

**ORDINANCE #66565**  
**Board Bill No. 361**

**AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI, AS A REDEVELOPMENT AREA KNOWN AS THE GASLIGHT SQUARE EAST 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 GASLIGHT SQUARE EAST 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 Gaslight Square Place III, LLC, a Missouri limited liability company (the “Developer”), prepared a plan for redevelopment titled “Gaslight Square East TIF Redevelopment Plan” dated September 4, 2004, as amended (the “Redevelopment Plan”), for an area which consists of twenty-two parcels of land located along Olive Street 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 preparing and pre-developing the Area and creating residential lots 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 commenced a public hearing in conformance with the TIF Act, which hearing was continued until November 3, 2004, 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 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 Gaslight Square 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 “Gaslight Square East Special Allocation Fund.” To the extent permitted by law, the City hereby pledges funds

in the Gaslight Square East 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 Gaslight Square East 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 Gaslight Square East 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 Gaslight Square East 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**

**GASLIGHT SQUARE EAST TIF REDEVELOPMENT PLAN**

**GASLIGHT SQUARE EAST**

**TIF REDEVELOPMENT PLAN**

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

**REVISED  
November 3, 2004  
Tax Increment Financing Commission Public Hearing**

**GASLIGHT SQUARE**

**TIF Redevelopment Plan**

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

12. Cost Benefit Analysis
13. Does not include Gambling Establishment
14. Reports to DED

#### IV. Financing Plan

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

### GASLIGHT SQUARE

#### APPENDICES

1. Legal Description and Map of the Redevelopment Area
2. Sources and Uses of Funds
3. Redevelopment Program Schedule
4. Equalized Assessed Value of Redevelopment Area
5. Projected TIF Revenues
6. Developer's Affidavit
7. Evidence of Commitment to Finance Project Costs

#### I. INTRODUCTION

The following is a plan prepared by the City of St. Louis ("City") for a redevelopment project (the "Redevelopment Project" or "Project") involving the land located along Olive Street between Whittier and Sarah Streets in the City of St. Louis (the "Redevelopment Area" or "Area"). A legal description and map of the Redevelopment Area are contained herein as **Appendix 1**.

The Redevelopment Area consists of twenty-two parcels of land. The Area is composed primarily of entirely vacant, unimproved land along Olive Street. In addition to the unimproved lots, the Area includes two existing buildings, located at 4155 and 4160 Olive Street. The building at 4160 Olive, formerly known as the Selkirk Building, currently serves as a warehouse for sets and storage belonging to the Opera Theater of St. Louis, while the building at 4155 Olive houses the Urban League Outreach program. 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 prepare the Area for the ultimate development into residential townhouse lots, a condominium lot, and potential additional space. The Project will involve the clearing, grading and preparation of development sites, as well as the provision of infrastructure such as sewer and water improvements, street and alley repaving and relighting. The site preparation and infrastructure provided will foster, facilitate and encourage the future development of residential townhouse units in the Area.

This Redevelopment Plan proposes that the City initially authorize and issue a Tax Increment Financing Note ("TIF Note") in an amount up to One Million Five Hundred Thousand Dollars and no/100 (\$ 1,500,000.00) 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") generated by the Project over a twenty-three year period. One hundred percent of PILOTS within the Redevelopment Area will 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 selected developer of the Redevelopment 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 Gaslight Square East 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 Area has previously been blighted under a Chapter 353 ordinance as part of the McPherson Redevelopment Area. 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.  
  
Although a majority of the Area is unimproved, those improvements that do exist have deteriorated due to underutilization, neglect and a lack of maintenance. The buildings in the Area have poorly maintained and depressed access areas, broken windows, and deteriorating entryways. Additionally, major utility and infrastructure improvements, such as sewer, water and lighting systems, are far below modern standards, and the condition of these important infrastructure facilities has discouraged investment in or development of the Area. Furthermore, the streets, alleys and sidewalks in the area are uneven, cracked and suffer from overgrowth and lack of maintenance.
- ii. Unsanitary or Unsafe Conditions. The Redevelopment Area is characterized by several serious unsanitary and unsafe conditions. The general problems of deterioration create significant unsanitary and unsafe conditions, including uneven paved surfaces and substandard utility facilities. Furthermore, the Area is littered with trash and debris and is consumed with overgrowth.
- iii. Retards the Provision of Housing Accommodations. The near-total underdevelopment of the Area and its overwhelming vacancy are substantial evidence of the fact that the conditions of the Area have retarded the provision of housing accommodations in the Area. Although the Area is subdivided for residential use, its inefficient platting, substandard utilities, and deferred maintenance have all prevented the successful redevelopment of the Area because such conditions increase the cost of any redevelopment to a level that is economically prohibitive. The Area's overwhelming vacancy and lack of improvement obviously demonstrate the deleterious effect that the condition of the Area has had on the provision of housing accommodations.
- iv. Economic and Social Liability. The Area in its current condition is a liability to the general welfare and economic independence of the City. The Area is almost entirely unimproved, and the stagnancy created by the lack of improvements and underutilization of such property deprives the City of potential tax revenue that could be obtained through the utilization of the property for any legitimate purpose. Furthermore, as demand increases for newly constructed homes in the City of St. Louis and surrounding region, the non-utilization of land on which new homes could be constructed because of high infrastructure and development costs amounts to a waste of a rare opportunity to construct new homes on land in the City of St. Louis, and thus deprives the City of potential new residents that are crucial to the prospective economic and social vitality of 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, and unsafe site conditions as illustrated above represent a menace to the public health and safety and the economic liability created by the underutilization of otherwise potentially valuable property detracts from both public morale and 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; and
- b. 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 Gaslight Square East 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 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 available demand for the proposed uses at this particular location;
- 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 Redevelopment Area;
- To provide development opportunities in the Redevelopment Area and surrounding areas; and
- To stimulate construction and permanent employment opportunities in the Redevelopment Area.

##### **3. Redevelopment Project**

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

The Redevelopment Project consists of site preparation and predevelopment of land to create new residential lots in anticipation of future new construction.

It is expected that the Redevelopment Project will capitalize on growing and currently unsatisfied demand for new residential construction in the Area. In addition, it is expected that the Project will encourage an increase in property values and residential development in and in the vicinity of the Redevelopment Area.

The total estimated Redevelopment Project Costs for the Redevelopment Project equal approximately \$2.79 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 Area will be used for residential uses. To the extent necessary to effectuate the purposes of the Redevelopment Project, the anticipated Developer will apply for any necessary variance or change in the zoning of the property to accommodate the Redevelopment Project.

5. Redevelopment Schedule and Estimated Dates of Completion

It is estimated that implementation of the Redevelopment Project will be completed within thirty (30) 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, which constitutes all of the taxable property within the Redevelopment Area which is to be subjected to PILOTS pursuant to Section 99.845 Mo. Rev. Stat. (2000), 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 in the Redevelopment Area which is to be subjected to PILOTS pursuant to Section 99.845 Mo. Rev. Stat. (2000) after redevelopment and completion of the Project is approximately \$1,243,803 (2007). See **Appendix 5**.

8. Acquisition

The anticipated Developer or a related entity to the anticipated Developer is currently the owner of record of a majority of parcels within the Redevelopment Area necessary for the Redevelopment Project or has executed contracts to purchase such parcels.

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 Redevelopment 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 development of the City as set forth in the "Comprehensive City Plan" (1947), the "St. Louis Development Program" (1973) and the "Economic Development Strategy" (1978) and the "Midtown Strategic Development Plan" (2003).

11. Plan for Relocation Assistance

As the Redevelopment Area is largely currently 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.

13. Does Not Include Gambling Establishment

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

14. Reports to DED

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

**V. FINANCING PLAN**

1. Eligible Redevelopment Project Costs

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

The estimated Redevelopment Project Costs to be incurred in connection with the TIF Project are approximately \$2.79 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 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 three principal sources of funds that are anticipated to be used to pay the costs of implementation of the Redevelopment Plan and the Redevelopment Project previously described. These sources are:

- 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 and issue a Tax Increment Financing Note (“TIF Note”) in an amount up to One Million Five Hundred Thousand Dollars and no/100 (\$1,500,000.00) 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 the following account as provided for and in accordance with the TIF Act:

1. The “PILOTS Account”, which will contain all payments in lieu of taxes derived from all taxable lots, blocks, tracts, and parcels of real property (or any interest therein) within the Redevelopment Area as contemplated by this Redevelopment Plan and in accordance with the TIF Act; and

Funds on deposit in the PILOTS Account will be pledged to the 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 Heartland 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  
GASLIGHT SQUARE EAST TIF Redevelopment Plan  
Legal Description And Map Of The Redevelopment Area**

A tract of land being part of City Blocks 3911 & 4876, situated in the City of St. Louis, the State of Missouri and being more particularly described as follows:

COMMENCING at a found "+" in concrete marking the intersection of the Southerly right-of-way line of Olive Street, 60 feet wide and the Easterly right-of-way line of Sarah Street, 60 feet wide; thence North 60 degrees 54 minutes 33 seconds West, a distance of 60.00 feet to the intersection of said Southerly right-of-way line and the Westerly right-of-way line of said Sarah Street, being the Northeasterly corner of said City Block 3911 and also being the TRUE POINT OF BEGINNING for the tract herein described; thence along said Westerly right-of-way line, South 28 degrees 55 minutes 56 seconds West, a distance of 155.47 feet to its intersection with the Northerly right-of-way line of a 15 foot wide alley; thence along said Northerly right-of-way line, North 60 degrees 50 minutes 14 seconds West, a distance of 701.71 feet to its intersection with the Easterly right-of-way line of Whittier Street, 60 feet wide; thence along said Easterly right-of-way line, North 29 degrees 38 minutes 23 seconds East, a distance of 154.60 feet to its intersection with the aforementioned Southerly right-of-way line of Olive Street; thence along said Southerly right-of-way line, South 60 degrees 54 minutes 33 seconds East, a distance of 699.79 feet to the Point of Beginning.

Containing 2.49 acres (108,630 sq. ft.) according to a survey by J. R. Grimes Consulting Engineers, Inc.

And also:

COMMENCING at a found "+" in concrete marking the intersection of the Southerly right-of-way line of Olive Street, 60 feet wide and the Easterly right-of-way line of Sarah Street, 60 feet wide; thence North 60 degrees 54 minutes 33 seconds West, a distance of 60.00 feet to the intersection of said Southerly right-of-way line and the Westerly right-of-way line of said Sarah Street, being the Northeasterly corner of said City Block 3911; thence North 29 degrees 00 minutes 09 seconds East, a distance of 60.00 feet to the intersection of said Westerly right-of-way line and the Northerly right-of-way line of said Olive Street, being the TRUE POINT OF BEGINNING for the tract herein described; thence along said Northerly right-of-way line, North 60 degrees 54 minutes 33 seconds West, a distance of 699.13 feet to its intersection with the Easterly right-of-way line of Whittier Street, 60 feet wide; thence along said Easterly right-of-way line, North 29 degrees 38 minutes 23 seconds East, a distance of 152.51 feet to its intersection with the Southerly right-of-way line of a 20 foot wide alley; thence along said Southerly right-of-way line, South 60 degrees 54 minutes 33 seconds East, a distance of 697.43 feet to its intersection with the aforementioned Westerly right-of-way line of Sarah Street; thence along said Westerly right-of-way, South 28 degrees 57 minutes 41 seconds West, a distance of 152.50 feet to the Point of Beginning.

Containing 2.44 acres (106,420 sq. ft.) according to a survey by J. R. Grimes Consulting Engineers, Inc.

**Appendix 2  
GASLIGHT SQUARE EAST TIF Redevelopment Plan  
Sources and Uses of Funds**

**SOURCES**

Equity / Private Financing	\$1,293,000
Net Proceeds from TIF	\$1,500,000

**TOTAL SOURCES**

**\$2,793,000**

**USES**

**Land Acquisition**

MBA Lot	\$132,800
Opera Theater	\$100,000
Samaco Buildings	\$175,000

Meyers Building	\$45,000	
Modern Metals	\$300,000	
Birch Property	\$250,000	
<i>Land Subtotal</i>		<b>\$1,002,800</b>
<b>Soft Costs</b>		
Insurance, Appraisal, Title	\$8,000	
Legal and Accounting	\$30,000	
Survey and Engineering	\$65,000	
Taxes - Property	\$7,000	
Envir. Engineering including Construction Admin.	\$70,000	
Architectural	\$5,000	
Consultant Fees	\$45,000	
<i>Soft Costs Subtotal</i>		<b>\$230,000</b>
<b>Hard Costs</b>		
Storm and Sewer	\$170,000	
Earth Work and Disposal	\$275,000	
Water - taps and stops	\$78,000	
Electric - Pole relocation and conduit	\$20,000	
Street repave and Alley	\$113,800	
Walks	\$80,000	
Landscaping and Trees	\$23,000	
Lighting	\$94,000	
Sight Fencing and Gates	\$10,000	
Erosion, Control and Sod	\$10,000	
Permits	\$10,000	
Contingency	\$75,000	
Construction Supervision	\$70,000	
Environment clean up and supervision	\$150,000	
<i>Hard Costs Subtotal</i>		<b>\$1,178,800</b>
<b>Financing Costs</b>		
Loan Fees	\$15,000	
Interest	\$98,000	
<i>Financing Costs Subtotal</i>		<b>\$113,000</b>
<b>Developer Fee</b>		<b>\$268,400</b>
<b>TOTAL USES</b>		<b>\$2,793,000</b>

**Appendix 3  
GASLIGHT SQUARE EAST TIF Redevelopment Plan  
Redevelopment Program Schedule**

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

**APPENDIX 4**  
**GASLIGHT SQUARE EAST TIF Redevelopment Plan**  
**EQUALIZED ASSESSED VALUE OF REDEVELOPMENT AREA**

<b>Street Address</b>	<b>Tax ID</b>	<b>Equalized Assessed Value (2004)</b>
4160 Olive Street	3911 00 00100	\$60,800.00
4152 Olive Street	3911 00 00200	\$4,600.00
4142 Olive Street	3911 00 00300	\$5,000.00
4130 Olive Street	3911 00 00500	\$28,700.00
4124 Olive Street	3911 00 00600	\$4,300.00
4116 Olive Street	3911 00 00700	\$5,600.00
4114 Olive Street	3911 00 00800	\$3,400.00
4110 Olive Street	3911 00 00900	\$3,100.00
4108 Olive Street	3911 00 01000	\$1,600.00
4102 Olive Street	3911 00 01050	\$3,200.00
4100 Olive Street	3911 00 01100	\$1,500.00
4101 Olive Street	4876 00 01200	\$2,900.00
4105 Olive Street	4876 00 01250	\$1,800.00
4109 Olive Street	4876 00 01300	\$2,400.00
4123 Olive Street	4876 00 01500	\$12,000.00
4131 Olive Street	4876 00 01600	\$15,300.00
4137 Olive Street	4876 00 01700	\$2,000.00
4139 Olive Street	4876 00 01800	\$3,900.00
4145 Olive Street	4876 00 01900	\$6,800.00
4149 Olive Street	4876 00 02100	\$34,900.00
4155 Olive Street	4876 00 02300	\$1,800.00
4149 Olive Street	4876 00 02400	\$7,100.00

**Appendix 5**  
**GASLIGHT SQUARE EAST TIF Redevelopment Plan**  
**Projected TIF Revenues**

<b>Year</b>	<b>Assessed Value</b>	<b>TIF Real Estate Taxes</b>	<b>PILOTS</b>	<b>PILOTS w/ 1.10 Coverage</b>
Base	\$ 115,400	\$ 8,390		
2004	\$ 115,400	\$ 8,390	\$ -	\$ -
2005	\$ 120,016	\$ 8,726	\$ 336	\$ 305
2006	\$ 1,282,500	\$ 93,247	\$ 84,856	\$ 77,142
2007	\$ 2,309,355	\$ 167,906	\$ 159,516	\$ 145,014
2008	\$ 3,185,055	\$ 231,576	\$ 223,185	\$ 202,896
2009	\$ 3,248,756	\$ 236,207	\$ 227,817	\$ 207,106
2010	\$ 3,248,756	\$ 236,207	\$ 227,817	\$ 207,106
2011	\$ 3,378,706	\$ 245,656	\$ 237,265	\$ 215,696
2012	\$ 3,378,706	\$ 245,656	\$ 237,265	\$ 215,696
2013	\$ 3,513,855	\$ 255,482	\$ 247,091	\$ 224,629
2014	\$ 3,513,855	\$ 255,482	\$ 247,091	\$ 224,629
2015	\$ 3,654,409	\$ 265,701	\$ 257,311	\$ 233,919
2016	\$ 3,654,409	\$ 265,701	\$ 257,311	\$ 233,919
2017	\$ 3,800,585	\$ 276,329	\$ 267,939	\$ 243,581
2018	\$ 3,800,585	\$ 276,329	\$ 267,939	\$ 243,581
2019	\$ 3,952,609	\$ 287,382	\$ 278,992	\$ 253,629
2020	\$ 3,952,609	\$ 287,382	\$ 278,992	\$ 253,629
2021	\$ 4,110,713	\$ 298,878	\$ 290,487	\$ 264,079
2022	\$ 4,110,713	\$ 298,878	\$ 290,487	\$ 264,079
2023	\$ 4,275,141	\$ 310,833	\$ 302,442	\$ 274,948
2024	\$ 4,275,141	\$ 310,833	\$ 302,442	\$ 274,948
2025	\$ 4,446,147	\$ 323,266	\$ 314,876	\$ 286,251
2026	\$ 4,446,147	\$ 323,266	\$ 314,876	\$ 286,251
2027	\$ 4,623,993	\$ 336,197	\$ 327,806	\$ 298,006

Appendix 6
GASLIGHT SQUARE EAST TIF Redevelopment Plan
Developer's Affidavit

08/07/04 15:48 FAX 314 333 4128

SAAMAN CORPORATION, INC.

002

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 Gaslight Square East Tax Increment Financing Redevelopment Plan, dated September 4, 2004 (the "Redevelopment Plan").

1. I am a duly authorized representative of Gaslight Square Place III, 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.

GASLIGHT SQUARE PLACE III, LLC

By: [Signature]
Name: Mark Rubin

Subscribe and sworn to before me this 3rd day of September, 2004.

[Signature]
Notary Public

My Commission Expires: \_\_\_\_\_



MARC H. MINK
St. Louis County
My Commission Expires
July 4, 2008

Appendix 7  
GASLIGHT SQUARE EAST TIF Redevelopment Plan

Evidence of commitment to finance project costs

10/06/2004 10:38 FAX

HEARTLAND BANK

002/002



Commercial Real Estate Banking Group  
212 S. Central Ave., Suite 305  
St. Louis, MO 63105  
(314) 512-8519  
(314) 512-7911 (fax)

October 6, 2004

Mr. Dennis Norman  
Saaman Corporation  
7925 Forsyth Boulevard  
Clayton, MO 63105

Re: Proposed TIF Project

Dear Mr. Norman:

The purpose of this letter is to reiterate Heartland Bank's commitment to provide financing for your proposed Gaslight Square East TIF Redevelopment Project in the City of St. Louis (the "Project").

As you know, we have already closed on a \$2.4 Million loan to provide land acquisition and development financing for the Project. Disbursements under the loan above \$1.2MM are conditioned on the approval of public investment by the City/LCRA – without which the economics as envisioned in our Loan Agreement would be unfeasible. We look forward to the approval of the requested TIF financing and in turn the successful completion of the Project.

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

Sincerely,

A handwritten signature in black ink, appearing to read "S. Luten".

Samuel C. Luten  
Senior Vice President

Approved: December 22, 2004