

# **COST-BENEFIT ANALYSIS**

*Submitted in Conjunction with the 900 N. Tucker  
Blvd TIF Redevelopment Plan*

**October 11, 2019**

*Prepared for*

**City of St. Louis, Missouri**

**Tax Increment Financing Commission**

## **I. INTRODUCTION**

Attached hereto is a Cost-Benefit Analysis submitted in conjunction with the *900 N. Tucker Blvd TIF Redevelopment Plan* (the “Plan”), pertaining to the proposed redevelopment of certain real property in the City of St. Louis, as more particularly described in the Plan (the “Redevelopment Area”). The attached Cost-Benefit Analysis is submitted pursuant to Section 99.810 of the TIF Act, and profiles the economic consequences of the redevelopment project proposed in the Plan (the “Project”), as well as a study showing the fiscal impact of the Project upon each taxing district. This analysis, together with the information provided in the Plan, profiles the anticipated economic impact and financial feasibility of the Project.

The attached calculations are merely projections, as the Project has not yet been constructed. These projections are based on a series of assumptions that must be considered when interpreting the results of this analysis.

## **II. GENERAL ASSUMPTIONS AND CONDITIONS**

This Memorandum and the financial information contained herein are based on projections, assumptions, and information provided by an affiliate of the proposed developer of the Project, 900 N. Tucker Building, LLC (“Developer”) and prospective tenant(s), as well as information or assumptions provided or previously endorsed by the City of St. Louis and various other sources considered reliable. These projections are intended to be interpreted and used based on the assumptions set forth herein. Furthermore, with respect to assessed values of property, the attached projections are based upon information and methodologies provided by the City of St. Louis Assessor’s Office; ultimately, however, these assessments are left to the discretion of the City Assessor.

The projections presented in this document are forward-looking and involve certain assumptions, as noted above, and judgments regarding uncertainties including, without limitation:

- Changes in the real estate market;
- Actual leasing results;
- Tenant location and performance;
- The timing of project start and completion; and
- Changes in the commercial market competition and economic conditions.

The ability to achieve the results described herein depends on the timing and probability of a complex series of future events and conditions, both internal and external to the proposed development project. Any event or action that alters an assumed event, assumption, or conditions used to achieve the projections contained herein shall be considered a cause to void all projections contained herein.

The tax revenue projections contained in this report represent prospective information, opinions, and estimates regarding a development project that is not yet complete. These projections are not provided as predictions or assurances that a certain level of performance will be achieved or that certain events will occur. The actual results may vary materially from the projections described herein, and the variations may be material. Because the future is uncertain, there is risk associated with achieving the results projected.

### **III. AVAILABILITY OF INCREMENTAL TAX REVENUES**

The availability of the projected incremental tax revenues for both the affected taxing districts and for deposit into the Special Allocation Fund is impacted by several events. Specifically, the attached calculations assume the prompt payment and collection of all taxes, and the distribution of these monies to the Special Allocation Fund by the City of St. Louis.

### **IV. SPECIFIC ASSUMPTIONS**

Attached hereto are five separate sets of spreadsheets formulated with respect to the proposed Project. The sheet, entitled “Projected TIF Revenues,” profiles the potential revenues that may be generated by the Project for distribution to the Special Allocation Fund by the Project. Several of the key assumptions used to calculate the figures profiled on this sheet, including the applicable rates for property taxes, as well as the methodologies for determining future PILOTs and EATS and the assumed growth rates, are provided at the bottom of the page.

The second set of sheets, entitled “Cost-Benefit Analysis” consists of a cost-benefit analysis and fiscal impact study showing the overall impact of the total Project on taxing districts. The assumptions provided on the TIF Revenues spreadsheet with respect to tax rates, growth rates and methodologies generally apply as well to the Cost-Benefit Analysis. Additionally, the Cost-Benefit Analysis indicates the impact of certain taxes which are generated by the Project but not captured by the TIF, and thus not shown on the TIF Revenues sheet, and also profiles the projected taxes generated if the Project is not built (the “Without TIF” scenario). Some pertinent assumptions with respect to the Cost-Benefit Analysis are:

- Without TIF, it is assumed that the Redevelopment Area will remain underutilized and will generate minimal incremental real property tax revenues. Without the redevelopment of the Redevelopment Area using TIF, it is assumed that the Redevelopment Area will be in an unmarketable condition and the Project will not be completed;
- Utility taxes are assumed 10% of utility costs with respect to commercial uses upon completion of the Redevelopment Project; without TIF, no new utility tax revenues are anticipated if the property remains in its current vacant state;
- While utility taxes and payroll/earnings taxes on construction workers are not considered to be a source of repayment of the TIF Notes on the “TIF Revenues” sheet (due to collection difficulties identified by the City), the Cost-Benefit Analysis

assumes that only half of such taxes are paid to the taxing districts (assuming the other half are captured as EATs);

- The Personal and Real Property tax rates are based upon the 2019 rates for each. Although these rates vary from year to year, it is impossible to determine what the rate will be in any future year;
- The PILOT and EATs projections are generally based upon those assumptions detailed on the “Assumptions” sheet, including an assumed 1250 jobs in the Redevelopment Area by the end of 2023.

While the TIF projections are based on a coverage ratio of 1.1 for PILOTs and 1.25 for EATs, without these coverage ratios, the TIF is projected to be paid off in 2039. The tax projections given assume the TIF will be paid off in 2039 and additional taxes collected after this date will be wholly dedicated to the applicable taxing districts.

The third sheet lists anticipated sources and uses used to construct the Project. The fourth sheet includes a projected operating pro forma for the Project and a financial analysis showing the Project is financially feasible and will provide a reasonable return on investment. The fifth sheet notes certain assumptions used in these analyses.

## **V. CONCLUSION**

The information attached hereto is based on a series of complex assumptions which are described herein. This information is submitted for the purposes of analysis provided in Section 99.810 of the TIF Act, and contains no warranty therewith. The information contained herein provides an analysis of the impact of the Project as well as information sufficient to determine whether the Project is financially feasible.

Neither this document nor its contents may be referred to or quoted, in whole or in part, for any purpose including, but not limited to, any official statement for a bond issue and consummation of a bond sale, any registration statement, prospectus, loan, or other agreement or document, without proper review and written approval by Husch Blackwell LLP regarding any representation therein. Husch Blackwell LLP has neither verified nor audited the information that was provided by any source. Information provided by others is assumed to be reliable, but Husch Blackwell LLP assumes no responsibility for its accuracy, certainty or degree of risk involved. Because this analysis assumes that there will be no significant change in market conditions and the schedule requested by the Developer will be followed, Husch Blackwell LLP assumes no liability should market conditions change or the schedule not be met.



**Cost-Benefit Analysis**  
**(See Attached)**

Estimated Real Estate Taxes to Taxing Districts												
WITH TIF			BASE (2019)	2020	2021	2022	2023	2024	2025	2026	2027	2028
Assessed Value			\$1,312,000	\$1,312,000	\$6,407,954	\$6,407,954	\$6,568,153	\$6,568,153	\$6,732,357	\$6,732,357	\$6,900,666	\$6,900,666
Taxing Jurisdiction	Levy Amount (2016)	Levy as % of Total										
Blind Person Levy (not subject to capture by TIF)	0.0300	0.37%	\$394	\$394	\$1,922	\$1,922	\$1,970	\$1,970	\$2,020	\$2,020	\$2,070	\$2,070
Community Mental Health	0.0900	1.10%	\$1,181	\$1,181	\$1,181	\$1,181	\$1,181	\$1,181	\$1,181	\$1,181	\$1,181	\$1,181
Community College District	0.2000	2.45%	\$2,624	\$2,624	\$2,624	\$2,624	\$2,624	\$2,624	\$2,624	\$2,624	\$2,624	\$2,624
Community Children's Service Fund	0.1800	2.21%	\$2,362	\$2,362	\$2,362	\$2,362	\$2,362	\$2,362	\$2,362	\$2,362	\$2,362	\$2,362
Metro Zoo, Park & Museum District	0.2600	3.19%	\$3,411	\$3,411	\$3,411	\$3,411	\$3,411	\$3,411	\$3,411	\$3,411	\$3,411	\$3,411
Sheltered Workshop (not subject to capture by TIF)	0.1300	1.59%	\$1,706	\$1,706	\$8,330	\$8,330	\$8,539	\$8,539	\$8,752	\$8,752	\$8,971	\$8,971
School District	4.9900	61.15%	\$65,469	\$65,469	\$65,469	\$65,469	\$65,469	\$65,469	\$65,469	\$65,469	\$65,469	\$65,469
Metropolitan Sewer District	0.1100	1.35%	\$1,443	\$1,443	\$1,443	\$1,443	\$1,443	\$1,443	\$1,443	\$1,443	\$1,443	\$1,443
Senior Services	0.0500	0.61%	\$656	\$656	\$656	\$656	\$656	\$656	\$656	\$656	\$656	\$656
City of St. Louis	1.5800	19.36%	\$20,730	\$20,730	\$20,730	\$20,730	\$20,730	\$20,730	\$20,730	\$20,730	\$20,730	\$20,730
Library	0.5400	6.62%	\$7,085	\$7,085	\$7,085	\$7,085	\$7,085	\$7,085	\$7,085	\$7,085	\$7,085	\$7,085
<b>Total</b>	<b>8.1600</b>	<b>100%</b>	<b>\$107,059</b>	<b>\$107,059</b>	<b>\$115,213</b>	<b>\$115,213</b>	<b>\$115,469</b>	<b>\$115,469</b>	<b>\$115,732</b>	<b>\$115,732</b>	<b>\$116,001</b>	<b>\$116,001</b>

Estimated Real Estate Taxes to Taxing District												
WITHOUT TIF			BASE (2019)	2020	2021	2022	2023	2024	2025	2026	2027	2028
Assessed Value			\$1,312,000	\$1,312,000	\$1,325,120	\$1,325,120	\$1,338,371	\$1,338,371	\$1,351,755	\$1,351,755	\$1,365,272	\$1,365,272
Taxing Jurisdiction	Levy Amount (2016)	Levy as % of Total										
Blind Person Levy	0.0300	0.37%	\$394	\$394	\$398	\$398	\$402	\$402	\$406	\$406	\$410	\$410
Community Mental Health	0.0900	1.10%	\$1,181	\$1,181	\$1,193	\$1,193	\$1,205	\$1,205	\$1,217	\$1,217	\$1,229	\$1,229
Community College District	0.2000	2.45%	\$2,624	\$2,624	\$2,650	\$2,650	\$2,677	\$2,677	\$2,704	\$2,704	\$2,731	\$2,731
Community Children's Service Fund	0.1800	2.21%	\$2,362	\$2,362	\$2,385	\$2,385	\$2,409	\$2,409	\$2,433	\$2,433	\$2,457	\$2,457
Metro Zoo, Park & Museum District	0.2600	3.19%	\$3,411	\$3,411	\$3,445	\$3,445	\$3,480	\$3,480	\$3,515	\$3,515	\$3,550	\$3,550
Sheltered Workshop	0.1300	1.59%	\$1,706	\$1,706	\$1,723	\$1,723	\$1,740	\$1,740	\$1,757	\$1,757	\$1,775	\$1,775
School District	4.9900	61.15%	\$65,469	\$65,469	\$66,123	\$66,123	\$66,785	\$66,785	\$67,453	\$67,453	\$68,127	\$68,127
Metropolitan Sewer District	0.1100	1.35%	\$1,443	\$1,443	\$1,458	\$1,458	\$1,472	\$1,472	\$1,487	\$1,487	\$1,502	\$1,502
Senior Services	0.0500	0.61%	\$656	\$656	\$663	\$663	\$669	\$669	\$676	\$676	\$683	\$683
City of St. Louis	1.5800	19.36%	\$20,730	\$20,730	\$20,937	\$20,937	\$21,146	\$21,146	\$21,358	\$21,358	\$21,571	\$21,571
Library	0.5400	6.62%	\$7,085	\$7,085	\$7,156	\$7,156	\$7,227	\$7,227	\$7,299	\$7,299	\$7,372	\$7,372
<b>Total</b>	<b>8.1600</b>	<b>100%</b>	<b>\$107,059</b>	<b>\$107,059</b>	<b>\$108,130</b>	<b>\$108,130</b>	<b>\$109,211</b>	<b>\$109,211</b>	<b>\$110,303</b>	<b>\$110,303</b>	<b>\$111,406</b>	<b>\$111,406</b>

Assumed Growth Rate Without TIF: 1.01

Estimated Commercial Surcharge												
WITH TIF			BASE (2019)	2020	2021	2022	2023	2024	2025	2026	2027	2028
Assessed Value			\$1,312,000	\$1,312,000	\$6,407,954	\$6,407,954	\$6,568,153	\$6,568,153	\$6,732,357	\$6,732,357	\$6,900,666	\$6,900,666
Tax Type	Levy Amount (2016)	Levy as % of Total										
Blind Person Levy	0.0090	0.55%	\$118	\$118	\$577	\$577	\$591	\$591	\$606	\$606	\$621	\$621
Community College District	0.0700	4.27%	\$918	\$918	\$4,486	\$4,486	\$4,598	\$4,598	\$4,713	\$4,713	\$4,830	\$4,830
Metro Zoo, Park & Museum District	0.0730	4.45%	\$958	\$958	\$4,678	\$4,678	\$4,795	\$4,795	\$4,915	\$4,915	\$5,037	\$5,037
Sheltered Workshop	0.0160	0.98%	\$210	\$210	\$1,025	\$1,025	\$1,051	\$1,051	\$1,077	\$1,077	\$1,104	\$1,104
School District	1.1740	71.59%	\$15,403	\$15,403	\$75,229	\$75,229	\$77,110	\$77,110	\$79,038	\$79,038	\$81,014	\$81,014
Metropolitan Sewer District	0.0730	4.45%	\$958	\$958	\$4,678	\$4,678	\$4,795	\$4,795	\$4,915	\$4,915	\$5,037	\$5,037
City of St. Louis	0.1460	8.90%	\$1,916	\$1,916	\$9,356	\$9,356	\$9,590	\$9,590	\$9,829	\$9,829	\$10,075	\$10,075
Library	0.0790	4.82%	\$1,036	\$1,036	\$5,062	\$5,062	\$5,189	\$5,189	\$5,319	\$5,319	\$5,452	\$5,452
<b>Total</b>	<b>1.64</b>	<b>100%</b>	<b>\$21,517</b>	<b>\$21,517</b>	<b>\$105,090</b>	<b>\$105,090</b>	<b>\$107,718</b>	<b>\$107,718</b>	<b>\$110,411</b>	<b>\$110,411</b>	<b>\$113,171</b>	<b>\$113,171</b>

Estimated Commercial Surcharge												
WITHOUT TIF			BASE (2019)	2020	2021	2022	2023	2024	2025	2026	2027	2028
Assessed Value			\$1,312,000	\$1,312,000	\$1,325,120	\$1,325,120	\$1,338,371	\$1,338,371	\$1,351,755	\$1,351,755	\$1,365,272	\$1,365,272
Tax Type	Levy Amount (2016)	Levy as % of Total										
Blind Person Levy	0.0090	0.55%	\$118	\$118	\$119	\$119	\$120	\$120	\$122	\$122	\$123	\$123
Community College District	0.0700	4.27%	\$918	\$918	\$928	\$928	\$937	\$937	\$946	\$946	\$956	\$956
Metro Zoo, Park & Museum District	0.0730	4.45%	\$958	\$958	\$967	\$967	\$977	\$977	\$987	\$987	\$997	\$997
Sheltered Workshop	0.0160	0.98%	\$210	\$210	\$212	\$212	\$214	\$214	\$216	\$216	\$218	\$218
School District	1.1740	71.59%	\$15,403	\$15,403	\$15,557	\$15,557	\$15,712	\$15,712	\$15,870	\$15,870	\$16,028	\$16,028
Metropolitan Sewer District	0.0730	4.45%	\$958	\$958	\$967	\$967	\$977	\$977	\$987	\$987	\$997	\$997
City of St. Louis	0.1460	8.90%	\$1,916	\$1,916	\$1,935	\$1,935	\$1,954	\$1,954	\$1,974	\$1,974	\$1,993	\$1,993
Library	0.0790	4.82%	\$1,036	\$1,036	\$1,047	\$1,047	\$1,057	\$1,057	\$1,068	\$1,068	\$1,079	\$1,079
<b>Total</b>	<b>1.64</b>	<b>100%</b>	<b>\$21,517</b>	<b>\$21,517</b>	<b>\$21,732</b>	<b>\$21,732</b>	<b>\$21,949</b>	<b>\$21,949</b>	<b>\$22,169</b>	<b>\$22,169</b>	<b>\$22,390</b>	<b>\$22,390</b>

Note: The shaded area denotes period after projected payoff of TIF

Estimated Real Estate Taxes to Taxing Districts																					
WITH TIF																					
			2029	2030	2031	2032	2033	2034	2035	2036											
Assessed Value			\$7,073,182	\$7,073,182	\$7,250,012	\$7,250,012	\$7,431,262	\$7,431,262	\$7,617,044	\$7,617,044	\$7,807,470	\$7,807,470	\$8,002,656	\$8,002,656	\$8,202,723	\$8,202,723			TOTALS		
Taxing Jurisdiction	Levy Amount (2016)	Levy as % of Total																			
Blind Person Levy (not subject to capture by TIF)	0.0300	0.37%	\$2,122	\$2,122	\$2,175	\$2,175	\$2,229	\$2,229	\$2,285	\$2,285	\$2,342	\$2,342	\$2,401	\$2,401	\$2,461	\$2,461					\$48,390
Community Mental Health	0.0900	1.10%	\$1,181	\$1,181	\$1,181	\$1,181	\$1,181	\$1,181	\$1,181	\$1,181	\$7,027	\$7,027	\$7,202	\$7,202	\$7,382	\$7,382					\$63,297
Community College District	0.2000	2.45%	\$2,624	\$2,624	\$2,624	\$2,624	\$2,624	\$2,624	\$2,624	\$2,624	\$15,615	\$15,615	\$16,005	\$16,005	\$16,405	\$16,405					\$140,659
Community Children's Service Fund	0.1800	2.21%	\$2,362	\$2,362	\$2,362	\$2,362	\$2,362	\$2,362	\$2,362	\$2,362	\$14,053	\$14,053	\$14,405	\$14,405	\$14,765	\$14,765					\$126,593
Metro Zoo, Park & Museum District	0.2600	3.19%	\$3,411	\$3,411	\$3,411	\$3,411	\$3,411	\$3,411	\$3,411	\$3,411	\$20,299	\$20,299	\$20,807	\$20,807	\$21,327	\$21,327					\$182,857
Sheltered Workshop (not subject to capture by TIF)	0.1300	1.59%	\$9,195	\$9,195	\$9,425	\$9,425	\$9,661	\$9,661	\$9,902	\$9,902	\$10,150	\$10,150	\$10,403	\$10,403	\$10,664	\$10,664					\$209,689
School District	4.9900	61.15%	\$65,469	\$65,469	\$65,469	\$65,469	\$65,469	\$65,469	\$65,469	\$65,469	\$389,593	\$389,593	\$399,333	\$399,333	\$409,316	\$409,316					\$3,509,452
Metropolitan Sewer District	0.1100	1.35%	\$1,443	\$1,443	\$1,443	\$1,443	\$1,443	\$1,443	\$1,443	\$1,443	\$8,588	\$8,588	\$8,803	\$8,803	\$9,023	\$9,023					\$77,363
Senior Services	0.0500	0.61%	\$656	\$656	\$656	\$656	\$656	\$656	\$656	\$656	\$3,904	\$3,904	\$4,001	\$4,001	\$4,101	\$4,101					\$35,165
City of St. Louis	1.5800	19.36%	\$20,730	\$20,730	\$20,730	\$20,730	\$20,730	\$20,730	\$20,730	\$20,730	\$123,358	\$123,358	\$126,442	\$126,442	\$129,603	\$129,603					\$1,111,209
Library	0.5400	6.62%	\$7,085	\$7,085	\$7,085	\$7,085	\$7,085	\$7,085	\$7,085	\$7,085	\$42,160	\$42,160	\$43,214	\$43,214	\$44,295	\$44,295					\$379,780
<b>Total</b>	<b>8.1600</b>	<b>100%</b>	<b>\$116,277</b>	<b>\$116,277</b>	<b>\$116,560</b>	<b>\$116,560</b>	<b>\$116,850</b>	<b>\$116,850</b>	<b>\$117,147</b>	<b>\$117,147</b>	<b>\$637,090</b>	<b>\$637,090</b>	<b>\$653,017</b>	<b>\$653,017</b>	<b>\$669,342</b>	<b>\$669,342</b>					<b>\$5,884,454</b>

Estimated Real Estate Taxes to Taxing District																						
WITHOUT TIF																						
			2029	2030	2031	2032	2033	2034	2035	2036												
Assessed Value			\$1,378,925	\$1,378,925	\$1,392,714	\$1,392,714	\$1,406,642	\$1,406,642	\$1,420,708	\$1,420,708	\$1,434,915	\$1,434,915	\$1,449,264	\$1,449,264	\$1,463,757	\$1,463,757					\$31,966,888	
Taxing Jurisdiction	Levy Amount (2016)	Levy as % of Total																				
Blind Person Levy	0.0300	0.37%	\$414	\$414	\$418	\$418	\$422	\$422	\$426	\$426	\$430	\$430	\$435	\$435	\$439	\$439					\$9,590	
Community Mental Health	0.0900	1.10%	\$1,241	\$1,241	\$1,253	\$1,253	\$1,266	\$1,266	\$1,279	\$1,279	\$1,291	\$1,291	\$1,304	\$1,304	\$1,317	\$1,317					\$28,770	
Community College District	0.2000	2.45%	\$2,758	\$2,758	\$2,785	\$2,785	\$2,813	\$2,813	\$2,841	\$2,841	\$2,870	\$2,870	\$2,899	\$2,899	\$2,928	\$2,928					\$63,934	
Community Children's Service Fund	0.1800	2.21%	\$2,482	\$2,482	\$2,507	\$2,507	\$2,532	\$2,532	\$2,557	\$2,557	\$2,583	\$2,583	\$2,609	\$2,609	\$2,635	\$2,635					\$57,540	
Metro Zoo, Park & Museum District	0.2600	3.19%	\$3,585	\$3,585	\$3,621	\$3,621	\$3,657	\$3,657	\$3,694	\$3,694	\$3,731	\$3,731	\$3,768	\$3,768	\$3,806	\$3,806					\$83,114	
Sheltered Workshop	0.1300	1.59%	\$1,793	\$1,793	\$1,811	\$1,811	\$1,829	\$1,829	\$1,847	\$1,847	\$1,865	\$1,865	\$1,884	\$1,884	\$1,903	\$1,903					\$41,557	
School District	4.9900	61.15%	\$68,808	\$68,808	\$69,496	\$69,496	\$70,191	\$70,191	\$70,893	\$70,893	\$71,602	\$71,602	\$72,318	\$72,318	\$73,041	\$73,041					\$1,595,148	
Metropolitan Sewer District	0.1100	1.35%	\$1,517	\$1,517	\$1,532	\$1,532	\$1,547	\$1,547	\$1,563	\$1,563	\$1,578	\$1,578	\$1,594	\$1,594	\$1,610	\$1,610					\$35,164	
Senior Services	0.0500	0.61%	\$689	\$689	\$696	\$696	\$703	\$703	\$710	\$710	\$717	\$717	\$725	\$725	\$732	\$732					\$15,983	
City of St. Louis	1.5800	19.36%	\$21,787	\$21,787	\$22,005	\$22,005	\$22,225	\$22,225	\$22,447	\$22,447	\$22,672	\$22,672	\$22,898	\$22,898	\$23,127	\$23,127					\$505,077	
Library	0.5400	6.62%	\$7,446	\$7,446	\$7,521	\$7,521	\$7,596	\$7,596	\$7,672	\$7,672	\$7,749	\$7,749	\$7,826	\$7,826	\$7,904	\$7,904					\$172,621	
<b>Total</b>	<b>8.1600</b>	<b>100%</b>	<b>\$112,520</b>	<b>\$112,520</b>	<b>\$113,645</b>	<b>\$113,645</b>	<b>\$114,782</b>	<b>\$114,782</b>	<b>\$115,930</b>	<b>\$115,930</b>	<b>\$117,089</b>	<b>\$117,089</b>	<b>\$118,260</b>	<b>\$118,260</b>	<b>\$119,443</b>	<b>\$119,443</b>					<b>\$2,608,498</b>	

Assumed Growth Rate Without TIF: 1.01

Estimated Commercial Surcharge																						
WITH TIF																						
			2029	2030	2031	2032	2033	2034	2035	2036												
Assessed Value			\$7,073,182	\$7,073,182	\$7,250,012	\$7,250,012	\$7,431,262	\$7,431,262	\$7,617,044	\$7,617,044	\$7,807,470	\$7,807,470	\$8,002,656	\$8,002,656	\$8,202,723	\$8,202,723					\$161,298,955	
Tax Type	Levy Amount (2016)	Levy as % of Total																				
Blind Person Levy	0.0090	0.55%	\$637	\$637	\$653	\$653	\$669	\$669	\$686	\$686	\$703	\$703	\$720	\$720	\$738	\$738					\$14,517	
Community College District	0.0700	4.27%	\$4,951	\$4,951	\$5,075	\$5,075	\$5,202	\$5,202	\$5,332	\$5,332	\$5,465	\$5,465	\$5,602	\$5,602	\$5,742	\$5,742					\$112,909	
Metro Zoo, Park & Museum District	0.0730	4.45%	\$5,163	\$5,163	\$5,293	\$5,293	\$5,425	\$5,425	\$5,560	\$5,560	\$5,699	\$5,699	\$5,842	\$5,842	\$5,988	\$5,988					\$117,748	
Sheltered Workshop	0.0160	0.98%	\$1,132	\$1,132	\$1,160	\$1,160	\$1,189	\$1,189	\$1,219	\$1,219	\$1,249	\$1,249	\$1,280	\$1,280	\$1,312	\$1,312					\$25,808	
School District	1.1740	71.59%	\$83,039	\$83,039	\$85,115	\$85,115	\$87,243	\$87,243	\$89,424	\$89,424	\$91,660	\$91,660	\$93,951	\$93,951	\$96,300	\$96,300					\$1,893,650	
Metropolitan Sewer District	0.0730	4.45%	\$5,163	\$5,163	\$5,293	\$5,293	\$5,425	\$5,425	\$5,560	\$5,560	\$5,699	\$5,699	\$5,842	\$5,842	\$5,988	\$5,988					\$117,748	
City of St. Louis	0.1460	8.90%	\$10,327	\$10,327	\$10,585	\$10,585	\$10,850	\$10,850	\$11,121	\$11,121	\$11,399	\$11,399	\$11,684	\$11,684	\$11,976	\$11,976					\$235,496	
Library	0.0790	4.82%	\$5,588	\$5,588	\$5,728	\$5,728	\$5,871	\$5,871	\$6,017	\$6,017	\$6,168	\$6,168	\$6,322	\$6,322	\$6,480	\$6,480					\$127,426	
<b>Total</b>	<b>1.64</b>	<b>100%</b>	<b>\$116,000</b>	<b>\$116,000</b>	<b>\$118,900</b>	<b>\$118,900</b>	<b>\$121,873</b>	<b>\$121,873</b>	<b>\$124,920</b>	<b>\$124,920</b>	<b>\$128,043</b>	<b>\$128,043</b>	<b>\$131,244</b>	<b>\$131,244</b>	<b>\$134,525</b>	<b>\$134,525</b>					<b>\$2,645,303</b>	

Estimated Commercial Surcharge																						
WITHOUT TIF																						
			2029	2030	2031	2032	2033	2034	2035	2036												
Assessed Value			\$1,378,925	\$1,378,925	\$1,392,714	\$1,392,714	\$1,406,642	\$1,406,642	\$1,420,708	\$1,420,708	\$1,434,915	\$1,434,915	\$1,449,264	\$1,449,264	\$1,463,757	\$1,463,757					\$31,966,888	
Tax Type	Levy Amount (2016)	Levy as % of Total																				
Blind Person Levy	0.0090	0.55%	\$124	\$124	\$125	\$125	\$127	\$127	\$128	\$128	\$129	\$129	\$130	\$130	\$132	\$132					\$2,877	
Community College District	0.0700	4.27%	\$965	\$965	\$975	\$975	\$985	\$985	\$994	\$994	\$1,004	\$1,004	\$1,014	\$1,014	\$1,025	\$1,025					\$22,377	
Metro Zoo, Park & Museum District	0.0730	4.45%	\$1,007	\$1,007	\$1,017	\$1,017	\$1,027	\$1,027	\$1,037	\$1,037	\$1,047	\$1,047	\$1,058	\$1,058	\$1,069	\$1,069					\$23,336	
Sheltered Workshop	0.0160	0.98%	\$221	\$221	\$223	\$223	\$225	\$225	\$227	\$227	\$230	\$230	\$232	\$232	\$234	\$234					\$5,115	
School District	1.1740	71.59%	\$16,189	\$16,189	\$16,350	\$16,350	\$16,514	\$16,514	\$16,679	\$16,679	\$16,846	\$16,846	\$17,014	\$17,014	\$17,185	\$17,185					\$375,291	
Metropolitan Sewer District	0.0730	4.45%	\$1,007	\$1,007	\$1,017	\$1,017	\$1,027	\$1,027														











## Sources and Uses

<b>Sources &amp; Uses</b>	
<b>Projected Uses</b>	
Acquisition Costs	\$2,380,000
Hard Construction Costs	57,993,059
Architectural/Engineering	2,492,000
Permits	356,000
Environmental Study/Applications	30,000
Survey	12,500
Soft Costs	688,000
Developer Fee	4,961,200
Financing Fees	809,205
<b>Total</b>	<b>\$ 69,721,964</b>
<b>Projected Sources</b>	
Owner Equity/Mortgage	28,252,970
TIF Equity	11,850,000
Federal Historic Preservation Tax Credits	8,547,913
State Historic Preservation Tax Credits	12,118,230
Brownfield Remediation Tax Credits	3,991,651
Deferred Developer Fee	4,961,200
<b>Total</b>	<b>\$ 69,721,964</b>

## Operating Pro Forma & Financial Analysis

	2021	2022	2023	2024	2025
Occupancy	100%	100%	100%	100%	100%
<b>Income</b>					
Rental Income	\$ 3,079,904.00	\$ 3,172,301.00	\$ 3,267,470.00	\$ 3,365,494.00	\$ 3,466,489.00
Tenant Reimbursables	\$ 1,182,746.50	\$ 1,170,223.00	\$ 1,182,512.00	\$ 1,167,226.00	\$ 1,181,484.00
<b>Total Gross Income</b>	<b>\$ 4,262,650.50</b>	<b>\$ 4,342,524.00</b>	<b>\$ 4,449,982.00</b>	<b>\$ 4,532,720.00</b>	<b>\$ 4,647,973.00</b>
<b>Expenses</b>					
Operating Expenses	\$ (1,059,550.34)	\$ (1,043,531.00)	\$ (1,051,813.00)	\$ (1,032,606.00)	\$ (1,042,826.00)
Management Fee	\$ (123,196.16)	\$ (126,692.00)	\$ (130,699.00)	\$ (134,620.00)	\$ (138,658.00)
Replacement Reserve	\$ (417,433.50)	\$ (429,957.00)	\$ (442,855.00)	\$ (458,141.00)	\$ (469,825.00)
Deferred Developer Fee	\$ (152,190.00)	\$ (152,190.00)	\$ (152,190.00)	\$ (168,210.00)	\$ (168,210.00)
<b>Total Expenses</b>	<b>\$ (1,752,370.00)</b>	<b>\$ (1,752,370.00)</b>	<b>\$ (1,777,557.00)</b>	<b>\$ (1,793,577.00)</b>	<b>\$ (1,819,519.00)</b>
<b>NOI</b>	<b>\$ 2,510,280.50</b>	<b>\$ 2,590,154.00</b>	<b>\$ 2,672,425.00</b>	<b>\$ 2,739,143.00</b>	<b>\$ 2,828,454.00</b>

Market Average Rate of Return		Project 10 Year Rate of Return	
Low End of Range	High End of Range	No Incentives	w/ Incentives
8.3%	10.7%	7.4%	11.0%

10-Year Revenues to the City	
Gross City Revenue Generated by Project*	\$15,294,452.00
City Portion of Incentive	\$5,773,259.00
Revenue Lost to Substitution Effect	\$0.00
<b>Net Revenue to the City</b>	<b>\$9,521,193.00</b>
Baseline Revenue (If No Project)	\$5,237,897.00
<b>Net New Revenue to City</b>	<b>\$4,283,296.00</b>
<b>Net New Revenue to School District</b>	<b>\$149,456.00</b>

30 Year Return on Investment to the City	
Opportunity Cost/Investment	\$36,202,732.00
Average Commercial Cost	\$3,574,406.00
Net Return After Incentive	\$44,379,409.00
30 Year ROI (Opp. Cost)	22.6%
30 Year ROI (Avg. Cost)	1141.6%

Project Score	
Value Score	14.00
Tax Revenue Score	24.00
Increment Score	0.40
<b>Total Score</b>	<b>38.4/40</b>
<b>Project Grade</b>	<b>4.75/5</b>

TIF Capture Percentages	
Property Tax PILOTs	100.000%
Sales Tax	50.000%
Food & Beverage Tax	50.000%
Earnings & Payroll Tax	50.000%
Parking Tax	50.000%
Utility Tax	50.000%

## Assumptions

<b>\$1,312,000</b>	2019 Assessed Value per City of St. Louis web site Parcel #: 02660000100	Taxable Value  \$1,312,000	Exempt Value  \$0
	10.060000% 2019 real estate tax rate <a href="https://www.stlouis-mo.gov/government/departments/assessor/documents/upload/2018-City-of-St-Louis-Tax-Rate.pdf">https://www.stlouis-mo.gov/government/departments/assessor/documents/upload/2018-City-of-St-Louis-Tax-Rate.pdf</a> 1.64% (Commercial Surcharge) 0.03% (Blind Pension) 0.1391% (Sheltered Workshop)		
<b>8.250900%</b>	TIF-eligible real estate tax rate (excludes commercial surcharge, blind pension levy, and Sheltered Workshop) Assumes tax rate for 2019 will be equal to 2018 rate		
<p>\$ 1,312,000 Assumes 2020 assessed value will be equal to 2019 value</p> <p>\$ 6,407,954 Assumes 2021 Assessed Value calculated using income approach based upon 0.32 Commercial Assessment Rate</p> <p style="text-align: center;">\$ 20,024,856 FMV as of 1/1/2021</p> <p style="text-align: center;">\$ 20,024,856 Office FMV based upon:</p> <p style="text-align: center;">\$ 2,446,877 Total NOI</p> <p style="text-align: center;">12.2192% Assumed Assessor's cap rate including 3.22% increase for taxes</p> <p>2.5% Assumed average biannual growth rate of assessed values following 2021</p>			
\$ 95,625,000	Assumed stabilized Payroll based upon		
\$ 43,987,500	Assumed Total Wages for all Employees (2021)	Assumed Avg Wage	\$76,500
\$ 66,937,500	Assumed Total Wages for all Employees (2022)		
\$ 95,625,000	Assumed Total Wages for all Employees upon Stabilization (2023)		
\$ 1,600,000.00	Assumed Base Wages @ 60 Employees Assumed that stabilized Payroll Q1 2023		
	2.5% Assumed average annual growth rate of Payroll following stabilization (2023)		
	1.5% Combined Payroll and Earnings Tax rates		
	NOTE: incentive model does not include TIF capture of incremental utility taxes		
<p>NOTE: The projections contained herein are merely estimates or forward-looking projections based upon assumptions and information provided by the Developer (and its representatives and/or affiliates), its prospective tenants, the City of St. Louis or others. There is no guaranty or assurance that future performance will match these assumptions, as they are subject to a wide range of market and other risks or factors.</p>			