

ORDINANCE #66558
Board Bill No. 345

AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI, AS A REDEVELOPMENT AREA KNOWN AS THE WASHINGTON EAST CONDOMINIUMS 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 WASHINGTON EAST CONDOMINIUMS 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 901 Washington, LLC, a Missouri limited liability company (the “Developer”), prepared a plan for redevelopment titled “Washington East Condominiums TIF Redevelopment Plan” dated September 4, 2004, as amended (the “Redevelopment Plan”), for an area which includes four buildings and rear parcels located at 901 Washington, 1001 Washington, 1007 Washington, 1015 Washington, and 1008-1010 Lucas Avenue as well as a portion of Lucas 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 a mixture of residential and commercial space, as set forth in the Redevelopment Plan (the “Redevelopment Project,” or “TIF Project”); and

WHEREAS, on October 20, 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 October 20, 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 October 20, 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 October 20, 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 “Washington East Condominiums Special Allocation Fund.” To the extent permitted by law, the City hereby pledges funds in the Washington East Condominiums 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 Washington East Condominiums 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 Washington East Condominiums 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 Washington East Condominiums 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

WASHINGTON EAST CONDOMINIUMS TIF REDEVELOPMENT PLAN

WASHINGTON EAST CONDOMINIUMS

TIF REDEVELOPMENT PLAN

**Submitted to
the City of St. Louis
Tax Increment Financing Commission
September 4, 2004**

WASHINGTON EAST CONDOMINIUMS

TIF Redevelopment Plan

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WASHINGTON EAST CONDOMINIUMS 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 several buildings and rear lots located on Washington Avenue and Lucas Avenue between 9th and 11th Streets 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 four buildings located at 901 Washington Avenue (the "Bank of St. Louis Building"), 1001 Washington (the "Curlee Building") and 1007 and 1015 Washington Avenue (together, the "Dorsa Building"), respectively, and two rear lots located at 1008-1010 Lucas Avenue in downtown St. Louis. 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 in three phases. The first phase will involve the rehabilitation of the Bank of St. Louis Building into approximately 132,000 gross square feet of residential space, with approximately 7,500 square feet of commercial space and parking. The second and third phases will involve the renovation and rehabilitation of the Dorsa and Curlee Buildings, respectively into a combined total of up to approximately 182,000 gross square feet of residential space and a total of between approximately 6,500 and 190,000 square feet of commercial space, with parking. It is anticipated that the Redevelopment Project will effectively develop a key portion of the Washington Avenue Historic Loft District at a strategic location in immediate proximity to the City's convention headquarters hotel and convention center.

This Redevelopment Plan proposes that the City initially authorize and issue one or more Tax Increment Financing Notes ("TIF Notes") for each phase of the Redevelopment Project, with total aggregate amount of such notes equal to Seven Million Three Hundred Thousand Dollars and no/100 (\$ 7,300,000.00) plus issuance costs to fund a portion of the costs of the Redevelopment Project. The TIF Notes 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 Notes. One hundred percent of PILOTS within the Redevelopment Area will also be allocated to retire the TIF Notes. After completion of the Redevelopment Project, the City may issue the TIF Notes or other TIF obligations to the anticipated 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 Notes will be paid solely from revenues on deposit in the Washington East Condominiums 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 Notes.

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 City of St. Louis Board of Aldermen determined that the entire Area constituted a blighted area in Ordinance Number 60939, which established the Downtown Washington Avenue Redevelopment Area. That ordinance found that the buildings in the area described ranged from fair to poor condition and that the Area was in need of redevelopment.

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 buildings in the Area suffer from deterioration of both primary and secondary building components. The roofs of the buildings in the Area are damaged or leaking. The ceiling tiles in the buildings are noticeably deteriorating. The walls and floors of the buildings in the Area are in disrepair. Particularly, the walls of the buildings are cracking and require significant rehabilitation in order to be brought to a level sufficient for and conducive to modern use. Floors, floor tiles and ceiling tiles are unsuitable in several places and require replacement in certain sections because of environmental contamination. Access points to the buildings in the Area have suffered general deterioration and lack of maintenance and are unsuitable for modern use.

In addition, significant deterioration is evident in many of the secondary components of the buildings in the Area. Wiring and components of utilities and ventilation systems are outdated and exposed in places. Evidence from environmental reports suggests that floor and ceiling tiles, amongst other building components, contain asbestos. Numerous windows are cracked, broken or missing entirely and boarded up. Window frames are in need of substantial rehabilitation or renovation. Lighting components are also in need of replacement in places because of potential contamination concerns and general deterioration. The insulation in the buildings is below standard in places and requires replacement.

- ii. Unsanitary or Unsafe Conditions. The Redevelopment Area is characterized by several serious unsanitary and unsafe conditions, including significant environmental concerns. Several portions of the Area, including floors, floor tiles, paneling, ceiling tile adhesives, pipe insulation, duct wrap cloths and vibration cloths, are suspected of containing asbestos and are in need of removal. Additionally, over 5,000 fluorescent light tubes and 2,500 ballasts in the Area are suspected of containing PCBs and should be removed. Furthermore, tests performed by environmental consultants revealed the presence of lead paint in the Area.

In addition to the serious environmental conditions present in the Area, it also exhibits several serious unsanitary conditions. Portions of the Area have become overrun by insects and contain bird and animal excrement, and some are strewn with rotting bird skeletons. These unsanitary conditions pose a serious risk of illness or disease to any modern inhabitants, and contribute to the vacancy, underutilization and blight of the Area.

- 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.

Due to the deterioration of site improvements of the Redevelopment Area, the Area suffers from endangerment by fire and/or other causes. The Area lacks contemporary safety, sanitation, and other security measures in several places. In addition, the outdated building components exhibit serious signs of environmental contamination. The lack of maintenance and unsafe conditions evident in the Redevelopment Area are a hazard to both real property and personal safety.

- 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 predominantly vacant; the Bank of St. Louis and Dorsa Buildings are almost completely vacant, while the Curlee Building is approximately 45% vacant. This overwhelming vacancy rate over such a large Area detracts from the perception of activity and vitality that is necessary to successfully market the rest of downtown St. Louis to potential tenants and residents, and diminishes the potential property tax revenues generated by the Area.

In addition, the previous owner of the buildings in the Area had failed to make any investments in the property despite owning it for several years; furthermore, portions of the Area were, until recently, the subject of litigation for several years prior, further discouraging any investment in the Area. This pattern of a lack of investment in the Area contributed to the overwhelming deterioration of the properties within the Area, which ultimately resulted in the underutilization and underconsumption of the Area and depressed the property values and tax revenues to be derived from the Area.

The economic burden that the condition of the Area placed on the City is magnified by the fact that the Area is located at a key strategic location for development purposes, as it is situated on Washington Avenue in the heart of the Washington Avenue Loft District in immediate proximity to the City's convention headquarters hotel. The City has attempted to highlight this general region of downtown as a destination for visitors and residents, but the current condition of the Area retards the attractiveness and appeal of the neighborhood, as demonstrated by the frequent complaints about the condition of the Area that the City has received from the convention headquarters hotel and its guests. The continued overwhelming vacancy of the Area will stifle and prevent the completion of the development of the Washington Avenue corridor, and without energetic redevelopment, the Area will likely hamper or stunt the growth of downtown by detracting from a neighborhood that has the potential to be a testament to the revitalization of downtown. Because of the age, condition and design, and underutilization of the Redevelopment Area, however, a land owner is unable to demand rent levels and/or sale prices necessary to make the required improvements to the Area while at the same time remaining competitive with nearby developments, thus further aggravating and continuing the lack of maintenance, redevelopment and incentive for investment in the Area.

- v. Menace to the Public Health, Safety, Morals or Welfare. As discussed above, the Redevelopment Area exhibits many factors which constitute a menace to the public health, safety, morals, or welfare in its present condition and use. The deteriorating, unsanitary, and unsafe site conditions as illustrated above represent a menace to the public health and safety; the economic liability of the deteriorated or obsolete structures discussed above represents a menace to the public welfare.

The above factors, whether considered alone or as combined, constitute an economic and social liability, and constitute a menace to the public health, safety, and welfare. As long as such conditions are present in the Redevelopment Area, there will be little incentive for private investment and development to benefit the Area.

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. Environmental reports;
- c. Public documents relating to the history and/or condition of the Area; and
- d. Analysis of existing uses and their relationships.

IV. Redevelopment Plan INCLUDING NECESSARY FINDINGS1. 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 Washington East Condominiums 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, benefit taxing districts and encourage private investment in surrounding areas;
- To capitalize on the recent success of development in the Washington Avenue Loft District and to progress towards the complete redevelopment of the entire Washington Avenue Loft District;
- 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 Use Conversion of up to 314,000 gross square feet of space into residential units, as well as the provision of available parking.
- Commercial Use Renovation of space into between approximately 14,000 and approximately 197,500 square feet of commercial space, as well as the provision of available parking space.

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. Moreover, the Redevelopment Plan is designed to allow for flexibility in the ultimate mix and amount of residential and commercial uses.

It is expected that the Redevelopment Project will capitalize on existing successful development efforts on Washington Avenue and will further work towards the completion of the redevelopment of the Washington Avenue Loft District. 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 \$60.2

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 Redevelopment Plan proposes that the Area will be used for residential and a mix of commercial uses, as well as parking. 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 twenty-four 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 \$8,586,987 (2007). See **Appendix 5**.

8. Acquisition

The Developer or a related entity is currently the owner of record of all parcels (other than street rights-of-way) within the Area necessary for the Redevelopment Project or has all such parcels under contract.

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

This Redevelopment Plan conforms to the comprehensive plan for the City of St. Louis, which includes 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 \$60.2 million and are set forth in **Appendix 2**. More specifically, the TIF Act allows the City and/or its designated developer(s) to incur redevelopment costs associated with implementation of an approved Redevelopment Plan and approved Redevelopment Project. These costs include all reasonable or necessary costs incurred, and any costs incidental to a Redevelopment Project. Thus, this Redevelopment Plan anticipates that a portion of the sources of funds used to pay the Project Costs will come from the TIF revenues, which, in accordance with the TIF Act, may include but are not limited to:

- Costs of studies, surveys, plans and specifications;
- Professional service costs including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services;
- Property assembly costs including, but not limited to, acquisition of land and other real or personal property rights, or interests therein;
- Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
- Costs of construction of public works or improvements;
- Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include the payment of interest on any obligation issued under the provisions of this Redevelopment Plan accruing during the estimated period of construction of any Redevelopment Project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto; and

- All or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Project, to the extent the City, by written agreement, accepts and approves such costs.

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

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

2. Anticipated Sources of Funding to Pay Redevelopment Project Costs

There are 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:

- Historic Tax Credits;
- Owner Equity;
- Private Financing;
- Missouri Brownfields Tax Credits;
- 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") for each of the proposed phases of the Redevelopment Project, with the total aggregate amount of all such TIF Notes equal to Seven Million Three Hundred Thousand Dollars and no/100 (\$ 7,300,000.00) 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 Allegiant 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
Washington East Condominiums TIF Redevelopment Plan
Legal Description And Map Of The Redevelopment Area

Parcel 1:

A Lot in Block 178 of the City of St. Louis, fronting 86 feet on the North line of Washington Avenue by a depth Northwardly along the Western line of Tenth Street of 150 feet, more or less; bounded on the East by Tenth Street and on the North line by a line 75 feet South of and parallel to the South line of Lucas Avenue, and on the West by a line 86 feet West of and parallel to the Western line of Tenth Street. (1001 Washington Avenue)

Parcel 2:

A parcel of ground in Block 178 of the City of St. Louis, described as: Beginning at a point in the North line of Washington Avenue 86 feet West of the West line of Tenth Street; thence West along the North line of Washington Avenue 60 feet 1 inch; thence North and parallel with the West line of Tenth Street and along a line lying in a party wall 130 feet 3-1/4 inches; thence East and parallel with the North line of Washington Avenue 5 feet; thence North and parallel with the West line of Tenth Street 20 feet; thence East and parallel with the North line of Washington Avenue 55 feet 1 inch; thence South and parallel with the West line of Tenth Street and along a line lying partly in a party wall 130 feet 3-1/4 inches to the North line of Washington Avenue and the point of beginning. (1007 Washington Avenue)

Parcel 3:

A Lot of ground in Block 178 of the City of St. Louis, beginning at a point in the North line of Washington Avenue distant 60 feet East of the East line of 11th Street; thence running Northwardly parallel to said East line of 11th Street 151 feet, more or less, to the South line of United States Survey 1508; thence East on said Survey line 6 feet 3 inches to the southeast corner of a strip of ground conveyed to Adolph Lopez and Theresa Lopez recorded in Book 1599 page 251; thence North along said Lopez East line and the East line of property conveyed to Mary L. Harbaugh by deed recorded in Book 1584 page 506, 75 feet to the South line of Lucas Avenue; thence East along the South line of Lucas Avenue 84 feet 9 inches, more or less, to the West line of property, formerly owned by Edward Martin; thence South on said Martin’s West line 75 feet to the South line of said Survey 1508; thence West on said Survey line 21 feet, more or less, to a point; thence South 18 feet 5-1/2 inches, more or less, to the Northeast corner of a strip of ground conveyed to Washington University’s of deed recorded in Book 1523 page 130; thence West along said Washington University’s North line 5 feet to the Northwest corner of property conveyed to Washington University; thence Southwardly along the West line of said property of Washington University; 131 feet 9-1/2 inches, more or less, to the North line of Washington Avenue; thence Westwardly along the North line of Washington Avenue 65 feet to the place of beginning. (1015 Washington Ave. and 1010 Locust)

Parcel 4:

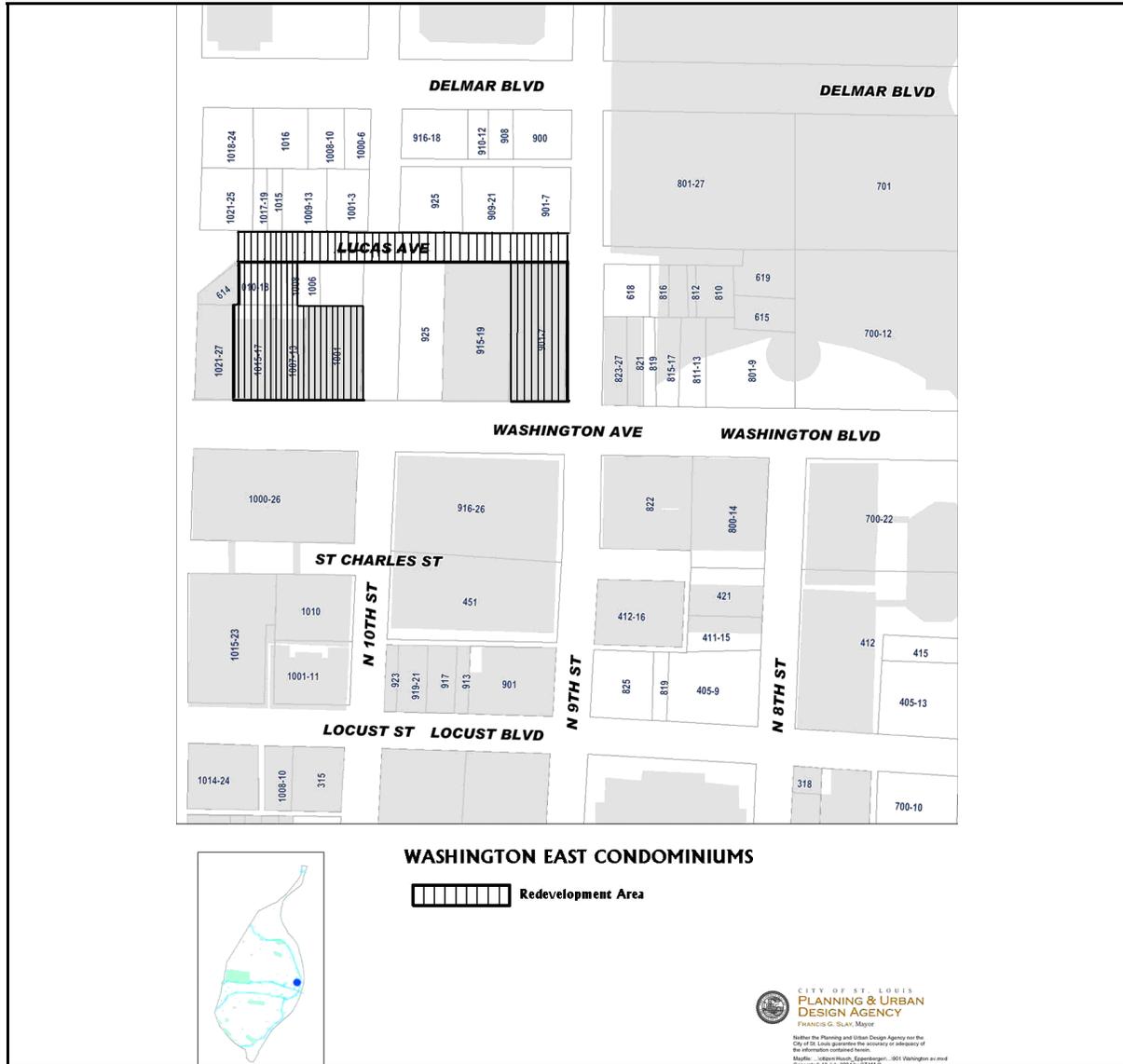
A parcel of ground in Block 178 of the City of St. Louis, described as: Fronting 20 feet 1 inch on the South line of Lucas Avenue by a depth Southwardly between parallel lines of 75 feet; bounded East by a line 100 feet West of and parallel with the West line of Tenth Street and West by a line lying in a party wall, according to survey by Joyce Surveying Company on October 11th, 1947. (1008 Lucas Avenue)

Parcel 5:

A lot in Block One Hundred Seventy-three (173) of the City of St. Louis, fronting One Hundred (100) feet on the North line of Washington Avenue by a depth Northwardly between parallel lines of Two Hundred Twenty-five (225) feet four 4 inches, more or less, to the South line of Lucas Avenue; bounded on the East by Ninth Street. (901 Washington Avenue)

Parcel 6:

A portion of Lucas Avenue bounded on the West by the Western boundary at its intersection with Lucas Avenue of the parcel described as A Lot of ground in Block 178 of the City of St. Louis, beginning at a point in the North line of Washington Avenue distant 60 feet East of the East line of 11th Street; thence running Northwardly parallel to said East line of 11th Street 151 feet, more or less, to the South line of United States Survey 1508; thence East on said Survey line 6 feet 3 inches to the southeast corner of a strip of ground conveyed to Adolph Lopez and Theresa Lopez recorded in Book 1599 page 251; thence North along said Lopez East line and the East line of property conveyed to Mary L. Harbaugh by deed recorded in Book 1584 page 506, 75 feet to the South line of Lucas Avenue; thence East along the South line of Lucas Avenue 84 feet 9 inches, more or less, to the West line of property, formerly owned by Edward Martin; thence South on said Martin's West line 75 feet to the South line of said Survey 1508; thence West on said Survey line 21 feet, more or less, to a point; thence South 18 feet 5-1/2 inches, more or less, to the Northeast corner of a strip of ground conveyed to Washington University's of deed recorded in Book 1523 page 130; thence West along said Washington University's North line 5 feet to the Northwest corner of property conveyed to Washington University; thence Southwardly along the West line of said property of Washington University; 131 feet 9-1/2 inches, more or less, to the North line of Washington Avenue; thence Westwardly along the North line of Washington Avenue 65 feet to the place of beginning, and bounded on the East by the Eastern boundary of the parcel described as A lot in Block One Hundred Seventy-three (173) of the City of St. Louis, fronting One Hundred (100) feet on the North line of Washington Avenue by a depth Northwardly between parallel lines of Two Hundred Twenty-five (225) feet four 4 inches, more or less, to the South line of Lucas Avenue; bounded on the East by Ninth Street.



**Appendix 2
Washington East Condominiums TIF Redevelopment Plan
Anticipated Sources and Uses of Funds**

WASHINGTON EAST CONDOMINIUMS Anticipated Sources and Uses				
USES	1007/1015			
	901 Washington	Washington	1001 Washington	COMBINED
CONSTRUCTION COSTS				
CONDO CONSTRUCTION	\$ 15,007,701	\$ 11,665,870	\$ 8,107,275	\$ 34,780,846
ACQUISITION COSTS				
ACQUISITION	\$ 2,500,000	\$ 3,350,000	\$ 2,400,000	\$ 8,250,000
ARCHITECTURAL, SOILS, SURVEY, ENGINEERING				
ARCHITECTURAL DESIGN	\$ 325,000	\$ 200,000	\$ 200,000	\$ 725,000
CIVIL ENGINEERING	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000
STRUCTURAL ENGINEERING	\$ 60,000	\$ 50,000	\$ 50,000	\$ 160,000
CONDO PLAT	\$ 7,000	\$ 7,000	\$ 7,000	\$ 21,000
ENVIRONMENTAL REPORTS	\$ 6,000	\$ 6,000	\$ 6,000	\$ 18,000
SURVEYS	\$ 2,225	\$ 2,225	\$ 2,225	\$ 6,675
CONTINGENCY	\$ 1,125,578	\$ 874,940	\$ 608,046	\$ 2,608,563
LEGAL/ACCOUNTING/CONSULTING				
LEGAL (INCLUDING EXPENSES)				
ORGANIZATIONAL	\$ 5,000	\$ 5,000	\$ 5,000	\$ 15,000
LEGAL	\$ 50,000	\$ 50,000	\$ 50,000	\$ 150,000
TIF FEES	\$ 45,000	\$ 25,000	\$ 25,000	\$ 95,000
ACCOUNTING				
COST CERTIFICATION	\$ 20,000	\$ 20,000	\$ 20,000	\$ 60,000
TWO YEARS TAX RETURNS	\$ 4,000	\$ 4,000	\$ 4,000	\$ 12,000
OTHER COSTS				
APPRAISAL AND MARKET STUDY	\$ 6,000	\$ 6,000	\$ 6,000	\$ 18,000
TITLE INSURANCE	\$ 8,000	\$ 8,000	\$ 4,000	\$ 18,000
RECORDING	\$ 1,000	\$ 1,000	\$ 1,000	\$ 3,000
DISBURSING	\$ 13,500	\$ 13,500	\$ 13,500	\$ 40,500
OWNER CONSTRUCTION ADMINISTRATION	\$ 40,000	\$ 40,000	\$ 40,000	\$ 120,000
CONSTRUCTION PERIOD INSURANCE	\$ 180,000	\$ 150,000	\$ 120,000	\$ 450,000
CONSTRUCTION PERIOD TAXES	\$ 50,000	\$ 26,914	\$ 26,914	\$ 103,827
DEVELOPER FEE	\$ 2,950,000	\$ 2,250,000	\$ 1,600,000	\$ 6,800,000
FINANCING COSTS				
CONSTRUCTION LOAN FEE	\$ 77,000	\$ 70,000	\$ 60,000	\$ 207,000
FIRST MORTGAGE CONSTRUCTION PERIOD INTEREST	\$ 645,600	\$ 659,900	\$ 497,500	\$ 1,803,000
MEZZANINE DEBT CONSTRUCTION PERIOD INTEREST	\$ 625,000	\$ 460,000	\$ 340,000	\$ 1,425,000
MARKETING/SALES STARTUP COSTS				
SALES OPERATING EXPENSES	\$ 50,000	\$ 40,000	\$ 40,000	\$ 130,000
DISPLAY FURNITURE & FURNISHINGS	\$ 25,000	\$ 25,000	\$ 25,000	\$ 75,000
MARKETING, PER BUDGET				
ARTWORK/DESIGN	\$ 7,500	\$ 7,500	\$ 7,500	\$ 22,500
ADVERTISING	\$ 120,000	\$ 100,000	\$ 80,000	\$ 300,000
BROCHURES	\$ 8,000	\$ 8,000	\$ 8,000	\$ 24,000
SIGNS	\$ 4,000	\$ 4,000	\$ 4,000	\$ 12,000
CONDO SALES COMMISSIONS	\$ 625,918	\$ 667,275	\$ 481,269	\$ 1,774,462
CONDO CLOSING COSTS	\$ 7,500	\$ 7,500	\$ 7,500	\$ 22,500
TOTAL USES	\$ 24,611,522	\$ 20,812,624	\$ 14,856,728	\$ 60,280,874
		TOTAL COMBINED USES		\$ 60,280,874
<hr/>				
SOURCES	1007/1015			
	901 Washington	Washington	1001 Washington	COMBINED
MEZZANINE FINANCING	\$ 2,500,000	\$ 1,500,000	\$ 1,000,000	\$ 5,000,000
ALLEGIAN CONSTRUCTION LOAN AND TIF LOAN	\$ 15,214,054	\$ 13,519,440	\$ 9,775,258	\$ 38,508,753
TAX CREDIT BRIDGE LOAN	\$ 3,520,741	\$ 2,703,357	\$ 2,215,139	\$ 8,439,237
DEFERRED DEVELOPER FEE	\$ 2,415,000	\$ 2,250,000	\$ 1,300,000	\$ 5,965,000
OWNER EQUITY	\$ 961,726	\$ 839,827	\$ 566,330	\$ 2,367,883
TOTAL SOURCES	\$ 24,611,522	\$ 20,812,624	\$ 14,856,728	\$ 60,280,874
		TOTAL COMBINED SOURCES		\$ 60,280,874

**Appendix 3
Washington East Condominiums TIF Redevelopment Plan
Redevelopment Program Schedule**

First TIF Commission Meeting	9/01/04
Mailing of Notice of TIF Commission Public Hearing to Taxing Districts (not less than 45 days prior to hearing) (RSMo. §99.830.3)	9/3/04
Submit Redevelopment Plan to TIF Commission (at least 45 days prior to public hearing)	9/4/04
First Publication of Notice of TIF Commission Public Hearing (not more than 30 days prior to hearing) (RSMo. §99.830.1)	9/22/04
Written Notice to Property Owners (not less than 10 days prior to public hearing) (RSMo. §99.830.3)	10/8/04
Second Publication of Notice of TIF Commission Public Hearing (not more than 10 days prior to public hearing) (RSMo. §99.830.1)	10/11/04
Public Hearing by TIF Commission (RSMO. §99.825)	10/20/04
TIF Commission Recommendation to Board of Alderman (within 90 days of TIF Public Hearing) (RSMo. §99.820.3)	10/20/04
TIF Ordinances Introduced adopting plan, approving project, establishing district, establishing special allocation fund, approving redevelopment agreement and authorizing issuance of TIF Notes (no sooner than 14 and not more than 90 days after hearing) (RSMo. §99.820.1(1))	11/5/04
HUDZ Committee Hearing on TIF Ordinances	11/12/04
Second Reading of TIF Ordinances	11/19/04
Perfection of Board Bill(s)	12/3/04
Third Reading and Final Passage of TIF Ordinances	12/10/04
Mayor Signs Bills	12/31/04
Construction Commences	1/2005
Construction Complete	7/2006

Appendix 4
Washington East Condominiums TIF Redevelopment Plan
Equalized Assessed Value of Redevelopment Area

Street Address	Tax ID	Equalized Assessed Value (2004)	
1010-18 Lucas	1780000201	\$	18,200.00
1008 Lucas	1780000301	\$	4,410.00
1007-13 Washington	1780000761	\$	57,150.00
	1780000771	\$	16,100.00
1001 Washington	1780000661	\$	77,410.00
	1780000671	\$	144,100.00
1015-7 Washington	1780000861	\$	74,560.00
	1780000871	\$	14,100.00
901-7 Washington	1730000300	\$	216,300.00

Appendix 6
Washington East Condominiums TIF Redevelopment Plan
Developer's Affidavit

09/01/2004 23:37 3147736369

PYRAMID

PAGE 02/02

STATE OF MISSOURI)
CITY OF ST. LOUIS)

AFFIDAVIT

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

The undersigned swears, affirms and certifies the following to be true to induce the approval of Tax Increment Financing for the Redevelopment Area described in the Washington East Condominiums Tax Increment Financing Redevelopment Plan, dated September 4, 2004 (the "Redevelopment Plan").

1. I am a duly authorized representative of Pyramid Construction Inc. (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.

PYRAMID CONSTRUCTION, INC.

By: [Signature]
Name: Matthew D. O'Leary

Subscribe and swear to before me this 2 day of September, 2004.

Notary Public

My Commission Expires: Sept 11, 2006

ALFREDO HASSON
Notary Public - State of Missouri
City of St. Louis
My Commission Expires Sep. 11, 2006



Appendix 7
Washington East Condominiums TIF Redevelopment Plan
Evidence of Commitment to Finance Project Costs



10401 Clayton Road
Frontenac, Missouri 63131
314/692-8800

July 29, 2004

Mr. John R. Steffen
Pyramid Construction, Inc.
906 Olive Street
St. Louis, MO 63101

Re: Proposed Washington East Condominiums TIF Redevelopment Project

Dear Mr. Steffen:

The purpose of this letter is to reiterate our commitment to provide financing for your proposed project to renovate and rehabilitate the existing structures located at 901, 1001 and 1007-1015 Washington Avenue (the "Project").

As we have discussed, financing of the Project would not be feasible without the assistance of tax increment financing. Therefore, please be advised that we are excited to 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.

Very truly yours,

Brian M. Davies

PLEGGED TO A BETTER WAY OF BANKING

Approved: December 22, 2004