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# 100 N. EUCLID TAX INCREMENT FINANCING (TIF) REDEVELOPMENT PLAN

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October 15, 2012



Prepared By  
**CITY WALK ON EUCLID, LLC**

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# 1. INTRODUCTION

## Overview of Redevelopment Area

The 100 N. Euclid Redevelopment Area (the “Redevelopment Area” or “Area”), is located on the northeast corner of the intersection of N. Euclid Avenue and West Pine Boulevard in the Central West End neighborhood of the City of St. Louis, Missouri (the “City”). The Redevelopment Area consists of a single parcel that contains approximately 1.65 acres of land (See Aerial Photograph of Redevelopment Area). Appendix A provides a legal description of the Redevelopment Area.



The Redevelopment Area was initially developed between 1895 and 1910 with three residences on large lots. In the 1950s the two westernmost residences were demolished to construct the Doctors Building, which was completed in 1955. The eastern residence was subsequently demolished to expand the parking lot for the Doctors Building. In 2008, the Doctors Building was demolished.

The Redevelopment Area is surrounded by a mix of multifamily residential and commercial development (see Neighboring Development Aerial).



**Neighboring Development Aerial**

## **Purpose of Redevelopment Plan**

The Redevelopment Area represents an important redevelopment opportunity, given its location in the heart of the vibrant Central West End neighborhood. Thus, given its strategic location, the Area is an excellent location for a quality, residentially-focused, mixed-use development that will:

- Provide an attractive high density apartment living opportunity that could attract residents from throughout the entire St. Louis region;
- Provide an anchor and a stabilizing influence for existing development in the Central West End neighborhood;
- Provide additional retail opportunities and services for the residents and businesses of the Central West End , as well as the entire City of St. Louis; and
- Provide an important source of taxes for the City and other taxing jurisdictions where very minimal taxes are now being generated.

## **Summary of Redevelopment Plan**

This Plan for the redevelopment of the Redevelopment Area has several important components that are designed to serve the residents, businesses and visitors to the City. The components include:

- Approximately 176 apartment units;
- A grocery store containing approximately 30,000 square feet of space; and
- Structured and at-grade parking to serve apartment residents and visitors, as well as grocery store patrons.

## **Use of Tax Increment Financing**

To facilitate redevelopment of the Redevelopment Area, it is proposed to use tax increment allocation financing ("TIF") pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, RSMo. (the "TIF Act"). TIF has proven to be an effective tool for remedying conditions in blighted and near-blighted areas and for encouraging growth and development through investment by private enterprise.

## **Why Tax Increment Financing is Needed in the Redevelopment Area**

While the revitalization and redevelopment of the Redevelopment Area has been desired by the City for some time, there are a number of serious impediments to private redevelopment. First, the extraordinary costs associated with land acquisition, site preparation, and public works needed to redevelop the Area make the redevelopment economically infeasible without the use of TIF. For example, the extraordinary cost of acquisition and site preparation are significantly higher than private developers can typically pay to develop commercial or residential property in this market. While these extraordinary development costs increase the overall project cost and resulting annual expenses, tenants in the development will still only pay market-rate rents or sale prices.

Consequently, an imbalance between expense and revenue is created that makes the project economically infeasible unless selected development costs are effectively reduced by means of TIF. These economic factors represent the second component of the “but for” justification upon which this project’s use of TIF is based. That is, without the use of tax increment financing, the Redevelopment Area would not reasonably be anticipated to be developed.

An affidavit provided by City Walk on Euclid, LLC., hereafter known as the Developer, is included in Appendix C. This affidavit attests to the Redevelopment Area qualifying as a “blighted area” as defined by the TIF Act and that the Area has not been subject to growth and development through investment by private enterprise and, therefore, would not reasonably be anticipated to be developed without the adoption of tax increment financing.

### **Use and Benefits of Tax Increment Allocation Financing**

Upon the City's adoption of TIF and approval of the Redevelopment Project, incremental increases in real property taxes resulting from increased assessed valuations on new development occurring within the Redevelopment Area (“Payments in lieu of taxes” or “PILOTs”) and fifty percent of incremental increases in certain taxes generated by economic activities within the Redevelopment Area (“Economic Activity Taxes” or “EATs”) will be reallocated and deposited for a limited period of time into a special fund of the City, the “Special Allocation Fund.” The revenues so deposited may be used to secure obligations, the proceeds of which, in turn, may be used to finance the various Redevelopment Project Costs enumerated in section 99.805(15) of the TIF Act. Because reallocation is limited to “incremental” increases in tax revenues, all ad valorem taxing districts will continue to receive real property taxes or PILOTs based upon an initial equalized assessed value not less than the current equalized assessed value. Further, for the duration of the Redevelopment Projects, all increases in personal property tax revenues and fifty percent of the EATs, such as sales taxes and utility taxes, will be passed through to the applicable taxing districts.

Once the TIF Obligations (as defined herein) are retired, the TIF will be terminated and all real property taxes generated in the Redevelopment Area will be based on the then-current assessed valuation and tax rates.

TIF, as a redevelopment tool, provides several benefits. Typically, the stream of future revenues available through TIF is used to secure and finance TIF bonds or notes, or conventional financing. Thus, the City and the Developer have funds available at the inception of the Redevelopment Project, when most needed. Additionally, TIF provides for representation of affected taxing districts on the commission that reviews and recommends redevelopment plans and redevelopment projects to the City.

## **Organization of this Redevelopment Plan**

Sections 99.805(13) and 99.810 of the TIF Act set forth the requirements for redevelopment plans. This Redevelopment Plan represents the comprehensive program of the City intended by the payment of Redevelopment Project Costs to reduce or eliminate those conditions, the existence of which qualify the Redevelopment Area as a "blighted area", as defined in Section 99.805 of the TIF Act, and to thereby enhance and insure the tax base of the taxing districts which extend into the Redevelopment Area.

Succeeding sections of this Redevelopment Plan set forth a summary of key findings, Redevelopment Plan objectives and a general description of the program and activities to accomplish the objectives; existing and proposed land uses for the Redevelopment Area; the estimated costs of Redevelopment Project; the anticipated sources of funds to pay costs; evidence of the commitments to finance the costs of projects; the anticipated type and term of the sources of funds to pay costs; the anticipated type and terms of the obligations to be issued; the most recent equalized assessed valuation of the property within the Redevelopment Area which is to be subjected to payments in lieu of taxes and economic activity taxes pursuant to Section 99.845 of the TIF Act; and an estimate of the equalized assessed valuation after redevelopment. This Redevelopment Plan also provides the basis and documentation for findings required by Sections 99.810.1(1) through 99.810.1(6) of the TIF Act and summarizes reporting requirements imposed by Section 99.810.2 of the TIF Act.

## 2. SUMMARY OF KEY FINDINGS

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### Introduction

In order to establish a Redevelopment Area, adopt a Redevelopment Plan, and create a tax increment financing District, the City must find pursuant to Section 99.810 of the TIF Act that:

- a. The Redevelopment Area on the whole is a blighted area, a conservation area, or an economic development area, 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 shall include, but not be limited to, a detailed description of the factors that qualify the Redevelopment Area or project pursuant to sections 99.805(3) and 99.810.1 of the TIF Act and an affidavit, signed by the Developer and submitted with the Redevelopment Plan, attesting that the provisions of section 99.810.1 of the TIF Act have been met;
- b. The Redevelopment Plan conforms to the comprehensive plan for the development of the municipality as a whole;
- c. The estimated dates, which shall not be more than twenty-three years from the adoption of the ordinance approving a Redevelopment Project within a Redevelopment Area, of completion of any Redevelopment Project and retirement of obligations incurred to finance Redevelopment Project costs have been stated;
- d. A plan has been developed for relocation assistance for businesses and residences;
- e. A cost-benefit analysis showing the economic impact of the Redevelopment Plan on each taxing district that is at least partially within the boundaries of the Redevelopment Area. The analysis shall show the impact on the economy if the project is not built, and is built pursuant to the Redevelopment Plan under consideration. The cost-benefit analysis shall include a fiscal impact study on every affected political subdivision, and sufficient information for the TIF Commission to evaluate whether the project as proposed is financially feasible; and
- f. The 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).

Documentation of the determination that the Redevelopment Area meets the requirements of the TIF Act follows:

### **Blighted Area and Not Subject to Growth and Development by Private Enterprise and Not Reasonably Anticipated to be Developed Without TIF**

The Redevelopment Area meets the requirements for designation as a “blighted area” as defined by Section 99.805(1) of the TIF Act. The “Data and Analysis of Conditions Representing a Blighted Area for the 100 N. Euclid Redevelopment Area” report details and documents the conditions which qualify the Redevelopment Area as a “blighted area.”

The Redevelopment Area 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. Appendix C to this Redevelopment Plan contains an affidavit, signed by the Developer that is submitted with and incorporated in this Redevelopment Plan by this reference, attesting that the provisions of Section 99.810.1 of the TIF Act have been met.

### **Conformance to the City’s Comprehensive Plan**

The uses proposed for the Redevelopment Area are consistent with the Strategic Land Use Plan of the City of St. Louis’ Comprehensive Plan, which designates the Area as a “Specialty Mixed Use Area”.

### **Estimated Date for Completion of the Redevelopment Project and Retirement of Obligations to Finance Costs of Redevelopment Projects**

This Redevelopment Plan states in Section 7 that the Redevelopment Project and TIF Obligations, as defined herein, issued to finance the costs of Redevelopment Project (estimated to be completed within two years) are estimated to be retired no later than 23 years from the anticipated date of adoption of any ordinance approving a respective Redevelopment.

### **Relocation Assistance Plan**

The Redevelopment Area is currently vacant. Therefore, no Relocation Plan for residents or businesses in the Redevelopment Area is necessary. In the event this changes, the City’s general relocation policy shall apply.

### **Cost-Benefit Analysis Showing Economic Impact on Each Taxing District**

A cost-benefit analysis showing the economic impact of this Redevelopment Plan on each taxing district that is at least partially within the boundaries of the Redevelopment

Area has been completed. The analysis shows the impact on the economy if the proposed Redevelopment Project is not built, and if it is built pursuant to the Redevelopment Plan.

The cost-benefit analysis additionally includes a fiscal impact study on every affected political subdivision, and sufficient information for the TIF Commission to evaluate whether the Redevelopment Project, as proposed, is financially feasible.

### **No Gambling Establishment**

This 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).

### **3. REDEVELOPMENT PLAN OBJECTIVES**

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The following objectives have been established for this Redevelopment Plan. These objectives are consistent with those contained in the City's Comprehensive Plan, as well as those purposes outlined in the TIF Act:

- To reduce or eliminate those conditions, the existence of which qualify the Redevelopment Area as a "blighted area";
- To encourage the orderly redevelopment of the Area to provide a new development to serve the residents of the City;
- To provide unique new quality residential options;
- To provide new grocery and retail options for residents of the City of St. Louis and St. Louis County;
- To serve as a catalyst for stabilization and redevelopment of properties in the Central West End neighborhood;
- To provide new job opportunities for the residents of the City;
- To provide a funding mechanism that will pay for the costs of improvements needed to stimulate growth and development through private reinvestment; and
- As a result of these activities, to enhance the tax bases and the resulting tax revenues for the City and all other taxing districts that extend into the Redevelopment Area.

#### **4. GENERAL DESCRIPTION OF THE ACTIVITIES TO ACCOMPLISH OBJECTIVES**

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To accomplish the objectives of this Redevelopment Plan, a program has been initiated to make TIF available within the Redevelopment Area and to attract and encourage private investment in the Redevelopment Area. Steps undertaken to date include:

- Preparation of this Redevelopment Plan providing for the redevelopment of the Redevelopment Area in accordance with the City's Comprehensive Plan;
- Study of the Redevelopment Area to document the existence of conditions that render the Redevelopment Area a "blighted area" under the TIF Act. The study methodology and documentation are set forth in a separate appendix document to this Redevelopment Plan. The study results provide the basis for the findings in Section 2 of this Redevelopment Plan; and
- Solicitation and consideration of proposals from qualified private entities for redevelopment projects within the Redevelopment Area and selection of qualified redeveloper(s) to implement Redevelopment Project which meets the goals and objectives of City's Comprehensive Plan and this Redevelopment Plan.

As a result of these efforts, this Redevelopment Plan envisions an inviting mixed-use area of the City.

Subsequent activities necessary to implement the Redevelopment Project and to accomplish the objectives of this Redevelopment Plan include, without limitation:

- The negotiation, approval, and execution of a redevelopment agreement providing for the terms upon which a developer will undertake a redevelopment project in accordance with this Redevelopment Plan;
- Site preparation;
- Streetscape and infrastructure improvements;
- The construction of new residentially-focused mixed use space within the Redevelopment Area by means of private investment; and
- Funding of selected costs of the Redevelopment Project and issuance of temporary and permanent TIF Obligations as defined herein.

#### **Compliance with Equal Opportunity and Non-Discrimination Laws and Regulations**

In any contract for work in connection with a Redevelopment Project, the Developer (which term shall include the Developer, any transferees, lessees, designees, successors and assigns thereof, including without limitation any entity related to the Developer by one of the relationships described in Section 267(b) of the United States

Internal Revenue Code of 1986, as amended), its contractors and subcontractors shall comply with all federal, state and local laws, ordinances or regulations governing equal opportunity and nondiscrimination (the "Equal Opportunity Laws"). Moreover, the Developer shall contractually require its contractors and subcontractors to comply with the Equal Opportunity Laws.

The Developer and its contractors or subcontractors shall not contract with any party known to have been found in violation of the Equal Opportunity Laws.

The Developer shall make good faith efforts to observe Executive Order #28 dated July 24, 1997, as amended, relating to minority and women-owned business participation in City contracts.

### **Accessibility Standards**

The Developer will cause the Redevelopment Project and their elements to be built in conformance with the American with Disabilities Act and the Fair Housing Act accessibility standards as they exist at the time of the commencement of construction of a particular Redevelopment Project.

## 5. EXISTING LAND USE

The Redevelopment Area currently contains a vacant lot and land that was formerly occupied by the now demolished Doctors Building. (See *Existing Land Use* map).

<b>EXISTING LAND USE IN THE 100 N. EUCLID REDEVELOPMENT AREA As of October 2012</b>		
<b>LAND USE</b>	<b>ACRES</b>	<b>% OF TOTAL ACRES</b>
Land with Vacant Parking	.89	54%
Vacant Land (former Doctor's Building Site)	.76	46%
<b>TOTAL</b>	<b>1.65</b>	<b>100.0%</b>

Sources: Development Strategies and St. Louis City.



## 6. PROPOSED DEVELOPMENT

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The Developer proposes to construct a seven-story mixed use development that would include the following key elements:

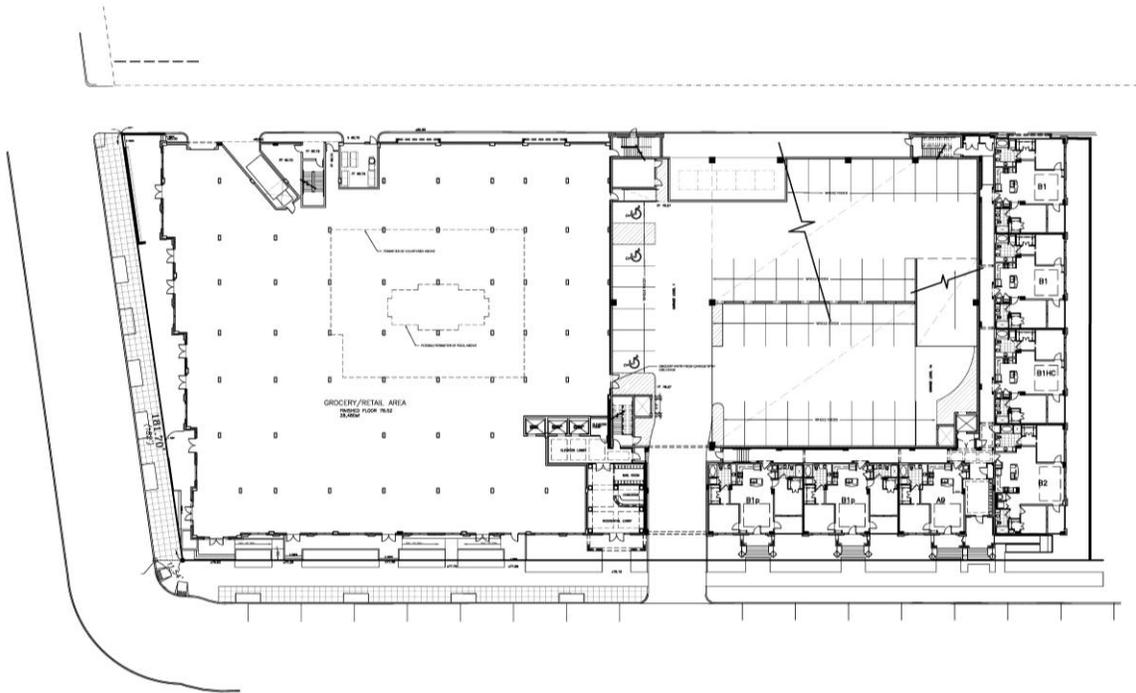
- Approximately 176 one, two and three bedroom apartment units to be located on the upper six floors of the mixed use building.
- A 30,000 square foot grocery store to be located on the first floor of the mixed use building
- A 445 space garage that will serve the apartment residents and customers of the grocery store. A total of 138 spaces will be available to the public.
- A club/fitness center containing approximately 4,300 square feet.

The following perspective provides an illustration of the character of the development proposed for the site.

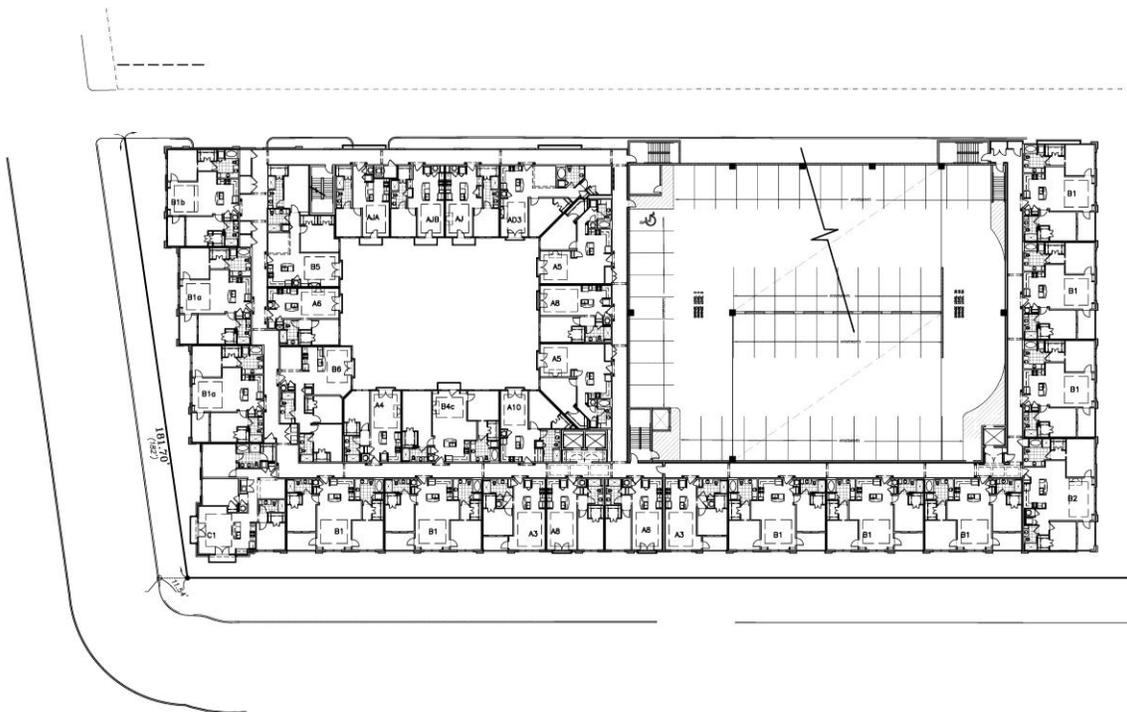


The proposed site improvements will include new street, lights, wider sidewalks, rain gardens and underground utilities that will be designed to be integrated into the comprehensive streetscape enhancements plan for Euclid Avenue between Forest Park Avenue and Lindell Boulevard. Similar improvements are proposed for the West Pine Boulevard frontage.

The following floor plans illustrate the proposed ground floor development with the grocery store located on the corner of Euclid Avenue and West Pine Boulevard, and the typical upper floor plans accommodating apartments and parking.



1 BUILDING/PARKING PLAN—LEVEL ONE (GRADE)  
 1/16" = 1'-0"



1 BUILDING/PARKING PLAN—LEVELS THREE THRU FIVE  
 1/16" = 1'-0"

## **7. ESTIMATED REDEVELOPMENT PROJECT COSTS**

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Section 99.805(15) of the TIF Act authorizes the City to include as "Redevelopment Project Costs", "...the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan or redevelopment project, as applicable."

The TIF Act states that eligible redevelopment project costs include but are not limited to:

- a) Costs of studies, surveys, plans, and specifications;
- b) Professional service costs including, but not limited to, architectural, engineering, legal, marketing, financial, planning, or special services, subject to the limitations of Section 99.805(15)(b) of the TIF Act;
- c) Property assembly costs including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
- d) Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
- e) Costs of construction of public works or improvements;
- f) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations issued pursuant to sections 99.800 to 99.865 of the TIF Act 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 thereto;
- g) 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 municipality by written agreement accepts and approves such costs;
- h) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or are required to be paid by federal or state law; and
- i) Payments in lieu of taxes.

Estimated costs for the Redevelopment Project is anticipated to total approximately \$60 million. The table on the following page illustrates a potential allocation of total costs.

<b>100 NORTH EUCLID REDEVELOPMENT AREA ESTIMATED PROJECT COSTS<sup>1, 2</sup></b> <b>(in millions of \$)</b>							
Studies & Professional Services	Property Acquisition & Relocation	Demolition & Infrastructure Costs	Building Rehab Costs	New Building Costs	Financing Costs	Contingency	TOTAL
\$ .97	\$9.33	\$2.06	\$0	\$40.24	\$3,20	\$3.85	\$59.65

1. The estimation of redevelopment project costs is based upon certain assumptions that may not materialize and, as an estimate or projection, is subject to uncertainty and risks that could cause actual results to differ from those contemplated in this estimation. Accordingly, the actual Redevelopment Project Costs may vary from the contemplated costs.
2. Because of the uncertainty of the above estimated Redevelopment Project Costs and because the amount of costs for certain categories may vary as a result of unforeseen events and circumstances, the above costs may be shifted between the categories of costs.

The following table illustrates the anticipated costs that will be funded by TIF.

<b>100 NORTH EUCLID REDEVELOPMENT AREA ESTIMATED TIF FUNDED PROJECT COSTS<sup>1, 2</sup></b> <b>(in millions of \$)</b>								
Studies & Professional Services	Property Acquisition & Relocation	Demolition & Infrastructure Costs	Building Rehabilitation Costs	New Building Costs	Public Parking Garage (3)	Financing Costs	Contingency	TOTAL
\$ .1	\$5.80	\$2.00	\$0.0	\$0.0	\$2.1	\$0.0	\$0.0	\$10.0

1. The estimation of TIF-funded Redevelopment Project Costs is based upon certain assumptions that may not materialize and, as an estimate or projection, is subject to uncertainty and risks that could cause actual results to differ from those contemplated in this estimation. Accordingly, the actual Redevelopment Project Costs may vary from the contemplated costs.
2. Because of the uncertainty of the above estimated TIF-funded Redevelopment Project Costs and because the amount of costs for certain categories may vary as a result of unforeseen events and circumstances, the above costs may be shifted between the categories of costs
3. Represents the portion of the parking garage that will dedicated to public parking.

Distribution among categories of costs of the Redevelopment Project are approximate. As the Redevelopment Project is implemented, specific categorical items and actual associated costs may vary from those provided above. The above estimated costs are exclusive of costs of issuance of TIF Obligations (as hereinafter defined), required reserve accounts, accrued interest on TIF Obligations and capitalized interest, if any.

## **8. ANTICIPATED FUNDS TO PAY COSTS AND OBLIGATIONS TO BE ISSUED**

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### **Anticipated Sources of Funds to Pay the Costs**

It is anticipated that the sources of funds to pay the costs of the Redevelopment Project could include:

- Funds available to the Developer through the Developer's own operating revenues and cash reserves or through private financing obtained by the Developer; and
- Proceeds of TIF notes or TIF bonds (collectively, "TIF Obligations") issued by the City and secured by anticipated PILOTs and EATs;

### **Evidence of Commitments to Finance the Project Costs**

Appendix B contains a commitment letter provided by Gershman Mortgage to provide financing for the Redevelopment Project. The Developer also commits to finance Redevelopment Project Costs through a combination of equity, conventional financing, and TIF Obligations.

### **Anticipated Type and Term of Sources of Funds to Pay Costs**

As noted above, Project funds anticipate a combination of Developer equity, conventional financing, TIF Obligations, and other notes or obligations issued by the City and secured by anticipated increases in the City's general revenues from the Redevelopment Projects. Conventional financing provided by the Developer will include both private construction financing and permanent financing. Terms of construction and permanent financing (not anticipated to exceed 40 years) will be determined through negotiations between the Developer and the Developer's equity partners and lending institutions.

As detailed below, TIF Obligations will consist of an initial issuance of temporary notes to be subsequently refunded by permanent bonds, each secured by revenues deposited in the Special Allocation Fund. As provided in the TIF Act, the maximum term of TIF financing will not exceed 23 years from the adoption by the City of the ordinance approving each Redevelopment Project.

### **Anticipated Type and Term of Obligations to be Issued**

It is anticipated that costs of Redevelopment Project will initially be financed through issuance by the City of tax increment financing notes ("TIF Notes") purchased by the Developer or related parties associated with the development. The TIF Notes would be secured by, and payable from, revenues available in the Special Allocation Fund. TIF Notes would be issued in a net aggregate principal amount reflecting the Redevelopment Project Costs incurred pursuant to this Plan and approved pursuant to a redevelopment agreement between the City and the Developer.

In no instance, however, shall the term of any TIF Obligation issued for a Redevelopment Project exceed 23 years from the adoption by the City of the ordinance approving the respective Redevelopment Project. The anticipated date of this approval for the Redevelopment Project is December 2012. Accordingly, the anticipated maximum estimated date for retirement of all TIF Obligations issued for the Redevelopment Project is December 2035.

## 9. EQUALIZED ASSESSED VALUATIONS

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### Most Recent Equalized Assessed Valuation of Property within the Redevelopment Area

The most recent equalized assessed valuation ("EAV") of property within the Redevelopment Area is provided by the records of the St. Louis City Assessor's Office. Most recent EAVs reflect assessments for the tax year 2012. The total taxable 2012 EAV for the Redevelopment Area is \$572,400.

### Estimated Equalized Assessed Valuation after Redevelopment

The estimated EAV after redevelopment is predicated upon increases in property values resulting from the completion of the Redevelopment Projects. The table below provides an estimate of the resulting EAV after full redevelopment.

<b>100 N. EUCLID REDEVELOPMENT AREA ESTIMATED EAV AFTER REDEVELOPMENT</b>		
<b>2012 EAV</b>	<b>Estimated EAV After Redevelopment</b>	<b>Estimated Incremental EAV After Redevelopment</b>
\$572,400	\$8,460,000	\$7,887,600

## **10. GENERAL LAND USES TO APPLY**

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As part of the redevelopment, the Area shall be rezoned to H Area Commercial. Additional zoning changes may be sought to accommodate the commercial and residential mixed uses and other aspects of the project.

## **11. REPORTING REQUIREMENTS**

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The TIF Commission by the last day of February each year shall report to the State Director of Economic Development the name, address, phone number, and primary line of business of any business which relocates to the Redevelopment Area pursuant to requirements of section 99.810.2 of the TIF Act, as may be from time to time required.

# **APPENDIX A**

**Legal Description of the  
100 N. Euclid  
Tax Increment Financing Redevelopment Area**

## LEGAL DESCRIPTION OF REDEVELOPMENT AREA

A tract of land situated in City Block 3893 of the City of St. Louis, and the State of Missouri, being all the Lots 21 through 28 of John Baker's Subdivision and being more particularly described as follows:

COMMENCING at a cut "+" in concrete marking the intersection of the North right-of-way line of West Pine Boulevard, 80 feet wide and the East right-of-way line of Euclid Avenue, 60 feet wide, being the Southwest corner of said City Block 3893 and also being the TRUE POINT OF BEGINNING for the tract herein described; thence along said East right-of-way line, North 06 degrees 50 minutes 33 seconds East, a distance of 181.80 feet to a set spindle marking the intersection of said East right-of-way line and the South right-of-way line of a 20 foot alley; thence along said South right-of-way line, South 75 degrees 02 minutes 31 seconds East, a distance of 412.73 feet to a set spindle marking the Northwest corner of West Pine Condominium, a condominium filed for record in Plat Book 43 Pages 9-10 of the land records of said City of St. Louis; thence leaving said South right-of-way line and along the Westerly line of said West Pine Place Condominium, South 15 degrees 00 minutes 13 seconds West, a distance of 179.94 feet to a set ½ inch iron rod marking the Southwest corner of West Pine Place Condominium, being along aforementioned North right-of-way line of West Pine Boulevard; thence along said North right-of-way line, North 75 degrees 02 minutes 00 seconds West, a distance of 386.93 feet to the Point of Beginning and containing 1.65 acres (71,930 square feet) according to a survey by J. R. Grimes Consulting Engineers, Inc.

# **APPENDIX B**

## **Evidence of Commitment to Finance Project Costs**



## Gershman Mortgage

October 12, 2012

Mr. O. Bruce Mills  
City Walk on Euclid, LLC  
c/o Mills Properties  
2650 S. Hanley, Suite 200  
St. Louis, MO 63144

RE: 100 North Euclid  
Construction and Permanent Loan Commitment

Dear Bruce:

Gershman Mortgage has accepted your application to process a HUD-insured loan under Section 220. The mortgage will have a term of 40 years plus the construction period of 21 months and would fund the construction of 100 North Euclid.

Our preliminary underwriting analysis has determined that we will be able to procure a Firm Commitment from HUD for their mortgage insurance. This commitment is subject to HUD's concurrence with our underwriting conclusions. We will also be able to increase our mortgage to accommodate the additional units and commercial space that is currently proposed. We have inspected the property, reviewed the physical needs analysis and environmental report and have met with HUD to discuss the project.

The present debt service coverage ratio under the 220 program is 1.20 and there will be requirements to fund any projected operating deficits at closing.

Our final underwriting approval is conditioned on receiving an updated appraisal and market study as well as various other updated credit documents. Our commitment to interest rate is subject to market conditions at the time the HUD Firm Commitment is available. This rate and term is readily available under current market conditions.

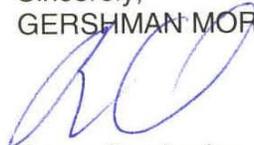
Once HUD issues a commitment to insure our loan, you can proceed toward closing subject to several conditions. First, your organizational entity must be formed and comply with HUD's single-asset entity requirement. A final sources and uses of funds schedule must be provided that details the complete transaction. An acceptable Lender's title policy and survey will be required.

[www.gershman.com](http://www.gershman.com)

Gershman Mortgage is very familiar with this form of financing with multi-layered sources of funds. We have recently closed similar transactions in Southern Illinois, Indiana and St. Louis.

If you have any questions in regard to the information provided above, please call me at (314) 889-0675.

Sincerely,  
GERSHMAN MORTGAGE



Bruce Sandweiss  
Executive Vice President

# **APPENDIX C**

**Developer's Affidavit**

AFFIDAVIT

STATE OF MISSOURI        )  
  )  
  )        SS.  
COUNTY OF ST. LOUIS    )

O. BRUCE MILLS, being first duly sworn, deposes, says and attests as follows:

1. I am the Manager of CITY WALK ON EUCLID, L.L.C., and am authorized to attest to the matters stated herein.
2. The Redevelopment Area ("Redevelopment Area") as described in Appendix A of the 100 N. Euclid Tax Increment Financing (TIF) Redevelopment Plan dated October 15, 2012 ("Redevelopment Plan"), is a "redevelopment area" under Sections 99.805 RSMo, is on the whole a "blighted area" as defined in Section 99.805 RSMo, according to factors described in the Data and Analysis of Conditions Representing a "Blighted Area" for the 100 N. Euclid Redevelopment Area, St. Louis, Missouri dated October 15, 2012 ("Blighting Study"), and otherwise meets all provisions of Subdivision (1) of Subsection 99.810.1 RSMo.
3. The Redevelopment Area has not been subject to growth and development through investment by private enterprise, as more fully described in the Redevelopment Plan, and would not reasonably be anticipated to be developed without the adoption of tax increment financing.

Developer:

CITY WALK ON EUCLID, L.L.C.

By:   
O. BRUCE MILLS, Manager

Subscribed and sworn to before me this 5th day of October, 2012.

  
Notary Public

My commission expires: 8/23/14

