

BOARD BILL NO.250

INTRODUCED BY ALDERMAN JACK COATAR

An ordinance approving a Redevelopment Plan for the 300 South Broadway ("Area") after finding that the Area is blighted as defined in Section 99.320 of the Revised Statutes of Missouri, 2000, as amended, (the "Statute" being Sections 99.300 to 99.715 RSMo inclusive, as amended) and is blighted as defined in Section 353.020 RSMo, as amended, containing a description of the boundaries of said Area in the City of St. Louis ("City"), attached hereto and incorporated herein as Attachment "A", finding that redevelopment and rehabilitation of the Area is in the interest of the public health, safety, morals and general welfare of the people of the City; approving the Plan dated December 19, 2017 for the Area ("Plan"), incorporated herein by attached Attachment "B", pursuant to Section 99.430; finding that there is a feasible financial plan for the development of the Area which affords maximum opportunity for development of the Area by private enterprise; finding that no property in the Area may be acquired by the Land Clearance for Redevelopment Authority of the City of St. Louis ("LCRA") through the exercise of eminent domain; finding that the property within the Area is occupied, and the Redeveloper shall be responsible for relocating any eligible occupants displaced as a result of implementation of the Plan; finding that financial aid may be necessary to enable the Area to be redeveloped in accordance with the Plan; finding that there shall be available 20-year tax abatement (10- year tax abatement based on 90 % of the assessed value of the incremental improvements followed by 5-year tax abatement based on 85% of the assessed value of the incremental improvements followed by 5-year tax abatement based on 80% of the assessed value of the incremental improvements); and pledging cooperation of the Board of Aldermen and requesting various officials, departments, boards and agencies of the City to cooperate and to exercise their respective powers in a manner consistent with the Plan.

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WHEREAS, by reason of predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, there exist conditions which endanger life or property by fire or other causes and constitute an economic or social liability or a menace to the public health, safety, morals or welfare in the present condition and use of the Area, said Area being more fully described in Attachment "A"; and

WHEREAS, such conditions are beyond remedy and control solely by regulatory process in the exercise of the police power and cannot be dealt with effectively by ordinary private enterprise without the aids provided in the Statute; and

WHEREAS, there is a need for the LCRA, a public body corporate and politic created under Missouri law, to undertake the development of the above described Area as a land clearance project ("Project") under said Statute, pursuant to plans by or presented to the LCRA under Section 99.430.1 (4); and

WHEREAS, the LCRA has recommended such a plan to the Planning Commission of the City of St. Louis ("Planning Commission") and to this St. Louis Board of Aldermen ("Board"), titled "Blighting Study and Plan for the 300 South Broadway," dated December 19, 2017 consisting of a Title Page, a Table of Contents Page, and twenty-one (21) numbered pages, attached hereto and incorporated herein as Attachment "B" ("Plan"); and

WHEREAS, under the provisions of the Statute it is required that this Board take such actions as may be required to approve the Plan; and

WHEREAS, it is desirable and in the public interest that a public body, the LCRA, undertake and administer the Plan in the Area; and

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WHEREAS, the LCRA and the Planning Commission have made and presented to this Board the studies and statements required to be made and submitted by Section 99.430 and this Board has been fully apprised by the LCRA and the Planning Commission of the facts and is fully aware of the conditions in the Area; and

WHEREAS, the Plan has been presented and recommended by LCRA to this Board for review and approval; and

WHEREAS, a general plan has been prepared and is recognized and used as a guide for the general development of the City and the Planning Commission has advised this Board that the Plan conforms to said general plan; and

WHEREAS, this Board has duly considered the reports, recommendations and certifications of the LCRA and the Planning Commission; and

WHEREAS, the Plan does prescribe land use and street and traffic patterns which may require, among other things, the vacation of public rights-of-way, the establishment of new street and sidewalk patterns or other public actions; and

WHEREAS, this Board is cognizant of the conditions which are imposed on the undertaking and carrying out of the Project, including those relating to prohibitions against discrimination because of race, color, familial status, national origin or ancestry, sex, marital status, age, sexual orientation, gender identity or expression, religion or disability; and

WHEREAS, in accordance with the requirements of Section 99.430 of the Statute, this Board advertised that a public hearing would be held by this Board on the Plan, and said hearing was held at the time and place designated in said advertising and all those who were interested in being heard were given a reasonable opportunity to express their views; and

1 WHEREAS, it is necessary that this Board take appropriate official action respecting the
2 approval of the Plan.

3 **NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF ST. LOUIS AS**
4 **FOLLOWS:**

5 **SECTION ONE.** There exists within the City of St. Louis ("City") a blighted area, as
6 defined by Section 99.320 of the Revised Statutes of Missouri, 2000, as amended, (the "Statute"
7 being Sections 99.300 to 99.715 RSMo inclusive, as amended) and as defined in Section 353.020
8 RSMo, as amended and as described in Attachment "A", attached hereto and incorporated herein,
9 known as the 300 South Broadway Area.

10 **SECTION TWO.** The redevelopment of the above described Area, as provided by the
11 Statute, is necessary and in the public interest, and is in the interest of the public health, safety, morals
12 and general welfare of the people of the City.

13 **SECTION THREE.** The Area qualifies as a redevelopment area in need of redevelopment
14 under the provision of the Statute, and the Area is blighted as defined in Sections 99.320 and 353.020
15 RSMo.

16 **SECTION FOUR.** The Blighting Study and Plan for the Area, dated December 19, 2017,
17 ("Plan") having been duly reviewed and considered, is hereby approved and incorporated herein by
18 reference, and the President or Clerk of this St. Louis Board of Aldermen ("Board") is hereby
19 directed to file a copy of said Plan with the Minutes of this meeting.

20 **SECTION FIVE.** The Plan for the Area is feasible and conforms to the general plan for the
21 City.

1 **SECTION SIX.** The financial aid provided and to be provided for financial assistance
2 pertaining to the Area is necessary to enable the redevelopment activities to be undertaken in
3 accordance with the Plan for the Area, and the proposed financing plan for the Area is feasible.

4 **SECTION SEVEN.** The Plan for the Area will afford maximum opportunity, consistent
5 with the sound needs of the City as a whole, for the redevelopment of the Area, after demolition of
6 existing improvements, by private enterprise, and private developments to be sought pursuant to the
7 requirements of the Statute.

8 **SECTION EIGHT.** The Plan for the Area provides that the Land Clearance for
9 Redevelopment Authority of the City of St. Louis ("LCRA") may not acquire any property in the
10 Area by the exercise of eminent domain.

11 **SECTION NINE.** The property within the Area is currently occupied. All eligible
12 occupants displaced by the Redeveloper ("Redeveloper" being defined in Section Twelve, below)
13 shall be given relocation assistance by the Redeveloper at its expense, in accordance with all
14 applicable federal, state and local laws, ordinances, regulations and policies.

15 **SECTION TEN.** The Plan for the Area gives due consideration to the provision of adequate
16 public facilities.

17 **SECTION ELEVEN.** In order to implement and facilitate the effectuation of the Plan
18 hereby approved it is found and determined that certain official actions must be taken by this Board
19 and accordingly this Board hereby:

20 (a) Pledges its cooperation in helping to carry out the Plan;

21 (b) Requests the various officials, departments, boards and agencies of the City, which
22 have administrative responsibilities, likewise to cooperate to such end and to execute their respective
23 functions and powers in a manner consistent with the Plan; and

1 (c) Stands ready to consider and take appropriate action upon proposals and measures
2 designed to effectuate the Plan.

3 **SECTION TWELVE.** All parties participating as owners or purchasers of property in the
4 Area for redevelopment ("Redeveloper") shall agree for themselves and their heirs, successors and
5 assigns that they shall not discriminate on the basis of race, color, familial status, national origin or
6 ancestry, sex, marital status, age, sexual orientation, gender identity or expression, religion or
7 disability in the sale, lease, or rental of any property or improvements erected or to be erected in the
8 Area or any part thereof and those covenants shall run with the land, shall remain in effect without
9 limitation of time, shall be made part of every contract for sale, lease, or rental of property to which
10 Redeveloper is a party, and shall be enforceable by the LCRA, the City and the United States of
11 America.

12 **SECTION THIRTEEN.** In all contracts with private and public parties for redevelopment
13 of any portion of the Area, all Redevelopers shall agree:

14 (a) To use the property in accordance with the provisions of the Plan, and be bound by
15 the conditions and procedures set forth therein and in this Ordinance;

16 (b) That in undertaking construction under the agreement with the LCRA and the Plan,
17 bona fide Minority Business Enterprises ("MBE's") and Women's Business Enterprises ("WBE's")
18 will be solicited and fairly considered for contracts, subcontracts and purchase orders;

19 (c) To be bound by the conditions and procedures regarding the utilization of MBE's
20 and WBE's established by the City;

21 (d) To adhere to the requirements of the Executive Order of the Mayor of the City, dated
22 July 24, 1997 as extended.

23 (e) To comply with the requirements of Ordinance No. 60275 of the City;

1 (f) To cooperate with those programs and methods supplied by the City with the purpose
2 of accomplishing, pursuant to this paragraph, minority and women subcontractors and material
3 supplier participation in the construction under this Agreement. The Redeveloper will report semi-
4 annually during the construction period the results of its endeavors under this paragraph, to the Office
5 of the Mayor and the President of this Board; and

6 (g) That the language of this Section Thirteen shall be included in its general construction
7 contract and other construction contracts let directly by Redeveloper.

8 The term MBE shall mean a sole proprietorship, partnership, corporation, profit or non-profit
9 organization owned, operated and controlled by minority group members who have at least fifty-one
10 percent (51%) ownership. The minority group member(s) must have operational and management
11 control, interest in capital and earnings commensurate with their percentage of ownership. The term
12 Minority Group Member(s) shall mean persons legally residing in the United States who are Black,
13 Hispanic, Native American (American Indian, Eskimo, Aleut or Native Hawaiian), Asian Pacific
14 American (persons with origins from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam,
15 U.S. Trust Territory of the Pacific Islands, Laos, Cambodia or Taiwan) or Asian Indian American
16 (persons with origins from India, Pakistan or Bangladesh). The term WBE shall mean a sole
17 proprietorship, partnership, corporation, profit or non-profit organization owned, operated and
18 controlled by a woman or women who have at least fifty-one percent (51%) ownership. The woman
19 or women must have operational and managerial control, interest in capital and earnings
20 commensurate with their percentage of ownership.

21 The term "Redeveloper" as used in this Section shall include its successors in interest and
22 assigns.

1 **SECTION FOURTEEN.** The Redeveloper(s) may seek ten (10) year real estate tax
2 abatement based on 90% of the assessed value of the incremental improvements pursuant to Sections
3 99.700 - 99.715, RSMo, as amended, upon application as provided therein.

4 In lieu of the ten (10) year abatement outlined above, any Redeveloper(s) which is an urban
5 redevelopment corporation formed pursuant to Chapter 353 of the Missouri Statutes shall hereby be
6 entitled to real property ad valorem tax abatement, for a total period of twenty (20) years from the
7 commencement of such tax abatement, in accordance with the following provisions:

8 If property in the Area is sold by the LCRA to an urban redevelopment corporation
9 formed pursuant to Chapter 353 of the Missouri Statutes, or if any such corporation shall own
10 property within the Area, then for the first ten (10) years after the date the redevelopment
11 corporation shall acquire title to property in the Area, taxes on that property shall be based upon
12 the assessment of land, exclusive of any improvements thereon, during the calendar year prior to
13 the calendar year during which the corporation shall have acquired title to that property. In
14 addition to such taxes, any such corporation shall for the initial ten (10) year period make a
15 payment in lieu of taxes to the Collector of Revenue of the City of St. Louis based on ten percent
16 (10%) of the assessment on the improvements located on the property at the time such corporation
17 shall have acquired title to that property.

18 For the ensuing five (5) year period following the original period stated above, any
19 such urban corporation shall pay taxes, and payments in lieu of taxes as provided above, in an
20 amount based upon fifteen (15%) percent of the then normal assessment of land and improvements
21 thereon.

22 For the ensuing five (5) year period following the five (5) year period stated above, any
23 such urban corporation shall pay taxes and payments in lieu of taxes as provide above, in an

1 amount based upon twenty (20%) percent of the then normal assessment of land and improvements
2 thereon.

3 All payments in lieu of taxes shall be a lien upon the property and, when paid to the
4 Collector of Revenue of the City shall be distributed as all other property taxes. These partial tax
5 relief and payment in lieu of taxes provisions, during said twenty (20) year period, shall inure to
6 the benefit of all successors in interest in the property of the development corporation, so long as
7 such successors shall continue to use the property as provided in this Plan and in any agreement
8 with the LCRA. In no event shall such benefits extend beyond twenty (20) years after the
9 development corporation shall have acquired title to the property.

10 The tax abatement described above shall not apply to special assessments and shall not serve
11 to reduce or eliminate any other licenses or fees owing to the City or any other taxing jurisdiction
12 with respect to the applicable real property or portion thereof, except as expressly described
13 above. Pursuant to Section 99.715, RSMo, nothing in the Plan shall prevent the City Assessor from
14 increasing or decreasing the assessed value of the any real property or portion thereof that is not
15 subject to a Certificate of Qualification of Tax Abatement properly filed with the City Assessor.

16 **SECTION FIFTEEN.** Any proposed modification which will substantially change the
17 Plan must be approved by the St. Louis Board of Aldermen in the same manner as the Plan was
18 first approved. Modifications which will substantially change the Plan include, but are not
19 necessarily limited to, modifications on the use of eminent domain, to the length of tax abatement,
20 to the boundaries of the Area, to the urban design objectives, to the urban design regulations, or to
21 other items which alter the nature or intent of the Plan. The Plan may be otherwise modified (e.g.
22 development schedule) by the LCRA.

1 **SECTION SIXTEEN.** The sections of this Ordinance shall be severable. In the event that
2 any section of this Ordinance is found by a court of competent jurisdiction to be invalid, the
3 remaining sections of this Ordinance are valid, unless the court finds the valid sections of the
4 Ordinance are so essential and inseparably connected with and dependent upon the void section
5 that it cannot be presumed that this Board would have enacted the valid sections without the void
6 ones, or unless the court finds that the valid sections standing alone are incomplete and are
7 incapable of being executed in accordance with the legislative intent.

BOARD BILL FISCAL NOTE

Preparer's Name Zachary Wilson

Phone Number or Email Address (will be available publicly) wilsonz@stlouis-mo.gov

Bill Sponsor Alderman Coatar

Bill Synopsis:	authorizes a 20-year tax abatement (10- year tax abatement based on 90 % of the assessed value of the incremental improvements followed by 5-year tax abatement based on 85% of the assessed value of the incremental improvements followed by 5-year tax abatement based on 80% of the assessed value of the incremental improvements)for the property at 300 South Broadway.
Type of Impact:	None
Agencies Affected:	None

SECTION A

Does this bill authorize:

- An expansion of services which entails additional costs beyond that approved in the current adopted city budget? ___Yes __X__No.
- An undertaking of a new service for which no funding is provided in the current adopted city budget? ___Yes __X__No.
- A commitment of city funding in the future under certain specified conditions? ___Yes __X__No.
- An issuance of bonds, notes and lease-purchase agreements which may require additional funding beyond that approved in the current adopted city budget? ___Yes __X__No.
- An execution or initiation of an activity as a result of federal or state mandates or requirements? ___Yes __X__No.
- A capital improvement project that increases operating costs over the current adopted city budget? ___Yes __X__No.

- A capital improvement project that requires funding not approved in the current adopted city budget or that will require funding in future years? Yes No.

If the answer is yes to any of the above questions, then a fiscal note must be attached to the board bill. Complete Section B of the form below.

SECTION B

- Does the bill require the construction of any new physical facilities? Yes No.

- If yes, describe the facilities and provide the estimated cost:

- Is the bill estimated to have a direct fiscal impact on any city department or office? Yes No.

- If yes, explain the impact and the estimated cost:

- Does the bill create a program or administrative subdivision? Yes No.

- If yes, then is there a similar existing program or administrative subdivision?

- Yes No.

- If yes, explain the how the proposed programs or administrative subdivisions may overlap:

- Describe the annual operating, equipment, and maintenance costs that would result from the proposed bill, as well as any funding sources:

Complete the chart below to list the total estimated expenditures required of the City resulting from the proposed board bill and any estimated savings or additional revenue.

Financial Estimate of Impact on General Fund			
Fiscal Impact	<u>Year 1 (current)</u>	<u>Year 2</u>	<u>Year 3</u>
Additional Expenditures			
Additional Revenue			
Net			
Financial Estimate of Impact on Special Funds			
Fiscal Impact	<u>Year 1 (current)</u>	<u>Year 2</u>	<u>Year 3</u>
Additional Expenditures			
Additional Revenue			
Net			

- Describe any assumptions used in preparing this fiscal note:

- List any sources of information (including any City officials, agencies, or departments) used in preparing this fiscal note:

- Have the financial estimates of this bill been verified by the City Budget Division?
 Yes No.

○ If yes, by whom? _____ .

300 South Broadway Qualifications Analysis

January 23, 2018

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INTRODUCTION

The proposed 300 S Broadway Redevelopment Area (the “Redevelopment Area” or “Area”) includes one parcel of land (parcel identification number 01060000100) 0.35 acres in area located at 300 S Broadway at the intersection of South Broadway Boulevard and Clark Street in the City of St. Louis (the “City”). The Area is shown on **Plate 1** in the **Appendix** to this Report.

The Area includes one office building that has served as the headquarters of the St. Louis Community College since 1980.

The purpose of this Report is to assess the Area’s present condition and use in order to determine whether the Area may qualify for development assistance pursuant to the Urban Redevelopment Corporations Law, Chapter 353, RSMo (“Chapter 353”).

QUALIFICATION STANDARDS

Chapter 353 requires that an area be designated a “blighted area” as defined in Section 353.020 RSMo:

...that portion of the city within which the legislative authority of such city determines that by reason of age, obsolescence, inadequate or outmoded design or physical deterioration have become economic and social liabilities, and that such conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes... (RSMo 353.020(2))

Chapter 353 requires that, in order for an area to qualify as “blighted,” the area in question show excessive age, obsolescence, inadequate or outmoded design or physical deterioration such that one or more of these conditions cause the area to have become an “economic and social liability.” An economic liability may arise from an area’s decline in taxable value or from an area’s relative economic underutilization, which is to say that if an area of land is zoned commercial but has not been developed due to physical characteristics that frustrate development efforts, then the area is an “economic liability” as it does not economically perform as it should from a tax-generating perspective. A social liability arises, generally, if there are present, documented conditions that indicate criminal activity or active threats to public health and physical safety.

PGAV believes the Area qualifies as a “blighted area” as such term is defined in Chapter 353.

This analysis is based upon on-site investigations of the Redevelopment Area conducted by PGAV staff in January 2018 in addition to information provided by St. Louis Community College and HDA Architects. PGAV staff also relied upon its extensive experience in redevelopment planning, knowledge of Chapter 353 and other redevelopment statutes and related case law in Missouri, knowledge of the real estate market, and professional expertise in the preparation of similar analyses for clients throughout Missouri. Photographs illustrating representative blighting conditions were taken during

the site visit and are displayed in the **Appendix**. This report will not reflect changes in conditions or events that have occurred subsequent to the date of the site visit or publication of this report.

“BLIGHTED AREA” FACTORS

AGE

The Area includes one building constructed in 1900 and expanded in the mid-to-late 1980s. The predominance of the improvements in the Area are more than 35 years of age.

OBSOLESCENCE

The ability of structures to continue as viable uses based on the manner in which they were built and/or placed on the land is relevant in determining if they have longer-term value in the real estate market. This is often referred to as obsolescence and this factor is cited in every Missouri redevelopment statute.

The office building that comprises the improvements within the Area is obsolete. The building’s current condition makes it unsuitable to continue in its current use.

- The atrium that extends from the ground floor up through the roof does not serve its originally intended function. The light it allows in is minimal. The portions of each floor nearer to the atrium area are dark due to the lack of windows and natural light.
- All but one of the bathrooms in the building do not comply with the requirements of the Americans with Disabilities Act.
- The office floor layouts are obsolete. The office floor layouts have created dead-end hallways that violate the fire code.

INADEQUATE OR OUTMODED DESIGN

The office building that comprises the improvements of the Area suffers from inadequate and outmoded design.

The office building was originally constructed in the year 1900 as the home of the Cal Hirsch & Sons Mercantile Company. The St. Louis Community College purchased the building in 1980 and added to it later that decade. The addition to the original structure made an effort to match the architecture of the original structure, and expanded the office space available on each floor. The 1980s addition includes an enclosed atrium that extends from the ground floor to the roof of the building where skylights let in some light from outside. The elevators, stairwells, and bathroom facilities are all within the original portion of the building.

The structure, as it stands now, suffers from inadequate or outmoded design when reviewed in light of the 2015 International Building Code standards.

- The stairwells are too close together. The stairwells are approximately 40 feet apart. They should be separated by a distance equal to one-third of the overall diagonal distance from one corner of the floor to the opposite corner; this distance is approximately 172 feet. The stairwells should be approximately 57 feet apart to provide better exit access to office workers at each corner of each floor.
- The building does not conform with the requirements of the Americans with Disabilities Act. The six-story office building houses only one accessible bathroom, which is on the first floor. Each restroom on floors 2 – 6 does not comply with ADA requirements. Each women's restroom has three water closets. Each men's restroom has two water closets and a urinal. To bring each bathroom facility into compliance would require the removal of one bathroom facility in each restroom, which would then bring the bathrooms out of compliance with the 2009 Uniform Plumbing Code code for plumbing fixtures.
- Floors two and three have dead-end hallways longer than 20 feet. The presence of this condition causes the building to lack conformity with the fire code.
- Atriums that connect more than two stories must have a smoke control system. This building's atrium lacks such a smoke-control system.

PHYSICAL DETERIORATION

In general, deterioration refers to the physical and economic degradation of the improvements of the Redevelopment Area both in terms of buildings and other above-ground structures, below-grade supporting structures such as water, sewer, and electric utilities, and surface site improvements such as parking areas, access and circulation roadways and drives, lighting fixtures, and signage.

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 and that cannot be cured in the course of normal maintenance includes defects in the primary and secondary building components. Primary building components include the foundation, exterior walls, floors, roofs, wiring, and plumbing. Secondary building components include the doors, windows, frames, fire escapes, gutters, downspouts, siding, and fascia.

During field reconnaissance, instances of deterioration were observed to be affecting site improvements in the Redevelopment Area. Such conditions were photographed; selected photographs are included in the **Appendix**.

- Bricks and mortar on the exterior of the building show signs of cracking and deterioration.
- Atrium windows show signs of deterioration.
- Window sills, lintels and concrete pillars show evidence of deterioration.
- The interior of the atrium shows signs of neglect and deterioration.
- The atrium contains fountain facilities that are deteriorated and do not appear to have been in any regular use for years.
- The interior atrium balconies and planters are deteriorated.

ECONOMIC LIABILITY

The courts of Missouri have recognized economic underutilization as a blighting condition or one that contributes to blight. This premise was explicitly stated by the Missouri Supreme Court in the case of *Tierney v. Planned Industrial Expansion Authority of Kansas City, Missouri*, 742 S.W. 2d 146, 151 (Mo.1987).

In *Tierney* at 151, the Missouri Supreme Court stated:

(10) The owners, finally, attack the concept of "economic underutilization" as a basis... They suggest that almost all land could be put to a higher and better use, and argue that the concept of economic under-utilization is so broad as to confer upon the legislative authority and PIEA the unlimited discretion to take one person's property for the benefit of another, contrary to Mo. Const. Art. I, Sec. 28.

We do not find the fault or the danger perceived. The concept of urban redevelopment has gone far beyond "slum clearance" and the concept of economic underutilization is a valid one. This is explicit in State ex rel. Atkinson v. Planned Industrial Expansion Authority of St. Louis, 517 S.W.2d 36 (Mo. Banc 1975), sustaining the statutes governing this case. Centrally located urban land is scarce. The problems of assembling tracts of sufficient size to attract developers, and of clearing uneconomic structures, are substantial and serious... We need not repeat all of the evidence which was before the city council tending to show that redevelopment of this area would promote a higher level of economic activity, increased employment, and greater services to the public...

In other words, the performance of a use below its economic potential is a symptom of a blighted area when examining uses that generate economic activity, (i.e., commercial uses). As the court stated in *Tierney*, urban redevelopment is far more than mere slum clearance and includes the concept that economic underutilization may be used as evidence of blight. The economic underutilization of the Redevelopment Area is further evidence that the Redevelopment Area exhibits those factors that qualify it as a Blighted Area.

The St. Louis Community College purchased the Area in 1980 for \$7 million. The Area currently has an appraised value (per the St. Louis City Assessor) of \$5.2 million. Over the past 38 years, the Area has lost 25% of its value. As the St. Louis Community College, which is an educational district that provides educational services to students throughout the City of St. Louis and St. Louis County, owns the Area it is exempt from taxation. The Area has generated \$0 in real property taxes since the St. Louis Community College purchased it.

The expense required to cure the Area's deficiencies, described above, indicates that the Area is not likely to continue in its current use. To cure the aforescribed deficiencies would cost an estimated \$6.65 million. The St. Louis Community College will sell this building. For this expense to be justified

economically, the Area would need to achieve office lease rates of at least \$35 per square foot for the new owner (assuming the building sells at its current appraised value per the City Assessor of \$5.2 million). A lease rate of \$35 per square foot is higher than the current, average market rent in Downtown St. Louis, which is approximately \$18 per square foot. In addition to the higher lease rate, new tenants would have to lease spaces in a nearby parking lot or garage for its employees. The St. Louis Community College currently shuttles employees to and from a parking lot south of Busch Stadium since there is no parking in the building. In light of higher lease rate required and the lack of parking in the building, it is not likely the Area could compete successfully for office tenants in Downtown St. Louis. As a result, the Area is more likely to fall further into disrepair and continue to lose taxable value. That the Area's continued life as an office building is not economically feasible causes the Area to continue to be an economic liability.

SOCIAL LIABILITY

The obsolescence, inadequate or outmoded design and physical deterioration constitute a social liability. Lack of compliance with the requirements of the Americans with Disabilities Act, the lack of conformance with modern building standards, and, in particular, the lack of conformance with the fire code indicate that the Area has become a social liability in its present condition and use.

CONDUCTIVE TO ILL HEALTH

Conditions of the office building that create an unhealthy environment include: lack of ventilation (lack of outside air), dust, humidity, and problems controlling temperature. These are conditions cited by the Occupational Health and Safety Administration as those that contribute to poor indoor air quality which is conducive to ill health. Current office tenants report difficulty associated with maintaining an even temperature throughout each floor. This indicates difficulty associated with controlling temperature and a lack of proper ventilation as certain parts of the building do not receive enough air. Dust is evident around air vents indicating that air ducts may be dirty. Poor indoor air quality is a recognized factor that contributes to ill health.

SUMMARY

In the composition of this Report, PGAV has concluded that the Area does meet the definition of a “blighted area,” as such term is defined in Chapter 353. The Area is a portion of the City that by reason of age, obsolescence, inadequate or outmoded design, or physical deterioration have become an economic and social liability, and that such conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes.

The Area meets the requirements for a Blighted Area, exhibiting factors including, but not limited to:

- Age;
- Obsolescence;
- Inadequate or Outmoded Design;
- Physical Deterioration
- Economic Liability;
- Social Liability; and
- Conducive to Ill Health and Transmission of Disease.

APPENDIX

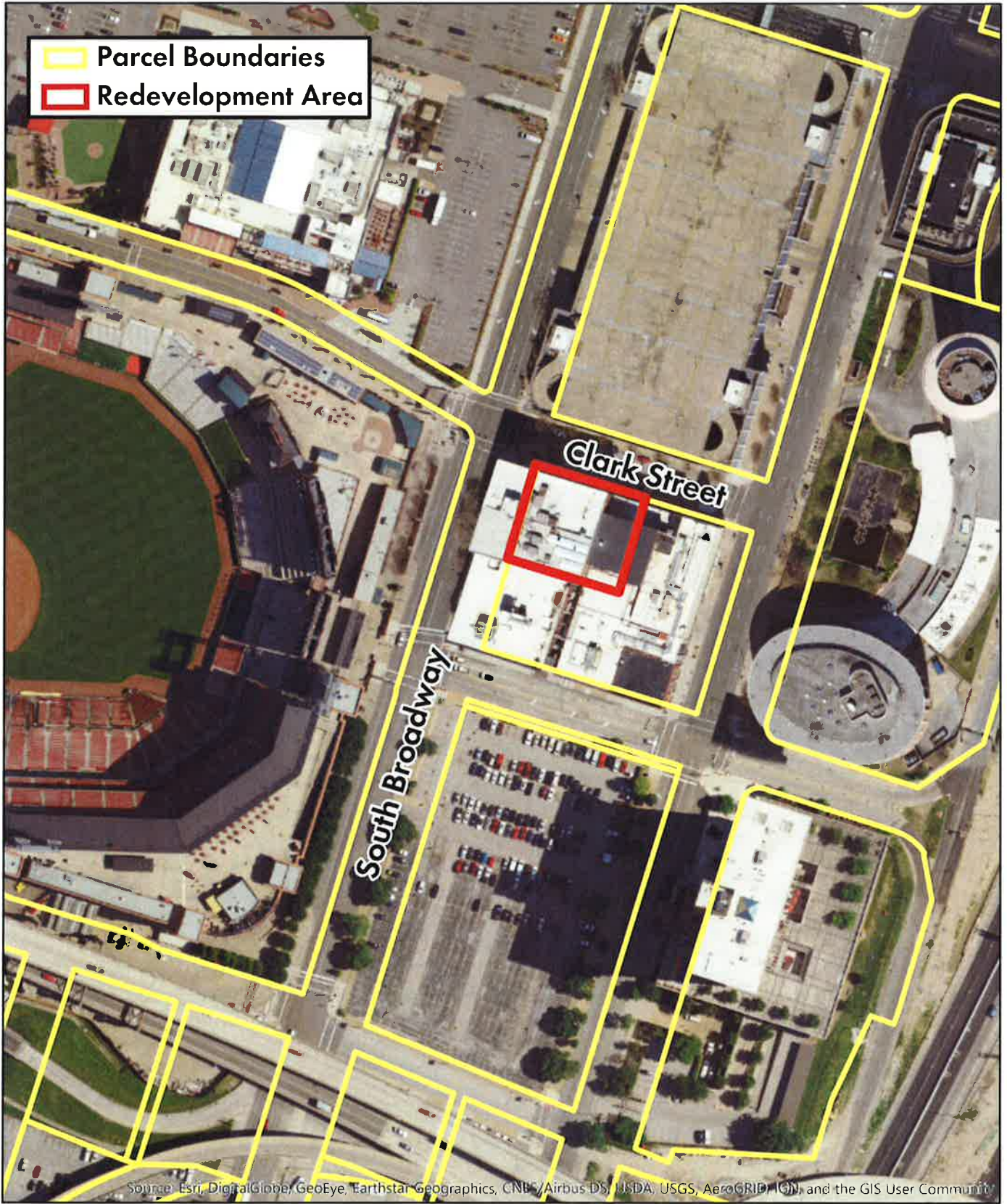


Plate 1
300 South Broadway Redevelopment Area

St. Louis, Missouri



Above and below: Deteriorated fountain in atrium.





Above: Deteriorated bricks and mortar.



Above: Deteriorated bricks and mortar.



Left: Deteriorated column exterior of window.



Above: Deteriorated window sill and lintel.



Above: Deteriorated atrium interior balconies.



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