

**ORDINANCE #65443**  
**Board Bill No. 301**  
**Committee Substitute**

AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI, A REDEVELOPMENT AREA; ADOPTING A REDEVELOPMENT PLAN AND APPROVING A REDEVELOPMENT PROJECT THEREIN; ADOPTING TAX INCREMENT ALLOCATION FINANCING; AND ESTABLISHING A SPECIAL ALLOCATION FUND ALL PURSUANT TO THE REAL PROPERTY TAX INCREMENT ALLOCATION REDEVELOPMENT ACT; MAKING FINDINGS RELATED THERETO; AND AUTHORIZING CERTAIN ACTIONS BY CITY OFFICIALS.

WHEREAS, the City of St. Louis, Missouri (the "City"), is a body corporate and a political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of its charter, the Constitution and laws of the State of Missouri; and

WHEREAS, on December 20, 1991, pursuant to Ordinance No. 62477, the City created the Tax Increment Financing Commission of the City of St. Louis, Missouri (the "TIF Commission"); and

WHEREAS, the TIF Commission is duly constituted according to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the "TIF Act"), and is authorized to hold public hearings with respect to proposed redevelopment areas and redevelopment plans and to make recommendations thereon to the City; and

WHEREAS, at the direction of the Board of Aldermen, staff and consultants have prepared a plan for redevelopment titled "MLK Plaza Tax Increment Financing Redevelopment Plan," dated November 2, 2001 (the "Redevelopment Plan"), for City Blocks 1862 and 1864, which blocks are generally bounded by North Grand Boulevard on the east, North Spring Avenue on the west, Dr. Martin Luther King Drive on the north, and Page Boulevard on the south (the "Redevelopment Area"), which Redevelopment Area is more fully described in the Redevelopment Plan; and

WHEREAS, the Redevelopment Plan envisions the construction of an approximately 40,000 square feet retail center (the entire proposal for redevelopment as described in the Redevelopment Plan being hereinafter referred to as the "Redevelopment Project"); and

WHEREAS, Mound City Group, LLC, and MLK Development, L.L.C., in response to the City's solicitation of proposals from developers, submitted its development proposal dated September 24, 2001 (the "Redevelopment Proposal"), for redevelopment of the Redevelopment Area; and

WHEREAS, on December 19, 2001, after all proper notice was given, the TIF Commission held a public hearing in conformance with the TIF Act and received comments from all interested persons and taxing districts relative to the Redevelopment Area, the Redevelopment Plan, the Redevelopment Project and the Redevelopment Proposal; and

WHEREAS, the Board of Aldermen has received the recommendations of the TIF Commission regarding the Redevelopment Area and the Redevelopment Plan and finds that it is desirable and in the best interests of the City to designate the Redevelopment Area as a "redevelopment area" as provided in the TIF Act and adopt the Redevelopment Plan and Redevelopment Project in order to encourage and facilitate the redevelopment of the Redevelopment Area; and

WHEREAS, the Board of Aldermen has determined that the Redevelopment Area qualifies for the use of tax increment allocation financing to alleviate the conditions that qualify it as a "redevelopment area" as provided in the TIF Act and that it is necessary and desirable and in the best interest of the City to adopt tax increment allocation financing within and to establish a special allocation fund for the Redevelopment Area.

**NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF ST. LOUIS, MISSOURI, AS FOLLOWS:**

**Section One.** The Board of Aldermen hereby makes the following findings:

1. The Redevelopment Area on the whole is a "blighted area" as defined in Section 99.805(1) of the TIF Act, and has not been subjected to growth and development through investment by private enterprise and would not reasonably be anticipated to be

developed without the adoption of tax increment allocation financing and the Redevelopment Plan. This finding includes and the Redevelopment Plan sets forth and the Board of Aldermen hereby finds and adopts by reference: (a) a detailed description of the factors that qualify the Redevelopment Area as a “blighted area” and (b) an affidavit, signed by Mound City Group, LLC, and MLK Development, L.L.C., and submitted with the Redevelopment Plan attesting that the provisions of Section 99.810.1(1) of the TIF Act have been met, which description and affidavit are incorporated herein as if set forth here in full.

2. The Redevelopment Plan conforms to the City’s comprehensive plan for the development of the City as a whole.

3. In accordance with the TIF Act, the Redevelopment Plan states the estimated dates of completion of the Redevelopment Project and retirement of the financial obligations issued to pay for certain Redevelopment Project costs and these dates are twenty three (23) years or less from the date of approval of the Redevelopment Project.

4. A plan has been developed for relocation assistance for business and residences in Ordinance No. 62481 adopted December 20, 1991.

5. The Redevelopment Plan includes a cost-benefit analysis showing the economic impact of the Redevelopment Plan on each taxing district which is at least partially within the boundaries of the Redevelopment Area, which cost-benefit analysis shows the impact on the economy if the project is not built and is built pursuant to the Redevelopment Plan and is incorporated herein as if fully set forth here in full.

6. The Redevelopment Plan does not include the initial development of any gaming establishment.

7. The Redevelopment Area includes only those parcels of real property and improvements thereon substantially benefitted by the proposed Redevelopment Project and improvements.

**Section Two.** The Redevelopment Area described in the Redevelopment Plan is hereby designated as a “redevelopment area” as defined in Section 99.805(11) of the TIF Act.

**Section Three.** The Redevelopment Plan, as reviewed and approved by the TIF Commission on December 19, 2001, and the Redevelopment Project described in the Redevelopment Plan are hereby approved and adopted. A copy of the Redevelopment Plan is set forth as **Exhibit A**, attached hereto and incorporated herein by reference.

**Section Four.** Tax increment allocation financing is hereby adopted within the Redevelopment Area. After the total equalized assessed valuation of the taxable real property in the Redevelopment Area exceeds the certified total initial equalized assessed valuation of the taxable real property in the Redevelopment Area, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in the Redevelopment Area by taxing districts and tax rates determined in the manner provided in Section 99.855.2 of the TIF Act each year after the effective date of this Ordinance until redevelopment costs have been paid shall be divided as follows:

1. That portion of taxes levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in the area selected for the Redevelopment Project shall be allocated to and, when collected, shall be paid by the City Collector of Revenue to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing;

2. Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the Redevelopment Project over and above the initial equalized assessed value of each such unit of property in the area selected for the Redevelopment Project shall be allocated to and, when collected, shall be paid to the City Treasurer, who shall deposit such payments in lieu of taxes into a special fund called the “City of St. Louis, Missouri, Special Allocation Fund for the MLK Plaza Redevelopment Project” (the “Special Allocation Fund”) for the purpose of paying Redevelopment Project Costs and obligations incurred in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the redevelopment project from which they are derived.

**Section Five.** In addition to the payments in lieu of taxes described in paragraph (2) of Section Four of this Ordinance, fifty percent of the total additional revenue from taxes which are imposed by the City or other taxing districts and which are generated by economic activities within the area of the Redevelopment Project over the amount of such taxes generated by economic activities within the area of the Redevelopment Project in the calendar year prior to the adoption of the Redevelopment Project by ordinance, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid

by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, as amended, or taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, in accordance with Section 99.845.3 of the TIF Act, as may be amended from time to time, shall be allocated to, and paid by the City License Collector and the City Collector of Revenue to the City Treasurer or other designated financial officer of the City, who shall deposit such funds in a separate segregated account within the Special Allocation Fund.

**Section Six.** In addition to the amounts described above, subject to annual appropriation, twenty-five percent (25%) of the total additional revenues from the following economic activity taxes (as that term is defined in Section 99.805(4) of the TIF Act), which revenues are not otherwise subject to allocation pursuant to Section 99.845.3 of the TIF Act, shall be paid by the City License Collector and the City Collector of Revenue to the City Treasurer or other designated financing officer of the City, who shall deposit such funds in a segregated account within the Special Allocation Fund: (a) the general municipal sales tax levied pursuant to Ordinance No. 62884, or any successor thereto (currently 0.375%), (b) the general municipal sales tax levied pursuant to Ordinance No. 55497, as amended by Ordinance Nos. 57179 and 57979, or any successor thereto (currently 1.00%), (c) the transportation sales tax levied pursuant to Ordinance No. 56553, or any successor thereto (currently 50%), and (d) the capital improvements sales tax levied pursuant to Ordinance No. 62885, or any successor thereto (currently 0.50%), in each case less the costs of collection thereof ("Municipal Revenues"). Municipal Revenues exclude: (i) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, or (ii) any sum received by the City which is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum, shall be allocated to and paid by the City License Collector and the City Collector of Revenue to the City Treasurer or other designated financial officer of the City, who shall deposit such funds in a separate segregated account within the Special Allocation Fund.

**Section Seven.** The Special Allocation Fund of the City is hereby established. To the extent permitted by law, the City hereby pledges certain funds on deposit from time to time in the Special Allocation Fund for the payment of Redevelopment Project Costs and obligations incurred in the payment thereof.

**Section Eight.** The City Register is hereby directed to submit a certified copy of this Ordinance to the City Assessor, who shall determine the total equalized assessed value of all taxable real property within the Redevelopment Area as of the date of this Ordinance, by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract or parcel of real property within the Redevelopment Area and shall certify such amount as the total initial equalized assessed value of the taxable real property within the Redevelopment Area.

**Section Nine.** The Comptroller of the City is hereby authorized to enter into agreements or contracts with other taxing districts as is necessary to ensure the allocation and collection of the taxes and payments in lieu of taxes described in Sections 4, 5 and 6 of this Ordinance and the deposit of said taxes or payments in lieu of taxes into the Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof, all in accordance with the TIF Act.

**Section Ten.** The Mayor and Comptroller of the City and all other officers, agents, representatives and employees of the City are hereby authorized to take any and all actions as may be deemed necessary, desirable, convenient or proper to carry out and comply with the intent of this Ordinance with regard to the implementation of the Redevelopment Plan and to execute and deliver for and on behalf of the City all certificates, instruments or other documents as may be necessary, desirable, convenient or proper to carry out the matters herein authorized.

**Section Eleven.** It is hereby declared to be the intention of the Board of Aldermen that each and every part, section and subsection of this Ordinance shall be separate and severable from each and every other part, section and subsection hereof and that the Board of Aldermen intends to adopt each said part, section and subsection separately and independently of any other part, section and subsection. In the event that any part, section or subsection of this Ordinance shall be determined to be or to have been unlawful or unconstitutional, the remaining parts, sections and subsections shall be and remain in full force and effect, unless the court making such finding shall determine that the valid portions standing alone are incomplete and are incapable of being executed in accord with the legislative intent.

**Section Twelve.** Be it further ordained that all ordinances or parts of ordinances in conflict with provisions of this ordinance are hereby repealed.

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Clerk, Board of Aldermen

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Vice President, Board of Aldermen

Approved:            Date: \_\_\_\_\_, 2002

Mayor \_\_\_\_\_

Truly Engrossed and Enrolled

\_\_\_\_\_  
Chairman

EXHIBIT A  
Redevelopment Plan

(Attached hereto.)

**MLK PLAZA  
TIF REDEVELOPMENT PLAN**

**Presented to  
City of St. Louis  
Tax Increment Financing Commission  
November 2, 2001**

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**I. INTRODUCTION**

The following is a plan prepared by Mound City Group, LLC and MLK Development, L.L.C. (hereinafter collectively called the “Developer”) for redevelopment of the area located at the intersection of North Grand Boulevard, Martin Luther King and Page Avenue in the Covenant Blue/Grand Center neighborhood in north St. Louis, Missouri (the “Redevelopment Area”). The Redevelopment Area includes forty-four parcels of land which are for the most part vacant or contain dilapidated, abandoned structures which are overgrown with vegetation and surrounded by refuse. The Redevelopment Area as well as the surrounding area contains several residential lots many of which suffer from severe neglect and are in need of substantial repair. The area also includes several abandoned commercial buildings or buildings which are either boarded or gated up and littered with old tires, cars or car parts, or other refuse. Indeed, it appears that within the entire Redevelopment Area, only two functional business exists, that of London & Sons restaurant and a car repair shop. A legal description of the Redevelopment Area is contained herein as Appendix 1.

The proposed Redevelopment Area qualifies as a blighted area under Missouri’s Real Property Tax Increment Allocation Redevelopment Act (R.S.Mo. § 99-800 et. seq.) (the “TIF Act”).

This plan proposes to construct approximately 40,000-42,000 square feet of new retail space (the “Redevelopment Project”). The project will be anchored by a new Save-A-Lot grocery store to serve the surrounding community. The project will also provide necessary public improvements, such as utility and street relocation, new curbs, sidewalks, gutters, landscaping, irrigation, and other street improvements. The total cost of the Redevelopment Project is estimated to be approximately \$6,913,000.00 (the “Project Costs”).

This Redevelopment Plan proposes that a Tax Increment Financing Note (“TIF Note”) be authorized and issued by the City in the amount of \$2,250,000.00 to fund a portion of the Project Costs. Fifty percent of Economic Activity Taxes, as defined in the TIF Act, including sales taxes, restaurant gross receipt taxes, utility taxes, earning and payroll taxes but excluding the Desegregation Sales Tax (“EATS”) generated within the designated Redevelopment Area will be allocated to retire the TIF Note. Payments in lieu of real estate taxes within the Redevelopment Area (“PILOTS”) will also be allocated to retire the TIF Note.

Further, this Redevelopment Plan calls for amortization of the TIF Note for a period of up to 23 years after PILOTS and EATS are initially generated. Other financing aspects of the Redevelopment Project are discussed in more detail in Section V.

**II. OVERVIEW OF TAX INCREMENT FINANCING (TIF)**

In order to promote the redevelopment of a declining area, or to induce new activity in an area that has been lacking in growth and development, the State of Missouri has provided statutory tools to counties and municipalities to assist private, and initiate public, investment. One such tool is the TIF Act.

The TIF Act allows cities and counties to: (1) identify and designate redevelopment areas that qualify as Blighted Areas, Conservation Areas, or Economic Development Areas as each are defined in the TIF Act; (2) adopt a redevelopment plan that designates the redevelopment area and states the objectives to be attained and the program to be undertaken; (3) approve a redevelopment project(s) for implementation of the redevelopment plan; and (4) utilize the tools set forth in the TIF Act to assist in reducing or eliminating those conditions that cause the area to qualify as a redevelopment area. Generally, the TIF Act allows municipalities to foster economic and physical improvements in a redevelopment or project area and to enhance the tax base of all taxing districts that levy taxes in such area. Within redevelopment areas, municipalities may use the power of eminent domain to provide necessary property acquisition for the implementation of a redevelopment plan and redevelopment project.

The concept of tax increment financing is outlined as follows: implementation of a redevelopment project within the redevelopment area will produce increased real estate assessments attributable to the redevelopment within the area. The project then makes PILOTS on the increased assessed value of the improved property. The project also generates new EATS resulting from operations within the redevelopment or project area. The TIF Act authorizes the capture of certain PILOTS and EATS in the redevelopment or project area over and above such levels within that area in the year prior to the approval of the redevelopment project. New development is made possible within the redevelopment area through the municipality's use of incremental revenues to finance certain costs of developing or redeveloping the area.

Typically bonds or other financial obligations are issued by the municipality to finance certain costs of the redevelopment project. These financial obligations are then retired using the incremental revenues generated by the redevelopment project(s) within the redevelopment or project area. The municipality segregates these incremental revenues into a special account, the "Special Allocation Fund," during the period of time in which the incremental revenues are dedicated to the purposes identified in the redevelopment plan. The municipality is further authorized to pledge additional net new revenues from the project to the purposes identified in the redevelopment plan. All taxing districts that levy taxes on property within the redevelopment or project area continue to receive tax revenues based upon property values which existed prior to the adoption of ordinances establishing the redevelopment or project area. Taxing districts also benefit from the increase in certain other taxes resulting from the increased economic activity in the redevelopment or project area. These taxes resulting from development of the redevelopment project are not deposited in the Special Allocation Fund pursuant to the provisions of the TIF Act, but are distributed to the affected taxing districts.

The TIF Act requires that, prior to establishing a redevelopment area or approving or amending TIF redevelopment plans and projects, a municipality must create a TIF Commission. A TIF Commission is comprised of six individuals appointed by the chief elected official of the municipality, with the consent of its governing body, and three individuals who are appointed by the other taxing districts within the proposed redevelopment area. Two of these three members are to represent the school district(s) that tax property within the proposed redevelopment area; the other member is appointed by all the remaining taxing districts. The TIF Commission's role is to review, consider, and make recommendations to the municipality's governing body concerning the adoption of redevelopment plans and redevelopment projects and the designation of redevelopment areas; and to exercise such other powers as are available to it under the TIF Act.

### III. BLIGHTING ANALYSIS

The Redevelopment Area as a whole is blighted. As defined in the TIF Act, a "blighted area" is:

[A]n area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.

The Redevelopment Area is a blighted area based upon the fact that it exhibits the factors enumerated above.

In determining if the proposed Redevelopment Area meets the eligibility requirements for TIF per the statutory provisions, a number of sources of information were utilized. These include field investigations; records and data from local sources, including the St. Louis City Assessor; interviews with local officials knowledgeable as to the Area's conditions and history; information on site improvements, building conditions (including independent consultant studies); and data on market conditions.

i. Defective or Inadequate Street Layout. The Redevelopment Area as a whole in its present condition is divided by Evans Avenue into two blocks of land. In turn, these two blocks are divided by small alleys. Neither block of land is large enough to

make development for a commercial use economically feasible or structurally practical. The block which is north of Evans Avenue is triangular in shape, and thus presents a further difficulty for viable development. The alleyways which divide the land prevent any cohesive use or comprehensive revitalization of the Redevelopment Area.

ii. Unsanitary or Unsafe Conditions. The Redevelopment Area as a whole suffers from severe neglect and misuse, and is both unsanitary and unsafe. Many of the lots are overgrown with vegetation and are littered with abandoned cars, car parts, used tires, or other refuse such as appliances, discarded wood, fencing, signage, glass, and everyday garbage. Many of the trees have grown up into the utility lines, through windows of houses or other abandoned or dilapidated structures, and several tree roots have broken through the sidewalks and pavement. Several of the boards or fences used to close off or board up certain abandoned structures within the Redevelopment Area have either fallen down completely or are in severe disrepair. Broken glass and other waste is strewn about within the Redevelopment Area. There are no street lights or other lighting within the Redevelopment Area, making walking or driving at night near the Redevelopment Area unsafe.

iii. Deterioration of Site Improvements. The buildings or other improvements within the Redevelopment Area have, for the most part, deteriorated or suffer from dilapidation. The buildings on the corner of Martin Luther King Drive and Spring Avenue are boarded up and fenced in, and have open holes in their roofs, exterior walls, contain broken out windows or doors, and have broken tree limbs or utility lines lying on them. The same is true for the buildings along the corner of Spring Avenue and Page Boulevard. In addition, each of these lots contain garbage as mentioned in Section III(ii) above. Other buildings along Page Boulevard have missing roof tiles, boarded up windows, fallen down fencing, broken doors, or other signs of neglect and deterioration.

iv. Obsolete Platting. The Redevelopment Area as a whole consists of forty-four lots, which are generally only twenty-five feet wide. The narrow width of these parcels does not lend itself to commercial or modern residential redevelopment.

v. Existence of Conditions Which Endanger Life or Property by Fire or Other Causes. The condition of the Redevelopment Area has deteriorated such that it is no longer considered to be safe for occupancy. Limited resources prevent adequate security to assure that individuals will not gain access to the dilapidated structures within the Redevelopment Area, or occupy the vacant parcels. The Redevelopment Area suffers from deterioration, and the structures are prone to fire or collapse. The condition of the structures within the Redevelopment Area are potentially life threatening. There is a strong likelihood that the structures contain lead-based paint, asbestos, or other hazardous materials.

vi. Constitutes an Economic or Social Liability. The fourteen parcels of land within the Redevelopment Area which are owned by the Land Reutilization Authority ("LRA") represent an economic liability through continued drain of the limited public resources to maintain the properties. Additionally, the continued deterioration of these properties increases LRA's risk of causing injury to parties who may come in contact with them. As long as these properties remain undeveloped and in the ownership of LRA, they will continue to generate no taxes, representing a liability in the form of lost revenues. Continued lack of redevelopment in the Redevelopment Area will result in declining property values and lost tax revenue from the privately owned properties as well. The amount of tax revenue generated from these parcels is currently minimal due to their uses and deteriorating site conditions. Assuming the property conditions and uses remain as they exist, tax revenues will likely decline or, at best, remain constant. This condition represents an additional economic liability.

vii. Menace to the Public Health, Safety, Morals or Welfare in its Present Condition and Use. The Redevelopment Area exhibits many factors, which constitute a menace to the public health, safety, morals, or welfare in its present condition and use. Deteriorating and unsafe site conditions illustrated above represent a menace to the public health and safety; the economic liability illustrated above represents a menace to the public welfare.

The above factors, whether considered alone or as combined, not only retard the provision of housing accommodations within the surrounding area and community, but also constitute an economic and social liability, and constitute a menace to the public health, safety, and welfare. As long as such conditions are present in the Covenant Blue/Grand Center neighborhood, there will be little incentive for private investment and development, commercial or residential, to benefit the area. Such disuse of property as is evidenced by the current condition of the area retards growth, lowers the morale of citizens, encourages abuse and social harm, and furthers the social stigma which currently plagues that and other areas of the City of St. Louis.

#### **IV. REDEVELOPMENT PLAN INCLUDING NECESSARY FINDINGS**

##### **1. Description of the Redevelopment Area**

The Redevelopment Area is a 4.23 acre site and is comprised of 44 parcels of land plus an intervening street and alleys to be

vacated, and is bounded between North Grand Boulevard on the east, Page Boulevard on the south, Martin Luther King Drive on the north, and North Spring Avenue on the west. A legal description of the Redevelopment Area is included herein as Appendix 1.

2. Redevelopment Plan Objectives

Developer has established the following objectives for the MLK Plaza TIF Redevelopment Plan:

- To cure the conditions and factors which designate the Redevelopment Area as a “blighted area” as defined by Section 99.805(1) of the TIF Act and as described in Section III of this Redevelopment Plan, and to prevent the expansion of the conditions that will induce blight to the surrounding areas.
- To enhance the public health, safety, morale and welfare of the community by improving the infrastructure, mitigating blighting conditions, and encouraging other public improvements necessary for insuring the area’s stability and existing and future redevelopment.
- To create approximately one hundred new, permanent, full-time and part-time employment opportunities.
- To secure a new grocery store anchored shopping center in the north St. Louis City area on a long-term basis.
- To provide necessary everyday services and conveniences to members of the community and neighborhoods surrounding the Redevelopment Area.
- To provide necessary and significant public infrastructure, including utility and street improvements, to serve the Redevelopment Area and surrounding areas.
- To provide a funding mechanism which will pay for a portion of the public improvements needed to stimulate private development and redevelopment in the area surrounding the Redevelopment Area.
- To increase the tax base and the resulting tax revenues for the City and all other taxing districts within the Redevelopment Area.
- To serve as a catalyst for commercial development and private investment, including needed retail development and services in the north St. Louis City area.

3. Redevelopment Project Activities

Specifically, the above objectives will be satisfied by implementing each of the following, which together comprise the Redevelopment Project:

- **Save-A-Lot grocery Store** Acquire the necessary land, vacate certain public alleys and streets, relocate and/or repair certain utilities, provide for street relocation, new curbs, sidewalks, gutters, paving, parking, lighting, and other street or public improvements. Construct a grocery store to serve as the anchor for retail space and shopping center.
- **Retail Space** Acquire the necessary land, vacate certain public alleys and streets, relocate and/or repair certain utilities, provide for street re-location, new curbs, sidewalks, gutters, paving, parking, lighting, and other street or public improvements. Construct approximately 40,000-42,000 square feet of new commercial retail space to be anchored by Save-A-Lot grocery store.
- **Landscaping** Provide for certain landscaping including specified green areas and irrigation to enhance and increase the aesthetic value of the Redevelopment Area as a whole.
- **Vacate a portion of Evans Avenue** In order to make the Redevelopment Project cohesive and to ensure the safety of the public, City will vacate that portion of Evans Avenue which runs through the Redevelopment Area and

**and creation of Community Area** resurface it to include a parking area and an open community area for hosting public events and celebrations. This will also require vacating certain alleys that lie within the Redevelopment Area.

The Redevelopment Project Activities are generalized to leave room for design creativity and accommodations as needed, and so that Developer can respond to prospective tenant and end-user needs as completion of the Redevelopment Project progresses. Redevelopment of an area of this type must take into consideration the unique needs of a mix of retail tenants and end-users with specific space needs and requirements including the provision of adequate parking and store frontage.

It is expected that the Redevelopment Project will in turn encourage and foster continued private as well as public investment in the surrounding areas. In addition, the safety of the area will improve due to the sidewalks and streetscape lighting and other amenities provided by the Redevelopment Project. The new grocery store and retail space will benefit the community not only in terms of providing a safe, convenient place for shopping, but will also serve as a stabilizer for residents of the surrounding community.

#### 4. General Land Uses to Apply

The Redevelopment Area currently includes 44 parcels of land. These parcels are a mix of both residential and commercial lots. In general, these lots are underutilized, abandoned, in severe disrepair, or are simply vacant with no improvements whatsoever. The proposed land use for the Redevelopment Area is commercial. The proposed Site Plan and an elevation of the proposed Redevelopment Project for the Redevelopment Area is included herein as Appendix 2.

#### 5. Redevelopment Schedule

Estimated dates for implementation of this Redevelopment Plan are set forth in Appendix 3. The estimated date for completion of the TIF Projects and retirement of obligations incurred to finance the TIF Projects shall not be more than 23 years from approval of the TIF Projects, or by 2025.

#### 6. Most Recent Equalized Assessed Value

A list of the current (2001) Equalized Assessed Values of all property in the Redevelopment Area is attached as Appendix 4. These values are established by the Assessor of the City of St. Louis. The total assessed value of taxable property in the Redevelopment Area is currently \$126,840.00.

#### 7. Estimated Equalized Assessed Value After Redevelopment

The total *estimated* Equalized Assessed value of all taxable property in the Redevelopment Area after redevelopment is \$1,284,128.00 as set forth in greater detail in Appendix 5.

#### 8. Acquisition

It is anticipated that Developer will be able to acquire, from the Land Reutilization Authority ("LRA"), or through private contracts, at least 90% of the land needed for the Redevelopment Project. Any properties not acquired through contracts will have to be acquired through eminent domain. In addition, there are several alleys and a portion of Evans Avenue that will need to be vacated in order to complete the Redevelopment Project as planned. Attached hereto as Appendix 6 is a list of the properties needed for the project, their ownership status, and their occupancy status as of the date of this Redevelopment Plan. It is not the intent of Developer at this time to acquire London & Sons, the property which comprises the remaining portion of the Redevelopment Area. In order to ensure the success of the Redevelopment Project, however, such property may be acquired either through a negotiated purchase or eminent domain at a later date.

#### 9. Blighted Area

As discussed in greater detail in Section III, the Redevelopment Area as a whole is blighted, and has not been subject to growth and development through investment by private enterprise and will not reasonably be expected to be developed without the adoption of tax increment financing. The Redevelopment Area's severe lack of maintenance and care coupled with the dilapidated condition of the area's structures presents a menace to the public's health, safety, and morals. In addition, the Redevelopment Area clearly has not been subject to redevelopment and will not reasonably be anticipated to be developed because of the defective layout, deterioration of utilities and other improvements, and obsolete platting for commercial use of the area. Developer has executed an affidavit attesting to the existence of these conditions which is included herein as Appendix 7.

10. Conforms with Comprehensive Plan of the City of St. Louis

This Redevelopment Plan conforms to the City's comprehensive plan for the City of St. Louis.

11. Cost-Benefit Analysis

A cost-benefit analysis showing the economic impact of the Plan on each taxing district, which is at least partially within the boundaries of the Redevelopment Area, has been prepared and is included herein as Appendix 8. The analysis shows the impact on the economy if the Redevelopment Project is not built compared to the impact on the economy if the Redevelopment Project is built pursuant to this Redevelopment Plan under consideration. The cost-benefit analysis includes a fiscal impact study on every affected political subdivision, and sufficient information from the Developer for the TIF Commission to evaluate whether the project proposed is financially feasible.

12. Plan for Relocation Assistance

The provisions of Section 99.810(4) of the TIF Act requires that a relocation plan be developed for the assistance of every resident and/or business which is to be displaced in conjunction with the implementation of the Redevelopment Plan and any Redevelopment Project. In addition, the provisions of Sections 523.200 and 523.215 R.S.Mo., as amended, and its various subsections require that relocation plans have certain minimum requirements as contained therein. By Ordinance No. 62481, the City of St. Louis has adopted a Relocation Policy that incorporates the required provisions of Sections 523.200 to 523.205 as minimum requirements of a relocation plan for any TIF Redevelopment Plan approved by the City. To the extent relocation of any resident or business would be necessary, this Redevelopment Plan adopts the Relocation Assistance Plan incorporating the provisions of Ordinance No. 62481 and incorporates the same herein by this reference.

13. Does Not Include Gambling Establishment

The Redevelopment Plan does not include the initial development or redevelopment of any gambling establishment.

14. Reports to DED

As required by the Statute, the TIF Commission shall report to the Department of Economic Development by the last day of February each year, the name, phone number, and primary line of business of any business which locates within the Redevelopment Area.

## V. FINANCING PLAN

1. Estimated Redevelopment Project Costs

The estimated Redevelopment Project Costs to be incurred in connection with the TIF Projects are approximately \$6,913,000, and are set forth in Appendix 9. More specifically, the TIF Act allows the City and/or its designated developer(s) to incur redevelopment costs associated with implementation of an approved Redevelopment Plan and approved Redevelopment Project. These costs include all reasonable or necessary costs incurred, and any costs incidental to a Redevelopment Project. Thus, this Redevelopment Plan anticipates that a portion of the sources of funds used to pay the Project Costs will come from the TIF revenues, which, in accordance with the TIF Act, may include but are not limited to:

- Cost of studies, surveys, plans and specifications;
- Professional service costs including, but not limited to, architectural, engineering, legal marketing, financial, planning or special services;
- Property assembly costs including, but not limited to, acquisition of land and other property real or personal or rights, or interests therein, demolition of buildings, and the clearing and grading of land;
- Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
- Costs of construction of public works or improvements;

- Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include the payment of interest on any obligations issued under the provisions of this Redevelopment Plan accruing during the estimated period of construction of any redevelopment Project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto; and
- All or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Project, to the extent the City, by written agreement, accepts and approves such costs.

The costs as shown on Appendix 9 represent the total approximate cost of the project regardless of the source of funding. This table does not include the cost of tenant finishes over and above Developer supplied finishes, which are unknown at this time. Typical plan implementation and financing costs are based on the experience of the Developer. It should be noted that these costs are estimated based on the knowledge of the project at this time and that the actual redevelopment cost items for implementing the Redevelopment Plan and the Redevelopment Project may vary from these estimates.

It is not the intent of Appendix 9 or this Redevelopment Plan to restrict the City or the Developer to the cost amounts or cost items as outlined. During the life of the Redevelopment Area, Plan and Project, other costs may be incurred or adjustments may be made within and among the line items specified in Appendix 9, if necessary and reasonable to accomplish the program objectives of the Redevelopment Plan.

## 2. Anticipated Sources of Funds to Pay Costs

There are two principal sources of funds that are anticipated to be used to pay the costs of implementation of the Redevelopment Plan and the Redevelopment Project previously described. These sources are:

- Capital which is available to the Developer through its own cash reserves or financing entities;
- Funds available through the issuance of Tax Increment Financing Notes ("TIF Note"), bonds, loans, certificates or other certificates of indebtedness (herein collectively referred to as "TIF Note or other financial obligations").

In addition to these two sources, it is anticipated that the City may create an escrow fund to assure a debt service coverage ratio of 1.25 to 1.0 on the TIF Note or other financial obligation ("TIF Escrow Fund"). More specifically, Developer and City acknowledge and agree that in order to attract sufficient interest of investors to purchase the TIF Note and to assure that the PILOTS and EATS generated by the Redevelopment Project are substantial enough to cover timely repayment of the TIF Note or other financial obligations, the City may put in place the TIF Escrow Fund to fund any difference in amount which is due and owing under the TIF Note debt servicing schedule but which is not available, for whatever reason, from the Special Allocation Fund. The TIF Escrow Fund may be funded by fifty percent of the total additional revenue from taxes, penalties, and interest imposed by the City, which are generated by economic activities within Redevelopment Area over the amount of such taxes generated by economic activities within the Redevelopment Area in the calendar year prior to adoption of the Redevelopment Project and Plan by Ordinance and which are not deposited as EATS into the Special Allocation Fund pursuant to § 99.840 of the TIF Act ("Additional Incremental Economic Activity Revenue").

## 3. TIF Note Funding

As illustrated by Appendix 8, it is anticipated that the City will issue TIF Notes or other types of TIF obligations in an amount of \$2,250,000 in the aggregate of all such issues, exclusive of the costs of financing or refinancing costs as described above, and with a term of retirement for all such issues of not more than 23 years. The TIF Notes or other financial obligations will be issued only to finance the Redevelopment Plan and project costs as previously outlined in Appendix 8 which are eligible costs as specified in Section 99.805(11) of the TIF Act, including the funding of a debt service reserve fund, capitalized and accrued interest and any costs of issuing the TIF Notes or other financial obligations.

The Notes may be issued in one or more series and may include notes, temporary notes or other financial obligations to be redeemed by TIF Notes upon completion of the Redevelopment Project. In addition, these Notes or other financial obligations may be privately placed. It is the City's intent to pay for the principal and interest on these Notes or other financial obligations, in any year, solely with money legally available for such purpose within the City's Special Allocation Fund or the TIF Escrow Fund.

4. Evidence of Commitment to Finance Project Costs

Appendix 10 contains a letter provided by Bank of America which has made a preliminary review of the development proposal and has expressed an interest to finance the Project Costs. It is certain that the majority of the Project Costs of the selected Redevelopment Project will be financed using conventional funding provided by Developer. It should be noted, however, that as expressed in Bank of America's letter, it does not appear that the Redevelopment Project can generate acceptable returns without significant public investment.

**APPENDIX 1**

**MLK PLAZA**

**LEGAL DESCRIPTION OF REDEVELOPMENT AREA**

Beginning at the point of intersection of the west line of North Spring Avenue, 56 feet wide, and the north line of Dr. Martin Luther King Drive, 80 feet wide, thence southeastward along the north line of Dr. Martin Luther King Drive to the intersection with the east line of North Grand Blvd., thence southward along the east line of North Grand Blvd., 80 feet wide, across all intervening streets and alleys to the intersection with south line of Page Blvd., thence eastward along the south line of Page Blvd. across all intervening alleys to the intersection with the west line of North Spring Avenue, thence northward along the west line of North Spring Avenue, across all intervening streets and alleys, to the point of beginning.

Also being described as City Blocks 1862 and 1864, including all adjacent and intervening streets and alleys.

**APPENDIX 2**

**MLK PLAZA**

**CONCEPTUAL SITE PLAN AND PROPOSED ELEVATION FOR REDEVELOPMENT AREA**

**APPENDIX 3**

**MLK PLAZA**

**TIF REDEVELOPMENT PROGRAM SCHEDULE**

<b>MLK PLAZA</b>							
<b><u>Anticipated TIF Program Schedule</u></b>							
		October	November	December	January	February	
	Date						
<b>(City) TIF Review Committee Meets</b> Sets TIF Commission agenda	10/19/01						
<b>Notice of formation of proposed TIF District to taxing districts and school districts to appoint members to TIF Commission</b> *This date assumes that the relevant taxing districts have appointed members to the TIF Commission before 10/10/01. (RSMo. §99.820.2(7))	10/23/01						
<b>Advertise RFP for TIF Redevelopment Projects</b>	10/22/01-11/06/01						

<b>Preparation of TIF Plan and Blight Analysis</b>	10/25/01-11/2/01						
<b>TIF Commission Meeting to review proposal(s) and approve Resolution 00-TIF-XX which sets a time and place for Public Hearing</b>	10/31/01						
<b>Mailing of Notice of TIF Commission Public Hearing to Taxing Districts</b> (not less than 45 days prior to hearing) (RSMo. §99.830.3)	10/31/01 – 11/3/01						
<b>First Publication of Notice of TIF Commission Public Hearing</b> (not more than 30 days prior to hearing) (RSMo. §99.830.1)	11/20/01						
<b>Second Publication of Notice of TIF Commission Public Hearing</b> (not more than 10 days prior to public hearing) (RSMo. § 99.830.1)	12/10/01						
<b>Notice to Taxing Districts of changes to plan, project or area (if necessary)</b> (not less than 7 days prior to conclusion of public hearing) (RSMo. §99.825.1)	12/11/01						
<b>Public Hearing by TIF Commission</b> (RSMo. §99.825)	12/19/01						
<b>TIF Commission Recommendation to Board of Aldermen</b> (within 90 days of TIF Public Hearing) (RSMo. § 99.820.3)	12/20/01-1/9/02						
<b>Draft Redevelopment Agreement</b>	10/22/01-11/12/01						
<b>TIF Ordinances Introduced adopting plan, approving project, establishing district, establishing special allocation fund, approving redevelopment agreement and authorizing Issuance of TIF Note</b> (no sooner than 14 days after and not more than 90 days after the hearing) (RSMo. §99.820.1(1)) *First meeting of 2002	1/11/01*						

HUDZ Committee Hearing on TIF Ordinances	1/15/02							
Second Reading of TIF Ordinances	1/18/02							
Perfection of Board Bill(s)	1/25/02							
Third Reading and Final Reading of TIF Ordinances	2/01/02							
Mayor Sign Bills	2/15/02							
Construction of Redevelopment Project begins	3/15/02							
Construction completed	9/30/02							
TIF Note paid off	12/31/16							

**APPENDIX 4**

**SEE ATTACHED EQUALIZED ASSESSED VALUES BY PARCEL  
ON FILE IN THE REGISTER'S OFFICE**

**APPENDIX 5**

**SEE ATTACHED PROJECTED TIF REVENUES  
ON FILE IN THE REGISTER'S OFFICE**

**APPENDIX 6**

**SEE ATTACHED LIST OF PROPERTIES AND ACQUISITION STATUS  
ON FILE IN THE REGISTER'S OFFICE**

**APPENDIX 7**

**SEE ATTACHED DEVELOPER AFFIDAVIT  
ON FILE IN THE REGISTER'S OFFICE**

**APPENDIX 8**

**SEE ATTACHED COST BENEFIT ANALYSIS  
ON FILE IN THE REGISTER'S OFFICE**

**APPENDIX 9**

**ESTIMATED REDEVELOPMENT COSTS**

**MLK PLAZA TIF Redevelopment Plan**

**Estimated Redevelopment Costs**

Land Acquisition Costs

\$1,266,000.00

Asbestos Removal, Abatement, Demolition, Site Preparation, Site Work and Off-Site Improvements, Signage	\$1,695,000.00
Building Construction Costs	\$2,347,000.00
Soft Costs	\$ 770,000.00
Capitalized Interest, Conventional Financing and Closing Costs	\$ 325,000.00
Contingency Costs @ 5%	\$ 450,000.00
TIF Financing Costs	\$ 60,000.00
<b>Total Gross Project Cost Estimate:</b>	<b>\$6,913,000.00</b>

**APPENDIX 11****EVIDENCE OF COMMITMENT TO FINANCE PROJECT COSTS**

See attached Exhibits MLK PLAZA (1-2)

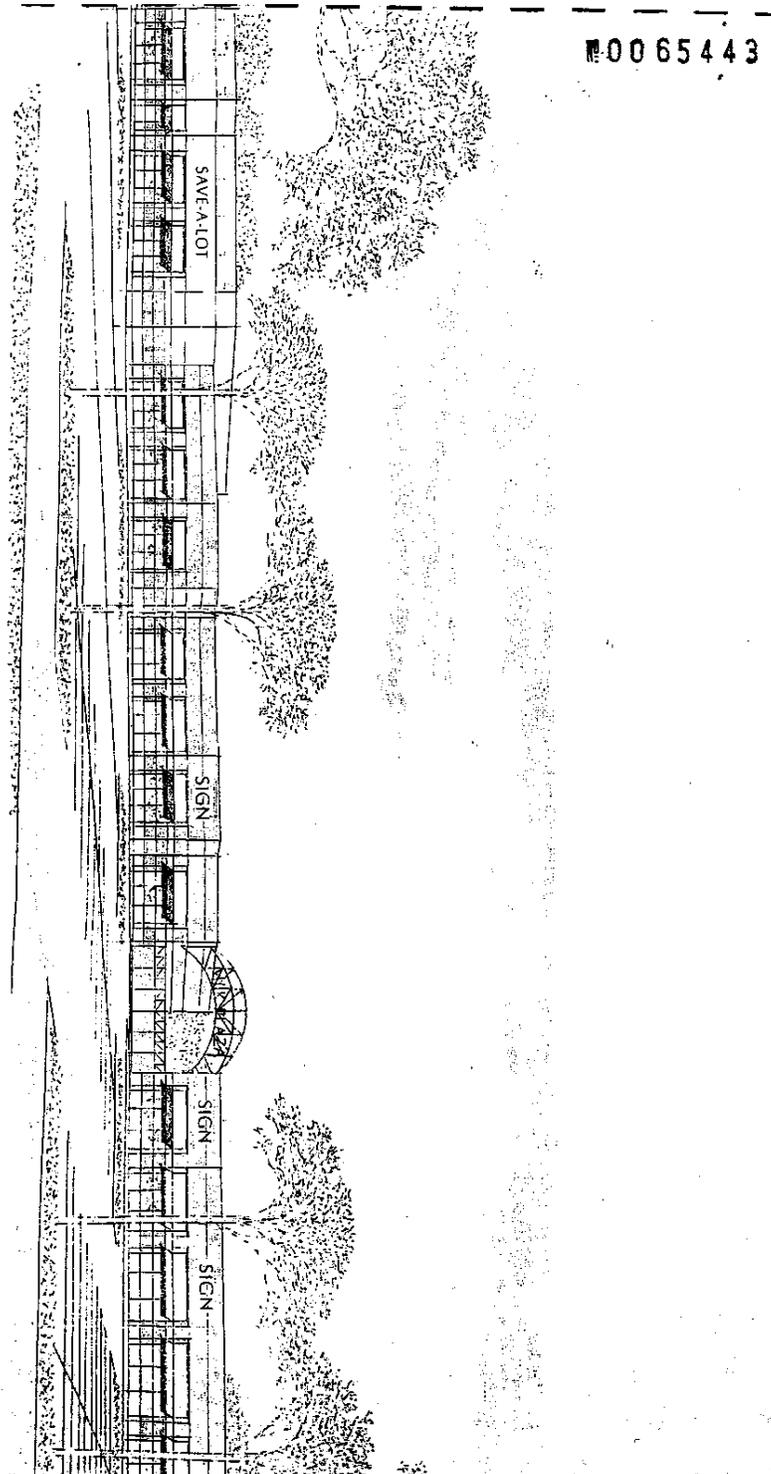
Approved: March 18, 2002

ORDINANCE NO. 65443 - EXHIBIT MLK PLAZA (1)

**TRJ**  
ARCHITECTS

MLK PLAZA  
ST. LOUIS,  
MISSOURI

(1)



0065443

ORDINANCE NO. 65443 - EXHIBIT MLK PLAZA (2)

