

**ORDINANCE #66415**  
**Board Bill No. 175**

**AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI, AS A REDEVELOPMENT AREA KNOWN AS THE BARTON STREET LOFTS 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 BARTON STREET LOFTS 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 Tabernacle Lofts, L.L.C., a Missouri limited liability company (the “Developer”), prepared a plan for redevelopment titled “Barton Street Lofts TIF Redevelopment Plan” dated April 16, 2004 (the “Redevelopment Plan”), for an area which is comprised of the building located at 2401 South 12th Street in the Soulard neighborhood of 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 residential space, as set forth in the Redevelopment Plan (the “Redevelopment Project,” or “TIF Project”); and

**WHEREAS**, on June 2, 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 June 2, 2004, the TIF Commission found that completion of the Redevelopment Project would provide a substantial and significant public benefit through the preservation of historic structures, the strengthening of the employment and economic base of the City, increased property values 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 June 2, 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 “conservation 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, and in particular, the Soulard neighborhood of St. Louis, encouragement of a sense of community identity, safety and civic pride, preservation and restoration of property of historical and 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 “conservation area”, as defined in Section 99.805(3) 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 “conservation 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 June 2, 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 “Barton Street Lofts Special Allocation Fund.” To the extent permitted by law, the City hereby pledges funds in the Barton Street Lofts 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 Barton Street Lofts 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 Barton Street Lofts 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 Barton Street Lofts 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 Tabernacle Lofts, 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**

**BARTON STREET LOFTS TIF REDEVELOPMENT PLAN**

**BARTON STREET LOFTS**

**TIF REDEVELOPMENT PLAN**

**Submitted to  
the City of St. Louis and  
St. Louis Tax Increment Financing Commission  
April 16, 2004**

**BARTON STREET LOFTS**

**TIF Redevelopment Plan**

- I. Introduction**
- II. Overview of Tax Increment Financing (“TIF”)**
- III. Finding that the Redevelopment Area is a Conservation Area**
- IV. Redevelopment Plan Including Necessary Findings**
  - 1. Legal Description and Map of the Redevelopment Area**
  - 2. Redevelopment Plan Objectives**
  - 3. Redevelopment Project**
  - 4. General Land Uses to Apply**
  - 5. Redevelopment Schedule and Estimated Dates of Completion**
  - 6. Most Recent Equalized Assessed Value of Parcels within Redevelopment Area**
  - 7. Estimated Equalized Assessed Value after Redevelopment**
  - 8. Acquisition**
  - 9. Conservation Area**
  - 10. Conforms with the Comprehensive Plan of the City**
  - 11. Plan for Relocation Assistance**
  - 12. Cost Benefit Analysis**

13. Does not include Gambling Establishment
14. Reports to DED

**V. Financing Plan**

1. Eligible Redevelopment Project Costs
2. Anticipated Sources of Funds to Pay Redevelopment Project Costs
3. TIF Note Funding
4. Evidence of Commitment to Finance Project Costs

**BARTON STREET LOFTS TIF REDEVELOPMENT PLAN**

**APPENDICES**

1. LEGAL DESCRIPTION AND MAP OF THE REDEVELOPMENT AREA
2. ESTIMATED REDEVELOPMENT PROJECT COSTS
3. REDEVELOPMENT PROGRAM SCHEDULE
4. PROJECTED TIF REVENUES
5. DEVELOPER'S AFFIDAVIT
6. EVIDENCE OF COMMITMENT TO FINANCE PROJECT COSTS

**I. INTRODUCTION**

The following is a plan prepared by the City of St. Louis ("City") for redevelopment of the building (the "Building") located at 2401 South 12<sup>th</sup> Street in St. Louis, Missouri (the "Redevelopment Area" or "Area"). A legal description and map of the Redevelopment Area are contained herein as **Appendix 1**.

The Redevelopment Area consists of a single structure located in City Block 818 in the Soulard neighborhood of St. Louis. The Building consists of three stories and approximately 20,630 square feet. The Building, which has existed in the Area since the early 20<sup>th</sup> century, has been utilized for a variety of church and school purposes. The Building has, however, been vacant for over three years, and attempts to redevelop the Area during that time have failed. The Redevelopment Area qualifies as a conservation area under Missouri's Real Property Tax Increment Allocation Redevelopment Act (Revised Statutes of Missouri § 99.800 et. seq.) (2000) (the "TIF Act").

This Redevelopment Plan proposes to completely redevelop the Area by rehabilitating and renovating the Building into approximately 18,000 square feet of residential space (the "Redevelopment Project" or "TIF Project"). It is anticipated that the Redevelopment Project will serve as an incentive for residential growth in the Area and will help serve as a catalyst for private investment, retail growth, and expansion of small business in the Soulard neighborhood and the City of St. Louis.

This Redevelopment Plan proposes that the City initially authorize and issue a Tax Increment Financing Note ("TIF Note") in an amount equal to Three Hundred and Seventy Thousand Dollars (\$370,000.00) plus issuance costs to fund a portion of the costs of the Redevelopment Project. Upon receipt by the City of a written request by the developer of the TIF Project (the "Developer") and evidence that the Developer has met certain criteria as agreed upon by the City and Developer in a Redevelopment Agreement, the City shall cause one of its agencies to immediately proceed to issue tax increment financing bonds ("TIF Bonds") to repay the TIF Note. The TIF Bonds issued shall be reimbursed solely from the revenue stream of Payments In Lieu of Taxes ("PILOTS") and Economic Activity Taxes ("EATS") generated by the Project over a twenty-three year period. Fifty percent of EATS, as defined in the TIF Act, generated within the designated Redevelopment Area will be allocated to retire the TIF Note and/or TIF Bonds. PILOTS within the Redevelopment Area will also be allocated to retire the TIF Note and/or TIF Bonds.

Other financing aspects of the Redevelopment Project are discussed in more detail in Section V.

## 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 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.

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.

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. FINDING THAT REDEVELOPMENT AREA IS A CONSERVATION AREA

As defined in Section 99.805(3) of the TIF Act, a "conservation area" is:

any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A conservation area shall meet at least three of the factors provided in this subdivision for projects approved on or after December 23, 1997.

Missouri Revised Statutes, § 99.805(3) (2000).

The Redevelopment Area is a conservation area as defined above based upon the fact that it exhibits at least three of the factors enumerated above, which are further discussed as follows:

- i. Age of Thirty-Five Years or More. One structure exists in the Area. Building records indicate that permits were issued on this structure as early as 1913; thus, more than 50 percent of the structures in the area have an age of 35 years or more.
- ii. Obsolescence. Obsolescence of the Redevelopment Area is apparent. In general, obsolescence is either functional or economic. Functional obsolescence relates to the physical utility of a structure, while economic obsolescence relates to a building's ability to compete in the marketplace.

The current design, layout and platting of the Area are such that it is functionally obsolete. The Building was originally designed and configured for church or school uses. However, the Building is situated such that only a minimal amount of dedicated parking is available in the Area. As a result, the Area is unfit to house a church or school, because the Area lacks the capacity to handle the traffic and parking needs that a church or school would demand at certain times. Furthermore, the Building suffers from a lack of outdoor recreational space and is located on the corner of a well-traveled intersection in Soulard, making it an unfit location for a school. Because of these concerns and limitations, the Building is unfit for use as a school or church and, as such, the Area is functionally obsolete.

Economic obsolescence is generally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values. Typically, buildings classified as dilapidated and buildings which contain vacant space are characterized by problem conditions which may not be economically curable, resulting in net rental losses and/or depreciation in market value. The extended vacancy of the Building demonstrates its rejection by the market and thus its economic obsolescence.

Obsolescence in buildings, because of physical characteristics or economic conditions limiting their long-term sound use or reuse, is typically difficult and expensive to correct. The resulting deferred maintenance, deterioration and vacancies often have an adverse effect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

The Redevelopment Area is characterized by physical conditions, as discussed above and in greater detail below, which indicate that the Building in its current form is incapable of efficient or economic use. Such characteristics make it practically impossible for a developer to market for a sufficient sale price or for a landlord to lease at a sufficient rental rate to provide for necessary repairs and maintenance to allow the Area to compete in the marketplace.

- iii. Deterioration. 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 panels, 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 sidewalks is evidenced by settled areas, cracks, gravel sections, overgrowth, or depressed curb areas.

The Redevelopment Area suffers from deterioration and lack of maintenance of both primary and secondary building components. Deterioration of primary building components consists of damaged exterior walls, crumbling, damaged or punctured interior walls, and deteriorating ceiling and roof materials. Deterioration of secondary building components consists of missing, broken, and cracked windows and window panes, unsecured doors and access points, missing or loose gutters and downspouts, outdated utilities and exposed wiring. Furthermore, the sidewalks in the Area are in a state of near complete disrepair, as some portions are completely deteriorated, consisting of only gravel, while other portions are characterized by an abundance of cracks and overgrowth. These deficiencies cannot be corrected through normal maintenance but require replacement, remediation, renovation or rebuilding.

- iv. Depreciation of Physical Maintenance. The Redevelopment Area suffers from a lack of physical care and maintenance of the premises. This is evidenced by decay of both the exterior and interior of the Redevelopment Area, including decay of the structure, façade, and other finishings. The frames for the walls of the Building are noticeably damaged, and the walls and floors are crumbling and uneven. Utilities are outdated and at several points wiring is exposed. Furthermore, the windows and doors are not sufficiently secure, as several windows are severely cracked or missing altogether. The sidewalks have not been maintained and are overgrown or, in some sections, completely demolished. As noted above, several important building components such as downspouts, stairs and doors are damaged or in need of repair. These conditions indicate a lack of physical maintenance of the Area in recent years and further illustrate the need for complete renovation rather than normal maintenance to cure the Building's physical deficiencies.
- v. Excessive Vacancies. Excessive vacancy as a factor refers to the presence of buildings or sites which are unoccupied or not fully utilized and which have an adverse influence on the surrounding area because of the frequency or duration of vacancies. Given that the Area has remained vacant for at least the last three years, this excessive vacancy has had an adverse effect on the future occupancy and/or utilization of the Area, as well as on surrounding properties. The vacancy of this Area has an especially significant negative impact on surrounding properties, as the Area is located at the corner of a busy and visible location in the Soulard neighborhood.
- vi. Abandonment. As stated above, the Building has been vacant and unoccupied for over three years.
- vii. Lack of Ventilation, Sanitary Facilities and Inadequate Utilities. The Redevelopment Area is characterized by a lack of utilities, sanitary facilities and other mechanical components in compliance with today's building codes or in accordance with contemporary development standards for residential uses. Problems include insufficient insulation, outdated utilities, inadequate bathroom and sanitary space, and obsolete plumbing and fixtures.
- viii. Excessive Land Coverage. The Building covers almost all of the Area and lacks sufficient off-street parking for use as a church or school. Therefore, the Area may become blighted due to excessive land coverage.

The above factors, whether considered alone or as combined, constitute a detriment to the public health, safety, and welfare, and may cause the Redevelopment Area to become blighted. 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 and interior survey of the condition and use of the Redevelopment Area;
- b. Analysis of neighboring existing uses and their relationships;
- c. Analysis of building and current market demand;
- d. Research of records and data from various local sources, including the St. Louis City Assessor's Office.

#### IV. REDEVELOPMENT PLAN INCLUDING NECESSARY FINDINGS

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

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

##### 2. Redevelopment Plan Objectives

The City of St. Louis has established the following objectives for the Barton Street Lofts 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 “conservation area” as defined by Section 99.805(3) 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 curing the conditions in the Redevelopment Area described in Section III of this Redevelopment Plan, and encouraging other 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, benefiting taxing districts and encouraging 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;
- To update the façade of a structure situated at a prominent location in Soulard that detracts from the historic character of the neighborhood;
- To provide units of a quality that will attract to Soulard new residents who will act as a stabilizing force for the region in general;
- Adapt an outdated and obsolete structure to a use in conformity with contemporary needs of the neighborhood; and
- To bring the Building in line with the aesthetic characteristics of and established design strategy for the neighborhood by conducting redevelopment in accordance with the Soulard Historic District Construction and Restoration Standards.

### 3. Redevelopment Project

Specifically, the above objectives will be satisfied by implementing the following, which comprises the Redevelopment Project:

- Residential Use                      Rehabilitation and renovation of approximately 20,630 gross square feet of the Area into approximately 18,000 square feet of residential space.

The Redevelopment Project is generalized to leave room for design creativity and accommodations as needed, and so that the Developer can respond to prospective occupants’ needs as completion of the Redevelopment Project progresses. Redevelopment of an outdated structure of this type must take into consideration the unique needs of residential occupants with specific space needs and requirements.

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 increase in activity and investment in the Area. The total estimated Redevelopment Project Costs for the Redevelopment Project are \$2,824,162 as set forth in greater detail in **Appendix 2**. It should be noted that the costs set forth in **Appendix 2** are estimates based on the knowledge of the Redevelopment Project at this time and the actual 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. The Redevelopment Area is currently zoned “D” Multiple-Family Dwelling District. Permitted uses in the “D” District include: single-family dwellings, two-family dwellings, semi-detached two-family dwellings,

townhouses that front wholly and directly upon a public street, and multiple family dwellings. Re-zoning of the Area is not required for implementation of this Redevelopment Plan.

5. Redevelopment Schedule and Estimated Dates of Completion

It is estimated that implementation of this Redevelopment Plan will be completed within approximately one year from the date of execution of a redevelopment agreement for completion of the Redevelopment 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. Included herein as **Appendix 3** is the anticipated Redevelopment Program Schedule for the Redevelopment Project.

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

The current (2004) equalized assessed value of all property in the Redevelopment Area is \$25,950, as indicated in **Appendix 4**.

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 is estimated to be \$431,044 (2005), as set forth in greater detail in **Appendix 4**.

8. Acquisition

The Developer is the current owner of the Area. Therefore, this Redevelopment Plan does not anticipate a need to acquire additional property for the completion of the Redevelopment Project.

9. Conservation Area

As previously described in greater detail in Section III, the Redevelopment Area as a whole is a conservation 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 5**.

The costs of site preparation, 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 construction of improvements as contemplated in this Redevelopment Plan are not economically viable if fully borne by the Developer.

10. Conforms with the Comprehensive Plan of the City

This Redevelopment Plan conforms to the Comprehensive Plan of the City of St. Louis, which includes the "Comprehensive City Plan" (1947), the "St. Louis Development Program" (1973), and the "Economic Development Strategy" (1978).

11. Plan for Relocation Assistance

Relocation of residents or businesses is not anticipated to be necessary within the Redevelopment Area with respect to the TIF Projects. To the extent relocation would be necessary, however, this Redevelopment Plan adopts the City of 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. The TIF Act allows for the collection of only 50% of the EATS for payment of project costs. The other 50% of the EATS are distributed to the appropriate taxing authorities. Property taxes

and EATS also exist which are not applied to the TIF Projects as provided in the TIF Act. For example, the MetroLink and desegregation portions of the local sales tax, and the State Blind Pension levy and the Commercial Surcharge are all excluded from 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 PLAN**

1. 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 \$2,824,162 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 reconstruction, repair or remodeling of the existing building 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 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:

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

3. TIF Note Funding

It is anticipated that the City will initially issue TIF Notes in one or more series (which may include notes, temporary notes or other financial obligations) in an amount equal to \$370,000 plus issuance costs, 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 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.

Upon receipt by the City of a written request by Developer and evidence that the Developer has met certain criteria as agreed upon by the City and Developer, the City, or one of its agencies, shall immediately proceed to issue tax increment financing bonds (“TIF Bonds”) to repay the TIF Note. The TIF Bonds issued shall be reimbursed solely from the revenue stream of PILOTS and EATS generated by the Project over a twenty-three (23) year period. Fifty percent (50%) of Economic Activity Taxes, as defined in the TIF Act, 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.

It is the City’s intent to pay for the principal and interest on the TIF Note, TIF Bonds, or other financial obligations, in any year, solely with money legally available for such purpose within the City’s Special Allocation Fund. In addition, the TIF Notes, TIF Bonds, or other obligations may be privately placed.

The City’s Special Allocation Fund will contain at least two accounts:

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 such property is described in **Appendix 1** to the Redevelopment Plan; 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 as such property is described in **Appendix 1** to the Redevelopment Plan, excluding licenses, fees or special assessments, and excluding personal property taxes and payments to the PILOTS Account.

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.

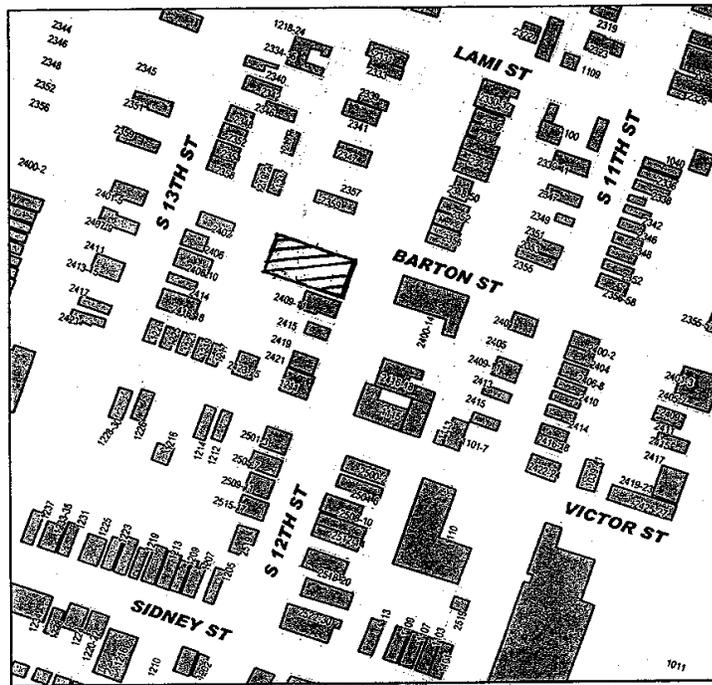
4. Evidence of Commitment to Finance Project Costs

**Appendix 6** contains a preliminary commitment letter provided by New Frontier Bank, which has made a preliminary review of the development proposal and has expressed a commitment to finance the Project Costs associated with the Redevelopment Project provided that TIF is available.

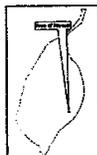
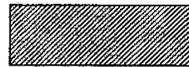
**APPENDIX 1  
LEGAL DESCRIPTION AND MAP OF THE REDEVELOPMENT AREA**

LOTS NOS. 1, 2 AND 3 IN BLOCK NO. 39 OF THOMAS ALLEN'S SECOND ADDITION AND IN BLOCK NO. 818 OF THE CITY OF ST. LOUIS, FRONTING 75 FEET ON THE E WEST LINE OF TWELFTH STREET, BY A DEPTH WESTWARDLY BETWEEN PARALLEL LINES OF 142 FEET TO AN ALLEY; BOUNDED NORTH BY BARTON STREET.

66415



**Barton Street Lofts  
Redevelopment Area**



**APPENDIX 2  
ESTIMATED REDEVELOPMENT PROJECT COSTS**

**USES:**Acquisition Costs

Acquisition Price	\$	230,000	
Appraisal	\$		2,000
Closing Cost	\$	3,500	
<b>Total Acquisition Costs</b>			<b>\$ 235,500</b>

Fees

Accounting and Clerical	\$	2,000	
Legal Fees	\$	20,510	
Tif Fees	\$	51,000	
<b>Total Fees</b>			<b>\$ 73,510</b>

Construction Costs

Architect	\$	74,500	
Engineering / Survey	\$	5,000	
Temporary Utilities		\$	5,400
Insurance		\$	9,500
Construction Period Real Estate Taxes	\$	3,800	
Hard Construction Costs	\$	2,159,304	
Contingency 7.5%	\$	161,948	
<b>Total Construction Costs</b>			<b>\$ 2,419,452</b>

Financing Costs

Construction Loan Fees and Construction Period Interests	\$	95,700	
<b>Total Financing Costs</b>			<b>\$ 95,700</b>

**TOTAL USES:** **\$ 2,824,162**

66415

APPENDIX 4  
PROJECTED TIF REVENUES

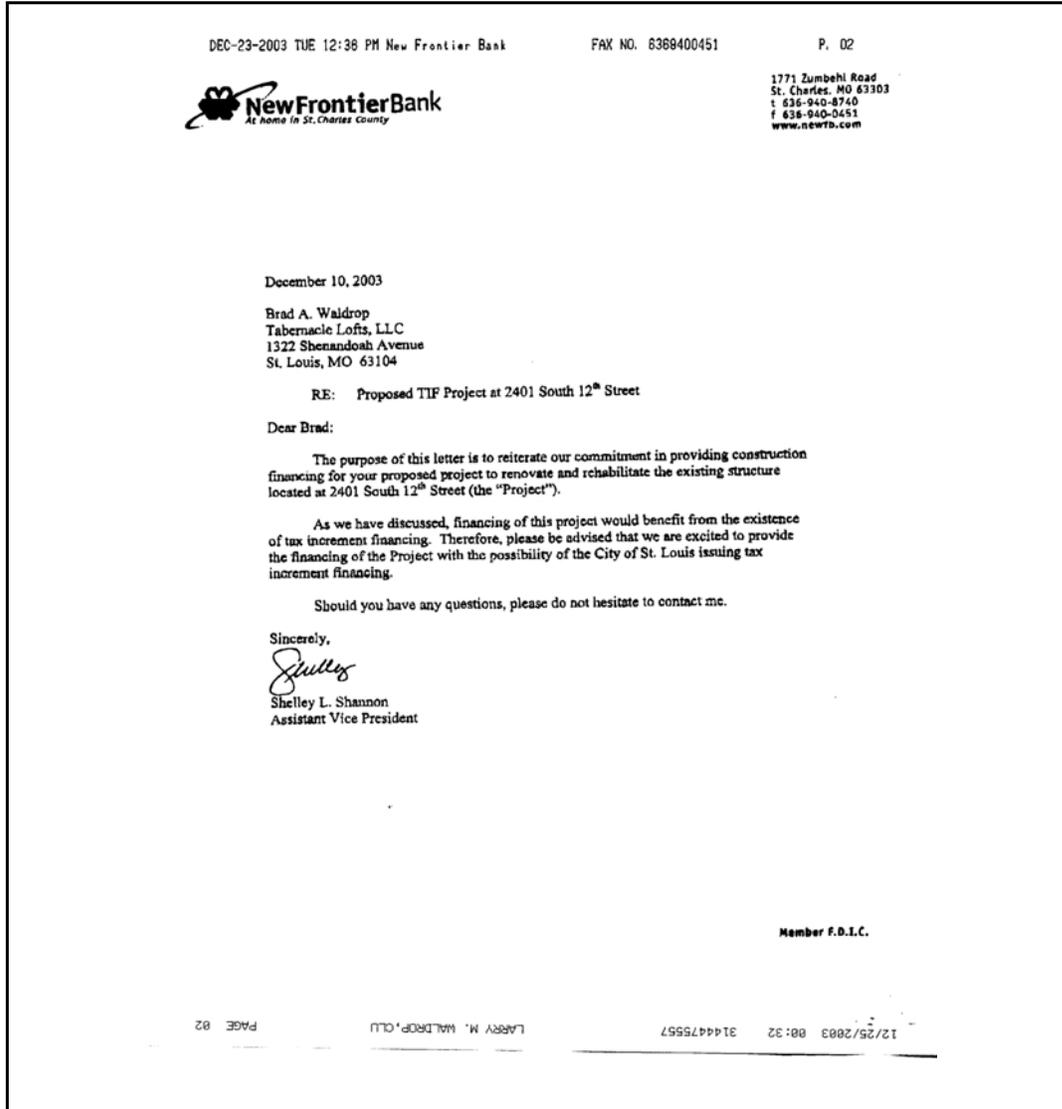
BARTON STREET LOFTS TIF REVENUE SPREADSHEET

Year	Assessed Value	TIF Real Estate Taxes	PILOTS	Utility Costs	Utility Taxes	Utility Tax Increment	Total Increments	1.10 Coverage Ratio
BASE	\$ 25,950	\$ 1,908	\$ -	\$ 1,130	\$ 79	\$ 13	\$ 13	12
2004	\$ 25,950	\$ 1,908	\$ 29,784	\$ 1,500	\$ 105	\$ 843	\$ 30,627	\$ 27,843
2005	\$ 431,044	\$ 31,692	\$ 29,784	\$ 25,200	\$ 1,764	\$ 843	\$ 30,671	\$ 27,883
2006	\$ 431,044	\$ 31,692	\$ 31,686	\$ 26,460	\$ 1,852	\$ 887	\$ 32,619	\$ 29,654
2007	\$ 456,906	\$ 33,594	\$ 31,686	\$ 27,783	\$ 1,945	\$ 933	\$ 32,668	\$ 29,698
2008	\$ 456,906	\$ 33,594	\$ 31,686	\$ 29,172	\$ 2,042	\$ 982	\$ 34,734	\$ 31,577
2009	\$ 484,320	\$ 35,610	\$ 33,702	\$ 30,631	\$ 2,144	\$ 1,033	\$ 34,788	\$ 31,625
2010	\$ 484,320	\$ 35,610	\$ 33,702	\$ 32,162	\$ 2,251	\$ 1,086	\$ 36,981	\$ 33,619
2011	\$ 513,379	\$ 37,746	\$ 35,838	\$ 33,770	\$ 2,364	\$ 1,142	\$ 37,040	\$ 33,673
2012	\$ 513,380	\$ 37,746	\$ 35,838	\$ 35,459	\$ 2,482	\$ 1,202	\$ 39,367	\$ 35,788
2013	\$ 544,183	\$ 40,011	\$ 38,103	\$ 37,232	\$ 2,606	\$ 1,264	\$ 39,432	\$ 35,847
2014	\$ 544,183	\$ 40,011	\$ 40,504	\$ 41,048	\$ 2,737	\$ 1,329	\$ 41,901	\$ 38,092
2015	\$ 576,834	\$ 42,412	\$ 40,504	\$ 43,101	\$ 2,873	\$ 1,397	\$ 41,973	\$ 38,157
2016	\$ 576,834	\$ 42,412	\$ 43,048	\$ 45,266	\$ 3,017	\$ 1,469	\$ 44,593	\$ 40,539
2017	\$ 611,444	\$ 44,966	\$ 43,048	\$ 47,518	\$ 3,168	\$ 1,544	\$ 44,672	\$ 40,611
2018	\$ 611,444	\$ 44,966	\$ 45,746	\$ 49,894	\$ 3,326	\$ 1,624	\$ 47,453	\$ 43,139
2019	\$ 648,131	\$ 47,654	\$ 45,746	\$ 52,389	\$ 3,493	\$ 1,707	\$ 47,540	\$ 43,218
2020	\$ 648,131	\$ 47,654	\$ 48,605	\$ 55,008	\$ 3,667	\$ 1,794	\$ 50,491	\$ 45,901
2021	\$ 687,019	\$ 50,513	\$ 48,605	\$ 57,759	\$ 3,851	\$ 1,886	\$ 50,587	\$ 45,988
2022	\$ 687,019	\$ 50,513	\$ 51,636	\$ 60,647	\$ 4,043	\$ 2,083	\$ 53,719	\$ 48,835
2023	\$ 728,240	\$ 53,544	\$ 51,636	\$ 63,679	\$ 4,245	\$ 2,189	\$ 53,825	\$ 48,932
2024	\$ 728,240	\$ 53,544	\$ 54,848	\$ 66,863	\$ 4,458	\$ 2,301	\$ 57,149	\$ 51,954
2025	\$ 771,934	\$ 56,756	\$ 54,848	\$ 70,206	\$ 4,680	\$ 2,418	\$ 57,266	\$ 52,060
2026	\$ 771,934	\$ 56,756	\$ 54,848	\$ 73,717	\$ 4,914	\$ 2,418	\$ 57,266	\$ 52,060
2027	\$ 818,250	\$ 60,162	\$ -	\$ -	\$ 5,160	\$ 1,270	\$ 1,270	\$ 1,155
	\$ 13,751,069	\$ 1,011,047	\$ 907,002	\$ 1,045,548	\$ 73,188	\$ 34,376	\$ 941,378	\$ 855,798

1. Base (2004) Assessed Value provided by Assessor's Office. 2005 Assessed Value and Real Estate Taxes based on 85% of total projected condominium sales of \$2,669,000, multiplied by 19% multiplied by tax rate of \$7.3525 per \$100 assessed value (excludes Billrd Pension levy per TIF Act but includes Souldard Special Business District).  
 2. Base (2003) Utility Costs based on information supplied by Ameren UE (electric), Laclede Gas (gas), St. Louis City Water Co. (water); 2004 Utility Costs based on estimate of approximate costs; 2005 Utility Taxes based on estimated \$150/month per residential unit, 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 6% per reassessment period beginning in 2007. Utility costs increase at an average of 5% per year.  
 4. Utility Tax Increment for 2027 multiplied by .5 to reflect fact that they are only available for approximately one half of 2027.

APPENDIX 5  
DEVELOPER'S AFFIDAVIT  
is on file in the Register's Office.

APPENDIX 6  
EVIDENCE OF COMMITMENT TO FINANCE PROJECT COSTS



Approved: August 2, 2004