

ORDINANCE #68640
Board Bill No. 144

An Ordinance designating a portion of the City of St. Louis, Missouri as a redevelopment area known as the 500 N. Kingshighway 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 500 N. Kingshighway 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 Rothschild Development, Ltd., a Missouri corporation (the “Developer”), prepared a plan for redevelopment titled the “500 N. Kingshighway TIF Redevelopment Plan” dated February 27, 2009 (the “Redevelopment Plan”) for an area including those parcels commonly known and numbered as 500 N. Kingshighway Boulevard, 4950 Washington Avenue and 4985 McPherson Avenue (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 rehabilitation and redevelopment of the building in the Redevelopment Area into commercial space, as set forth in the Redevelopment Plan (the “Redevelopment Project,” or “TIF Project”); and

WHEREAS, on April 15, 2009, 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 April 15, 2009, the TIF Commission found that completion of the Redevelopment Project would provide a substantial and significant public benefit through the elimination of blighting conditions, the creation of new jobs in the City, increased property values and tax revenues, preservation of historic structures, stabilization of the Redevelopment Area, facilitation of the economic stability of 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 April 15, 2009, 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 one or more 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, the property constituting the Redevelopment Area is underutilized and vacant, thus discouraging investment and encouraging crime and vagrancy, and the Redevelopment Area represents a social and economic liability to the City; and

WHEREAS, it is necessary and desirable and in the best interest of the City to approve the Redevelopment Project to allow the rehabilitation of the building in the Redevelopment Area into commercial space; 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, 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 as set forth 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 if the Redevelopment Project is built pursuant to the Redevelopment Plan as well as a fiscal impact study on every affected political subdivision and sufficient information for the TIF Commission to evaluate whether the Redevelopment Project is financially feasible.

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 benefited 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 April 15, 2009, 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 "500 N. Kingshighway 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 500 N. Kingshighway 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 payments in lieu of taxes into the 500 N. Kingshighway 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 500 N. Kingshighway Special Allocation Fund.

SECTION SEVEN. The Comptroller of the City is hereby authorized to enter into agreements or contracts with other taxing districts as 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 500 N. Kingshighway 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 an ordinance authorizing the City to enter into a redevelopment agreement pertaining to the Redevelopment Project, the Developer or its affiliate or designee, has not (i) executed such redevelopment agreement 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
500 N. KINGSHIGHWAY TIF REDEVELOPMENT PLAN**

**500 N. KINGSHIGHWAY
TIF REDEVELOPMENT PLAN**

Submitted to
the City of St. Louis
Tax Increment Financing Commission
February 27, 2009

**500 N. KINGSHIGHWAY
TIF REDEVELOPMENT PLAN
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500 N. KINGSHIGHWAY

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I. INTRODUCTION

The following is a plan prepared for redevelopment of certain real property in the City of St. Louis (the "City") consisting of three parcels in City Block 3879.06 and generally known and numbered as 500 N. Kingshighway, 4950 Washington Avenue and 4985 McPherson Avenue as more particularly described in **Appendix 1** (the "Redevelopment Area" or "Area"). The Area currently contains two structures connected by parallel loggias and a bell tower (collectively the "Buildings"), related parking and adjacent land. A legal description and map of the Redevelopment Area are attached hereto as **Appendix 1** and incorporated herein by this reference.

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 contemplates the complete redevelopment of the Area into commercial uses (the "Redevelopment Project" or "Project").

This Redevelopment Plan proposes that the City initially authorize and issue one or more Tax Increment Financing Notes ("TIF Notes") in an amount up to Two Million and No/100 Dollars (\$2,000,000.00) plus issuance costs to fund a portion of the costs of the Redevelopment Project. The TIF Notes issued shall be reimbursed from the revenue stream of Payments In Lieu of Taxes ("PILOTS") and Economic Activity Taxes ("EATS") generated by the Project over a twenty-three year period as well as those revenues generated by a 1% sales tax from a Community Improvement District (CID) anticipated to be established for the Area. One hundred percent of PILOTS within the Redevelopment Area and fifty percent of EATS will be allocated to retire the TIF Notes. 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 from revenues on deposit in the 500 N. Kingshighway Special Allocation Fund, in accordance with and pursuant to the TIF Act as well as those generated by the CID sales tax. 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.

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 area then generates 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.

III. REDEVELOPMENT PLAN INCLUDING NECESSARY FINDINGS

1. Legal Description of the Redevelopment Area

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

The Area includes the property located at 500 N. Kingshighway, 4950 Washington Avenue and 4985 McPherson Avenue.

2. Redevelopment Plan Objectives

The City of St. Louis has established the following objectives for the 500 N. Kingshighway 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 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 bring a previously tax-exempt parcel into a taxable use;
- 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 and surrounding areas;
- Rejuvenate significant historic buildings, capitalizing on their notable features by converting the buildings to a new, marketable use; and
- Preserve an important historic district by remediation of deteriorating physical conditions in the district.

3. Redevelopment Project

To satisfy the above objectives, the Redevelopment Project consists of:

- Commercial Uses Rehabilitation of all or a portion of the Area into commercial space together with related improvements.

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

It is expected that the Redevelopment Project will attract additional activity to the Central West End Neighborhood, and, in so doing, will enhance the perception of the City of St. Louis as a safe and vibrant community. The project will help stabilize and enhance the perception of the area by renovating a vacant and deteriorating historic structure. In addition, it is expected that the Project will encourage an increase in other redevelopment efforts in the vicinity of the Redevelopment Area.

The total estimated Redevelopment Project Costs for the Redevelopment Project at this time equal approximately \$6,517,130, 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 are commercial uses. A map profiling the general land uses to apply is attached hereto as **Appendix 8** and incorporated herein by this reference.

5. Redevelopment Schedule and Estimated Dates of Completion

It is estimated that implementation of the Redevelopment Project will be completed within thirty-six (36) months from the execution of a redevelopment agreement between the City and the Developer of this Redevelopment Project as contemplated herein. This date is merely an estimate, and such implementation may be accelerated or delayed as market or site conditions dictate. 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 4**.

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

The current Equalized Assessed Value of all property in the Redevelopment Area is attached as **Appendix 5**. These values are established and will be confirmed by the Assessor of the City of St. Louis. **Appendix 5** also includes historical information concerning the Equalized Assessed Value of the Redevelopment Area.

7. Estimated Equalized Assessed Value after Redevelopment

The total estimated Equalized Assessed Value of all property subject to PILOTS in the Redevelopment Area after redevelopment and completion of the Redevelopment Project Area is approximately \$1,170,435 (2010).

8. Acquisition

The use of eminent domain is not contemplated within the Area to complete the Redevelopment Project.

9. Blighted Area

As described in greater detail in the Analysis of Conditions Representing a Blighted Area for the 500 N. Kingshighway Redevelopment Area attached hereto as **Appendix 3** and incorporated herein by this reference, 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 affidavit is included herein as **Appendix 6**.

The cost of redevelopment precludes private enterprise from developing the Redevelopment Area to its highest and best use without public assistance. The cost of curing the existing conditions of blight and rehabilitation of 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 Area is designated as an “Institutional Preservation and Development Area” under the City of St. Louis’ “Strategic Land Use Plan” (2005) (the City’s “Comprehensive Plan”). Concurrently with the consideration of this Redevelopment Plan; however, the developer intends to submit an application for rezoning of the Redevelopment Area in order to reflect the change from institutional to commercial use. It is anticipated that the City’s Planning Commission will have approved such a change and through this process will also determine the proposed uses for the Area are in conformity with the Comprehensive Plan. Upon such approval, the Redevelopment Plan will conform to the Comprehensive Plan for the City of St. Louis, as implemented by the Planning Commission. Assuming such approval occurs prior to the adoption of this Redevelopment Plan by the City’s Board of Aldermen, a finding by the Board of Aldermen that the Redevelopment Plan conforms to the Comprehensive Plan for the City is reasonable.

11. Plan for Relocation Assistance

The relocation of residents or businesses is not anticipated to be necessary within the Redevelopment Area with respect to the Redevelopment Project; however, to the extent any relocation is necessary, this Plan will follow the regulations established by the City of St. Louis for relocation according to Ordinance 62481.

12. Cost Benefit Analysis

A cost benefit analysis showing the fiscal impact of the Project on each taxing district impacted by this Redevelopment Plan and sufficient information to determine the financial feasibility of the Project 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 real and personal 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 TIF Act, the City shall report to the Department of Economic Development regarding the Redevelopment Area.

15. Historical Land Use of Property within the Redevelopment Area

The Buildings in the Redevelopment Area were constructed in 1907 for the Second Baptist Church of St. Louis when the church moved to the site from their previous location at Locust and Beaumont Streets. Designed by Mauran, Russell and Garden and constructed by the Steinhoff Construction Company, the Buildings are located in the Holy Corners Historic District. The District also includes St. John’s Methodist Church, the Temple Israel Building, the Tuscan Temple, the First Church of Christ Scientist, the George Washington Inn Building and the Racquet Club.

The Buildings were constructed in North Italian Gothic style with red brick, limestone and terra cotta trim. According to the Holy Corners Historic District Nomination, the Church “is one of the finest examples of brickwork in a city noted for its unsurpassed masonry. About 1,000,000 bricks were used in the structures. The hundreds of arches contain no brick of any other color than those used in the building. Over 58,000 bricks were ground by hand for the major arches and the accented pieces of ornamentation. Each arch was carefully set up when the bricks were ground, and then packed into a barrel which was marked, so that the masons had no trouble in putting it just where the designs indicated.” The Buildings include the sanctuary and a multipurpose building, the two of which are connected via parallel loggias. An impressive bell tower stands in the center of the rear loggia. Originally constructed to be 215 feet tall, the tower now is in need of structural repairs. On the Washington Avenue side of the sanctuary building, there are living quarters for the minister.

The Buildings have historic importance to the City of St. Louis. The original congregation, Second Baptist Church traces its founding to the first Protestant church in St. Louis, which was founded in 1818. Second Baptist Church was a pioneer, together with the nearby congregations of St. John’s Methodist Church and Temple Israel, in the United States’ ecumenical movement. Since 1931, these three congregations have held a joint “Holy Corners Fellowship” dinner to foster mutual respect, understanding, and fellowship.

Second Baptist Church moved from the Area to St. Louis County in 1954 and sold the Buildings to the Gospel Assembly Church. Subsequently, the Buildings were purchased by the Baptist Church of the Good Shepherd in 1975, and then by the Life Cathedral in 1981. Currently, the Buildings are vacant and in need of urgent repairs.

Sources: City of St. Louis, Holy Corners Historic District Nomination, and “History of St. Louis Neighborhoods” by Norbury L. Wayman

IV. 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 \$6,517,130, 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; such Project Costs, 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 new structures as permitted by the TIF Act, of public works or other 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.

The following table illustrates the anticipated categories costs that will be funded in part by TIF, assuming the funding of up to \$2,000,000 in Redevelopment Project Costs.

CATEGORY	
	Acquisition Costs
	Demolition Costs (includes, but is not limited to, demolition of existing buildings and structures or parts thereof).
	Site Preparation and Improvements Costs (includes, but is not limited to, site work, street and sidewalk improvements, utility work, resetting of curbs, landscaping and lighting in the right of way).
	Financing Costs (includes, but is not limited to, loan fees, construction period interest, disbursing fees, construction monitoring and inspection fees, lender’s legal fees, loan appraisals, flood certificates, title, recording, disbursing costs, tax credit investor fees and any and all other costs incurred by the Developer in connection with obtaining financing for and a tax credit investor in the Redevelopment Project).
	Environmental Testing, Remediation and/or Abatement Costs (includes, but is not limited to, the testing for and removal and disposal of toxic or hazardous substances or materials).
	Professional Service Costs (includes, but is not limited to, architectural, engineering, surveying, legal, marketing, advertising, financial, planning, or special services).
	TIF Costs & Issuance Costs incurred by the Developer.
	Rehabilitation, renovation or reconstruction of existing buildings and structures and construction of common improvements to the Redevelopment Area and construction of new structures as permitted by the TIF Act.
\$2,000,000	TOTAL

It is not the intent of **Appendix 2**, the table provided above, or this Redevelopment Plan to restrict the City or the Developer to the cost amounts, categories or allocations 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** and additional categories may be added to the extent allowed by the TIF Act, 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 five (5) 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:

- Owner equity;
- Private financing;
- Federal and State Historic Tax Credits • Brownfield Tax Credits

- Funds available through the issuance of TIF notes, bonds, loans, or other certificates of indebtedness (herein collectively referred to as “TIF Note or other financial obligations”). It is contemplated that these funds will include any revenues generated by a Community Improvement District (CID) sales tax, with such revenues expected to be pledged by the CID to the City to repay the TIF notes.

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 and issue one or more Tax Increment Financing Notes (“TIF Note”) in an amount up to Two Million and No/100 Dollars (\$2,000,000.00) 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 500 N. Kingshighway Special Allocation Fund. In addition, it is anticipated that the City may establish one or more additional accounts within the Special Allocation Fund, including, but not limited to a CID Revenues Account, into which CID revenues would be deposited.

The 500 N. Kingshighway 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 and EATS Account will be pledged to 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, the EATS Account, from funds derived from other taxes deposited into the Special Allocation Fund.

4. Evidence of Commitment to Finance Redevelopment Project Costs

Appendix 7 contains a preliminary commitment letter providing evidence of a commitment to provide financing of Redevelopment Project Costs associated with the Redevelopment Project.

**APPENDIX 1
500 N. KINGSHIGHWAY TIF REDEVELOPMENT PLAN
LEGAL DESCRIPTION AND MAP OF REDEVELOPMENT AREA**

Parcel No. 1

The Western 33 feet 4 inches of Lot 10, all of Lots 11 and 12 of the Subdivision of part of Block 3879-S of the City of St. Louis, fronting 133 feet 4 inches on the South line of Washington Boulevard, by a depth Southwardly of 135 to an alley. Together with the

surface rights in and to the North ½ of the former East/West alley adjacent thereto and the East ½ of the former North/South alley adjacent thereto, as vacated under the terms of Ordinance No. 63288 of the City of St. Louis.

Parcel No. 2

Lots 13, 14, 15 and 16 of Subdivision by Jas. V. Hogan ad wife, and Lot adjoining said Lot 16 on the South, all in Block 3879-S of the City of St. Louis, containing together a front of 236 feet 0-1/2 inch on the East line of Kingshighway Boulevard, by a depth Eastwardly to an alley; bounded North by Washington Boulevard and South by McPherson Avenue. Together with the surface rights in and to the West ½ of the former North/South alley adjacent thereto, as vacated under the terms of Ordinance No. 63288 of the City of St. Louis.

MAP OF 500 N. KINGSHIGHWAY REDEVELOPMENT AREA

500 KINGSHIGHWAY TIF REDEVELOPMENT AREA



 Redevelopment Area

SLC-3230303-1

**APPENDIX 2
500 N. KINGSHIGHWAY TIF REDEVELOPMENT PLAN
ANTICIPATED SOURCES AND USES OF FUNDS**

USES

Acquisition Costs	1,400,000
Construction Costs	
School Building	2,225,000
Sanctuary Theater	1,225,000
Remediation	575,000
Site Work	200,000
Construction Contingency	365,000
Financing and Soft Costs	
Legal	30,000
TIF Costs	65,000
Utilities	10,000
Real Estate Taxes	22,110
Insurance	30,000
Environmental Consultant	5,000
Architect	75,000
Engineer/Survey	25,000
Construction Period Interest	127,000
Project Contingency	25,000
Loan Fees	30,000
Title/Appraisal/Recording	18,500
State HTC Issuance Fee	31,250
Brownfield Issuance Fee	13,270
Pre Development Expenses	20,000
TOTAL USES	6,517,130

SOURCES

Federal Historic Tax Credit Bridge Loan/Equity	860,000
State Historic Tax Credit Bridge Loan/Proceeds	992,344
State Brownfield Tax Credit Bridge Loan/Proceeds	456,478
TIF	2,000,000
Construction Financing (Debt/Equity)	2,208,308
TOTAL SOURCES	\$6,517,130

**APPENDIX 3
ANALYSIS OF CONDITIONS REPRESENTING A BLIGHTED AREA FOR THE
500 N. KINGSHIGHWAY REDEVELOPMENT AREA**

**ANALYSIS OF CONDITIONS REPRESENTING
A BLIGHTED AREA**

for the
**500 N. KINGSHIGHWAY
TIF REDEVELOPMENT AREA**

**500 N. KINGSHIGHWAY
TIF REDEVELOPMENT PLAN**

February 27, 2009

**City of St. Louis, Missouri
Tax Increment Financing Commission**

TIF ELIGIBILITY

The 500 N. Kingshighway Redevelopment Area (the “Redevelopment Area” or “Area”) established in the 500 N. Kingshighway Redevelopment Plan (the “TIF Redevelopment Plan”) is a blighted area based on the fact that it exhibits the factors set forth in Section 99.805(1) of the Revised Statutes of Missouri (the “TIF Act”).

As defined, 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.

Blighting factors and conditions present in the Redevelopment Area include:

- 1) Deterioration of Site Improvements:
 - a. Buildings exteriors;
 - b. Buildings interiors;
 - c. Lack of maintenance; and
 - d. Presence of refuse
- 2) Unsanitary and unsafe conditions resulting from:
 - a. Deteriorated site improvements;
 - b. Presence of refuse; and
 - c. Environmental contamination
- 3) Existence of Conditions which Endanger Lives or Property by Fire or Other Causes:
 - a. Deteriorating physical components; and
 - b. Environmental contamination

These factors and conditions result in the Redevelopment Area being:

- 1) A Menace to the Public Health, Safety, Morals or Welfare; and
- 2) An Economic or Social Liability due to:
 - a. Deferred maintenance;
 - b. Required environmental remediation; and c. Uncompetitive position.

The factors listed above will persist and continue to decline until the comprehensive redevelopment of the Area is undertaken. A map illustrating the boundaries of the area is attached hereto as Exhibit 1, along with photographs of conditions in the Area attached hereto as Exhibit 2.

DATA COLLECTION METHODS

This study has been designed and conducted to comply with the specific requirements of Section 99.805 (1) RSMo. The study and the requisite fieldwork were performed in February 2009. Observations and conclusions are based upon on-site inspections of the Redevelopment Area and familiarity with the local market.

In determining whether the proposed Redevelopment Area meets the eligibility requirements for Tax Increment Financing per the TIF Act, a number of sources of information were utilized; including, but not limited to, the following:

- A. Survey of the condition and use of the Redevelopment Area;
- B. Public documents and records relating to the history and/or condition of the Area;
- C. Analysis of existing uses; and
- D. Phase I and Phase II Environmental Assessments, conducted by Lafser & Associates, Inc., dated May 23, 2008.

OVERVIEW OF THE REDEVELOPMENT AREA

The Redevelopment Area consists of two structures connected by parallel loggias and a bell tower (“Buildings”), related parking and land on three parcels in City Block 3879.06 as shown on the TIF Redevelopment Plan.

DISCUSSION OF BLIGHT IN THE REDEVELOPMENT AREA

Blighting Factors and Conditions Present in the Redevelopment Area

1) 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 plates, or holes and cracks over limited areas. Deterioration that is not easily curable, however, and that 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.

The Buildings suffer from deterioration of some exterior building components. The exteriors suffer from deterioration due to recent periods of a lack of maintenance as well as age. Many windows are broken and in need of replacement. Similarly, due to age and lack of maintenance, many of the windowsills and window frames are in need of replacement. Portions of the gutters and drain pipes have rusted through or are missing altogether, requiring complete replacement. In at least three places, leaks in the roof and/or walls are allowing rainwater to enter the Buildings. This is causing extensive damage to the Buildings, including portions of the ceilings to collapse, and must be remediated as soon as possible to prevent further destruction of the historic structures.

The Buildings also suffer from deterioration of multiple interior building components. Primary components are in disrepair and portions of the buildings are filled with refuse. As previously noted, damage to the roof and/or walls has caused extensive water damage to both the apartment at the rear of the sanctuary building and to the multipurpose building. The bell tower is in a state of disrepair, such that it is currently unsafe to ascend. In addition to existing deterioration of site improvements, the Buildings are vacant. If maintenance and substantial remedial repair are not undertaken in the near future, these historic structures will likely become deteriorated in the next few years and suffer further damage.

Existing Structures Located Within the 500 N. Kingshighway Redevelopment Area

Location	Description	Estimated Year Built	Condition	Current Use
500 N. Kingshighway	Former church sanctuary building with residential apartment for minister	1907	Deteriorated	Vacant
500 N. Kingshighway	Loggias and bell tower	1907	Deteriorated	Vacant

500 N. Kingshighway	Former multipurpose church fellowship hall, kitchen and educational building	1907	Deteriorated	Vacant
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Sources: City of St. Louis and February 2009 site visit

The infrastructure in the Area is in a deteriorated state. The alley and adjacent parking areas are in severely deteriorated condition due to years of use and lack of repairs. Potholes and major cracks are visible throughout these areas. All portions of the Area have significant amounts of refuse and evidence of vagrancy.

The Area suffers from deterioration of site conditions. If these deficiencies are not corrected, they will cause further damage to the historic buildings. They cannot be corrected through normal maintenance but require rehabilitation, or replacement in order to be brought to an acceptable and marketable physical state.

2) Unsanitary or Unsafe Conditions:

In addition to the general physical deterioration of site improvements stated above, the Area contains unsanitary or unsafe conditions.

The lack of maintenance and deteriorated conditions makes the Area unsafe. The structures are vacant. These conditions provide a secluded area for potential criminal activity and vagrancy. During the site visit, trash, discarded alcohol containers, and plywood boards (apparently used for sleeping) were noted within the Area. These conditions were noted predominately behind several bushes located within 20 feet of a bus stop used by school children as well as the general public. In addition, the piles of refuse within the buildings are, in some cases, a fire hazard and safety concern. According to the City of St. Louis Citizen's Service Bureau, over the last three years there have been multiple complaints in the Area concerning potholes from the deterioration of public infrastructure, the presence of refuse and debris, and property damage. These considerations constitute unsanitary or unsafe conditions.

The deterioration of the bell tower makes it completely unusable due to unsafe conditions. A licensed architect should inspect the structure before it is used in order to prevent injury. In addition, many of the windows of the structures are broken and the buildings are vulnerable to break-ins. Exposed and hanging wires and plumbing are present in the Buildings, posing a safety hazard.

Phase I and II Environmental Site Assessments of the Area were completed May 23, 2008. The Phase I Environmental Site Assessment identified multiple potential sources of environmental contamination, which required further investigation. The Phase II Assessment included obtaining and testing 34 samples for asbestos and 33 samples for lead based paint. Testing showed many of these samples to be positive for the hazardous substances. According to page eight of the Phase II Environmental Assessment, the Buildings contain the following positive asbestos containing material (ACM) areas:

- A total of 15,000 square feet of ACM surfacing materials. The Phase II Assessment states: "All stairwells and main exit routes have ACM materials on the ceilings and walls";
- A total of 2,100 square feet of ACM Thermal System Insulation (TSI) located throughout the Buildings;
- A total of 4,000 square feet of 9x9 and 12x12 ACM floor tile throughout the Buildings, including the second floor of the bell tower;
- A total of 12,000 square feet of ACM transite wall paneling. According to the Phase II Assessment: "The transite panels run from the church basement, under the presumed length of the church and circle back to the main corridor"; and
- Two fire doors assumed to contain ACM components.

Of the 33 samples tested for lead based paint (LBP), the majority tested positive. According to page 11 of the Phase II Assessment, "The paint sample results yielded a large amount of LBP, mainly concentrated on the second and third floors of the education section." On page 12, the report further states, "Laboratory results indicate that a large quantity of interior paint was shown to have equal-to or greater than 5,000 mg/kg of lead which is defined by the Lead Based Paint Poisoning

Prevention Act (LBPPPA) as lead based paint. Approximate quantities yield 19,000 square feet of lead paint found on various walls, floors, ceilings, windows, and doors.” In order to restore, redevelop, and fully utilize the Buildings, any redevelopment effort must involve removal or encapsulation of the hazardous substances via an abatement program.

In addition to ACM and LBP substances, the Phase II Environmental Assessment also found 60 suspect Polychlorinated Biphenyl (PCB) containing fluorescent light ballasts and large areas of bird droppings within the Buildings. If proper precautions are not taken, bird droppings may cause histoplasmosis, cryptococcosis, or psittacosis in those performing clean-up or construction on the site.

The Assessment identified the presence of hazardous substances including asbestos containing materials, lead based paint, and Polychlorinated Biphenyl containing fluorescent light ballasts. Improper exposure of humans to these substances is extremely unsafe. Effects of these substances in humans can range from mild to severe illnesses, to various cancers, organ failure, or even death. The presence of these contaminants will require extensive environmental clean-up of the Area at a significant cost to any future developer before the Area will be able to be developed.

These issues constitute unsanitary or unsafe conditions, prevent the full utilization of the Area and increase the cost of rehabilitation.

3) Existence of Conditions which Endanger Lives or Property by Fire or Other Causes:

The deterioration of the Area has resulted in conditions that are unsafe and which present a danger to property and personal safety. The vacant structures in the Area provide an opportunity for break-ins. The Area has become a target for vandalism, illegal dumping and possible criminal activity. Vagrants have at times occupied the Area. The lack of maintenance and piles of refuse pose a potential fire hazard for the Area.

As noted above, the Phase II Environmental Site Assessment of the Area was completed May 23, 2008. The Assessment revealed the presence of asbestos, lead, and PCBs. These contaminants can cause moderate to severe illness, cancer, organ failure and death if present in humans. These conditions present a danger to lives or property by fire or other causes.

Impact of Noted Factors and Conditions Representing Blighted Conditions

The conditions in their present state as outlined above result in the Redevelopment Area being a menace to the public health, safety, morals or welfare and are an economic or social liability.

1) Menace to the Public Health, Safety, Morals, or Welfare:

As discussed above, the Area exhibits factors that constitute a menace to the public health, safety, morals, or welfare in its present condition and use. The deteriorated condition of the property has negatively impacted surrounding residences and businesses by encouraging vagrancy, vandalism, and crime. The deteriorating, unsanitary, and unsafe conditions described above represent a menace to the public health and safety; the economic and environmental liability of the Area also represents a menace to the public welfare.

2) Economic or Social Liability

Due to the predominance of blighting factors discussed above, the Area in its current condition is a liability to the social welfare and economic independence of the City. As noted above, the Area suffers from a lack of investment. Deterioration of the Area has contributed to the lack of physical maintenance and underutilization of the Area. To overcome the underutilization of the Area, conditions that contribute to economic and social liability must be remediated in order to allow for natural growth of existing uses in the Area.

The Area in its current condition hampers the economic vitality and independence of the City by failing to generate sufficient tax revenue and discouraging reinvestment in, or maintenance of, the Area. The additional cost of the environmental remediation required to use the Area presents an economic liability. The Area’s physical condition and environmental contamination, combined with the underutilization of the Area, diminishes its potential to generate property and economic activity tax revenues for the City. The Area is well-located in the Central West End Neighborhood; however, in its current condition, the Area is unmarketable for any commercially viable purpose and is a detriment to the neighborhood. In addition, the Area is functionally obsolete and represents a “white elephant” to any redevelopment effort

in the Area. Without a comprehensive redevelopment of the Area it will continue to be an economic liability. Without the comprehensive redevelopment of the Area, its physical condition will continue to deteriorate and its economic efficiency will suffer.

The physical condition of and resulting lack of reinvestment in the Area have resulted in economic underutilization. The economic underutilization of the property contributes to the eligibility of the Redevelopment Area. The comprehensive redevelopment of the site will foster much needed economic activity and contribute to the growth of the City.

Exhibit 1
500 N. Kingshighway TIF Redevelopment Area
Blight Analysis



SLC-3230303-1

Exhibit 2: Photographs of Blighted Conditions



View of the sanctuary building from the northwest



Extensive water damage and collapsing ceiling in sanctuary building

SLC-3230303-1



Portion of collapsed ceiling due to water damage



Interior view of sanctuary building

SLC-3230303-1



Sanctuary stairs in deteriorated condition



Piles of refuse in sanctuary building

SLC-3230303-1



Piles of refuse are throughout the Buildings



Abandoned furniture, water damage and flaking paint in sanctuary building

SLC-3230303-1



Fellowship hall with walls covered in lead based paint



View of a portion of asbestos tile floor in multipurpose building

SLC-3230303-1



Piles of mattresses and refuse and extensive water damage



View of partially gutted second story of multipurpose building

SLC-3230303-1



View of severe deterioration and water damage on third story of multipurpose building



An example of large portions of the Area covered in bird droppings

SLC-3230303-1



Collapsed portions of walls and ceiling due to water damage in multipurpose building



Example of water damage in multipurpose building

SLC-3230303-1



Deteriorated kitchen in multipurpose building



Bell tower in need of structural repairs

SLC-3230303-1



Severely deteriorated adjacent parking lot



Discarded alcohol containers, refuse and evidence of vagrancy near public bus stop

SLC-3230303-1

**APPENDIX 4
500 N. KINGSHIGHWAY TIF REDEVELOPMENT PLAN
ANTICIPATED REDEVELOPMENT PROJECT SCHEDULE**

First TIF Commission Meeting	2/11/2009
Mailing of Notice of TIF Commission Public Hearing to Taxing Districts (not less than 45 days prior to hearing) (RSMo. §99.830.3)	3/1/2009
Submit Redevelopment Plan to TIF Commission	2/27/2009
(at least 45 days prior to public hearing)	
First Publication of Notice of TIF Commission Public Hearing	3/16/2009
(not more than 30 days prior to hearing) (RSMo. §99.830.1)	
Written Notice to Property Owners	4/1/2009
(not less than 10 days prior to public hearing) (RSMo. §99.830.3)	
Second Publication of Notice of TIF Commission Public Hearing	4/6/2009
(not more than 10 days prior to public hearing) (RSMo. §99.830.1)	
Public Hearing by TIF Commission / Recommendation to Board of Aldermen	4/15/2009
TIF Ordinances introduced adopting plan, approving project, establishing special allocation fund, approving redevelopment agreement and authorizing of TIF Note issuance	
(no sooner than 14 and not more than 90 days after hearing) (RSMo. §99.820.1[1])	5/1/2009
HUDZ Committee Hearing on TIF Ordinances	5/6/2009
Second Reading of TIF Ordinances	5/8/2009
Perfection of Board Bill(s)	5/15/2009
Third Reading and Final Passage of TIF Ordinances	5/22/2009
Mayor Signs Bills	6/1/2009
Full Construction Commences	8/1/2009
Construction Complete	12/31/2011

**APPENDIX 5
500 N. KINGSHIGHWAY TIF REDEVELOPMENT PLAN
CURRENT AND HISTORICAL INFORMATION CONCERNING THE EQUALIZED ASSESSED VALUE
OF REDEVELOPMENT AREA**

<u>Street Address</u>	<u>Tax ID</u>	<u>Equalized Assessed Value (2008)</u>
500 N. Kingshighway	38790602900	\$ 221,200
4985 McPherson Avenue	38790602850	\$11,600
4950 Washington Avenue	38790600100	\$23,000

HISTORY OF ASSESSED VALUE

<u>TERM</u>	<u>AV*</u>	<u>% CHANGE</u>
2004	\$ 255,800	-
2005	\$ 255,800	0%
2006	\$ 255,800	0%
2007	\$ 255,800	0%

2008 \$ 255,800 0%
*Values consist of the entire property listed above.

Information concerning Economic Activity Taxes (EATs) is non-public and thus, not available at this time.

APPENDIX 6
500 N. KINGSHIGHWAY TIF REDEVELOPMENT PLAN
DEVELOPER'S AFFIDAVIT

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 500 N. Kingshighway Tax Increment Financing Redevelopment Plan, initially dated February 27, 2009 (the "Redevelopment Plan").

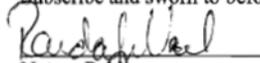
1. I am a duly authorized representative of Rothschild Development, Ltd. (the "Developer") and am authorized by the Developer to attest to the matters set forth herein.

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.

Rothschild Development, Ltd.
a Missouri corporation

By: 
Name: ~~XXXXXXXXXX~~ MILTON D. ROTHSCHILD
Title: ~~MANAGER~~

Subscribe and sworn to before me this 12th day of February 2009.

Notary Public

My Commission Expires: Sept 18, 2011

RANDALYNN VASEL
Notary Public - Notary Seal
St. Louis County
STATE OF MISSOURI
My Commission Expires Sept. 18, 2011
Commission # 07267095

APPENDIX 7
500 N. KINGSHIGHWAY TIF REDEVELOPMENT PLAN
EVIDENCE OF COMMITMENT TO FINANCE PROJECT COSTS



February 11, 2009

Re: Proposed 500 N. Kingshighway TIF project, St. Louis, Missouri

Dear Mr. Rothschild:

The purpose of this letter is to evidence Excel Bank's preliminary commitment to provide financing for your proposed project involving the redevelopment of certain real property into commercial uses in the 500 N. Kingshighway TIF in the City of St. Louis, Missouri (the "Project"). This correspondence is intended as a preliminary expression of the Bank's interest in this Project, and the potential funding of this Project is subject to several contingencies, including the review of customary due diligence, the issuance of the necessary tax increment financing by the City of St. Louis, and the review and approval of the Bank's Loan Committee, acting in its sole subjective discretion.

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,

Timothy P. Murphy
Executive Vice President
Excel Bank

Post Office Box 1027, Sedalia, Missouri 65302-1027, Telephone 660.826.1213
Sedalia Bank Locations: 917 South Limit Avenue and 818 Thompson Boulevard
Green Ridge Facility, 205 North Main, Post Office Box 99, Green Ridge, Missouri 65332, Telephone 660.527.3311



APPENDIX 8
500 N. KINGSHIGHWAY TIF REDEVELOPMENT PLAN

GENERAL LAND USES TO APPLY



SLC-3230303-1

Approved: April 30, 2010