

ORDINANCE #66239
Board Bill No. 425

AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI, AS A REDEVELOPMENT AREA KNOWN AS THE SHENANDOAH PLACE REDEVELOPMENT AREA PURSUANT TO THE REAL PROPERTY TAX INCREMENT REDEVELOPMENT ACT; APPROVING A REDEVELOPMENT PLAN AND A REDEVELOPMENT PROJECT WITH RESPECT THERETO; ADOPTING TAX INCREMENT FINANCING WITHIN THE REDEVELOPMENT AREA; MAKING FINDINGS WITH RESPECT THERETO; ESTABLISHING THE SHENANDOAH PLACE SPECIAL ALLOCATION FUND; AUTHORIZING CERTAIN ACTIONS BY CITY OFFICIALS; AND CONTAINING A SEVERABILITY CLAUSE.

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

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

WHEREAS, the TIF Commission is duly constituted according to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri (2000), as amended (the "TIF Act"), and is authorized to hold public hearings with respect to proposed redevelopment areas and redevelopment plans and to make recommendations thereon to the City; and

WHEREAS, staff and consultants of the City and Minnesota Development Partners, L.L.C., a Missouri limited liability company (the "Developer"), prepared a plan for redevelopment titled "Shenandoah Place TIF Redevelopment Plan" dated December 23, 2003, as amended (the "Redevelopment Plan"), for an area which is comprised of the three buildings located at 2303, 2307 and 2311 Minnesota Avenue together with the adjacent lot located at 3110 Shenandoah Avenue in St. Louis (the "Redevelopment Area" or "Area"), which Redevelopment Area is more fully described in the Redevelopment Plan, attached hereto and incorporated herein as **Exhibit A**; and

WHEREAS, the Redevelopment Plan proposes to redevelop the Redevelopment Area by rehabilitating and renovating the Area into six (6) residential units, as set forth in the Redevelopment Plan (the "Redevelopment Project," or "TIF Project"); and

WHEREAS, on February 6, 2004, after all proper notice was given, the TIF Commission held a public hearing in conformance with the TIF Act and received comments from all interested persons and taxing districts relative to the Redevelopment Area, the Redevelopment Plan, and the Redevelopment Project; and

WHEREAS, on February 6, 2004, the TIF Commission found that completion of the Redevelopment Project would provide a substantial and significant public benefit through the preservation of an historic and/or architecturally significant structure, the strengthening of the employment and economic base of the City, increased property and tax revenues, stabilization of the Redevelopment Area, and facilitation of economic stability for the City as a whole, and further found that without the assistance of tax increment financing in accordance with the TIF Act, the Redevelopment Project is not financially feasible and would not otherwise be completed; and

WHEREAS, on February 6, 2004, the TIF Commission voted to recommend that the Board of Aldermen adopt an ordinance in the form required by the Act (i) approving the Redevelopment Plan, (ii) approving and designating the Redevelopment Area as a "redevelopment area" as provided in the Act, (iii) approving the Redevelopment Project as described within the Redevelopment Plan, and (iv) approving the issuance of a tax increment financing revenue note in the amount as specified in the Redevelopment Plan; and

WHEREAS, the Developer has demonstrated that the Redevelopment Project would not reasonably be anticipated to be developed without the adoption of tax increment financing and, therefore, redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan is not feasible and would not otherwise be completed; and

WHEREAS, the Board of Aldermen has received the recommendations of the TIF Commission regarding the Redevelopment Area and the Redevelopment Plan and finds that it is desirable and in the best interests of the City to designate the

Redevelopment Area as a “redevelopment area” as provided in the TIF Act, adopt the Redevelopment Plan and Redevelopment Project in order to encourage and facilitate the redevelopment of the Redevelopment Area; and

WHEREAS, the Redevelopment Area qualifies for the use of tax increment financing to alleviate the conditions that qualify it as a “blighted area” as provided in the TIF Act and as set forth herein; and

WHEREAS, it is necessary and desirable and in the best interest of the City to adopt tax increment allocation financing within the Redevelopment Area and to establish a special allocation fund for the Redevelopment Area in order to provide for the promotion of the general welfare through redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan which redevelopment includes, but is not limited to, assistance in the physical, economic, and social development of the City of St. Louis, providing for a stabilized population and plan for the optimal growth of the City of St. Louis, encouragement of a sense of community identity, safety and civic pride, preservation and restoration of property of historical and/or architectural value and significance, prevention of physical and environmental blighting factors, and the elimination of impediments to land disposition and development in the City of St. Louis.

BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:

SECTION ONE. The Board of Aldermen hereby adopts the foregoing recitals as findings.

SECTION TWO. The Board of Aldermen hereby makes the following findings:

A. The Redevelopment Area on the whole is a “blighted area”, as defined in Section 99.805(1) of the TIF Act, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. This finding includes, the Redevelopment Plan sets forth, and the Board of Aldermen hereby finds and adopts by reference: (i) a detailed description of the factors that qualify the Redevelopment Area as a “blighted area” and (ii) an affidavit, signed by the Developer and submitted with the Redevelopment Plan, attesting that the provisions of Section 99.810.1(1) of the TIF Act have been met, which description and affidavit are incorporated herein as if set forth herein.

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

C. In accordance with the TIF Act, the Redevelopment Plan states the estimated dates of completion of the 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.

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

E. A cost-benefit analysis showing the economic impact of the Redevelopment Plan on each taxing district which is at least partially within the boundaries of the Redevelopment Area is on file with the St. Louis Development Corporation, which cost-benefit analysis shows the impact on the economy if the Redevelopment Project is not built, and is built pursuant to the Redevelopment Plan.

F. Redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan is not financially feasible without the assistance of tax increment financing and would not otherwise be completed.

G. The Redevelopment Plan does not include the initial development or redevelopment of any “gambling establishment” as that term is defined in Section 99.805(6) of the TIF Act.

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

SECTION THREE. 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 FOUR. The Redevelopment Plan as reviewed and recommended by the TIF Commission on February 6, 2004, including amendments thereto, if any, and the Redevelopment Project described in the Redevelopment Plan are hereby adopted and approved. A copy of the Redevelopment Plan is attached hereto as **Exhibit A** and incorporated herein by reference.

SECTION FIVE. There is hereby created and ordered to be established within the treasury of the City a separate fund to be known as the "Shenandoah Place Special Allocation Fund." To the extent permitted by law, the City hereby pledges funds in the Shenandoah Place Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof.

SECTION SIX. 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:

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

B. Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the Redevelopment Project and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the area selected for the Redevelopment Project shall be allocated to and, when collected, shall be paid to the City Treasurer, who shall deposit such payment in lieu of taxes into the Shenandoah Place Special Allocation Fund for the purpose of paying redevelopment costs and obligations incurred in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the Redevelopment Project from which they are derived and shall be collected in the same manner as the real property tax, including the assessment of penalties and interest where applicable.

SECTION SEVEN. In addition to the payments in lieu of taxes described in Section Six of this Ordinance, fifty percent of the total additional revenue from taxes, penalties and interest which are imposed by the City or other taxing districts, and which are generated by economic activities within the area of the 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 (2000) as amended, or taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri (2000) as amended, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, shall be allocated to, and paid by the collecting officer to the City Treasurer or other designated financial officer of the City, who shall deposit such funds in a separate segregated account within the Shenandoah Place Special Allocation Fund.

SECTION EIGHT. 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 Six and Seven of this Ordinance and the deposit of the said taxes or payments in lieu of taxes into the Shenandoah Place 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 NINE. The City Register is hereby directed to submit a certified copy of this Ordinance to the City Assessor, who is directed to determine the total equalized assessed value of all taxable real property within 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 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. The Mayor and the Comptroller or their designated representatives are hereby further authorized and directed to make any changes to the documents and instruments approved and authorized by this Ordinance as may be consistent with the intent of this Ordinance and necessary, desirable, convenient or proper in order to carry out the matters herein authorized.

SECTION TWELVE. 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 THIRTEEN. After adoption of this Ordinance by the Board of Aldermen, this Ordinance shall become effective on the 30th day after its approval by the Mayor or adoption over his veto; provided that, if the Developer has not executed a redevelopment agreement pertaining to the Redevelopment Project within ninety (90) days after the effective date of this Ordinance, the provisions of this Ordinance shall be deemed null and void and of no effect and all rights conferred by this Ordinance on Minnesota Development Partners, L.L.C. shall terminate, provided further, however, that prior to any such termination the Developer may seek an extension of time in which to execute the Redevelopment Agreement, which extension may be granted in the sole discretion of the Board of Estimate and Apportionment of the City of St. Louis.

EXHIBIT A

SHENANDOAH PLACE TIF REDEVELOPMENT PLAN

SHENANDOAH PLACE

TIF REDEVELOPMENT PLAN

**Submitted to
the City of St. Louis and
St. Louis Tax Increment Financing Commission
December 23, 2003**

Shenandoah Place

TIF Redevelopment Plan

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SHENANDOAH PLACE TIF REDEVELOPMENT PLAN

APPENDICES

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I. INTRODUCTION

The following is a tax increment financing redevelopment plan (the "Redevelopment Plan") prepared by the City of St. Louis ("City") in conjunction with Minnesota Development Partners, L.L.C., a Missouri limited liability company ("Developer"), pursuant to the Missouri Real Property Tax Increment Allocation Redevelopment Act for redevelopment of three buildings located at 2303, 2307 and 2311 Minnesota Avenue together with the adjacent lot located at 3110 Shenandoah Avenue in St. Louis, Missouri ("the Redevelopment Area" or "Area"). A legal description and map of the Redevelopment Area is included herein as **Appendix 1**.

The Redevelopment Area includes three vacant buildings in the Tower Grove East neighborhood of the City and one vacant parking lot. The Redevelopment Area qualifies as a blighted area under Missouri's Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800-99.865 of the Revised Statutes of Missouri (2000) (the "TIF Act"), as further set forth in Section III of this Redevelopment Plan.

This Redevelopment Plan proposes to completely redevelop the Area through the approximately \$1.5 million rehabilitation and renovation of the Area into condominium units with an average size of approximately 1,378 square feet together with adjacent surface parking (the "Redevelopment Project"). It is anticipated that the Redevelopment Project will serve as an incentive for residential growth and will enhance existing redevelopment projects in the Tower Grove East neighborhood, and will help serve as a catalyst not only for additional residential development in St. Louis, but for private investment, retail growth, and expansion of small businesses in the area.

This Redevelopment Plan proposes that the City initially authorize and issue a Tax Increment Financing Note ("TIF Note") in an amount equal to Two Hundred Thirty One Thousand and Five Hundred Forty Dollars and no/100 (\$231,540.00) plus issuance costs to fund a portion of the costs of the Redevelopment Project. After completion of the Redevelopment Project, the City may issue

TIF Note(s) or other TIF obligations to the Developer or third party to evidence the City's obligation to reimburse the Developer for a portion of the costs of the Redevelopment Project. Such TIF Note(s) will be paid solely from revenues on deposit in the Shenandoah Place Special Allocation Fund, in accordance with and pursuant to the TIF Act.

II. OVERVIEW OF TAX INCREMENT FINANCING

In order to promote the redevelopment of a declining area or to induce new activity in an area that has been lacking in growth and development, the State of Missouri has provided statutory tools to counties and municipalities to assist private, and initiate public, investment. One such tool is set forth in Section 99.800 - 99.865 of the Revised Statutes of Missouri (2000) (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 designated 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 payments in lieu of taxes ("PILOTS") on the increased assessed value of the improved property. The project also generates new economic activity taxes ("EATs") resulting from operations within the redevelopment or project area. The TIF Act authorizes the capture of certain PILOTS and EATS in the redevelopment or project area over and above such levels within that area in the year prior to the approval of the redevelopment project. New development is made possible within the redevelopment area through the municipality's use of incremental revenues to finance certain costs of developing or redeveloping the area.

The municipality segregates these incremental revenues into a special account, the "special allocation fund," during the period of time in which the incremental revenues are dedicated to the purposes identified in the redevelopment plan. The municipality is further authorized to pledge additional net new revenues from the project to the purposes identified in the redevelopment plan. All taxing districts that levy taxes on property within the redevelopment or project area continue to receive tax revenues based upon property values which existed prior to the adoption of ordinances establishing the redevelopment or project area. Taxing districts also benefit from the increase in certain other taxes resulting from the increased economic activity in the redevelopment or project area. These taxes resulting from development of the redevelopment project are not deposited in the special allocation fund pursuant to the provisions of the TIF Act.

III. FINDING THAT REDEVELOPMENT AREA IS A BLIGHTED AREA

As defined in the TIF Act, a "blighted area" is:

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

Section 99.805(1). Mo. Rev. Stat.

The Redevelopment Area is a blighted area as defined above based upon the fact that it exhibits the factors set forth above, which are further discussed as follows:

- i. **Deterioration of Site Improvements:** In general, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair. Deterioration may be evident in basically sound buildings containing minor defects, such as a lack of painting, loose or missing roof tiles, floor or ceiling panes, or holes and cracks over limited areas. Deterioration which is not easily curable, however, and which cannot be accomplished in the course of normal maintenance includes buildings with defects in the primary and

secondary building components. Primary building components include the foundation, exterior walls, floors, roofs, wiring, plumbing, etc. Secondary building components include the doors, windows, frames, fire escapes, gutters, downspouts, fascia materials, etc. Deterioration of streets and alleys includes evidence of pot holes, cracks, depressions, overgrowth, and poor drainage. Deterioration of sidewalks is evidenced by settled areas, cracks, gravel sections, overgrowth, or depressed curb areas.

The Redevelopment Area has remained vacant since early 1997. In May, 1997, the City of St. Louis Department of Public Safety issued several property maintenance code violations for property within the Redevelopment Area. More specifically, pursuant to a letter dated May 20, 1997, the City of St. Louis Department of Public Works issued citations for the north, east, west and south portions of the property located at 2311 Minnesota, which citations include, but are not limited to, the following:

- Replace broken or missing window pane on garage shed;
- Replace broken or missing window panes;
- Repair or replace warped, rotted or worn missing window frames;
- Restore sash to operable condition and retain weather seal;
- Restore windows to airtight condition;
- Repair or replace defective leaking or loose and/or missing downspout;
- Paint all exterior trim;
- Remove open storage; and
- Replace defective roof covering.

In addition, pursuant to a letter dated May 22, 1997, the City of St. Louis Department of Public Works issued citations for the north, east, west and/or south portions of the property located at 2307 Minnesota, which citations include, but are not limited to, the following:

- Replace defective roof rafters/sheathing in garage/shed;
- Repair or replace defective, leaking, loose or missing gutter / downspouts
- Repair or replace warped, rotted or worn missing window frames;
- Restore sash to operable condition and retain weather seal;
- Repair or replace broken, spalled and/or missing premise sidewalk;
- Maintain driveway/parking area;
- Paint all exterior trim;
- Remove open storage;
- Remove unregistered/unlicensed/derelict or abandoned motor vehicles;
- Replace defective cornice/facia.

Pursuant to a letter dated May 20, 1997, the City of St. Louis Department of Public Works issued similar citations for the north, east, west and/or south portions of the property located at 2303 Minnesota, and 3110 Minnesota.

Pursuant to the above, therefore, the Redevelopment Area suffers from deterioration and lack of maintenance and/or modernization of both the primary and secondary building components. These deficiencies, in order to meet current code regulations as required by the City of St. Louis, cannot be corrected through normal maintenance but require either replacement, complete renovation or rebuilding.

- ii. Unsanitary or Unsafe Conditions. The Redevelopment Area is characterized by deteriorated utilities and other structural and/or mechanical components which do not comply with contemporary code standards for residential uses. Problems as previously mentioned include inadequate or deteriorated electrical systems, wiring, sidewalks, fire and security systems, lack of secure, safe windows and window frames, and deteriorated, damaged, and/or inadequate HVAC systems. Further, abandoned and/or derelict vehicles as well as open storage containers kept and/or abandoned in the Area present an unsanitary and unsafe condition.
- iii. Existence of Conditions which Endanger Lives or Property by Fire and Other Causes. Endangerment by fire and other causes is typically due to the presence of structures below minimum code standards. Such code standards include building, housing, property maintenance, fire or other governmental codes applicable to a particular property. The principal purpose of such codes is to require buildings to be constructed and maintained so that

they will have the capacity to support the type of occupancy, and necessary fire and similar hazard protection, or to establish the minimum standards essential for safe and sanitary use, occupation, and/or habitation.

Due to the deterioration of site improvements of the Redevelopment Area, the Area suffers from endangerment by fire and/or other causes. The Area lacks contemporary fire safety, sanitation, and other security measures. The lack of maintenance and unsafe conditions evident in the Redevelopment Area is a hazard to both real property and personal safety.

- iv. Economic and Social Liability. The Area in its current condition is a liability to the general welfare and economic independence of the City. The long term vacancy in such a historically significant area of the City and the appearance and state of the Redevelopment Area erodes, if not completely discourages, new investment and development. The age, condition and design, and underutilization of the Redevelopment Area prevents a land owner from demanding rent levels and/or sale prices necessary to make improvements competitive with newer buildings, and thus further aggravates and continues the lack of maintenance, redevelopment and incentive for investment in the Area.
- v. Menace to the Public Health, Safety, Morals or Welfare. As discussed above, the Redevelopment Area exhibits many factors which constitute a menace to the public health, safety, morals, or welfare in its present condition and use. The deteriorating, unsanitary, and unsafe site conditions as illustrated above represent a menace to the public health and safety; the economic liability of the deteriorated or obsolete structures discussed above represents a menace to the public welfare.

The above factors, whether considered alone or as combined, 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 Redevelopment Area, there will be little incentive for private investment and development to benefit the Area. Such disuse of property as is evidenced by the current condition of the Area retards redevelopment, 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.

In determining if the proposed Redevelopment Area meets the eligibility requirements for TIF per the TIF Act, a number of sources of information were utilized. These include, but are not limited to, the following:

- a. Exterior survey of the condition and use of buildings within the Redevelopment Area;
- b. Analysis of existing uses and their relationships;
- c. Review of documents received from the City of St. Louis Department of Public Safety.

IV. Redevelopment Plan INCLUDING NECESSARY FINDINGS

1. Description of the Redevelopment Area

A legal description and map of the Redevelopment Area is included herein as **Appendix 1**.

2. Redevelopment Plan Objectives

The City of St. Louis has established the following objectives for the Shenandoah Place TIF Redevelopment Plan. These objectives are consistent with those purposes outlined in the TIF Act, as amended:

- To reduce or eliminate the conditions that cause the Redevelopment Area to be a “blighted area” as defined by Section 99.805(1) of the TIF Act and as described in Section III of this Redevelopment Plan; To enhance the public health, safety, and welfare of the community by improving infrastructure, curing blighting conditions, and encouraging other public improvements necessary for insuring the Area’s stability and existing and future redevelopment consistent with this Redevelopment Plan;
- To increase the level and perception of safety and revitalization in the Area which will in turn encourage an influx of new businesses and residents to the City;

- To upgrade and refurbish utilities, and other infrastructure facilities serving the Redevelopment Area;
- To enhance the tax base by inducing development of the Redevelopment Area to its highest and best use, benefit taxing districts and encourage private investment in surrounding areas;
- To promote the health, safety, order, convenience, prosperity and the general welfare, as well as efficiency and economy in the process of development;
- To increase property values of the Area;
- To provide development/business opportunities in the Redevelopment Area and surrounding areas; and
- To stimulate construction and permanent employment opportunities and increased demand for services for the Area.

3. Redevelopment Project

The Redevelopment Project incorporates and will satisfy the goals, objectives, and other criteria as set forth in this Redevelopment Plan.

- Residential Use Rehabilitation and renovation of the Area to construct approximately six condominium units with surface parking.

The Redevelopment Project is generalized to leave room for design creativity and tenant specifications as needed, so that the Developer can respond to prospective tenants' needs as well as market conditions as completion of the Redevelopment Project progresses. Redevelopment of historic property such as the Redevelopment Area must take into consideration the unique challenges of historic preservation and rehabilitation as well as the specific request of surrounding neighborhood associations and development trends, as well as the requests of prospective tenants, each with specific needs, and requirements regarding the provision of adequate access for the disabled.

It is expected that the Redevelopment Project will in turn encourage and foster continued private and public investment in the surrounding areas. The total estimated Redevelopment Project Costs for the Redevelopment Project equal approximately \$1.6 million, as set forth in greater detail in **Appendix 2**. It should be noted that the costs set forth in **Appendix 2** are estimated based on the knowledge of the Redevelopment Project at this time and that the actual redevelopment cost items for implementing the Redevelopment Project may vary depending on market conditions and other factors.

4. General Land Uses to Apply

The proposed land use is residential, which is consistent with the Area's current use and zoning designation of B-2 Two-Family Dwelling District. (See St. Louis Code §26.24). Therefore, it is not anticipated that re-zoning of the Area will be required in order to complete the Redevelopment Project.

5. Redevelopment Schedule and Estimated Dates of Completion

It is estimated that implementation of the Redevelopment Project will be completed within eighteen months from the date of execution of a redevelopment agreement for completion of such project as contemplated by this Redevelopment Plan. The estimated date for retirement of obligations incurred to finance the Redevelopment Project shall not be more than twenty-three (23) years from approval of the Redevelopment Project by ordinance. Included herein as **Appendix 3** is the anticipated Redevelopment Program Schedule for the TIF Project.

6. Most Recent Equalized Assessed Value of Parcels within the Redevelopment Area

The current (2003) Equalized Assessed Values of all taxable property in the Redevelopment Area is attached as **Appendix 4**. These values are established and will be confirmed by the Assessor of the City of St. Louis.

7. Estimated Equalized Assessed Value After Redevelopment

The total estimated Equalized Assessed Value of all taxable property subject to PILOTS in the Redevelopment Area after redevelopment and completion of the Redevelopment Project Area is approximately \$200,764 (2005). See **Appendix 5**.

8. Acquisition

The current owner of record of the Area is DeSales Community Housing Corporation. Developer currently holds an option to purchase the Area, and provided TIF funding is available for the Redevelopment Project, Developer will acquire title to the Area before completion of the Redevelopment Project.

9. Blighted Area

As previously described in greater detail in Section III, the Redevelopment Area as a whole is a blighted area, and has not been subject to growth and development through investment by private enterprise and will not reasonably be expected to be developed without the adoption of tax increment financing. The Developer has executed an affidavit attesting to the existence of these conditions which is included herein as **Appendix 6**.

The costs of construction and rehabilitation preclude private enterprise from developing the Area to its highest and best use without public assistance. The cost of curing the existing conditions of blight and constructing improvements as contemplated in this Redevelopment Plan is not economically viable if fully borne by the Developer.

10. Conforms with the Comprehensive Plan of the City

The proposed land uses, zoning, and proposed redevelopment plans are appropriate and consistent with local objectives.

11. Plan for Relocation Assistance

Relocation of residents or businesses is not anticipated to be necessary within the Redevelopment Area with respect to the Redevelopment Project. To the extent relocation becomes necessary this Redevelopment Plan adopts the City St. Louis Relocation Policy (Ordinance No. 62481) as the relocation policy for this Redevelopment Plan.

12. Cost Benefit Analysis

A cost benefit analysis showing a net benefit to each taxing district impacted by this Redevelopment Plan is on file with the St. Louis Development Corporation, 1015 Locust Street, Suite 1200, St. Louis, MO 63101.

If the TIF Redevelopment Project is completed, then each of the taxing districts will continue to receive all of the tax revenues currently received from the Redevelopment Area. Additionally, they will benefit from the additional property taxes and economic activity taxes which will be paid and not contributed to the TIF.

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

V. FINANCING PLAN1. Eligible Redevelopment Project Costs

The TIF Act provides for the use of tax increment revenues generated by a designated redevelopment area to pay all reasonable or necessary costs incurred, estimated to be incurred, or incidental to a redevelopment plan or redevelopment project within a designated TIF redevelopment area. A municipality may pledge all or any part of the funds in and to be deposited in the

special allocation fund established for a redevelopment project area to the payment of redevelopment project costs and obligations within the redevelopment area, including the retention of funds for the payment of future redevelopment costs.

The estimated Redevelopment Project Costs to be incurred in connection with the TIF Project are approximately \$1.5 million and are set forth in **Appendix 2**. More specifically, the TIF Act allows the City and/or its designated developer(s) to incur redevelopment costs associated with implementation of an approved Redevelopment Plan and approved Redevelopment Project. These costs include all reasonable or necessary costs incurred, and any costs incidental to a Redevelopment Project. Thus, this Redevelopment Plan anticipates that a portion of the sources of funds used to pay the Project Costs will come from the TIF revenues, which, in accordance with the TIF Act, may include but are not limited to:

- Costs of studies, surveys, plans and specifications;
- Professional service costs including, but not limited to architectural, engineering, legal, marketing, financial, planning or special services;
- Property assembly costs including, but not limited to, acquisition of land and other real or personal property rights, or interests therein;
- Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
- Costs of construction of public works or improvements;
- Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include the payment of interest on any obligation issued under the provisions of this Redevelopment Plan accruing during the estimated period of construction of any Redevelopment Project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto; and
- All or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Project, to the extent the City, by written agreement, accepts and approves such costs.

The costs shown on **Appendix 2** represent the total approximate costs of the project regardless of the source of funding. This table does not include all custom finishes over and above Developer-supplied finishes, which are unknown at this time. Typical plan implementation and financing costs are based on the experience of the Developer. It should be noted that these costs are based on the knowledge of the Project at this time and that the actual redevelopment cost items for implementing the Redevelopment Plan and the Redevelopment Project may vary from these estimates.

It is not the intent of **Appendix 2** or this Redevelopment Plan to restrict the City or the Developer to the cost amounts or cost items as outlined. During the life of the Redevelopment Area, Plan and Project, other costs may be incurred or adjustments may be made within and among the line items specified in **Appendix 2**, if necessary and reasonable to accomplish the program objectives of the Redevelopment Plan

2. Anticipated Sources of Funding to Pay Redevelopment Project Costs

There are four (4) 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:

- State Historic Tax Credits;
- Owner Equity;
- Private Financing;
- Funds available through the issuance of TIF notes, bonds, loans, certificates or other certificates of indebtedness (herein collectively referred to as "TIF Note or other financial obligations").

3. TIF Note Funding

This Redevelopment Plan proposes that the City initially authorize and issue a Tax Increment Financing Note (“TIF Note”) in an amount equal to Two Hundred Thirty One Thousand Five Hundred and Forty Dollars (\$231,540) plus issuance costs to fund a portion of the Redevelopment Project Costs associated with completion of the Redevelopment Project, with a term of retirement for all such issues not more than 23 years. The TIF Notes or other financial obligations will be issued only to finance the Redevelopment Project and Redevelopment Project Costs as outlined in **Appendix 2** which are eligible costs as specified in Section 99.805(11) of the TIF Act, including any costs of issuing the TIF Notes or other financial obligations.

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

The City’s Special Allocation Fund will contain at least two accounts as provided for and in accordance with the TIF Act:

1. The “PILOTS Account” which will contain all payments in lieu of taxes derived from all taxable lots, blocks, tracts, and parcels of real property (or any interest therein) within the Redevelopment Area as contemplated by this Redevelopment Plan and in accordance with the TIF Act; and
2. The “Economic Activity Taxes (“EATS”) Account” which will contain fifty percent (50%) of the total funds from taxes imposed by the City which are generated by the operations and activities within the Redevelopment Area, excluding licenses, fees or special assessments, and excluding personal property taxes and payments to the PILOTS Account, in accordance with the TIF Act.

Funds on deposit in the PILOTS Account will be pledged to the payment of the Redevelopment Project Costs. Funds on deposit in the EATS Account will be subject to annual appropriation by the City for payment of the Redevelopment Project Costs. Such payment obligations shall not constitute debts or liabilities of the City, the State of Missouri, or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction and neither the City nor the State of Missouri shall be liable thereon except from the PILOTS Account, and, to the extent appropriated by the City on an annual basis, from funds derived from other taxes deposited into the Special Allocation Fund.

3. Evidence of Commitment to Finance Redevelopment Project Costs

Appendix 7 contains a preliminary commitment letter provided by U.S. Bank, which has made a preliminary review of the development proposal and has expressed an interest in financing the Redevelopment Project Costs associated with the Redevelopment Project.

Appendix 1**Shenandoah Place TIF Redevelopment Plan****Legal Description And Map Of The Redevelopment Area**

Parcel One: Part of Lot Number 1, 2, 3 and 4 in Block 1 of the Subdivision of part of Block Number 29 of the City Commons and City Block Number 1431 of the City of St. Louis, having a front of 45 feet on the West line of Minnesota Avenue by a depth Westwardly of 105 Feet 6 inches; bounded North by Shenandoah Avenue.

Parcel Two: Part of Lots 1, 2, 3 and 4 in Block 1 of the Subdivision of part of Block Number 29 of the City Commons and in City Block Number 1431 of the City of St. Louis, having a front of 42 feet on the West line of Minnesota Avenue by a depth Westwardly of 105 feet 6 inches; bounded on the North by a line 45 feet South of the South line of Shenandoah Avenue.

Parcel Three: Part of Lots 1, 2, 3 and 4 in Block 1 of the Subdivision of part of Block Number 29 of the City Commons and Block Number 1431 of the City of St. Louis, having a front of 38 feet on the West line of Minnesota Avenue by a depth Westwardly of 105 feet 6 inches; bounded by a line 87 feet South of the South line of Shenandoah Avenue and South by an alley.

Parcel Four: The Western Five (5) feet of Lot Four (4) and all of Lot Five (5), subdivision of Oliver Quinette et al of Northeast ¼

Block 29 of the City Commons and in Block 1431 of the City of St. Louis, together fronting Thirty (30) feet on the South line of Shenandoah Avenue, by a depth Southwardly of 125 feet to an alley.

Appendix 2

**Shenandoah Place TIF Redevelopment Plan
Estimated Redevelopment Project Costs**

USES:

Acquisition Costs:

Acquisition (price offered)	\$	1
Closing & Recording Costs	\$	750
Total Acquisition Costs		\$ 751

Fees:

Accounting/Tax Credit Cert.	\$	9,000
Developer's Fee	\$	91,000
Legal Fees	\$	58,000
Consulting Fees	\$	1,000
TIF Fees	\$	5,000
Total Fees		\$ 164,000

Construction & Financing Costs:

Abatement	\$	32,500
Appraisal	\$	2,400
Architecture	\$	40,000
Engineering	\$	7,000
Investigative sewer camera work	\$	980
Reimbursable expenses	\$	2,000
Title & Survey	\$	5,000
Permits	\$	6,000
Construction Cost	\$	1,127,782
GMP Contingency 6%	\$	67,667
Additional options costs (display only)	\$	15,000
Temporary Utilities	\$	6,000
Insurance	\$	10,377
Const Period Real Estate Taxes	\$	556
Construction Loan Fees	\$	6,553
Financing (bank legal costs)	\$	2,000
Disbursing	\$	4,304
Construction Interest & Holding Costs	\$	48,246
Occupancy Certificates	\$	300
Total Construction & Financing Costs		\$ 1,384,665

TOTAL USES:	\$ 1,549,416
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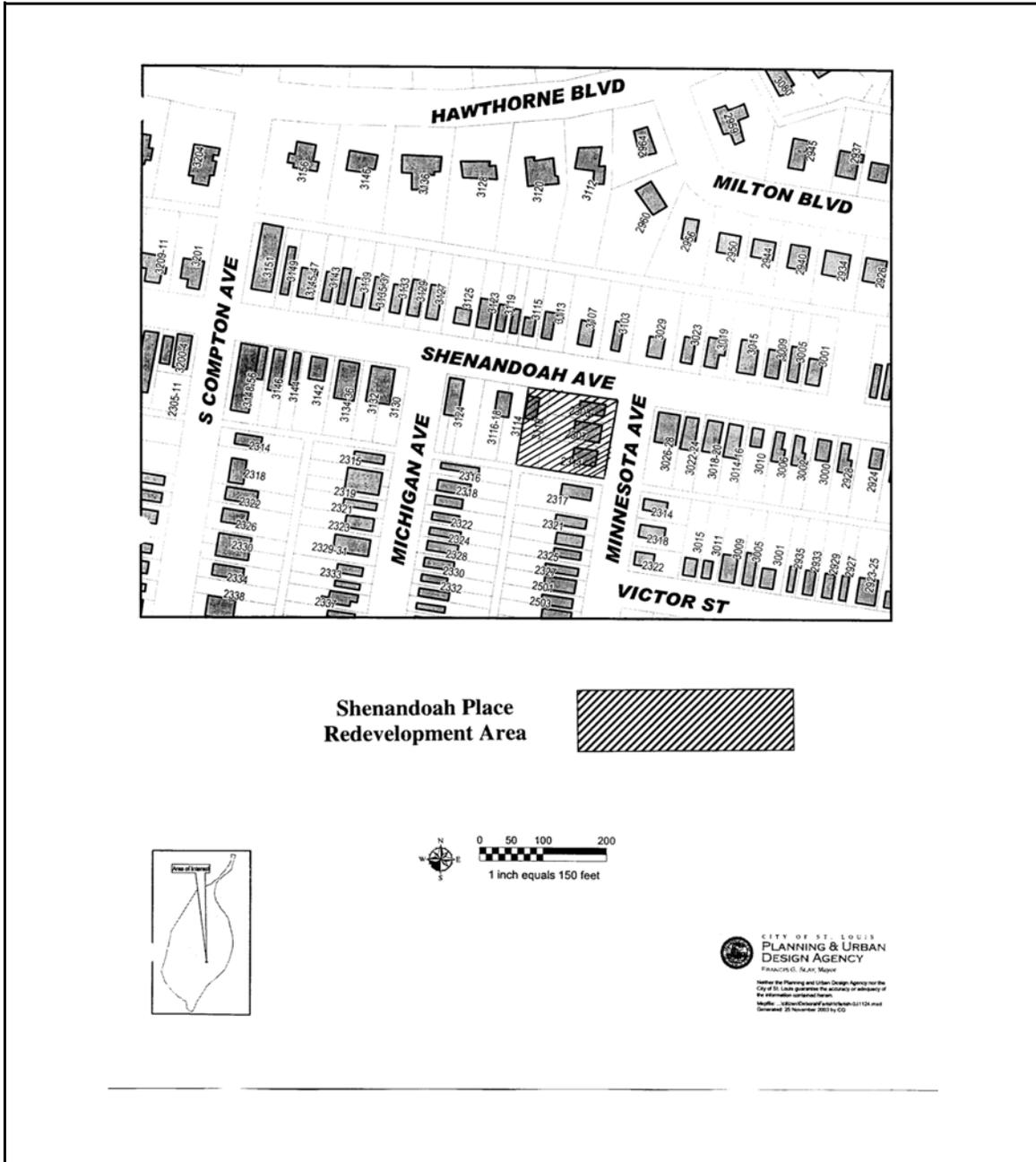
SOURCES:

Construction Loan	814,029
Owner Equity	276,047
State Historic Tax Credits Bridge Loan	227,800

Tax Increment Financing Loan

231,540

TOTAL SOURCES	\$1,549,416
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Appendix 3

Shenandoah Place TIF Redevelopment Plan

Redevelopment Program Schedule

Mailing of Notice of TIF Commission Public Hearing to Taxing Districts (not less than 45 days prior to hearing) (RSMo. §99.830.3)	12/23/03
Submit Redevelopment Plan to TIF Commission (at least 45 days prior to public hearing)	12/23/03
First Publication of Notice of TIF Commission Public Hearing (not more than 30 days prior to hearing) (RSMo. §99.830.1)	1/7/04
Written Notice to Property Owners (not less than 10 days prior to public hearing) (RSMo. § 99.830.3)	1/27/04
Second Publication of Notice of TIF Commission Public Hearing (not more than 10 days prior to public hearing) (RSMo. § 99.830.1)	1/27/04
Public Hearing by TIF Commission (RSMo. §99.825)	2/6/04
TIF Commission Recommendation to Board of Aldermen (within 90 days of TIF Public Hearing) (RSMo. § 99.820.3)	2/6/04
TIF Ordinances Introduced adopting plan, approving project, establishing district, establishing special allocation fund, approving redevelopment agreement and authorizing Issuance of TIF Notes (no sooner than 14 and not more than 90 days after the hearing) (RSMo. §99.820.1(1))	2/20/04
HUDZ Committee Hearing on TIF Ordinances	2/25/04
Second Reading of TIF Ordinances	2/27/04
Perfection of Board Bill(s)	3/5/04
Third Reading and Final Passage of TIF Ordinances	3/12/04
Mayor Signs Bills	4/2/04

Appendix 4

Shenandoah Place TIF Redevelopment Plan

Equalized Assessed Value of Redevelopment Area

<u>Property</u>	<u>Owner</u>	<u>Parcel I.D.</u>	<u>Equalized Assessed Value (2003)</u>
2303 Minnesota	DeSales Community Housing Corp.	14310002300	\$2,390.00
2307 Minnesota	DeSales Community Housing Corp.	14310002400	\$2,190.00
2311 Minnesota	DeSales Community Housing Corp.	14310002500	\$2,030.00
3110 Shenandoah	DeSales Community Housing Corp.	14310002200	\$1,080.00
Total Equalized Assessed Value			\$7,690.00

Appendix 5

Shenandoah Place TIF Redevelopment Plan

Projected TIF Revenues

Year	Assessed Value	TIF Real Estate Taxes	PILOT	Utility Costs	Utility Tax	Utility Tax Increment	Total Increments
Base	\$ 7,690	\$ 543		\$ -	\$ -		
2004	\$ 7,690	\$ 543	\$ -	\$ 6,000	\$ 420	\$ 210	\$ 210
2005	\$ 200,764	\$ 14,167	\$ 13,624	\$ 18,000	\$ 1,260	\$ 630	\$ 14,254
2006	\$ 200,764	\$ 14,167	\$ 13,624	\$ 18,900	\$ 1,323	\$ 662	\$ 14,286
2007	\$ 216,825	\$ 15,300	\$ 14,758	\$ 19,845	\$ 1,389	\$ 695	\$ 15,452
2008	\$ 216,825	\$ 15,300	\$ 14,758	\$ 20,837	\$ 1,459	\$ 729	\$ 15,487
2009	\$ 234,171	\$ 16,524	\$ 15,982	\$ 21,879	\$ 1,532	\$ 766	\$ 16,747
2010	\$ 234,171	\$ 16,524	\$ 15,982	\$ 22,973	\$ 1,608	\$ 804	\$ 16,786
2011	\$ 252,904	\$ 17,846	\$ 17,304	\$ 24,122	\$ 1,689	\$ 844	\$ 18,148
2012	\$ 252,904	\$ 17,846	\$ 17,304	\$ 25,328	\$ 1,773	\$ 886	\$ 18,190
2013	\$ 273,137	\$ 19,274	\$ 18,731	\$ 26,594	\$ 1,862	\$ 931	\$ 19,662
2014	\$ 273,137	\$ 19,274	\$ 18,731	\$ 27,924	\$ 1,955	\$ 977	\$ 19,709
2015	\$ 294,988	\$ 20,816	\$ 20,273	\$ 29,320	\$ 2,052	\$ 1,026	\$ 21,299
2016	\$ 294,988	\$ 20,816	\$ 20,273	\$ 30,786	\$ 2,155	\$ 1,078	\$ 21,351
2017	\$ 318,587	\$ 22,481	\$ 21,938	\$ 32,325	\$ 2,263	\$ 1,131	\$ 23,070
2018	\$ 318,587	\$ 22,481	\$ 21,938	\$ 33,942	\$ 2,376	\$ 1,188	\$ 23,126
2019	\$ 344,073	\$ 24,280	\$ 23,737	\$ 35,639	\$ 2,495	\$ 1,247	\$ 24,984
2020	\$ 344,073	\$ 24,280	\$ 23,737	\$ 37,421	\$ 2,619	\$ 1,310	\$ 25,047
2021	\$ 371,599	\$ 26,222	\$ 25,679	\$ 39,292	\$ 2,750	\$ 1,375	\$ 27,054
2022	\$ 371,599	\$ 26,222	\$ 25,679	\$ 41,256	\$ 2,888	\$ 1,444	\$ 27,123
2023	\$ 401,327	\$ 28,320	\$ 27,777	\$ 43,319	\$ 3,032	\$ 1,516	\$ 29,293
2024	\$ 401,327	\$ 28,320	\$ 27,777	\$ 45,485	\$ 3,184	\$ 1,592	\$ 29,369
2025	\$ 433,434	\$ 30,585	\$ 30,043	\$ 47,759	\$ 3,343	\$ 1,672	\$ 31,714
2026	\$ 433,434	\$ 30,585	\$ 30,043	\$ 50,147	\$ 3,510	\$ 1,755	\$ 31,798
2027	\$ 468,108	\$ 33,032	\$ 32,489	\$ 52,655	\$ 3,686	\$ 1,843	\$ 34,332
	\$ 7,159,413	\$ 505,204	\$ 492,181	\$ 751,749	\$ 52,622	\$ 26,311	\$ 518,492

1. Base (2004) Assessed Value provided by Assessor's Office; 2005 Assessed Value and Real Estate Taxes based on 90% of condominium sales price at \$142/sq. ft. multiplied by 19% multiplied by tax rate of \$7.0865 per \$100 assessed value (excludes Blind Pen)

2. Base (2003) Utility Gross Receipts Tax based on information supplied by Developer; 2005 Utility Tax based on estimated \$250/month, multiplied by applicable tax rate of 7% average for residential units.

3. In addition to increases directly attributable to completion of the Redevelopment Project, Assessed Values increase 8% per reassessment beginning in 2007; Utility Costs increase 5% per year.

Appendix 6

Shenandoah Place TIF Redevelopment Plan

Developer's Affidavit

STATE OF MISSOURI)
CITY OF ST. LOUIS)

AFFIDAVIT

I, the undersigned, am over the age of 18 years and have personal knowledge of matters stated herein.

The undersigned swears, affirms and certifies the following to be true to induce the approval of Tax Increment Financing for the Redevelopment Area described in the Shenandoah Place Tax Increment Financing Redevelopment Plan, dated December 2003 (the "Redevelopment Plan").

1. I am a duly authorized representative of Minnesota Development Partners, LLC (the "Developer") and am authorized by the Developer to attest to the matters set forth herein.

2. I am familiar with the Redevelopment Area described in the Redevelopment Plan. In my opinion, based on the factors set forth in the Redevelopment Plan, the Redevelopment Area, on the whole, qualifies as a "blighted area" as defined in Section 99.805(3) of the Missouri Revised Statutes (2000), and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing.

And Further Affiant Sayeth Not.

Minnesota Development Partners, LLC

By: [Signature]
Name: LARRY SKAGGS
Its: Member

Subscribe and sworn to before me this 17 day of December, 2003.

[Signature]
Notary Public

My Commission Expires: Nov 8, 2004

LARRY SKAGGS
Notary Public -- Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: Nov. 8, 2004

Appendix 7

Shenandoah Place TIF Redevelopment Plan

Evidence of Commitment to Finance Project Costs



1232 Washington, Suite 200
St. Louis, MO 63103
314 418-0899 fax

September 8, 2003

Minnesota Development Partners, LLC
c/o Jay Simon
7174 Manchester Ave.
St. Louis, MO 63143

Re: Proposed TIF Project "Shenandoah Crossing"

Dear Mr. Simon:

The purpose of this letter is to express our interest in providing financing for your proposed project to construct the residential condominiums "Shenandoah Crossing" (the "Project").

As we have discussed, financing of the Project would not be feasible without the assistance of tax increment financing. Therefore, please be advised that we are excited to explore the possibility of financing the Project should the City of St. Louis issue the necessary tax increment financing.

Should you have any questions, please do not hesitate to call.

Sincerely,

Zachary Boyers
Vice President