ORDINANCE #66556
Board Bill No. 342

AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI, AS A REDEVELOPMENT AREA KNOWN AS THE 1136 WASHINGTON 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 1136 WASHINGTON 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 AD Brown Acquisition Corp., LLC, a Missouri limited liability company (the "Developer"), prepared a plan for redevelopment titled "1136 Washington TIF Redevelopment Plan" dated September 10, 2004, as amended (the "Redevelopment Plan"), for an area which includes a nine-story building located at 1132-1140 Washington Avenue and more commonly known as 1136 Washington 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 approximately 166,000 gross square feet of residential and commercial space and on-site parking, as set forth in the Redevelopment Plan (the "Redevelopment Project," or "TIF Project"); and

WHEREAS, on November 3, 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 November 3, 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 November 3, 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, and in particular, the downtown St. Louis area, encouragement of a sense of community identity, safety and civic pride, preservation and restoration of property of historical and architectural value and significance 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 makes the following findings:

A. The Redevelopment Area on the whole is a "blighted area", as defined in Section 99.805 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 benefited by the proposed Redevelopment Project.

SECTION TWO. The Redevelopment Area described in the Redevelopment Plan is hereby designated as a "redevelopment area" as defined in Section 99.805(11) of the TIF Act.

SECTION THREE. The Redevelopment Plan as reviewed and recommended by the TIF Commission on November 3, 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 FOUR. There is hereby created and ordered to be established within the treasury of the City a separate fund to be known as the "1136 Washington Special Allocation Fund." To the extent permitted by law, the City hereby pledges funds in

the 1136 Washington Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof.

SECTION FIVE. 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 1136 Washington 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 SIX. In addition to the payments in lieu of taxes described in Section Five 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 1136 Washington Special Allocation Fund.

SECTION SEVEN. 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 Five and Six of this Ordinance and the deposit of the said taxes or payments in lieu of taxes into the 1136 Washington 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 EIGHT. 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 NINE. 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 TEN. 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 ELEVEN. It is hereby declared to be the intention of the Board of Aldermen that each and every part, section and subsection of this Ordinance shall be separate and severable from each and every other part, section and subsection hereof and that the Board of Aldermen intends to adopt each said part, section and subsection separately and independently of any other part, section and subsection. In the event that any part, section or subsection of this Ordinance shall be determined to be or to have been unlawful or unconstitutional, the remaining parts, sections and subsections shall be and remain in full force and effect, unless the court making such finding shall determine that the valid portions standing alone are incomplete and are incapable of being executed in accord with the legislative intent.

SECTION TWELVE. 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 the Developer 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

1136 WASHINGTON TIF REDEVELOPMENT PLAN

1136 WASHINGTON
TIF REDEVELOPMENT PLAN

Submitted to
the City of St. Louis
Tax Increment Financing Commission
September 10, 2004

1136 WASHINGTON

TIF Redevelopment Plan

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1136 WASHINGTON TIF REDEVELOPMENT PLAN

APPENDICES

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I. INTRODUCTION

The following is a plan prepared by the City of St. Louis ("City") for the redevelopment (the "Redevelopment Project" or "Project") of a nine-story building located at 1136 Washington Avenue (the "Redevelopment Area") at the corner of Washington Avenue and Tucker Avenue in downtown St. Louis. A legal description and map of the Redevelopment Area are contained herein as **Appendix 1.**

The Redevelopment Area consists of the building commonly known as the A.D. Brown Building, which is largely vacant. The Redevelopment Area qualifies as a blighted area under Missouri's Real Property Tax Increment Allocation Redevelopment Act, Section 99.800-99.865 of the Revised Statutes of Missouri (2000) (the "TIF Act).

This Redevelopment Plan proposes to completely redevelop the Area into a mix of residential and commercial uses. Generally, the lower floor or floors of the building will be utilized for a mix of commercial functions, while the upper floors will be primarily dedicated to residential use. The Project is expected to capitalize on other successful development efforts in downtown and to provide new residents and commercial tenants the opportunity to migrate to downtown St. Louis, and in doing so, to cure the conditions of vacancy, deterioration and underutilization that plague the Area.

This Redevelopment Plan proposes that the City initially authorize and issue one or more Tax Increment Financing Notes ("TIF Note") in an amount equal to Three Million Six Hundred and Fifty Thousand Dollars and no/100 ($ 3,650,000.00) plus issuance costs to fund a portion of the costs of the Redevelopment Project. The TIF Note issued shall be reimbursed solely from the revenue stream of Payments In Lieu of real estate Taxes ("PILOTS") and Economic Activity Taxes ("EATS") generated by the Project over a twenty-three year period. Fifty percent of EATS, as defined by the TIF Act, generated within the designated Redevelopment Area will be allocated to retire the TIF Note. One hundred percent of PILOTS within the Redevelopment Area will also be allocated to retire the TIF Note. After completion of the Redevelopment Project, the City may issue TIF Note(s) or other TIF obligations to the developer of the Project ("Developer") or a 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 1136 Washington Special Allocation Fund, in accordance with and pursuant to the TIF Act. Upon receipt by the City of a written request by Developer and evidence that the Developer has met certain criteria 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.

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

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 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 in the TIF Act, 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 building in the Area suffers from deterioration of both primary and secondary building components, evidence of which is provided in part by the significant number of violations of City codes and ordinances for which the Area has been cited. Particularly, the building suffers from deterioration of primary building components in that interior doors and stairways are below current code standards. The elevator is also below standard and requires maintenance in order to be brought in line with existing codes. Furthermore, walls in the building are penetrated and in need of rehabilitation. In addition, a list of code violations submitted by the City Department of Public Safety to the current owner of the building cited as a violation of the City's Building Code "Non-permitted and non-code compliant building construction completed or occurring throughout building (wrong construction type)."

In addition, significant deterioration is evident in many of the secondary components of the building in the Area, several of which are below the standards specified by City codes. The interior exit signs, fire alarm systems and emergency lights are all below current City code standards. Building stairwells are open due to missing doors, incomplete construction, or penetrations. The sprinkler system has loose, disconnected and missing sections of pipe, as well as painted heads. Wiring in portions of the building is exposed, and utility components are outdated. Waste stacks are deteriorated and require replacement. The water closet must be reset, and water faucets, toilets, fountains, and similar utility fixtures must be repaired or replaced. Security components of doors are substandard. Additional lighting must be provided in the stairways and hallways of the building. Some floor tiles are loose or missing while others have suffered from water damage. Windows on the building are cracked in places.

ii. Unsanitary or Unsafe Conditions. The Redevelopment Area is characterized by several serious unsanitary and unsafe conditions. As noted above, the Redevelopment Area suffers from significant deterioration of primary and secondary building components, which has resulted in numerous violations of City building, fire and other codes. These violations, such as a lack of emergency lighting, below standard fire and sprinkler systems, exposed wiring, and improperly secured doors all constitute unsanitary and unsafe conditions.

In addition to violations of City codes, the Area contains other conditions that are unsanitary or unsafe. The large boiler in the basement of the building is suspected to contain asbestos and must be removed. Other components of the building, such as piping, insulation, floor tiles and ceiling tiles are suspected of containing asbestos, and as such require additional investigation and/or remediation to cure such hazards. Furthermore, the windows throughout the building are suspected of containing hazardous lead paint, which clearly constitutes an unsafe condition requiring potential remediation.

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, environmental 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.

As noted above, the Area suffers from several violations of the City Fire Code and other public safety codes. Among the notable violations that endanger life or property are below standard exit signs, inoperable emergency

lights, sprinkler systems and fire alarm systems, improper lighting in stairways and hallways, and improper identification and accessibility of egress doors at common exits. In a letter sent in January 2004 to the then-owner of the Area, the City Department of Public Safety acknowledged the impact of these dangerous conditions, stating that "[t]he major violations as indicated on the following page are considered to be life threatening and as such must be complied before this . . . building and/or premises can be occupied."

iv. Economic and Social Liability. The Area in its current condition is a significant liability to the general welfare and economic independence of the City. The Area is situated at a prominent location at the southeast corner of Washington and Tucker Avenues, two major thoroughfares in downtown St. Louis. The location not only represents a highly-traveled intersection in downtown, but is at the very heart of the Washington Avenue Historic Loft District. Currently, the Area is largely vacant, and is intended as entirely commercial use. Such commercial orientation is incongruous with the dominant trend towards upper-level residential mixed with lower-level commercial use that has developed along Washington Avenue, and as such, results in an underutilization of the Area that prevents it from realizing its full economic potential. In this respect, the Area in its current condition is an economic liability to the City in that it fails to capture the full property taxes and economic activity taxes that the more efficient use of the Area has the potential to generate. Furthermore, the current use of the building is a liability in that its vacancy detracts from attempts to increase the public perception of the Washington Avenue Historic Loft District as an active and safe environment, and in so doing discourages both migration to and investment in this portion of the City. Because of its current orientation and resulting underutilization, the Area represents both an economic and social liability to the City.

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, unsafe, and below standard site conditions as illustrated above represent a menace to the public health and safety; the economic liability of the deteriorated or obsolete structure 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.

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 the Redevelopment Area;

b. Public documents relating to the history and/or condition of the Area;

c. Evidence of violations of City codes;

d. Review of Phase I environmental reports; and

e. Analysis of existing uses and their relationships.

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 1136 Washington 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 curing blighting conditions and encouraging other improvements necessary for insuring the Area's stability and existing and future redevelopment consistent with this Redevelopment Plan;

- To enhance the tax base by inducing development of the Redevelopment Area to its highest and best use, benefitting taxing districts and encouraging private investment in surrounding areas;

- To enhance the perception and reputation of the Area as a popular residential, commercial and social destination;

- 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 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 / Commercial Use — Conversion of approximately 166,000 gross square feet of space into residential and commercial space with on-site 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 owners' needs as well as market conditions as completion of the Redevelopment Project progresses.

It is expected that the Redevelopment Project will capitalize on existing successful development efforts in downtown St. Louis and will enhance the perception of downtown St. Louis as a safe and active environment. In addition, it is expected that the Project will encourage an increase in property values and commercial and residential development in the vicinity of the Redevelopment Area.

The total estimated Redevelopment Project Costs for the Redevelopment Project at this time equal approximately $25.3 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 general land uses proposed for the Area include residential and commercial uses. The Area is currently located within the "I" Central Business District, according to the City of St. Louis. Permitted uses in the "I" Central Business District include: single-family through multiple-family dwellings; various retail shops; professional and general offices; wholesale businesses; restaurants; hotels and motels; and parking facilities. As such, the uses proposed by this Plan are currently consistent with the zoning for the Area.

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. 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 (2004) 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 $4,045,139 (2006). See **Appendix 5**.

8. Acquisition

The anticipated Developer or a related entity is currently the owner under contract of all parcels within the Area necessary for the Redevelopment Project. Therefore, no eminent domain is contemplated under this Plan.

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 site 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 Redevelopment Plan conforms to the comprehensive plan for the development of the City as set forth in the "Comprehensive City Plan" (1947), the "St. Louis Development Program" (1973), the "Economic Development Strategy" (1978) and the "Downtown Development Action Plan" (2002).

11. Plan for Relocation Assistance

As the Redevelopment Area is currently largely vacant, 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. The TIF Act allows for the collection of only 50% of the EATS for payment of project costs. The other 50% are distributed to the appropriate taxing authorities.

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 $25.3 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 Projet 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 five principal sources of potential 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;

- Brownfields 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").

The anticipated type and term of the sources of funds are set forth in **Appendix 2.** It is not the intent of **Appendix 2** or this Redevelopment Plan to restrict the City or the Developer to the sources or source amounts as outlined. During the life of the Redevelopment Agreement, Plan, and Project, other sources may be found or adjustments may be made within or in addition to the sources specified in **Appendix 2**.

3. TIF Note Funding

This Redevelopment Plan proposes that the City initially authorize the issuance of one or more Tax Increment Financing Notes ("TIF Note") in a total amount equal to Three Million Six Hundred Fifty Thousand Dollars and no/100 ($ 3,650,000.00) 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 obligations, 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" 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" 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.

4. Evidence of Commitment to Finance Redevelopment Project Costs

Appendix 7 contains a preliminary commitment letter provided by National City Bank, which has made a preliminary review of the development proposal and has expressed a commitment to provide financing of Redevelopment Project Costs associated with the Redevelopment Project.

Appendix 1
1136 WASHINGTON TIF Redevelopment Plan
Legal Description And Map Of The Redevelopment Area

THE WESTERN PART OF LOT 13, ALL OF LOTS 14, 15, 16, 17 AND THE EASTERN PART OF LOT 18 OF THE SUBDIVISION IN PARTITION OF THE PETER LINDELL ESTATE AND IN BLOCK 836 OF THE CITY OF ST. LOUIS, DESCRIBED AS: BEGINNING AT THE INTERSECTION OF THE EAST LINE OF TWELFTH BOULEVARD WITH THE SOUTH LINE OF WASHINGTON AVENUE, THENCE EASTWARDLY ALONG THE SOUTH LINE OF WASHINGTON AVENUE 128 FEET 11-3/4 INCHES, MORE OR LESS, AS PER DEEDS OF RECORD AND THE 127.90 FEET BY SURVEY TO THE WEST LINE OF PROPERTY CONVEYED TO THE LEWBAR CORPORATION BY DEED RECORDED IN BOOK 6311 PAGE 234 AT A POINT DISTANT 34 FEET 10-1/2 INCHES WEST OF THE EAST LINE OF LOT 12, MEASURED ALONG THE SOUTH LINE OF WASHINGTON AVENUE, THENCE SOUTHWARDLY ALONG THE WEST LINE OF PROPERTY SO CONVEYED TO SAID LEWBAR CORPORATION, BEING ALONG THE EAST FACE OF A BRICK WALL APPROXIMATELY 34 INCHES THICK, A DISTANCE OF 150 FEET, MORE OR LESS, TO THE NORTH LINE OF ST. CHARLES STREET AT A POINT DISTANT 34 FEET 8-1/2 INCHES WEST OF THE EAST LINE OF SAID LOT 12, MEASURED ALONG THE NORTH LINE OF ST. CHARLES STREET, THENCE WESTWARDLY ALONG THE NORTH LINE OF ST. CHARLES STREET 129 FEET 1-1/2 INCHES, MORE OR LESS, AS PER DEEDS OF RECORD AND 127.69 FEET BY SURVEY, TO THE EAST LINE OF TWELFTH BOULEVARD, THENCE, NORTHWARDLY ALONG SAID EAST LINE OF TWELFTH BOULEVARD 150 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

1136 WASHINGTON
Redevelopment Area

Appendix 2
1136 WASHINGTON TIF Redevelopment Plan
Anticipated Sources and Uses of Funds

(excludes developer fees)

USES

Acquisition Costs	$	3,468,000
Construction Costs	$	17,526,000
Soft Costs		
Architects and Engineering	$	640,000
Architect Consultants	$	110,000
Civil, Acoustical and Other	$	120,000
Inspection	$	70,000
Soil Engineer / Testing	$	80,000
Legal	$	60,000
Insurance	$	220,000
Building Operating Costs	$	100,000
Marketing	$	150,000
Miscellaneous	$	50,000
Financing Costs		
Construction Period Interest	$	795,000
Construction Loan Fee	$	114,000
Title, Recording & Disbursing	$	118,000
Contingency	$	1,750,000
TOTAL USES	**$**	**25,371,000**

SOURCES

State Historic Tax Credits Bridge Loan	$	5,587,000
Owner Equity	$	500,000
Brownfields Tax Credits Bridge Loan	$	344,000
Construction Loan	$	15,290,000
Tax Increment Financing	$	3,650,000
TOTAL SOURCES	**$**	**25,371,000**

Appendix 3
1136 WASHINGTON TIF Redevelopment Plan
Redevelopment Program Schedule

First TIF Commission Meeting	**9/15/04**
Mailing of Notice of TIF Commission Public Hearing to Taxing Districts (not less than 45 days prior to hearing) (RSMo. §99.830.3)	**9/17/04**
Submit Redevelopment Plan to TIF Commission (at least 45 days prior to public hearing)	**9/17/04**
First Publication of Notice of TIF Commission Public Hearing (not more than 30 days prior to hearing) (RSMo. §99.830.1)	**10/16/04**
Written Notice to Property Owners (not less than 10 days prior to public hearing) (RSMo. §99.830.3)	**10/22/04**
Second Publication of Notice of TIF Commission Public Hearing (not more than 10 days prior to public hearing) (RSMo. §99.830.1)	**10/25/04**
Public Hearing by TIF Commission (RSMO. §99.825)	**11/03/04**
TIF Commission Recommendation to Board of Alderman (within 90 days of TIF Public Hearing) (RSMo. §99.820.3)	**11/03/04**
TIF Ordinances Introduced adopting plan, approving project, establishing district, establishing special allocation fund, approving agreement and authorizing issuance of TIF Notes (no sooner than 14 and not more than 90 days after hearing) (RSMo. §99.820.1(1)	**11/19/04**
HUDZ Committee Hearing on TIF Ordinances	**12/1/04**
Second Reading of TIF Ordinances	**12/3/04**
Perfection of Board Bill(s)	**12/10/04**
Third Reading and Final Passage of TIF Ordinances	**12/17/04**
Mayor Signs Bills	**12/27/04**
Construction Commences	**12/28/04**
Construction Complete	**1/1/06**

Appendix 4
1136 WASHINGTON TIF Redevelopment Plan
Equalized Assessed Value of Redevelopment Area

Street Address	Tax ID	Equalized Assessed Value (2004)
1132-40 Washington	0836-00-0101	$331,000.00

Appendix 5
1136 WASHINGTON TIF Redevelopment Plan
Projected TIF Revenues

1136 WASHINGTON
Projected TIF Revenues

Year	Equalized Assessed Value	TIF Real Estate Taxes	PILOTS	Retail Sales	Retail Sales Tax	Retail Sales Tax Increment	Restaurant Gross Receipts	RGR Tax	RGR Tax Increment	Total Payroll	Payroll and Earnings Taxes	P/E Tax Increment	Utility Costs	Utility Taxes	Utility Tax Increment	Total EATS	EATS w/ 1.25 Coverage	PILOTS w/ 1.10 Coverage
Base	$ 331,000	$ 24,066		$ -	$ -		$ -			$ 200,000	$ 3,000		$ 277	$ 10				
2004	$ 331,000	$ 24,066	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 200,000	$ 3,000	$ -	$ 3,750	$ 263	$ 122	$ 122	$ 97	$ -
2005	$ 1,056,000	$ 76,779	$ 52,713	$ 537,759	$ 13,309	$ 6,655	$ 215,109	$ 3,227	$ 3,227	$ 200,000	$ 3,000	$ (428)	$ 39,350	$ 2,755	$ 1,368	$ 10,821	$ 8,657	$ 47,921
2006	$ 4,045,139	$ 294,110	$ 270,044	$ 2,151,000	$ 53,237	$ 26,619	$ 860,400	$ 12,906	$ 12,906	$ 572,000	$ 8,580	$ 2,790	$ 201,736	$ 14,121	$ 7,061	$ 49,366	$ 39,493	$ 245,494
2007	$ 4,045,139	$ 294,110	$ 270,044	$ 2,215,530	$ 54,834	$ 27,417	$ 886,212	$ 13,293	$ 13,293	$ 589,160	$ 8,837	$ 2,919	$ 207,788	$ 14,545	$ 7,273	$ 50,892	$ 40,714	$ 245,494
2008	$ 4,045,139	$ 294,110	$ 270,044	$ 2,281,996	$ 56,479	$ 28,240	$ 912,798	$ 13,692	$ 13,692	$ 606,535	$ 9,103	$ 3,051	$ 214,021	$ 14,981	$ 7,491	$ 52,464	$ 41,971	$ 245,494
2009	$ 4,326,298	$ 314,698	$ 290,632	$ 2,350,456	$ 58,174	$ 29,087	$ 940,182	$ 14,103	$ 14,103	$ 625,040	$ 9,376	$ 3,188	$ 220,442	$ 15,431	$ 7,716	$ 54,083	$ 43,267	$ 264,211
2010	$ 4,326,298	$ 314,698	$ 290,632	$ 2,420,969	$ 59,919	$ 29,959	$ 968,388	$ 14,526	$ 14,526	$ 643,791	$ 9,657	$ 3,326	$ 227,055	$ 15,894	$ 7,947	$ 55,751	$ 44,601	$ 264,211
2011	$ 4,631,279	$ 336,726	$ 312,660	$ 2,493,599	$ 61,717	$ 30,858	$ 997,439	$ 14,962	$ 14,962	$ 663,105	$ 9,947	$ 3,473	$ 233,867	$ 16,371	$ 8,186	$ 57,469	$ 45,975	$ 284,237
2012	$ 4,631,279	$ 336,726	$ 312,660	$ 2,568,406	$ 63,568	$ 31,784	$ 1,027,363	$ 15,410	$ 15,410	$ 682,998	$ 10,245	$ 3,622	$ 240,883	$ 16,862	$ 8,431	$ 59,238	$ 47,391	$ 284,237
2013	$ 4,955,469	$ 360,297	$ 336,231	$ 2,645,459	$ 65,475	$ 32,738	$ 1,058,183	$ 15,873	$ 15,873	$ 703,488	$ 10,552	$ 3,776	$ 248,109	$ 17,368	$ 8,674	$ 61,061	$ 48,848	$ 305,865
2014	$ 4,955,469	$ 360,297	$ 336,231	$ 2,724,822	$ 67,439	$ 33,720	$ 1,089,929	$ 16,349	$ 16,349	$ 724,092	$ 10,869	$ 3,934	$ 255,553	$ 17,889	$ 8,935	$ 62,938	$ 50,350	$ 305,865
2015	$ 5,302,351	$ 385,518	$ 361,452	$ 2,806,567	$ 69,463	$ 34,731	$ 1,122,627	$ 16,839	$ 16,839	$ 746,230	$ 11,195	$ 4,097	$ 263,219	$ 18,425	$ 9,203	$ 64,871	$ 51,897	$ 328,593
2016	$ 5,302,351	$ 385,518	$ 361,452	$ 2,890,764	$ 71,548	$ 35,773	$ 1,156,306	$ 17,345	$ 17,345	$ 768,720	$ 11,531	$ 4,265	$ 271,116	$ 18,978	$ 9,479	$ 66,863	$ 53,490	$ 328,593
2017	$ 5,673,516	$ 412,504	$ 388,438	$ 2,977,487	$ 73,693	$ 36,846	$ 1,190,995	$ 17,865	$ 17,865	$ 791,782	$ 11,877	$ 4,438	$ 279,249	$ 19,547	$ 9,764	$ 68,914	$ 55,131	$ 353,126
2018	$ 5,673,516	$ 412,504	$ 388,438	$ 3,066,812	$ 75,904	$ 37,952	$ 1,226,725	$ 18,401	$ 18,401	$ 815,535	$ 12,233	$ 4,617	$ 287,627	$ 20,134	$ 10,057	$ 71,026	$ 56,821	$ 353,126
2019	$ 6,070,662	$ 441,380	$ 417,314	$ 3,158,816	$ 78,181	$ 39,090	$ 1,263,528	$ 18,953	$ 18,953	$ 840,001	$ 12,600	$ 4,800	$ 296,256	$ 20,738	$ 10,359	$ 73,203	$ 58,562	$ 379,376
2020	$ 6,070,662	$ 441,380	$ 417,314	$ 3,253,580	$ 80,526	$ 40,263	$ 1,301,432	$ 19,521	$ 19,521	$ 865,201	$ 12,978	$ 4,989	$ 305,143	$ 21,360	$ 10,670	$ 75,444	$ 60,355	$ 379,376
2021	$ 6,495,608	$ 472,276	$ 448,210	$ 3,351,188	$ 82,942	$ 41,471	$ 1,340,475	$ 20,107	$ 20,107	$ 891,157	$ 13,367	$ 5,184	$ 314,298	$ 22,001	$ 10,991	$ 77,752	$ 62,202	$ 407,464
2022	$ 6,495,608	$ 472,276	$ 448,210	$ 3,451,724	$ 85,430	$ 42,715	$ 1,380,689	$ 20,710	$ 20,710	$ 917,892	$ 13,768	$ 5,384	$ 323,727	$ 22,661	$ 11,321	$ 80,130	$ 64,104	$ 407,464
2023	$ 6,950,301	$ 505,336	$ 481,270	$ 3,555,275	$ 87,993	$ 43,997	$ 1,422,110	$ 21,332	$ 21,332	$ 945,429	$ 14,181	$ 5,591	$ 333,438	$ 23,341	$ 11,661	$ 82,590	$ 66,064	$ 437,518
2024	$ 6,950,301	$ 505,336	$ 481,270	$ 3,661,934	$ 90,633	$ 45,316	$ 1,464,773	$ 21,972	$ 21,972	$ 973,792	$ 14,607	$ 5,803	$ 343,441	$ 24,041	$ 12,011	$ 85,108	$ 68,086	$ 437,518
2025	$ 7,435,822	$ 540,709	$ 516,643	$ 3,771,792	$ 93,352	$ 46,676	$ 1,508,717	$ 22,631	$ 22,631	$ 1,003,985	$ 15,045	$ 6,023	$ 353,745	$ 24,762	$ 12,371	$ 87,701	$ 70,160	$ 469,675
2026	$ 7,435,822	$ 540,709	$ 516,643	$ 3,884,945	$ 96,152	$ 48,076	$ 1,553,978	$ 23,310	$ 23,310	$ 1,033,996	$ 15,496	$ 6,248	$ 364,357	$ 25,505	$ 12,743	$ 90,377	$ 72,302	$ 469,675
2027	$ 7,957,400	$ 578,599	$ 554,485	$ 4,001,494	$ 99,037	$ 49,518	$ 1,600,597	$ 24,009	$ 24,009	$ 1,064,088	$ 15,961	$ 6,481	$ 375,288	$ 26,270	$ 13,125	$ 93,133	$ 74,507	$ 504,084
	$ 125,168,429	$ 9,100,821	$ 8,523,037	$ 66,222,364	$ 1,539,957	$ 819,502	$ 24,888,348	$ 373,325	$ 397,334	$ 17,810,038	$ 267,151	$ 97,575	$ 6,203,458	$ 434,242	$ 216,888	$ 1,531,300	$ 1,225,040	$ 7,748,215

107% Biennial EAV Growth Rate
7.2707% TIF Real Estate Taxes (based on tax rate of $7.3307 per $100 assessed valuation, excluding $.03 for blind person levy)
1.03 Annual growth rate for Retail Sales, Utility Costs, Payroll
0.02475 TIF Retail Sales Tax Rate
1.50% Combined City Payroll and Earnings Tax Rate and Restaurant Gross Receipts Tax Rate
7% Blended Utility Tax Rate
1.25 EATS Coverage Ratio
1.1 PILOTS Coverage Ratio

Retail Sales based on annual Retail Sales of $250 per square foot of retail space; annual Restaurant Gross Receipts based on one-half of all retail sales, multiplied by 50%
Base Payroll according to information provided by Developer; 2005 and future Payroll based on 3 employees per square foot of commercial space, with average salary of $22,000 per employee
All Utility Cost information based on most recent readings provided by utility companies as well as general averages for various commercial uses provided by City utilities

Appendix 6
1136 WASHINGTON TIF Redevelopment Plan
Developer's Affidavit

Missouri
STATE OF ~~CALIFORNIA~~)
City St. Louis)
~~COUNTY~~ OF LOS ANGELES)

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 1136 Washington Tax Increment Financing Redevelopment Plan, dated September 2004 (the "Redevelopment Plan").

1. I am a duly authorized representative of AD Brown Acquisition Corp., 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.

AD Brown Acquisition Corp., LLC

By: _____
Name: Jeff Crossland

Subscribe and sworn to before me this 15 day of September, 2004.

_____
Notary Public

My Commission Expires: 3-3-06

VIRGINIA GRISHAM
Notary Public-Notary Seal
State of Missouri
St Louis County
My Commission Expires Mar 3, 2006

Appendix 7
1136 WASHINGTON TIF Redevelopment Plan
Evidence of Commitment to Finance Project Costs

National City

National City Bank of the Midwes
Frontenac Office
10401 Clayton Road
St. Louis, MO 63131-2909

August 31, 2004

Mr. Jeff Crossland
AD Brown Acquisition Corp., LLC
1766 Wilshire Blvd., #220
Los Angeles, CA 90025

Re: Proposed TIF Project at 1136 Washington

Dear Mr. Crossland:

The purpose of this letter is to reiterate National City's commitment to provide financing for your proposed project to redevelop the property located at 1136 Washington in the City of St. Louis (the "Project"). This commitment is subject to final review and approval by the Bank's Loan Committee.

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 provide financing for 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,

Brian Davies
Senior Vice President

ST_LOUIS-1866118-v1-AD Brown Financing Commitment Letter.doc 1

73-5095-29 (07/04)

Approved: December 22, 2004