

ORDINANCE #67088
Board Bill No. 425
Floor Substitute

AN ORDINANCE APPROVING THE PETITION OF THE LOUGHBOROUGH COMMONS COMMUNITY IMPROVEMENT DISTRICT, LOUGHBOROUGH COMMONS, L.L.C. AND LOWE'S HOME CENTERS, INC., AS OWNERS OF CERTAIN REAL PROPERTY, ESTABLISHING THE LOUGHBOROUGH COMMONS COMMUNITY IMPROVEMENT DISTRICT, FINDING A PUBLIC PURPOSE FOR THE ESTABLISHMENT OF THE LOUGHBOROUGH COMMONS COMMUNITY IMPROVEMENT DISTRICT, AND CONTAINING A SEVERABILITY CLAUSE.

WHEREAS, Mo. Rev. Stat. § 67.1400 *et seq.* (the "CID Act") authorizes the Board of Aldermen to approve the petition of the property owners to establish a Community Improvement District; and

WHEREAS, a petition (the "Petition") signed by representatives of more than fifty percent per capita of all property owners within the Loughborough Commons Community Improvement District and by property owners owning more than fifty percent by assessed value of the real property within the proposed Loughborough Commons Community Improvement District has been filed, requesting formation and establishment of the Loughborough Commons Community Improvement District; and

WHEREAS, the Register of the City of St. Louis did review and determine that the Petition substantially complies with the requirements of the CID Act; and

WHEREAS, a public hearing, duly noticed and conducted as required by and in accordance with the CID Act was held at _____ .m. on _____, 2006 by the Board of Aldermen; and

WHEREAS, the property within the proposed Loughborough Commons Community Improvement District was found by the City to be "blighted" pursuant to Chapter 99 Mo. Rev. Stat., and was designated as such by Ordinance No. 66664 (Board Bill No. 04-410) of the City of St. Louis; and

WHEREAS, this Board of Aldermen hereby finds that the adoption of this ordinance is in the best interest of the City of St. Louis and that the property owners of the Loughborough Commons Community Improvement District, as well as the City as a whole, will benefit from the establishment of the Loughborough Commons Community Improvement District.

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

Section One:

(a) A community improvement district, to be known as the "Loughborough Commons Community Improvement District" (hereinafter referred to as the "District"), is hereby established pursuant to the CID Act on that real property identified in the map included in the Petition in Appendix A and legally described as follows:

A TRACT OF LAND BEING IN CITY BLOCKS 3026, 3030, AND 3072, IN THE CITY OF ST. LOUIS, MISSOURI, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE CENTERLINE OF SOUTH GRAND (WIDTH VARIES) AVENUE AT THE INTERSECTION OF THE CENTERLINE OF LOUGHBOROUGH (60'W) AVENUE;

THENCE, EASTWARDLY ALONG SAID CENTERLINE OF LOUGHBOROUGH (60'W) AVENUE TO THE POINT BEING THE INTERSECTION OF THE SAID CENTERLINE OF LOUGHBOROUGH AVENUE WITH THE WESTERN LINE OF THE MISSOURI PACIFIC (66'W) RAILROAD RIGHT-OF-WAY;

THENCE, SOUTHWARDLY ALONG SAID WESTERN LINE OF THE MISSOURI PACIFIC (66'W) RAILROAD RIGHT-OF-WAY TO A POINT BEING THE INTERSECTION OF SAID WESTERN LINE OF THE MISSOURI PACIFIC RAILROAD RIGHT-OF-WAY WITH THE WESTERN LINE OF INTERSTATE (WIDTH VARIES) ROUTE 55;

THENCE, SOUTHWESTWARDLY ALONG THE SAID WESTERN LINE OF INTERSTATE (WIDTH VARIES) ROUTE 55 TO A POINT BEING THE INTERSECTION OF SAID WESTERN LINE OF INTERSTATE ROUTE 55 WITH THE NORTH LINE OF JOHN C. IVORY'S SUBDIVISION;

THENCE, WESTWARDLY ALONG THE SAID NORTH LINE OF JOHN C. IVORY'S SUBDIVISION TO A POINT BEING THE SOUTHEAST CORNER OF LOT 1 OF "LOUGHBOROUGH COMMONS PLAT 1" AS RECORDED IN PLAT BOOK 03302005 PAGE 348, THENCE; NORTH ALONG THE EAST LINE OF SAID LOT 1 TO THE NORTHEAST CORNER THEREOF; THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1 TO A POINT BEING THE INTERSECTION OF SAID NORTH LINE WITH THE CENTERLINE OF SOUTH GRAND (WIDTH VARIES) AVENUE;

THENCE, NORTHWARDLY ALONG THE SAID CENTERLINE OF SOUTH GRAND (WIDTH VARIES) AVENUE BACK TO A POINT IN THE CENTERLINE OF LOUGHBOROUGH AVENUE, SAID POINT BEING THE POINT OF BEGINNING.

Section Two.

The District is authorized by the CID Act to use any one or more of the taxes, including sales and use taxes or real estate taxes, assessments or other funding mechanisms specifically authorized by the CID Act to provide funds to accomplish any power, duty or purpose of the District; provided, however, the District shall not have the authority to impose any assessment on any real property located in a special business district authorized pursuant to Mo. Rev. Stat. § 71.790 *et seq.* or on any business or individual doing business in such special business district until the taxes imposed by such special business district have been repealed by such special business district.

Section Three.

The District is authorized by the CID Act, at any time, to issue obligations, or to enter into agreements with other entities with the authority to issue obligations, for the purpose of carrying out any of its powers, duties, or purposes. Such obligations shall be payable out of all, part or any combination of the revenues of the District and may be further secured by all or any part of any property or any interest in any property by mortgage or any other security interest granted. Such obligations shall be authorized by resolution of the District, and if issued by the District, shall bear such date or dates, and shall mature at such time or times, but not more than twenty (20) years from the date of issuance, as the resolution shall specify. Such obligations shall be in such denomination, bear interest at such rate or rates, be in such form, be payable in such place or places, but subject to redemption as such resolution may provide and be sold at either public or private sale at such prices as the District shall determine subject to the provisions of Mo. Rev. Stat. § 108.170. This District is also authorized to issue such obligations to refund, in whole or in part, obligations previously issued by the District.

Section Four.

(a) Pursuant to the Petition, the District shall be in the form of a political subdivision, known as the Loughborough Commons Community Improvement District.

(b) Pursuant to Section 67.1471 of the CID Act, the fiscal year for the District shall be the same as the fiscal year for the City of St. Louis.

(c) No earlier than one hundred eighty (180) days and no later than ninety (90) days prior to the first day of each fiscal year, the District shall submit to the Board of Aldermen a proposed annual budget for the District, setting forth expected expenditures, revenues, and rates of assessments, if any, for such fiscal year. The Board of Aldermen may review and comment on this proposed budget, but if such comments are given, the Board of Aldermen shall provide such written comments no later than sixty (60) days prior to the first day of the relevant fiscal year; such comments shall not constitute requirements, but shall only be recommendations.

(d) The District shall hold an annual meeting and adopt an annual budget no later than thirty (30) days prior to the first day of each fiscal year.

Section Five.

The District is authorized to use the funds of the District for any of the improvements, services or other activities authorized under the CID Act.

Section Six.

Pursuant to the CID Act, the District shall have all of the powers necessary to carry out and effectuate the

purposes of the District and the CID Act as set forth in the CID Act.

Section Seven.

The City of St. Louis hereby finds that the uses of the District proceeds as provided for in the Petition attached hereto as Appendix A will serve a public purpose by remediating blight, providing for certain public improvements and encouraging redevelopment of real property within the District.

Section Eight.

The District is generally bounded by Interstate 55 to the East and South, South Grand Avenue to the West and Loughborough Avenue to the North, which such area was declared “blighted” under Chapter 99 Mo. Rev. Stat. by Ordinance No. 66664 (Board Bill No. 04-410) of the City of St. Louis Board of Aldermen, which designation is hereby reaffirmed pursuant to the request of the Petition.

Section Nine.

Within one hundred twenty (120) days after the end of each fiscal year, the District shall submit a report to the Register of the City and the Missouri Department of Economic Development stating the services provided, revenues collected and expenditures made by the District during such fiscal year, and copies of written resolutions approved by the board of the District during the fiscal year. The Register shall retain this report as part of the official records of the City and shall also cause this report to be spread upon the record of the Board of Aldermen, pursuant to Section 67.1471 of the CID Act.

Section Ten.

The term for the existence of the District shall begin on the date this ordinance as enacted by the Board of Aldermen and shall continue for a maximum of twenty five (25) years.

Section Eleven.

Pursuant to the CID Act, the Board of Aldermen shall not decrease the level of publicly funded services in the District existing prior to the creation of the District or transfer the burden of providing the services to the District unless the services at the same time are decreased throughout the City, nor shall the Board of Aldermen discriminate in the provision of the publicly funded services between areas included in the District and areas not so included.

Section Twelve.

The Register shall report in writing the creation of the Loughborough Commons Community Improvement District to the Missouri Department of Economic Development.

Section Thirteen.

If any section, subsection, sentence, clause, phrase or portion of this ordinance is held to be invalid or unconstitutional, or unlawful for any reason, by any court of competent jurisdiction, such portion shall be deemed and is hereby declared to be a separate, distinct and independent provision of this ordinance, and such holding or holdings shall not affect the validity of the remaining portions of this ordinance.

APPENDIX A
Loughborough Commons Community Improvement District Petition
[Attached hereto.]

**AMENDED PETITION FOR THE CREATION
OF A COMMUNITY IMPROVEMENT DISTRICT**

To the City of St. Louis, Missouri:

The undersigned are the owners or representatives of the owners of record of more than fifty percent (50%) (a) by assessed value of all real property within the hereinafter described community improvement district, and (b) per capita of all owners of real property within the hereinafter described community improvement district (“*Petitioners*”). *Petitioners* hereby petition and request that the City of St. Louis, Missouri (the “*City*”) create a community improvement district as described herein, to be known as **LOUGHBOROUGH COMMONS COMMUNITY IMPROVEMENT DISTRICT** (the “*District*”), pursuant to the authority of Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, as amended (the “*CID Act*”).

1. A legal description of the proposed District is set forth as **Exhibit A**, attached hereto and incorporated herein by reference. The proposed District is located entirely within the City. A boundary map of the proposed District is set forth as **Exhibit B**, attached hereto and incorporated herein by reference.
2. The proposed District is contiguous.
3. The total current assessed value of all real property located within the proposed District is approximately \$1,680,860. Lowe’s Home Centers, Inc., a North Carolina corporation, is the owner of Parcel Number 3030 00 00160 at a current assessed value of \$124,600, and Loughborough Commons, L.L.C., a Missouri limited liability company, is the owner of Parcels Number 3026 00 00100, 3026 00 00200, 3026 00 00300, 3026 00 00400, 3026 00 00500, 3026 00 00600, 3026 00 00700, 3026 00 00800, 3026 00 00900, 3026 00 02050, 3026 00 02100, 3026 00 02200, 3026 00 02300, 3026 00 02400, 3026 00 02500, 3026 00 02600, 3026 00 02650, 3026 00 02700, 3026 00 02750, 3026 00 02800, 3026 00 02900, 3030 00 00170 and 3072 00 00550 at a total current assessed value of approximately \$1,556,260.
4. *Petitioners* are seeking a determination of blight for the proposed District. Attached hereto and incorporated herein as **Exhibit C** is a blighting analysis.
5. The proposed District shall be formed as a political subdivision. The Board of Directors of the proposed District shall be composed of five (5) members appointed by the Mayor of the City, with the consent of the City’s Board of Aldermen. Successive Directors shall be appointed by the Mayor of the City, with consent of the Board of Aldermen.
6. The proposed District shall be limited in its borrowing capacity to Five Million Dollars (\$5,000,000) exclusive of costs related to any authorized indebtedness of the District, including the issuance and repayment of obligations and interest thereon.
7. The District shall have all powers provided in the CID Act.

8. The District shall not impose property taxes or special assessments.
9. The proposed District may, upon approval by the qualified voters of the District, impose a sales and use tax on all retail sales made in the District at a rate not to exceed one percent (1.0%) of such retail sales to generate District revenue.
10. A five-year plan for the proposed District includes assisting in the completion and funding of certain transportation, utility and other physical improvements within the District, including the demolition of existing structures and the excavation, removal, grading, construction, installation, repair, and maintenance of various transportation, parking, utility, drainage, screening and other related improvements (collectively, the "Projects"). District revenues will be used to repay any obligations issued in relation to the Projects.
11. The estimated cost of the Projects is Three Million Dollars (\$3,000,000), exclusive of costs related to any authorized indebtedness of the District, including the issuance and repayment of obligations and interest thereon. The term of the District shall be an anticipated term of twenty (20) years from the date of the City's ordinance approving creation of the District.
12. The signatures of the signers to this Petition may not be withdrawn later than seven (7) days after this Petition is filed with the City Clerk.
13. Petitioners respectfully request that the proposed District be established pursuant to the CID Act.

Dated this 3rd day of February, 2006.

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**Signature Page of Petition for Creation of the
Loughborough Commons Community Improvement District**

Name of Owner: Loughborough Commons, L.L.C.

Owner's Telephone Number: (314) 994-4444

Owner's Mailing Address: 25 North Brentwood Blvd, St. Louis, Missouri 63105

Name of Signer: Mark Schnuck

State basis of legal authority to sign: President of The Desco Group, Inc., Manager of
Loughborough Commons, L.L.C.

Signer's Telephone Number: (314) 994-4444

Signer's Mailing Address: 25 North Brentwood Blvd, St. Louis, Missouri 63105

Entity Type: Loughborough Commons, L.L.C. is a Missouri limited liability company.

Map Number: 3026

Parcel Numbers: 3026 00 00100, 3026 00 00200, 3026 00 00300, 3026 00 00400, 3026 00
00500, 3026 00 00600, 3026 00 00700, 3026 00 00800, 3026 00 00900, 3026 00 02050, 3026 00
02100, 3026 00 02200, 3026 00 02300, 3026 00 02400, 3026 00 02500, 3026 00 02600, 3026 00
02650, 3026 00 02700, 3026 00 02750, 3026 00 02800, 3026 00 02900

Map Number: 3030

Parcel Number: 3030 00 00170

Map Number: 3072

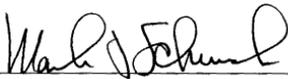
Parcel Number: 3072 00 00550

Total Assessed Value: \$1,556,260.00

By executing this Petition, the undersigned represents and warrants that he has received a copy of this Petition and its exhibits, has read this Petition and its exhibits, is authorized to execute this Petition on behalf of the property owner named immediately above, and authorizes this signature page to be attached to the original of this Petition to be filed in the Office of the City Clerk. The undersigned also acknowledges that his signature may not be withdrawn later than seven days after this Petition is filed with the clerk of the City.

Loughborough Commons, L.L.C.

By: The Desco Group, Inc., Manager

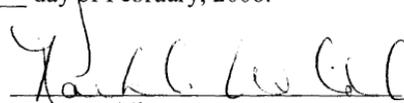
By: 
Mark Schnuck, President

Date: February 3rd, 2006

STATE OF MISSOURI)
) ss.
COUNTY OF ST. LOUIS)

Before me personally appeared Mark J. Schnuck, President of The Desco Group, Inc., Manager of Loughborough Commons, L.L.C., to me personally known to be the individual described in and who executed the forgoing instrument.

WITNESS my hand and official seal this 3rd day of February, 2006.



Notary Public

My Commission Expires:

Kathleen Wildhaber - Notary Public
Notary Seal for State of
Missouri - St. Louis County
My Commission Expires 12/7/2007

**Signature Page of Petition for Creation of the
Loughborough Commons Community Improvement District**

Name of Owner: Lowe's Home Centers, Inc.
Owner's Telephone Number: (336) 658-4000
Owner's Mailing Address: Box 1111, North Wilkesboro, North Carolina 28656-001,
Attn: Richard G. Pratt, Real Estate Law Department.
Name of Signer: David Shelton
State basis of legal authority to sign: Senior Vice President of Lowe's Home Centers, Inc.
Signer's Telephone Number: (336) 658-4000
Signer's Mailing Address: Box 1111, North Wilkesboro, North Carolina 28656-001,
Attn: Richard G. Pratt, Real Estate Law Department.
Entity Type: Lowe's Home Centers, Inc. is a North Carolina corporation.
Map Number: 3030
Parcel Number: 3030 00 00160
Assessed Value: \$124,600.00

By executing this Petition, the undersigned represents and warrants that he has received a copy of this Petition and its exhibits, has read this Petition and its exhibits, is authorized to execute this Petition on behalf of the property owner named immediately above, and authorizes this signature page to be attached to the original of this Petition to be filed in the Office of the City Clerk. The undersigned also acknowledges that his signature may not be withdrawn later than seven days after this Petition is filed with the clerk of the City.

Lowe's Home Centers, Inc.

By: David E. Shelton
David Shelton, Senior Vice President

Date: February 3, 2006

STATE OF NORTH CAROLINA)
) ss.
COUNTY OF WILKES)

Before me personally appeared David Shelton, Senior Vice President of Lowe’s Home Centers, Inc., to me personally known to be the individual described in and who executed the forgoing instrument.

WITNESS my hand and official seal this 3 day of February, 2006

Teresa F. Loooco
Notary Public

My Commission Expires: 4-7-16

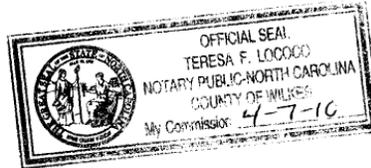


Exhibit A**Legal Description of Loughborough Commons Community Improvement District**

A TRACT OF LAND BEING IN CITY BLOCKS 3026, 3030, AND 3072, IN THE CITY OF ST. LOUIS, MISSOURI, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE CENTERLINE OF SOUTH GRAND (WIDTH VARIES) AVENUE AT THE INTERSECTION OF THE CENTERLINE OF LOUGHBOROUGH (60'W) AVENUE;

THENCE, EASTWARDLY ALONG SAID CENTERLINE OF LOUGHBOROUGH (60'W) AVENUE TO THE POINT BEING THE INTERSECTION OF THE SAID CENTERLINE OF LOUGHBOROUGH AVENUE WITH THE WESTERN LINE OF THE MISSOURI PACIFIC (66'W) RAILROAD RIGHT-OF-WAY;

THENCE, SOUTHWARDLY ALONG SAID WESTERN LINE OF THE MISSOURI PACIFIC (66'W) RAILROAD RIGHT-OF-WAY TO A POINT BEING THE INTERSECTION OF SAID WESTERN LINE OF THE MISSOURI PACIFIC RAILROAD RIGHT-OF-WAY WITH THE WESTERN LINE OF INTERSTATE (WIDTH VARIES) ROUTE 55;

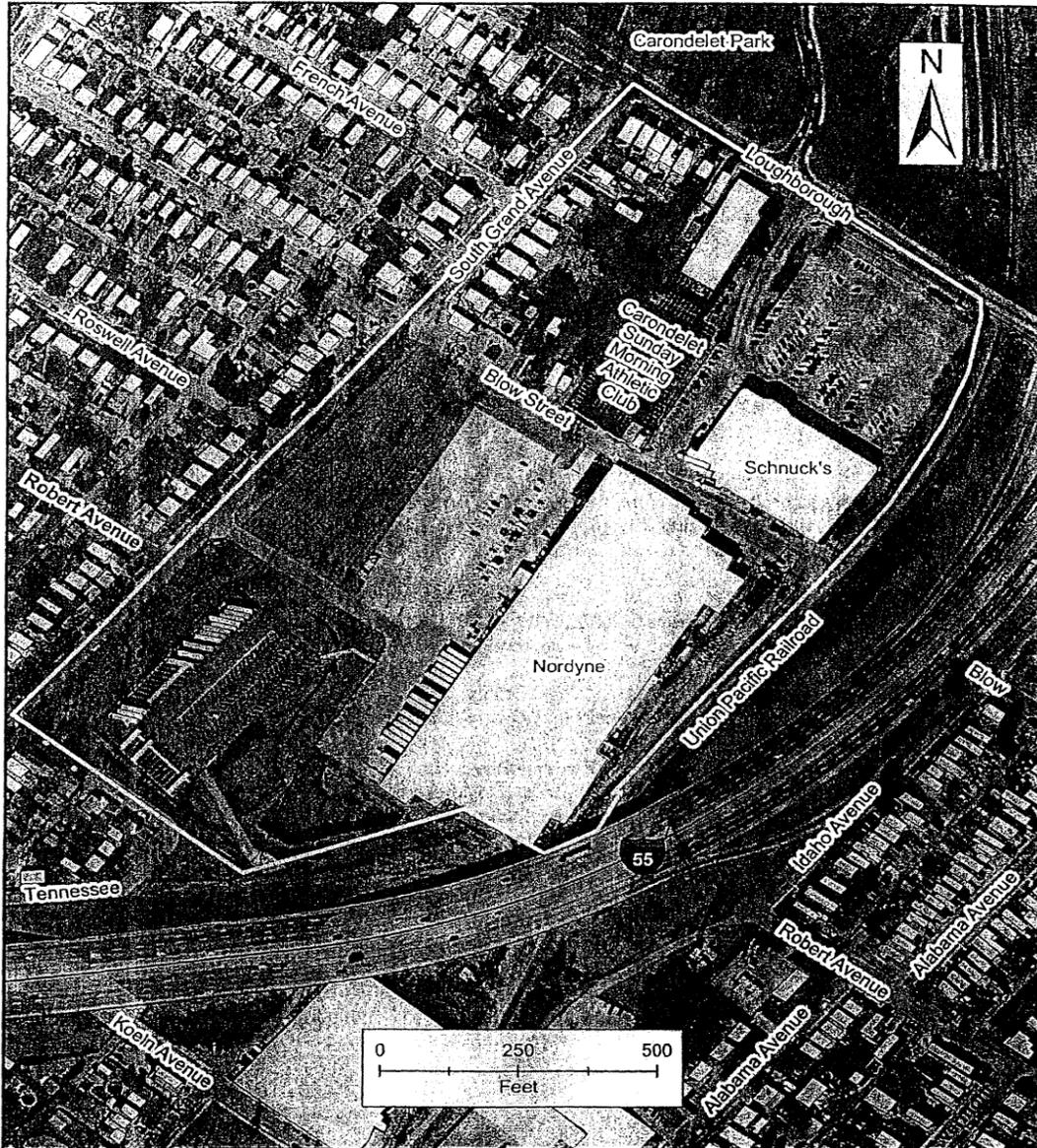
THENCE, SOUTHWESTWARDLY ALONG THE SAID WESTERN LINE OF INTERSTATE (WIDTH VARIES) ROUTE 55 TO A POINT BEING THE INTERSECTION OF SAID WESTERN LINE OF INTERSTATE ROUTE 55 WITH THE NORTH LINE OF JOHN C. IVORY'S SUBDIVISION;

THENCE, WESTWARDLY ALONG THE SAID NORTH LINE OF JOHN C. IVORY'S SUBDIVISION TO A POINT BEING THE SOUTHEAST CORNER OF LOT 1 OF "LOUGHBOROUGH COMMONS PLAT 1" AS RECORDED IN PLAT BOOK 03302005 PAGE 348, THENCE; NORTH ALONG THE EAST LINE OF SAID LOT 1 TO THE NORTHEAST CORNER THEREOF; THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1 TO A POINT BEING THE INTERSECTION OF SAID NORTH LINE WITH THE CENTERLINE OF SOUTH GRAND (WIDTH VARIES) AVENUE;

THENCE, NORTHWARDLY ALONG THE SAID CENTERLINE OF SOUTH GRAND (WIDTH VARIES) AVENUE BACK TO A POINT IN THE CENTERLINE OF LOUGHBOROUGH AVENUE, SAID POINT BEING THE POINT OF BEGINNING.

Exhibit B
Boundary Map of Loughborough Commons Community Improvement District

#853575 v1 - Loughborough Amended CID.doc



Aerial Photograph of Redevelopment Area
I-55/Loughborough TIF Redevelopment Plan
St. Louis, Missouri

DEVELOPMENT STRATEGIES
CHASSER FAN IN REAR, STATION, COMMUNITY, AND ECONOMIC DEVELOPMENT

October 2004

**Exhibit C
Blighting Analysis**

#853575 v1 - Loughborough Amended CID.doc

**DATA AND ANALYSIS OF CONDITIONS
REPRESENTING A
“BLIGHTED AREA” FOR THE**

I-55/LOUGHBOROUGH
TAX INCREMENT FINANCING (TIF)
REDEVELOPMENT AREA
ST. LOUIS, MISSOURI

October 2004

DEVELOPMENT STRATEGIES

DEVELOPMENT STRATEGIES

CONSULTANTS IN REAL ESTATE, COMMUNITY, AND ECONOMIC DEVELOPMENT
REAL ESTATE APPRAISAL

October 15, 2004

To Whom It May Concern:

Reference is made to the accompanying "Data and Analysis of Conditions Representing a 'Blighted Area' for the I-55/Loughborough Tax Increment Financing (TIF) Redevelopment Area in Brentwood, Missouri" prepared by the undersigned.

Please be advised that, based upon the results of the above referenced study, the undersigned have determined that the area described in the study is a "blighted area" as such term is defined in Section 99.805 (1) of the Missouri Revised Statutes, as amended (the "Act").

This report describes and documents those conditions that, without TIF will continue to erode the Redevelopment Area's economic viability and hasten its transition from an economic asset to an economic liability for the City of St. Louis, its residents, and the taxing districts that depend upon it as a revenue source.

The existing I-55/Loughborough Redevelopment Area suffers from a multitude of physical and economic deficiencies including defective and inadequate streets, unsanitary or unsafe condition of site improvements, deferred maintenance, a large soon to be vacant structure, improper subdivision or platting, conditions which endanger life or property by fire or other causes, and economic obsolescence.

DEVELOPMENT STRATEGIES, INC.
Real Estate, Community and Economic Development Consultants

by:



Larry Marks, AIA, AICP
Principal

Richard C. Ward, CRE, Ec.D., AICP
Larry E. Marks, AIA, AICP
Robert M. Lewis, AICP
Brad Beggs
Development Strategies, Inc. • 10 S. Broadway • Suite 1640 • St. Louis, Missouri 63102-1743 • 314/421-2800 • Fax 314/421-3401

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1.0 OVERALL CONCLUSION

The existing development within the Redevelopment Area exhibits conditions that meet the definition of a “Blighted Area” as outlined in Chapter 99.80 (1), RSMo.

“Blighted Area” – 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.

The terms “public health, safety, morals, and welfare” embrace not only the preservation and enhancement of public peace and order and the protection of lives and property, but extends to the promotion of economic welfare, public convenience and general prosperity. This includes, without limitation, the protection and enhancement of property values. Indeed, the term “welfare” is generally held to include public comfort, prosperity, and financial security of the people. With this in mind, authoritative sources have observed that the proper exercise of police power to promote public health, safety, morals, and welfare extends to “whatever is contrary to public polity or inimical to the public interest.”

Under this definition, the Redevelopment Area is detrimental to the public health, safety morals, and welfare. More specifically, the Redevelopment Area exhibits conditions of:

- 1) Defective and inadequate street layout resulting from:
 - Interrupted grid street pattern
 - Lack of alleys for residential development
- 2) Unsanitary and unsafe conditions resulting from:
 - Lack of sidewalks
 - Dangerous vehicular movements
 - Site contamination
- 3) Deteriorated Site Improvements resulting from:
 - Deteriorating parking areas
 - Deferred maintenance
- 4) Improper subdivision and obsolete platting
- 5) Conditions which endanger life or property by fire or other causes resulting from:
 - Lack of looped water service
 - Flooding

In addition, the Redevelopment Area is considered an economic liability resulting from:

- 1) Scheduled vacancy of the Nordyne property
- 2) Weakness of competitive position
- 3) Decline in assessed value

The result is a functionally and economically obsolete light industrial area that is also showing signs of physical deterioration without sufficient space and means to solve its problems, except by means of redevelopment.

The data and analysis presented in this report examine the conditions representing a "blighted area" from both physical and economic perspectives. The absence of significant new development, redevelopment, or other investment is also an indication of continuing decline.

2. DATA GATHERING METHODOLOGY

This study has been designed and conducted to comply with the specific requirements of Section 99.805 (1) RSMo. The study and the requisite fieldwork were performed during the month of October 2004. Observations and conclusions are based upon on-site inspections of the Redevelopment Area and familiarity with the local market.

3. OVERVIEW OF REDEVELOPMENT AREA

Subject Site and Existing Developments

The subject area consists of 23 parcels (see Location Number/Ownership map) comprising over 28 acres, excluding rights-of way. Including rights-of-way, the Redevelopment Area contains approximately 32 acres of land (See Existing Land Use map).

Located within the Redevelopment Area are a Schnucks grocery store containing approximately 53,000 square feet of useable space, the soon to be vacated former Nordyne plant containing approximately 208,000 square feet, the Carondelet Sunday Morning Athletic Club (approximately 13,000 square feet), 18 single family units, and two duplexes.

The Redevelopment Area is surrounded by residential neighborhoods to the east, south, and west, and Carondelet Park to the west.

4. BLIGHTING FACTORS

As described below, the Redevelopment Area suffers from a variety of blighting factors including defective and inadequate street layout, unsanitary and unsafe conditions,

deteriorated or inadequate site improvements, improper subdivision or obsolete platting, and conditions that endanger life or property by fire or other causes.

DEFECTIVE AND INADEQUATE STREET LAYOUT

- **Interrupted Grid Street Pattern** -- The existing development in the Redevelopment Area has evolved in stages over more than a century. The Redevelopment Area was originally part of an area known as the Carondelet Commons. By 1900 a grid pattern of streets was established to serve the area. As part of the grid, Blow Street and Robert Avenue ran uninterrupted from the west of what is now I-55 to the east of the highway. In addition, Colorado Avenue ran north-south from Robert Avenue to the north. This pattern of streets provided good access and circulation for the property in the Redevelopment Area.

However, with the construction of rail spurs for what is now the Missouri Pacific line and the construction of Interstate 55, the grid pattern streets was interrupted producing an irregular and confusing street pattern. Blow Street is now terminated to the west of the railroad tracks with no provision for adequate turn-around space for cars or trucks. Robert Avenue and Colorado Avenue no longer exist.

- **Lack of Alleys for Residential Development** -- Given the parcelization of City Block 3026 in the early 1900's, it appears that the block was intended for non-residential uses. However, over time the western half of City Block 3026 has been utilized for residential uses without adequate provisions made for public alleys to service the residential area.

UNSANITARY OR UNSAFE CONDITIONS

- **Lack of Sidewalks** -- Many of the streets in the Redevelopment Area lack sidewalks or have inadequate sidewalks. This creates a hazardous condition for residents, employees and visitors. Specific problem areas include:
 1. Lack of sidewalks on both sides of Blow Street
 2. Lack of sidewalks on the east side of S. Grand Avenue to the south of Blow Street.
 3. Cracked and uneven sidewalks along the east side of S. Grand Avenue between Loughborough Avenue and Blow Street
 4. Cracked and uneven sidewalks along the south side of Loughborough Avenue to the east of S. Grand Avenue.
- **Dangerous Vehicular Movements** -- There is a significant residential population located to the north of Carondelet Park for whom the Schnucks represents the nearest major grocery store. To get to Schnucks, as well as I-55, many of these individuals travel south on Grand Avenue and the cut through Carondelet Park. However, to access Schnucks after exiting the park at Loughborough it is necessary to make a left turn and then a sharp right turn to get to the parking lot of Schnucks. This creates a

I-55 / Loughborough TIF Redevelopment Area Blight Analysis

dangerous situation in mixing slowing or stopping traffic with traffic heading to the I-55 interchange that is not anticipating such movements.

This poor vehicular circulation pattern is further complicated because parking is allowed along the south side of Loughborough Avenue from S. Grand Avenue to a point near the entry to the Schnucks parking area. Parking is needed along Loughborough Avenue because the residences fronting on Loughborough are not serviced by an alley and the residential lots are too narrow and steep to accommodate access from Loughborough. As a result, it is necessary for motorists traveling east on Loughborough and wishing to get to Schnucks to make a rather abrupt lane change. The slowing or stopping traffic creates a dangerous situation for motorists seeking to access I-55.

- **Environmental Contamination** – The site of the Schnucks grocery store was previously utilized for decades for industrial uses. During the 1920's, 1930's, and 1940's the site was occupied by the St. Louis Machine Tool Company. In the 1940's, 1950's, and 1960's it was occupied by a paint manufacturing company. As a result, site remediation will be necessary.

DETERIORATED OR INADEQUATE SITE IMPROVEMENTS

- **Deteriorating Parking Areas** – The former Nordyne property contains expansive parking areas for trucks and cars. Portions of the parking area are badly deteriorated, particularly near I-55 and in the southwest corner of the property.
- **Deferred Maintenance** – The structures within the Redevelopment Area are generally old and in fair or poor condition. This is particularly true of the residential structures, but the former Nordyne plant also suffers from deferred maintenance.

As indicated by the following table, nearly 3/4ths of all structures in the Redevelopment Area were constructed prior to 1940. Although the age of a building does not automatically constitute a blighted condition, older structures, unless very well maintained and updated regularly, tend to have problems with their electrical and mechanical systems, as well as a tendency for gradual overall deterioration.

AGE OF STRUCTURES IN REDEVELOPMENT AREA			
DATE BUILT	STRUCTURES	% OF STRUCTURES	CUMULATIVE %
1900 – 1909	5	22	22
1910 – 1919	7	30	52
1920 – 1929	2	9	61
1930 – 1939	3	13	74
1940 – 1949	1	4	78
1950 – 1959	1	4	82
1960 – 1969	3	13	95
After 1969	1	4	99

Source: Metro Scan and Development Strategies

Based on a survey of the external conditions of the structures in the Redevelopment Area, nearly 2/3rds of the structures are classified as being in “poor” or “fair” condition (see following table).

CONDITION OF STRUCTURES IN REDEVELOPMENT AREA		
CONDITION	NUMBER OF STRUCTURES	% OF STRUCTURES
Excellent (1)	--	0
Good (2)	8	35
Fair (3)	13	57
Poor (4)	2	9
Dilapidated (5)	--	0
<p>(1) Excellent – All structural building components (foundations, walls, roof etc) in good condition; secondary building components (windows, doors, trim, porches, gutters etc.) in good condition</p> <p>(2) Good – Defects in one or more secondary building components that would be corrected with minor repair work.</p> <p>(3) Fair – Multiple deficiencies in secondary building components or small problems with structural building components that would be corrected with major repair work.</p> <p>(4) Poor – Numerous critical structural and/or secondary building component deficiencies apparent which could only be corrected with major building renovation, rehabilitation, or repairs, making the building potentially infeasible to rehabilitate.</p> <p>(5) Dilapidated – Critical structural damage and secondary building deficiencies which render the building economically infeasible to rehabilitate.</p>		

Source: Development Strategies, field inspection, March 2004

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IMPROPER SUBDIVISION OR OBSOLETE PLATTING

When City Block 3026 (bounded by S. Grand Avenue to the west, Loughborough Avenue to the north, the Missouri Pacific Railroad tracks to the east, and Blow Street to the south) was originally platted it was typically subdivided into lots 50 feet wide by 283 feet deep running in a north-south direction. In addition, there was no provision made for an alley, unlike the vast majority of the city blocks in the immediate area. Given the depth of the lots and the lack of an alley, it seems clear that this block was intended for commercial or industrial uses, particularly given the adjacency to the railroad tracks along the east side of the block.

Over the years, the western portion of the block has been subdivided for residential use. However, this subdivision has produced lots that are inappropriate for residential use and are very inefficient to service. Some of the lots are as narrow as 25 to 35 feet wide and 283 deep. This is clearly not a desirable lot dimension for residential use. The depth of other lots have been reduced to 100 to 150 feet, but the narrowness of these lots and the lack of an alley create conditions where much of the lot is consumed by driveway and parking area and servicing of the residence must be done from the street in front of the house. These conditions represent a deviation from the typical residential pattern in the neighboring residential blocks and are not representative of good residential planning.

CONDITIONS WHICH ENDANGER LIFE OR PROPERTY BY FIRE OR OTHER CAUSES

- **Lack of Looped Water Service** – Modern retail or manufacturing facilities demand “looped” water service for fire protection. With a looped system a backup or alternative source of water for fighting a fire is available if a water line breaks. This type of looped service is not available in the Redevelopment Area.
- **Flooding** – Approximately 31 % of the Redevelopment Area is located within the 100-year floodplain of River Des Peres. An additional 8 % lies within the 500-year floodplain. In the flood of 1993, significant portions of the Redevelopment Area experienced flooding. Unless this condition is addressed, it represents a significant danger to property in the Redevelopment Area. As such, flooding is a major blighting influence on the Redevelopment Area and a threat to the ongoing economic viability of the Area.

5 ECONOMIC LIABILITY

The City of St. Louis is a mature city that is surrounded by other cities and therefore has no opportunities to expand its corporate limits. Subsequently, the only opportunity for economic growth that is possible is through redevelopment of existing sites and buildings. Given its proximity to the I-55/Loughborough interchange the Redevelopment Area represents a very important redevelopment opportunity for the City of St. Louis,

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which is clearly reflected in the City's current comprehensive planning effort. Given the current uses, the Redevelopment Area is clearly underutilized and significantly short of the economic benefit it could provide for the City of St. Louis and other taxing jurisdictions.

SCHEDULED VACANCY OF NORDYNE PROPERTY

The Nordyne property occupies nearly 2/3rds of the Redevelopment Area. This facility has been abandoned as a manufacturing facility. It is being used temporarily for storage. However, this use will soon come to an end when a new storage facility which is under construction at another location is completed. Given the potential flooding problems mention above, it is very questionable if much of the property will find a reuse in its present condition, which will present a significant economic liability for the City of St. Louis.

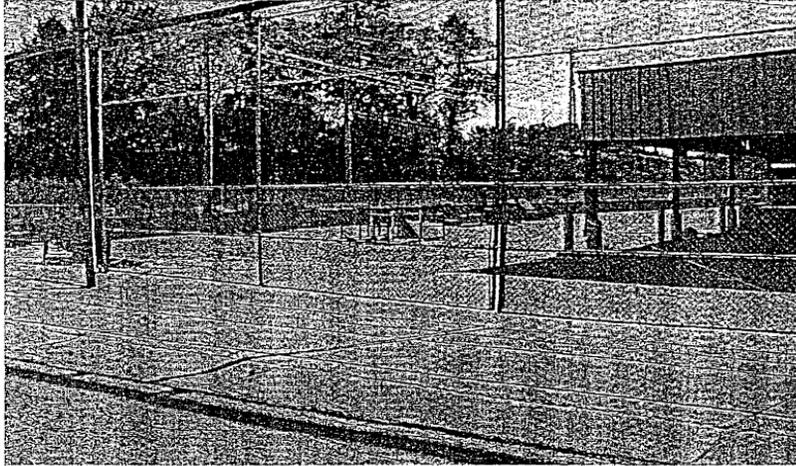
WEAKNESS OF COMPETITIVE RETAIL POSITION

Stand-alone grocery stores, like the Schnucks store in the Redevelopment Area, are becoming increasingly difficult to economically sustain in a competitive retail environment where shoppers prefer to have the convenience of multiple purchasing or service options at a single location. All of the major competing grocery stores that are closest to the Redevelopment Area have the benefit of being part of a strip center or a concentration of retail offerings. These include the Save-A-Lot store at Loughborough and Morganford, the Schnucks store at Gravois and Hampton, the Save-A-Lot store at Bayless and I-55, and the Shop N Save store at Lemay Ferry near Telegraph, which is in the process of being expanded as part of a recently passed TIF.

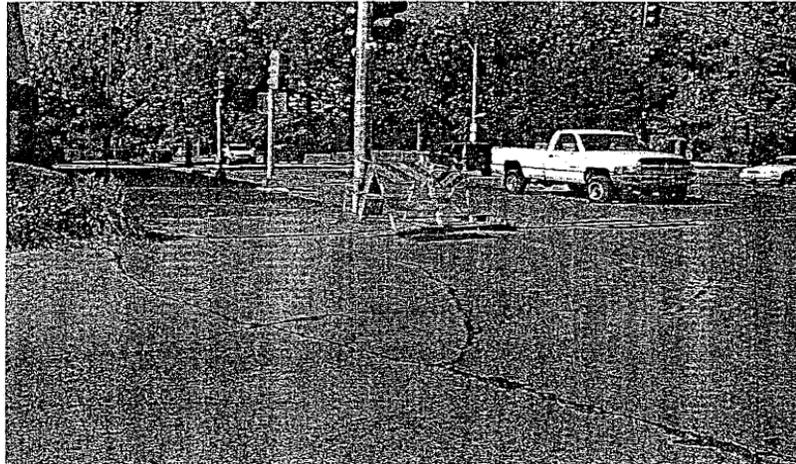
DECLINE IN ASSESSED VALUE

Over the past decade the assessed value of the property in the Redevelopment Area has not kept pace with inflation or the increase in assessed value for the City of St. Louis. In fact, the assessed value has actually declined. In 1994, the total assessed value of the Redevelopment Area was \$1,722,370. In 2004 the total assessed value was \$1,554,730, which represents a decline of nearly 10% over the last decade. During this same period, the Consumer Price Index increased by 27%. As another point of comparison, the total assessed value for the City of St. Louis increased by more than 33% between 1995 and 2003.

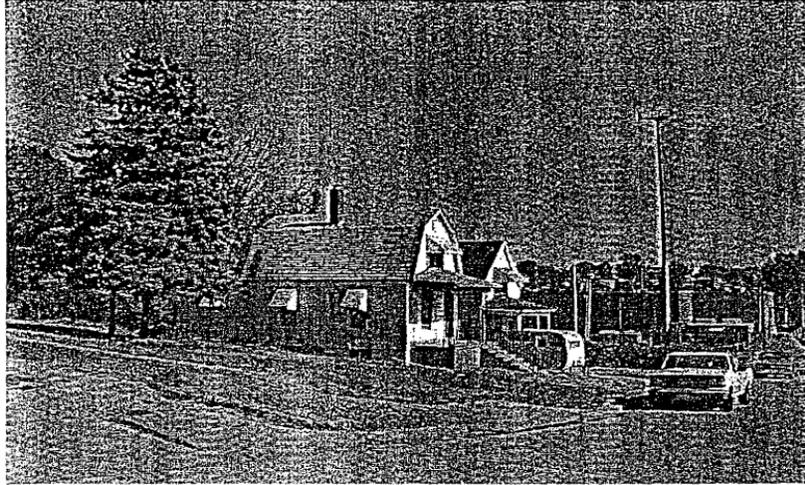
Photographs of Blighting Conditions



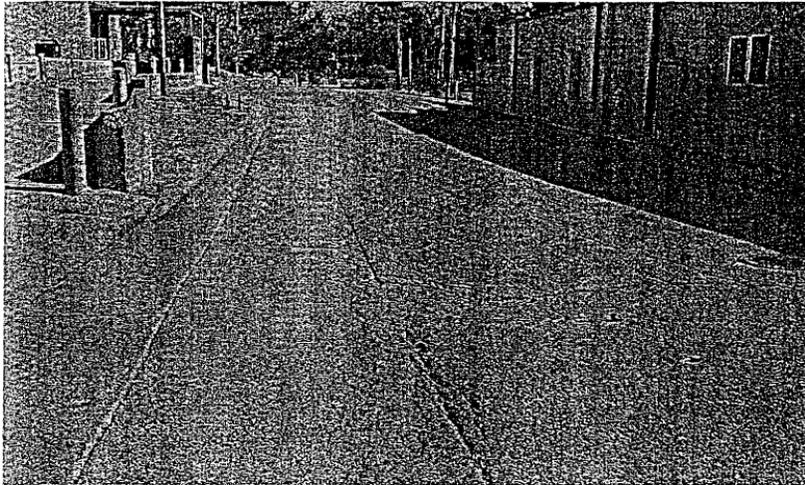
Deteriorated conditions to rear of Nordyne near Union Pacific tracks



Deteriorated sewer inlet and driveway into Schnucks from Loughborough



Lack of sidewalks and deteriorated curb and driveways along north side of Blow Street



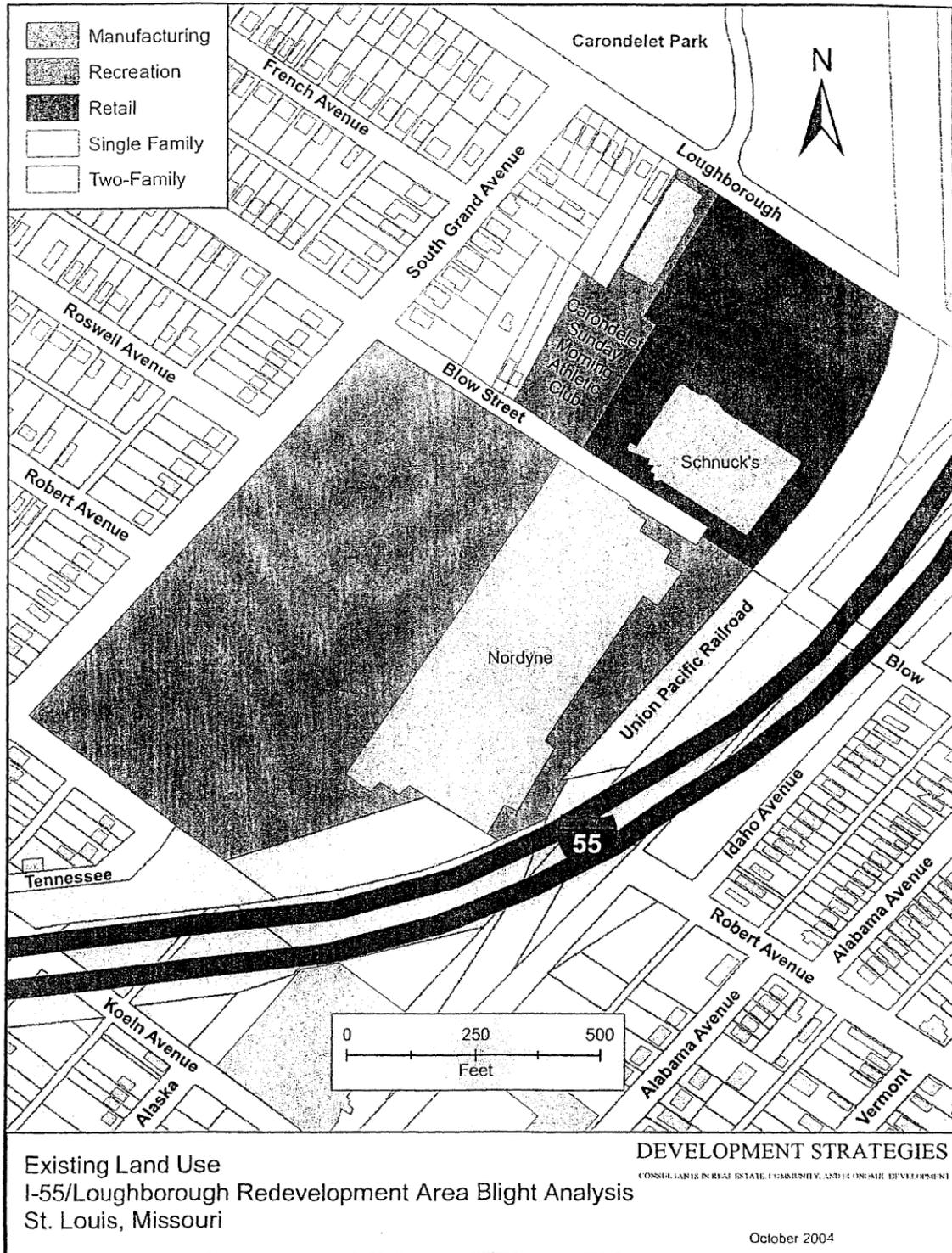
Deteriorating Blow Street near rear entry to Schnucks

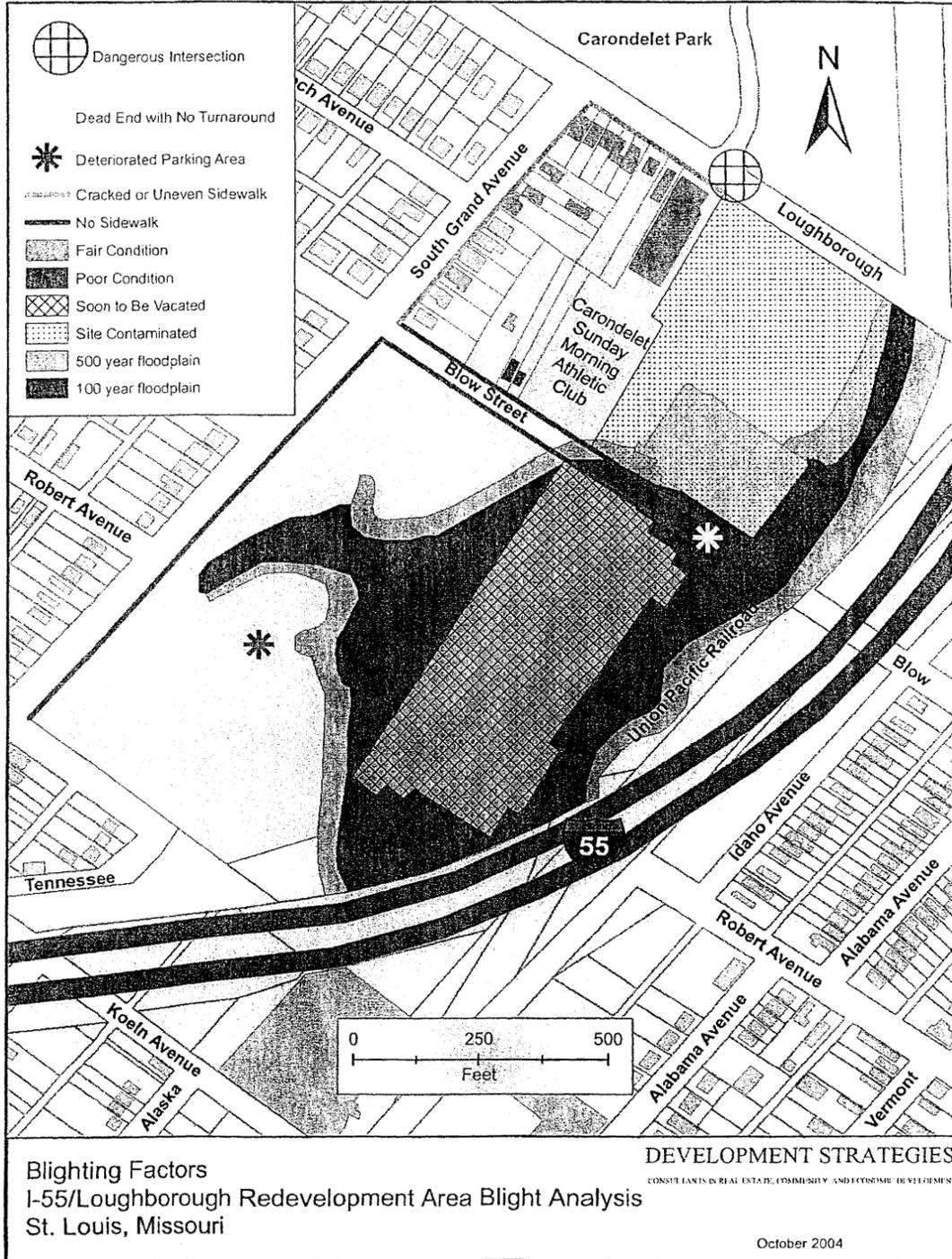


Deteriorating retaining wall to rear of Schnucks



Trash and deteriorating conditions along Union Pacific Railroad tracks







Aerial Photograph of Redevelopment Area
I-55/Loughborough TIF Redevelopment Plan
St. Louis, Missouri

DEVELOPMENT STRATEGIES
FOUNDED BY THE REAL ESTATE, COMMUNITY, AND ECONOMIC DEVELOPMENT

October 2004

Approved: May 2, 2006