

ORDINANCE #66839
Board Bill No. 184

AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI, AS A REDEVELOPMENT AREA KNOWN AS THE SOUTHSIDE NATIONAL BANK BUILDING REDEVELOPMENT AREA PURSUANT TO THE REAL PROPERTY TAX INCREMENT ALLOCATION REDEVELOPMENT ACT; APPROVING A REDEVELOPMENT PLAN; APPROVING RPA 1 AND THE RPA 1 REDEVELOPMENT PROJECT THEREIN; ADOPTING TAX INCREMENT FINANCING WITHIN RPA 1; MAKING FINDINGS WITH RESPECT THERETO; ESTABLISHING THE SOUTHSIDE NATIONAL BANK 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 Southside National, L.L.C., a Missouri limited liability company (the “Developer”), prepared a plan for redevelopment titled “Southside National Bank Building TIF Redevelopment Plan” dated April 29, 2005 (the “Redevelopment Plan”), for an area generally located at the property commonly known as 3611 S. Grand and 3615 Tholozan Avenue in 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 which contains two separate and distinct Redevelopment Project Areas (respectively, “Redevelopment Project Area 1” and “Redevelopment Project Area 2” or “RPA 1” and “RPA 2”); and

WHEREAS, the Redevelopment Plan proposes to redevelop the RPA 1 by renovating and rehabilitating the building that currently exists in the RPA 1 into residential units and commercial space with related parking and other improvements, as set forth in the Redevelopment Plan (“Redevelopment Project 1” or the “RPA 1 Redevelopment Project”); and

WHEREAS, on June 15, 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 RPA 1 Redevelopment Project; and

WHEREAS, on June 15, 2005, the TIF Commission found that completion of the RPA 1 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 RPA 1, 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 RPA 1 Redevelopment Project is not financially feasible and would not otherwise be completed; and

WHEREAS, on June 15, 2005, the TIF Commission voted to recommend that the Board of Aldermen adopt an ordinance in the form required by the Act (i) approving the Redevelopment Plan, (ii) approving and designating the Redevelopment Area as a “redevelopment area” as provided in the Act, (iii) approving RPA 1 and the RPA 1 Redevelopment Project as described within the Redevelopment Plan, (iv) adopting tax increment financing within RPA 1, 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 RPA 1 Redevelopment Project would not reasonably be anticipated to be developed without the adoption of tax increment financing and, therefore, redevelopment of RPA 1 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, approve RPA 1 and the RPA 1 Redevelopment Project in order to encourage and facilitate the redevelopment of RPA 1; 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 RPA 1 and to establish a special allocation fund for the Redevelopment Area.

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 RPA 1 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 RPA 1 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 RPA 1 Redevelopment Project is not built, and is built pursuant to the Redevelopment Plan.

F. Redevelopment of RPA 1 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 Project Area 1 includes only those parcels of real property and improvements thereon directly and substantially benefitted by the proposed RPA 1 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 June 15, 2005, including amendments thereto, if any, and Redevelopment Project 1 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 “Southside National Bank 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 Southside National Bank 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 RPA 1. After the total equalized assessed valuation of the taxable real property in RPA 1 exceeds the certified total initial equalized assessed valuation of the taxable real property in RPA 1, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in RPA 1 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 RPA 1 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 RPA 1 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 RPA 1 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 Southside National Bank 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 RPA 1 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 RPA 1 Redevelopment Project over the amount of such taxes generated by economic activities within the area of the RPA 1 Redevelopment Project in the calendar year prior to the adoption of the RPA 1 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 Southside National Bank 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 Southside National Bank 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 RPA 1 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 RPA 1, and shall certify such amount as the total initial equalized assessed value of the taxable real property within RPA 1.

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 RPA 1 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

SOUTHSIDE NATIONAL BANK BUILDING TIF REDEVELOPMENT PLAN

southside national bank building

TIF REDEVELOPMENT PLAN

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

April 29, 2005

SOUTHSIDE NATIONAL BANK BUILDING

**TIF Redevelopment Plan
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SOUTHSIDE NATIONAL BANK BUILDING TIF REDEVELOPMENT PLAN

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I. INTRODUCTION

The following is a plan for redevelopment of certain real property in the City of St. Louis (the "City") which property consists of the parcels commonly known and numbered as 3611 South Grand Avenue and 3615 Tholozan Avenue, as well as the north-south alley running between the two (the "Redevelopment Area").

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 a mix of residential and commercial space with related parking. The Redevelopment Area contains two separate and distinct Redevelopment Project Areas (each a "Redevelopment Project Area" or "RPA"), each of which contains a separate redevelopment project. The first of the two RPAs consists of the northern portion of the property at 3611 South Grand Avenue ("RPA 1"), which now contains the Southside National Bank Building (the "Building"). This Redevelopment Plan proposes the rehabilitation and renovation of the Southside National Bank Building into a mix of commercial and residential space ("Redevelopment Project 1" or "Project 1"). The second of the RPAs consists of the southern portion of the property known as 3611 South Grand as well as the property located at 3615 Tholozan and the north-south alley running between the two ("RPA 2"). The Redevelopment Plan calls for the renovation of a portion of the existing parking lots, demolition of the existing drive-through banking structure, and the future construction of new commercial and potential residential space ("Redevelopment Project 2" or "Project 2"). A legal description and map of the Redevelopment Area are attached hereto as **Appendix 1** and incorporated herein by this reference. Together, Redevelopment Project 1 and Redevelopment Project 2 comprise the "Redevelopment Project" or "Project" for purposes of this Redevelopment Plan.

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 One Million Four Hundred Thousand and No/100 Dollars (\$1,400,000.00) plus issuance costs to fund a portion of the costs of Redevelopment Project 1. This Redevelopment Plan also proposes that the City authorize and issue one or more additional TIF Notes in an amount yet to be determined to fund a portion of the costs of Redevelopment Project 2. The TIF Notes 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 one hundred percent of PILOTS within the Redevelopment Area and up to fifty percent of EATS will be allocated to retire the TIF Notes. After completion of the Redevelopment Project with respect to RPA 1 or RPA 2, 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 Southside National Bank 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 portion of the Gravois/South Grand/Meramec Area, which was previously declared to be blighted by the City in Ordinance No. 63865. In that ordinance, the City declared that “the properties within the Area are partially occupied and in poor to good condition . . . The existence of deteriorated property constitutes both an economic liability to the City of St. Louis and presents a hazard to the health and well-being of its citizens.”

In addition, 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 Area suffers from deterioration of several site improvements and primary and secondary building components. The interior of the Building is in severe need of repairs and comprehensive renovation. The windows of the Building are cracked in several places and are generally in poor condition throughout, requiring either significant repairs to or the total replacement of all of the windows in the Building. The Building has suffered from a persistent wet wall problem in its tower portion. This problem is related to the poor condition of the roofing and flashing of the Building, the fact that the Building windows do not fit properly, and a lack of proper air filtration. The wet wall problem mandates immediate attention in order to prevent exterior stones from falling off of the Building. In addition, the interior floors, walls and ceilings of the tower portion of the Building are in very poor condition. The interior walls and ceilings of the Building are flaking, and tiles are fallen or missing in places. The floors are severely torn up and damaged in places.

In addition, environmental analysis has revealed the presence of asbestos in most of the floor coverings of the Building, requiring that such coverings be completely replaced. The paint on the interior walls of the Building, which is peeling, has also tested positive for the presence of lead. The plumbing system has been identified as “antiquated” in recent studies of the Building, and requires a complete overhaul. In addition, the Building’s sprinkler system is outdated and below modern code standards. Furthermore, the Building’s HVAC system is outdated and only configured for use by one tenant; thus, the multi-occupant use of the Building requires a completely new HVAC system. The Building’s elevator system is not large enough for modern uses and the elevators will likely require replacement to accommodate use of the upper floors in accordance with modern standards and demands.

The exterior portions of the Area are also in very poor condition due to deterioration and lack of maintenance. Exterior steps leading up to the Building are cracked and crumbling. The sidewalks and parking lot areas are significantly overgrown with weeds, and suffer from severe cracking. These areas are also very uneven, and would likely require some form of repaving to accommodate daily use. There are holes in the sidewalk that are no longer fully covered by rusted existing covers. Poles at the entrance to the Area are slanted, indicating that they are loose. The drive-through facility on the exterior of the Area also appears to be in poor condition. Metal components of this facility are rusting, and the roof appears to be suffering from wear and a lack of maintenance.

- ii. Existence of Conditions which Endanger Lives or Property by Fire and Other Causes. The Area contains several conditions which pose a real and dangerous threat to lives or property by fire or other causes. As noted above, the Building's sprinkler system has been identified in studies commissioned by the City as being below modern code standards, constituting a real danger. The Building's lack of sufficient means of egress and lack of accessible spaces have also been identified as potential sources of increased fire safety dangers. Remedying these concerns may require the ramping or filing of floors on the first level of the Building, the widening of hallways, or the reconfiguration of the Building's means of egress.

In addition to documented fire safety concerns, the presence of harmful environmental contaminants in the Area also poses a danger to lives and health. Environmental assessments have identified approximately 8,000 square feet of material in the Building that have tested positive for asbestos. In addition, the Area has also tested positive for the presence of lead-based paint.

- 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 prolonged vacancy of the Area has already cost the City in the form of lost potential tax revenues. The current layout and configuration of the Building have been identified as primary causal factors in the Area's prolonged vacancy. Specifically, the seven-story tower structure above two-story space has been identified as highly inefficient. This configuration results in a low percentage of usable square footage, which translates to a high maintenance cost per square foot. These difficulties are further exacerbated by the Building's current single-tenant configuration, including the existing single-user HVAC system as well as the presence of a single means of egress despite two elevators; the single-user structure severely limits the universe of potential tenants and in doing so severely diminishes the marketability of the Area. If the Area is not redeveloped, and is instead allowed to degenerate through such continued complete vacancy, not only will the Area's physical condition pose an economic and social burden on the City, but the vacancy and dilapidation of such a prominent structure at such a salient intersection in this neighborhood will hamper investment in the surrounding neighborhood and deter the revitalization and renewal of surrounding properties. For these reasons, the Area constitutes an economic and social liability to the City of St. Louis.
- iv. Unsanitary or Unsafe Conditions. The Area is characterized by several unsanitary and unsafe conditions. As noted above, the Area's sprinkler and fire protection systems are generally below modern code and safety standards. The deficient means of egress and inaccessible spaces are also unsafe in the event of an emergency situation. The physical deterioration of the Building poses a potential threat to safety, as evidenced by the potential for falling stones from the Building's exterior resulting from the documented wet wall problem. The confirmed existence of asbestos and lead paint are also obviously unsafe and unsanitary. The rooftop/penthouse area of the Building has been contaminated with pigeon droppings, which are unsanitary and must be removed. The exterior of the Area also contains several unsafe conditions. As noted, exterior steps are crumbling, posing the risk of injury. The rusting of metal sidewalk covers has created holes in the sidewalk that pose a risk of injury, as does the general uneven and poorly maintained condition of the sidewalks and parking lot portions of the Area. Due to lack of maintenance and investment, the Area has become characterized by a wide variety of these unsafe and unsanitary conditions, and, without significant redevelopment, these conditions will continue to plague the Area and surrounding properties and residents.
- 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 prolonged and complete vacancy not only poses an economic burden on the City, but degrades public perception of the entire neighborhood, and hampers growth in this portion of the City. Without redevelopment, the unsafe and unsanitary conditions will continue to pose a menace to the City, and the loss of revenue resulting from continued vacancy will negatively affect the City as a whole.

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. Interior and 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. Professional environmental assessments of the condition of the Area;

- d. Studies prepared for the City regarding the condition and future development of _____ the Area;
- e. Analysis of existing uses and their relationships.

IV. **Redevelopment Plan INCLUDING NECESSARY FINDINGS**

1. Description of the Redevelopment Area

A legal description and map of the Redevelopment Area, RPA 1 and RPA 2 are included herein as **Appendix 1**.

2. Redevelopment Plan Objectives

The City of St. Louis has established the following objectives for the Southside National Bank 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 establish the Area as a viable residential and commercial destination, and in so doing, to encourage future commercial activity in the neighborhood;
- 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 provide development opportunities in the Redevelopment Area and surrounding areas; and
- To stimulate construction and permanent employment opportunities and increased demand for services for the Area.

3. Redevelopment Project

As discussed, this Redevelopment Plan divides the Redevelopment Area into two separate RPAs, RPA 1 and RPA 2, each of which is the subject of a separate redevelopment project. In order to further the objectives stated in this Redevelopment Plan, the Redevelopment Project consists of:

Redevelopment Project 1

- Residential and Commercial Use Redevelopment of the existing building located at 3611 South Grand Boulevard and commonly known as the Southside National Bank Building into residential units and a mix of commercial spaces.

Redevelopment Project 2

- Mixed Use Development Improvements to existing parking space on the properties commonly known as 3611 South Grand Boulevard and 3615 Tholozan, demolition of vacated drive-through bank structure, and construction of new mixed-use commercial development and potential development of residential space.

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' and tenants' needs as well as market conditions as completion of the Redevelopment Project progresses. At this time, the concept for Redevelopment Project 2 is less well developed than the plans for Redevelopment Project 1. The plans for Redevelopment Project 2 are still in development stage and are in part contingent upon the implementation of Redevelopment Project 1. It is expected that the Developer will submit a separate and more detailed proposal to the City with respect to Redevelopment Project 2.

The Redevelopment Project aims to rehabilitate the most prominent physical structure in the South Grand neighborhood, which is located at an important intersection in that portion of the City. By revitalizing this notable and significant source of blight, the Project expects to stabilize this neighborhood and facilitate future development.

The total estimated Redevelopment Project Costs for Redevelopment Project 1 at this time equal approximately \$6.8 million, excluding any developer fees, and the estimated total Redevelopment Project Costs for Redevelopment Project 2 at this time are expected to range between approximately \$2.5 to \$5.0 million, 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. Specifically, the anticipated costs of Redevelopment Project 2 are subject to adjustment to accommodate future development trends and changes in market conditions.

4. General Land Uses to Apply

The general land uses proposed for the Area are residential and commercial; to the extent necessary to effectuate the purposes of this Plan, variances or rezoning shall be sought.

5. Redevelopment Schedule and Estimated Dates of Completion

It is estimated that implementation of Redevelopment Project 1 will be completed within thirty-six (36) months from the effective date of the ordinances approving this Redevelopment Plan and authorizing the execution of a redevelopment agreement between the City and the Developer as contemplated herein. It is anticipated that Redevelopment Project 2 will be completed within eight (8) years from the effective date of the ordinances approving 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 RPA 1 after redevelopment and completion of Redevelopment Project 1 is approximately \$869,305 (2009). The total estimated Equalized Assessed Value of all taxable property subject to PILOTS in RPA 2 after redevelopment and completion of Redevelopment Project 2 is approximately \$1,000,000 (2013), which value is subject to further determination upon advanced development of plans and specification for Redevelopment Project 2 and analysis of changed economic assumptions.

8. Acquisition

The anticipated Developer or a related entity is currently the owner of all parcels within the Area necessary for the Redevelopment Project or expects to have completed contracts to purchase all such property prior to the approval of this Redevelopment Plan by ordinance, other than currently public rights-of-way.

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 Strategic Land Use Plan (2005).

11. Plan for Relocation Assistance

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 TIF Act, 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 Redevelopment Project 1 are approximately \$6.7 million, excluding any developer fees, and those in connection with Redevelopment Project 2 are expected to range from approximately \$2.5 million to \$5.0 million, excluding any 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, and 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 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 three (3) 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 and owner equity;
- State Historic Tax Credit Proceeds; 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, sources may not be utilized, 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 Four Hundred Thousand and No/100 Dollars (\$1,400,000.00) plus issuance costs, to fund a portion of the Redevelopment Project Costs associated with completion of Redevelopment Project 1, 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 Southside National Bank Building Special Allocation Fund.

The Southside National Bank Building 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 6 contains a preliminary commitment letter provided by Missouri State 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
Southside National Bank Building TIF Redevelopment Plan
Legal Description and Map of Redevelopment Area

RPA 1:

PARCEL 1:

Lot 5 and the Southern part of Lot 4 of MCNEIL AND HART'S SECOND SUBDIVISION, and in Block 1605 of the City of St. Louis, Missouri, beginning at a point in the West line of Grand Boulevard and the South line of Gravois Avenue (as widened according to Ordinance No. 23356); thence South along the West line of Grand Boulevard, 50 feet; thence West 140 feet to an alley; thence North along the East line of said alley, 46 feet 1 ½ inches to Gravois Avenue (as widened according to Ordinance No. 23356); thence Northeast 13 feet 4-7/8 inches to a point in the South line of Gravois Avenue (as widened according to Ordinance No. 23356); thence continuing East along the South line of Gravois Avenue, 127 feet 2 ¼ inches to the West line of Grand Boulevard and the point of beginning.

PARCEL 2:

Lots 6, 7 and 8 of MCNEIL AND HART'S SECOND SUBDIVISION, and in Block 1605 of the City of St. Louis, Missouri, having and aggregate front of 75 feet on the West line of Grand Boulevard, by a depth Westwardly of 140 feet to an alley.

RPA 2:

PARCEL 3:

Lot 9 and the Northern 15 feet of Lot 10 of MCNEIL AND HART'S SECOND SUBDIVISION, and in Block 1605 of the City of St. Louis, Missouri, together fronting 40 feet on the West line of Grand Boulevard, by a depth Westwardly of 140 feet to an alley.

PARCEL 4:

Lot 11 and the Southern 10 feet of Lot 10 of MCNEIL AND HART'S SECOND SUBDIVISION, and in Block 1605 of the City of St. Louis, Missouri, together fronting 35 feet on the West line of Grand Boulevard, by a depth Westwardly of 140 feet to an alley.

PARCEL 5:

Lots 12, 13, 14 and 15 of MCNEIL AND HART'S SECOND SUBDIVISION, and in Block 1605 of the City of St. Louis, Missouri, together fronting 100 feet on the West line of Grand Boulevard, by a depth Westwardly of 140 feet to an alley, bounded South by

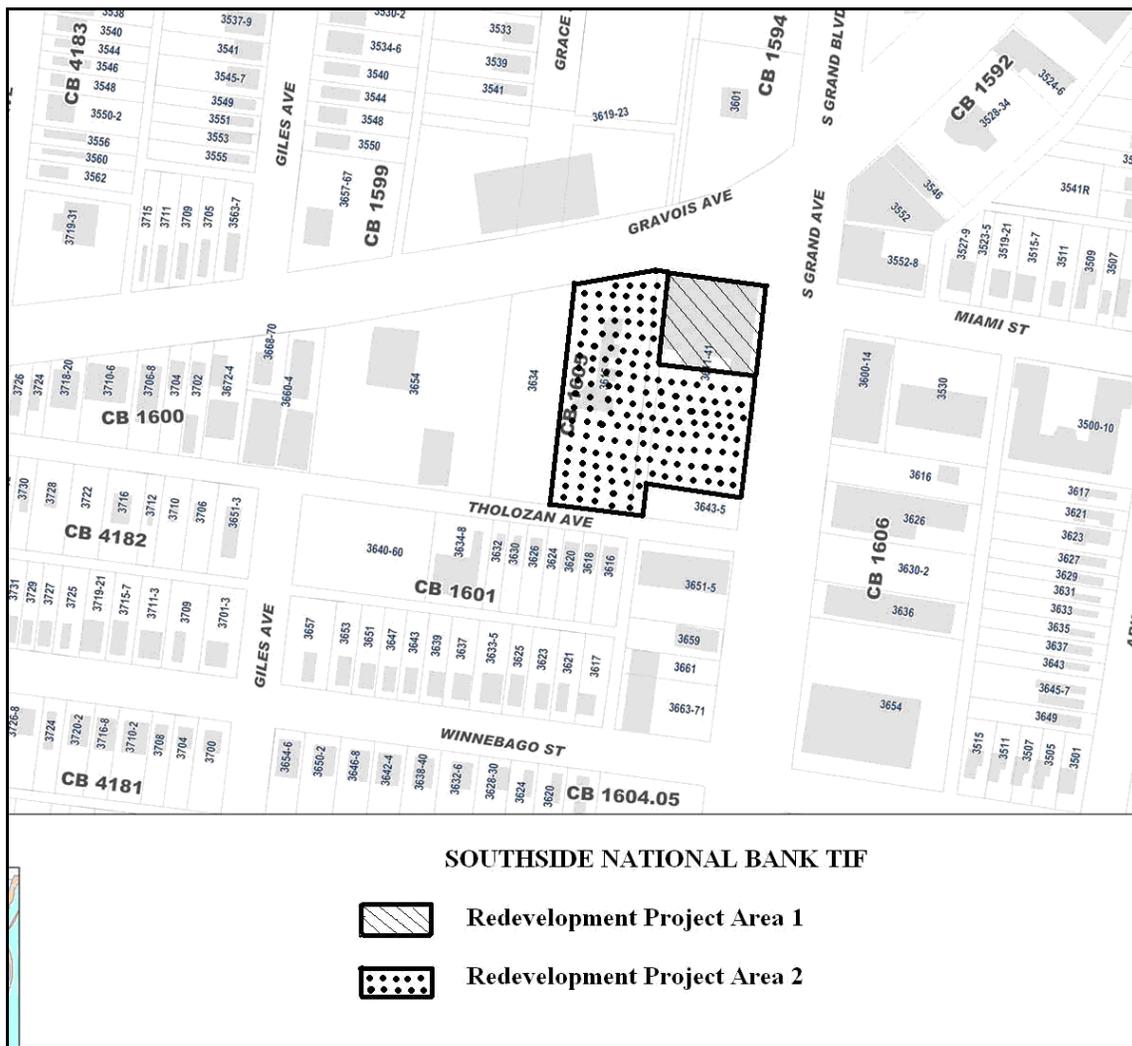
a line 50 feet North of Tholozan Avenue.

PARCEL 6:

Lots 18, 19, 20, 21, 88, 89, 90 and 91 of MCNEIL AND HART'S SECOND SUBDIVISION, and in Block 1605 of the City of St. Louis, Missouri, described as: Beginning at the point of intersection of the South line of Gravois Avenue and the West line of an alley 20 feet wide; thence West along the South line of Gravois Avenue, 104 feet 6 inches to the East line of Lot No. 22; thence South along the East line of Lots Nos. 22 and 87, 307 feet 6 3/4 inches to the North line of Tholozan Avenue; thence East along the North line of Tholozan Avenue, 100 feet to the West line of alley, 20 feet wide; thence North along the West line of said alley 339 feet 6 3/4 inches to the South line of Gravois Avenue, the point of beginning.

PARCEL 7:

The existing north-south alley located in City Block 1605, having a width of 20 feet, and being bounded generally on the north by the south line of Gravois Avenue, on the east by the western boundary of Lots 4 through 17 of MCNEIL AND HART'S SECOND SUBDIVISION, on the south by the north line of Tholozan Avenue, and on the west by the eastern boundary of the parcel commonly known as 3615 Tholozan Avenue.



Appendix 2
Southside National Bank Building TIF Redevelopment Plan
Anticipated Sources and Uses of Funds

RPA 1**USES**

Acquisition	\$	100,000
Construction		
Hard Construction Costs	\$	5,170,000
Hard Cost Contingency	\$	361,900
Design/Pre-Development Costs		
Architectural Fee	\$	247,500
Engineering Fee	\$	20,000
Survey	\$	5,000
Property Appraisal	\$	4,500
Historic Part Two Certification	\$	2,000
Environmental Report	\$	4,000
Brownfield Approval Costs	\$	5,000
Reimbursable Expenses	\$	25,000
Other Soft Costs		
Acquisition Legal Fee	\$	10,000
Tax Credit Legal Fee	\$	30,000
TIF Legal Fee and Application Fees	\$	75,000
Permanent Loan Legal Fee	\$	30,000
Condominium Organization Costs	\$	23,000
Accounting/Cost Certification/Consultants	\$	35,000
Other Closing Costs	\$	20,000
Financing Costs		
Interest Carry	\$	256,000
Construction Period Taxes & Insurance	\$	22,500
Disbursement Fee	\$	7,000
Various Loan Fees	\$	44,000
Project Contingency	\$	190,600
TOTAL USES	\$	6,688,000

SOURCES

State Historic Tax Credit Bridge Loan	\$	1,556,000
Brownfields Remediation Credit Bridge Loan	\$	260,000
Construction/TIF Loan	\$	3,872,000
Deferred Developer Fee	\$	1,000,000
TOTAL SOURCES	\$	6,688,000

RPA 2

USES (excluding developer fees)

Construction

Hard Construction Costs	\$ 1,945,000	TO	\$ 3,890,000
Contingency	\$ 145,000	TO	\$ 290,000

Soft Costs

Development Soft Costs	\$ 217,500	TO	\$ 435,000
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Financing Costs

Financing Costs	\$ 192,500	TO	\$ 385,000
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TOTAL USES	\$ 2,500,000	TO	\$ 5,000,000
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SOURCES

Private Financing	\$ 2,250,000	TO	\$ 4,500,000
Equity/Deferred developer fee	\$ 250,000	TO	\$ 500,000

TOTAL SOURCES	\$ 2,500,000	TO	\$ 5,000,000
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**Appendix 3
Southside National Bank Building TIF Redevelopment Plan
Anticipated Redevelopment Project Schedule**

First TIF Commission Meeting	4/13/05
Mailing of Notice of TIF Commission Public Hearing to Taxing Districts (not less than 45 days prior to hearing) (RSMo. §99.830.3)	4/29/05
Submit Redevelopment Plan to TIF Commission (at least 45 days prior to public hearing)	4/29/05
First Publication of Notice of TIF Commission Public Hearing (not more than 30 days prior to hearing) (RSMo. §99.830.1)	5/18/05
Written Notice to Property Owners (not less than 10 days prior to public hearing) (RSMo. §99.830.3)	5/25/05
Second Publication of Notice of TIF Commission Public Hearing (not more than 10 days prior to public hearing) (RSMo. §99.830.1)	6/8/05
Public Hearing by TIF Commission (RSMO. §99.825)	6/15/05
TIF Commission Recommendation to Board of Alderman (within 90 days of TIF Public Hearing) (RSMo. §99.820.3)	6/15/05
TIF Ordinances Introduced adopting plan, approving project, establishing district, establishing special allocation fund, approving redevelopment agreement and authorizing issuance of TIF Notes (between 14 and 90 days after hearing) (RSMo. §99.820.1[1])	6/30/05
HUDZ Committee Hearing on TIF Ordinances	7/06/05

Second Reading of TIF Ordinances	7/08/05
Perfection of Board Bill(s)	7/15/05
Third Reading and Final Passage of TIF Ordinances	7/22/05
Mayor Signs Bills	8/05/05
Construction Commences – RPA 1	12/31/05
Construction Complete – RPA 1	10/01/08
Construction Commences RPA 2	1/01/11
Construction Complete – RPA 2	9/05/13

Appendix 4

**Southside National Bank Building TIF Redevelopment Plan
Equalized Assessed Value of Redevelopment Area**

<u>Address</u>	<u>Parcel ID</u>	<u>Equalized Assessed Value</u>
3611 S. Grand Boulevard	16050000550	\$ 240,000.00
3615 Tholozan Avenue	16050000070	\$ 104,000.00

Appendix 5
Southside National Bank 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 Southside National Bank Building Tax Increment Financing Redevelopment Plan, initially dated April 29, 2005 (the "Redevelopment Plan").

1. I am a duly authorized representative of Southside National, L.L.C. (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.

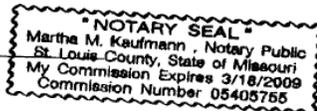
Southside National, L.L.C.
a Missouri limited liability company

By: [Signature]
Name: ARJOMAND KALAYEH
Title: PRESIDENT

Subscribe and sworn to before me this 28th day of April, 2005.

[Signature: Martha M. Kaufmann]
Notary Public

My Commission Expires:



Appendix 6
Southside National Bank Building TIF Redevelopment Plan
Evidence of Commitment to Finance Project Costs



April 18, 2005

Mr. Steve Smith
The Lawrence Group
319 North Fourth Street, Suite 1000
St. Louis, MO 63103

Re: Proposed Southside National Bank Building Redevelopment Project

Dear Mr. Smith:

The purpose of this letter is to evidence Missouri State Bank's initial commitment to provide financing for your proposed project involving the redevelopment of certain real property and construction of new residential and commercial space in the former Southside National Bank Building at 3611 Grand in the City of St. Louis, Missouri (the "Project"), subject to review and approval by the Bank's 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,

A handwritten signature in black ink that reads 'Craig Schriewer'. The signature is written in a cursive style with a large initial 'C'.

Craig Schriewer
Senior Vice President

Approved: August 9, 2005