuse and debris throughout the Area. The dilapidated exterior condition of the Area erodes the public confidence and morale. Finally, the underutilization and lack of income generation that has plagued the Area constitutes an economic liability that is a menace to the public welfare.

The above factors, whether considered alone or as combined, constitute an economic and social liability, and constitute a menace to public health, safety, and welfare. As long as such conditions are present in the Redevelopment Area, there will be little incentive for private investment and development to benefit the Area.

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. Exterior survey of the condition and use of the Redevelopment Area;
- b. Public documents relating to the history and/or condition of the Area;
- c. Analysis of existing uses and their relationships; and
- d. Evidence of past violations of City codes.

#### **IV. Redevelopment Plan INCLUDING NECESSARY FINDINGS**

##### 1. Description of the Redevelopment Area

A legal description and map of the Redevelopment Area are included herein as **Appendix 1**.

##### 2. Redevelopment Plan Objectives

The City of St. Louis has established the following objectives for the Switzer Building TIF Redevelopment Plan. These objectives are consistent with those purposes outlined in the TIF Act, as amended:

- To reduce or eliminate the conditions that cause the Redevelopment Area to be a “blighted area” as defined by Section 99.805(1) of the TIF Act and as described in Section III of this Redevelopment Plan;
- To enhance the public health, safety, and welfare of the community by curing blighting conditions and encouraging other improvements necessary for insuring the Area’s stability and existing and future redevelopment consistent with this Redevelopment Plan;
- To enhance the tax base by inducing development of the Redevelopment Area to its highest and best use, benefiting taxing districts and encouraging private investment in surrounding areas;
- To capitalize on one of the City’s most important natural assets, namely, its proximity to the Mississippi Riverfront;
- To promote the health, safety, order, convenience, prosperity and the general welfare, as well as efficiency and economy in the process of development;
- To increase property values of the Area;
- To create a unique residential product currently not available in the City of ST. Louis, attracting new residents to the City and thereby increasing the City’s tax base; and
- To stimulate construction and permanent employment opportunities and increased demand for services for the Area.

### 3. Redevelopment Project

The Redevelopment Project incorporates and will satisfy the goals, objectives, and other criteria as set forth in this Redevelopment Plan.

- Residential and Commercial Use      Redevelopment of an existing building and lot located at 612 North First Street into residential units, commercial space and parking.

The Redevelopment Project is generalized to leave room for design creativity and owner specifications as needed, so that the Developer can respond to prospective owners’ needs as well as market conditions as completion of the Redevelopment Project progresses.

It is expected that the Redevelopment Project will enhance the stability and perception of the City, increasing the Landing’s attractiveness to visitors, consumers, and potential residents. The benefits to the image of the Area and the Landing are expected to encourage additional development of other parts of the City following the enhancement of this highly visible property.

The total estimated Redevelopment Project Costs for the Redevelopment Project at this time equal approximately \$10.8 million, excluding developer fees, as set forth in greater detail in Appendix 2. It should be noted that the costs set forth in Appendix 2 are estimated based on the knowledge of the Redevelopment Project at this time and that the actual redevelopment cost items for implementing the Redevelopment Project may vary depending on market conditions and other factors.

### 4. General Land Uses to Apply

The general land uses proposed for the Area include residential and commercial uses. The Area is currently located within the “L” Jefferson Memorial District, according to the City of St. Louis. Permitted uses in the “L” Jefferson Memorial District include: single-family through multiple-family dwellings; various retail shops; professional and general offices; wholesale businesses; restaurants; hotels and motels; and parking facilities. As such, the uses proposed by this Plan are consistent with the current zoning for the Area.

5. Redevelopment Schedule and Estimated Dates of Completion

It is estimated that implementation of the Redevelopment Project will be completed within thirty (30) months from the date of full execution of a redevelopment agreement for completion of such project as contemplated by this Redevelopment Plan. The estimated date for retirement of obligations incurred to finance the Redevelopment Project shall not be more than twenty-three (23) years from approval of the Redevelopment Project. The anticipated Redevelopment Program Schedule for the TIF Project is included herein as **Appendix 3**.

6. Most Recent Equalized Assessed Value of Parcels within the Redevelopment Area

The current Equalized Assessed Values of all taxable property in the Redevelopment Area is attached as **Appendix 4**. These values are established and will be confirmed by the Assessor of the City of St. Louis.

7. Estimated Equalized Assessed Value After Redevelopment

The total estimated Equalized Assessed Value of all taxable property subject to PILOTS in the Redevelopment Area after redevelopment and completion of the Redevelopment Project Area is approximately \$1,644,474 (2007).

8. Acquisition

The anticipated Developer or a related entity is currently the owner of or is under contract to purchase all parcels within the Area necessary for the Redevelopment Project. Therefore, the exercise of eminent domain is not contemplated by this Plan.

9. Blighted Area

As previously described in greater detail in Section III, the Redevelopment Area as a whole is a blighted 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 which is included herein as **Appendix 6**.

The costs of construction and site rehabilitation preclude private enterprise from developing the Area to its highest and best use without public assistance. The cost of curing the existing conditions of blight and constructing improvements as contemplated in this Redevelopment Plan is not economically viable if fully borne by the Developer.

10. Conforms with the Comprehensive Plan of the City

The Redevelopment Plan conforms to the comprehensive plan for the development of the City as set forth in the "Comprehensive City Plan" (1947) and the "Downtown Development Action Plan" (2002).

11. Plan for Relocation Assistance

As the Redevelopment Area is currently largely vacant, relocation of residents or businesses is not anticipated to be necessary within the Redevelopment Area with respect to the Redevelopment Project. To the extent relocation becomes necessary this Redevelopment Plan adopts the City St. Louis Relocation Policy (Ordinance No. 62481) as the relocation policy for this Redevelopment Plan.

12. 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% are distributed to the appropriate taxing authorities.

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 City 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 designated TIF redevelopment area. 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 costs.

The estimated Redevelopment Project Costs to be incurred in connection with the TIF Project are approximately \$10.8 million, excluding developer fees, and are set forth in Appendix 2. 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:

- Costs 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 real or personal property 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 obligation 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 shown on **Appendix 2** represent the total approximate costs of the project regardless of the source of funding. This table does not include all custom finishes over and above Developer-supplied finishes, which are unknown at this time. Typical plan implementation and financing costs are based on the experience of the Developer. It should be noted that these costs are 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 2** 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 2**, if necessary and reasonable to accomplish the program objectives

of the Redevelopment Plan.

2. Anticipated Sources of Funding to Pay Redevelopment Project Costs

There are four (4) principal sources of potential 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:

- Private financing;
- State Tax Credit Proceeds;
- Federal Tax Credit Financing; and
- Funds available through the issuance of TIF notes, bonds, loans, certificates or other certificates of indebtedness (herein collectively referred to as “TIF Note or other financial obligations”).

The anticipated type and term of the sources of funds are set forth in **Appendix 2**. It is not the intent of **Appendix 2** or this Redevelopment Plan to restrict the City or the Developer to the sources or source amounts as outlined. During the life of the Redevelopment Agreement, Plan, and Project, other sources may be found or adjustments may be made within or in addition to the sources specified in **Appendix 2**.

3. TIF Note Funding

This Redevelopment Plan proposes that the City initially authorize the issuance of one or more Tax Increment Financing Notes (“TIF Note”) in a total amount up to One Million Three Hundred Forty Thousand and No/100 Dollars (\$1,340,000.00) plus issuance costs, to fund a portion of the Redevelopment Project Costs associated with completion of the Redevelopment Project, with a term of retirement for all such issues not more than 23 years. The TIF Notes or other financial obligations will be issued only to finance the Redevelopment Project and Redevelopment Project Costs as outlined in **Appendix 2** 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.

The Notes may be issued in one or more series and may include notes, temporary notes or other financial obligations to be redeemed by TIF Notes upon completion of the Redevelopment Project. In addition, these Notes or other financial obligations may be privately placed. It is the City’s intent to pay for the principal and interest on these Notes or other financial obligations, in any year, solely with money legally available for such purpose within the City’s Special Allocation Fund.

The City’s Special Allocation Fund will contain at least two accounts as provided for and in accordance with the TIF Act:

1. The “PILOTS Account” 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 contemplated by this Redevelopment Plan and in accordance with the TIF Act; and
2. The “Economic Activity Taxes (“EATS”) Account” 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, excluding licenses, fees or special assessments, and excluding personal property taxes and payments to the PILOTS Account, in accordance with the TIF Act.

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 the 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. Funds on deposit in the EATS Account will be treated as surplus and distributed to the various taxing districts, pursuant to the TIF Act.

4. Evidence of Commitment to Finance Redevelopment Project Costs

**Appendix 6** contains a preliminary commitment letter provided by National City Bank, which has made a preliminary

review of the development proposal and has expressed a commitment to provide financing of Redevelopment Project Costs associated with the Redevelopment Project.

Appendix 1

Switzer Building TIF Redevelopment Plan  
Legal Description and Map of Redevelopment Area

Legal Description

A tract of land being part of City Block 14 in the City of St. Louis, Missouri, and being more particularly described as follows: Beginning at the Northwest corner of said City Block being at the intersection of the East line of First Street with the South line of Lucas Avenue, with the angle of said intersection being 88 degrees 50 minutes 00 seconds; thence along said South line, 119.05 feet to the West line of an 18 foot wide alley; thence along said West line, at an angle of 89 degrees 18 minutes 00 seconds to the left, a distance of 125.23 feet to the North line of property conveyed to the City of St. Louis, Missouri and recorded in Deed Book M751, Page 749 of the City of St. Louis, Missouri records; thence along said North line, at an angle of 90 degrees 44 minutes 11 seconds to the left, a distance of 114.97 feet to the East line of said First Street; thence along said East line, at an angle of 91 degrees 07 minutes 49 seconds to the left, a distance of 125.32 feet to the point of beginning; which is the same land as, and which may also be described as: A lot in Block 14 of the City of St. Louis, Missouri, fronting 125 feet 4 inches, more or less, on the East line of First Street by a depth Eastwardly of 119 feet 1-3/4 inches, more or less, along the North line and of 114 feet 11-1/2 inches, more or less, along the South line to the West line of an alley, having a width thereon of 125 feet 3 inches, more or less; Bounded North by Lucas Avenue and South by a line distance 125 feet 4 inches, more or less, South of the South line of Lucas Avenue (measured along the East line of First Street) or by property, now or formerly of St. Louis Bridge Company.



 **SWITZER BUILDING**  
TIF Redevelopment Area

 **CITY OF ST. LOUIS**  
**PLANNING & URBAN**  
**DESIGN AGENCY**  
FRANCIS G. SISK, Mayor  
The City of St. Louis guarantees the accuracy or reliability of the information contained herein.  
Mapfile: \\server\public\app\development\reddev\66822\_014\_01\_01  
Generated: 10 February 2005 by CTRM/CJ

**Appendix 2  
Switzer Building TIF Redevelopment Plan  
Anticipated Sources and Uses of Funds**

**USES**

Acquisition Costs	\$	485,000
Construction Costs		
Hard Costs	\$	7,659,000
Contingency	\$	730,000
Professional Fees and Soft Costs		
Architecture Fee	\$	482,000
Engineering	\$	20,000
Survey	\$	2,000
Appraisal	\$	2,500
Legal Fees	\$	25,000
Environmental	\$	3,000
Accounting/Cost Certification	\$	4,500
Interim/Financing Costs		
TIF Expenses	\$	40,000
Soft Cost Contingency	\$	83,450
Title and Recording	\$	1,000
Construction Loan Fee	\$	89,000
Construction Loan Interest	\$	780,000
Construction Period Insurance and Taxes	\$	28,000
Temporary Utilities	\$	5,000
Laclede's Landing Fee	\$	300,000
Miscellaneous	\$	35,000
Marketing Costs	\$	10,000
<b>TOTAL USES</b>	<b>\$</b>	<b>10,784,450</b>

**SOURCES**

State Historic Tax Credit Bridge Loan	\$	2,549,318
Federal Historic Tax Credit Bridge Loan	\$	125,550
Construction/TIF Loan	\$	8,109,583
<b>TOTAL SOURCES</b>	<b>\$</b>	<b>10,784,450</b>

**Appendix 3**  
**Switzer Building TIF Redevelopment Plan**  
**Redevelopment Program Schedule**

<b>First TIF Commission Meeting</b>	<b>3/16/05</b>
<b>Mailing of Notice of TIF Commission Public Hearing to Taxing Districts</b> (not less than 45 days prior to hearing) (RSMo. §99.830.3)	<b>3/25/05</b>
<b>Submit Redevelopment Plan to TIF Commission</b> (at least 45 days prior to public hearing)	<b>3/25/05</b>
<b>First Publication of Notice of TIF Commission Public Hearing</b> (not more than 30 days prior to hearing) (RSMo. §99.830.1)	<b>4/18/05</b>
<b>Written Notice to Property Owners</b> (not less than 10 days prior to public hearing) (RSMo. §99.830.3)	<b>4/29/05</b>
<b>Second Publication of Notice of TIF Commission Public Hearing</b> (not more than 10 days prior to public hearing) (RSMo. §99.830.1)	<b>5/05/05</b>
<b>Public Hearing by TIF Commission</b> (RSMO. §99.825)	<b>5/11/05</b>
<b>TIF Commission Recommendation to Board of Alderman</b> (within 90 days of TIF Public Hearing) (RSMo. §99.820.3)	<b>5/11/05</b>
<b>TIF Ordinances Introduced adopting plan, approving project, establishing district, establishing special allocation fund, approving redevelopment agreement and authorizing issuance of TIF Notes</b> (between 14 and 90 days after hearing) (RSMo. §99.820.1[1])	<b>6/03/05</b>
<b>HUDZ Committee Hearing on TIF Ordinances</b>	<b>6/08/05</b>
<b>Second Reading of TIF Ordinances</b>	<b>6/10/05</b>
<b>Perfection of Board Bill(s)</b>	<b>6/17/05</b>
<b>Third Reading and Final Passage of TIF Ordinances</b>	<b>6/24/05</b>
<b>Mayor Signs Bills</b>	<b>7/05/05</b>
<b>Full Construction Commences</b>	<b>9/01/05</b>
<b>Construction Complete</b>	<b>3/31/07</b>

**Appendix 4**  
**Switzer Building TIF Redevelopment Plan**  
**Equalized Assessed Value of Redevelopment Area**

Street Address	Tax ID	Equalized Assessed Value
612 North First Street	0014 000 0200	\$ 112,800

Appendix 5  
Switzer Building TIF Redevelopment Plan  
Developer's 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.

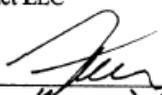
The undersigned swears, affirms and certifies the following to be true to induce the approval of Tax Increment Financing for the Redevelopment Area described in the Switzer Building Tax Increment Financing Redevelopment Plan, dated March 2005 (the "Redevelopment Plan").

1. I am a duly authorized representative of Clarinet LLC (the "Developer") and am authorized by the Developer to attest to the matters set forth herein.

2. I am familiar with the Redevelopment Area described in the Redevelopment Plan. In my opinion, based on the factors set forth in the Redevelopment Plan, the Redevelopment Area, on the whole, qualifies as a "blighted area" as defined in Section 99.805(3) of the Missouri Revised Statutes (2000), 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.

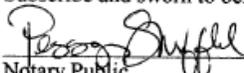
And Further Affiant Sayeth Not.

Clarinet LLC

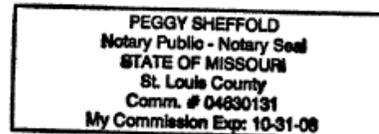
By: 

Name: MILTON D. ROSCHILLO II

Subscribe and sworn to before me this 21 day of March, 2005.

  
Notary Public

My Commission Expires: 10.31.08



Appendix 6  
Switzer Building TIF Redevelopment Plan  
Evidence of Commitment to Finance Project Costs

**National City**

**National City Bank of the Midwest**  
**Corporate Lending Group**  
100 South Brentwood  
Clayton, MO 63105

February 28, 2005

Mr. Pete Rothschild  
4746 McPherson Avenue  
St. Louis, MO 63108

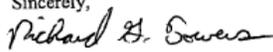
RE: Proposed TIF Project

Dear Mr. Rothschild:

The purpose of this letter is to reiterate National City's commitment to provide financing for your proposed project to redevelop the Switzer Building located at 612 North First Street in the City of St. Louis (the "Project"), subject to final review and approval by our loan committee.

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 provide financing for 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.

Sincerely,  
  
Richard G. Towers  
Senior Vice President

RGT/dpa

Approved: August 5, 2005