

ORDINANCE #67237
Board Bill No. 165

AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI, AS A REDEVELOPMENT AREA KNOWN AS THE 600 WASHINGTON REDEVELOPMENT AREA PURSUANT TO THE REAL PROPERTY TAX INCREMENT ALLOCATION REDEVELOPMENT ACT; APPROVING A REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECTS WITH RESPECT THERETO; ADOPTING TAX INCREMENT FINANCING WITHIN THE REDEVELOPMENT AREA; MAKING FINDINGS WITH RESPECT THERETO; ESTABLISHING THE 600 WASHINGTON SPECIAL ALLOCATION FUND; AUTHORIZING CERTAIN ACTIONS BY CITY OFFICIALS; AND CONTAINING A SEVERABILITY CLAUSE.

WHEREAS, the City of St. Louis, Missouri (the “City”), is a body corporate and a political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of its charter, the Constitution and laws of the State of Missouri; and

WHEREAS, on December 20, 1991, pursuant to Ordinance No. 62477, the Board of Aldermen of the City created the Tax Increment Financing Commission of the City of St. Louis, Missouri (the “TIF Commission”); and

WHEREAS, the TIF Commission is duly constituted according to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri (2000), as amended (the “TIF Act”), and is authorized to hold public hearings with respect to proposed redevelopment area and redevelopment plans and to make recommendations thereon to the City; and

WHEREAS, staff and consultants of the City and Pyramid Construction, Inc., a Missouri corporation (the “Developer”), prepared a plan for redevelopment titled “*600 Washington Avenue TIF Redevelopment Plan*” dated March 17, 2006 (the “Redevelopment Plan”), for two (2) Redevelopment Project Areas (each an “RPA” and collectively, the “RPAs”): one which occupies all of City Block 127 (“RPA 1”), and one which is located generally at 601 Washington Avenue (“RPA 2”), both in downtown St. Louis (the “Redevelopment Areas” or “Areas”), which Redevelopment Areas are 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 through separate projects for each RPA, as set forth in the Redevelopment Plan (the “Redevelopment Projects,” or “TIF Projects”): the Redevelopment Project for RPA 1 proposes the rehabilitation and renovation of the property in RPA 1 into a mix of commercial and residential uses (“Redevelopment Project 1”), and the Redevelopment Project for RPA 2 proposes the comprehensive redevelopment of the property into commercial and residential spaces, all as set forth in the Redevelopment Plan; and

WHEREAS, on May 10, 2006 after all proper notice was given, the TIF Commission held a public hearing in conformance with the TIF Act and received comments from all interested persons and taxing districts relative to the Redevelopment Areas, the Redevelopment Plan, and the Redevelopment Projects; and

WHEREAS, on May 10, 2006, the TIF Commission found that completion of the Redevelopment Projects would provide a substantial and significant public benefit through the creation of new jobs, the elimination of blight, the preservation of historic structures, the strengthening of the employment and economic base of the City, increased property values and tax revenues, stabilization of the Redevelopment Area, and facilitation of economic stability for the City as a whole, and further found that without the assistance of tax increment financing in accordance with the TIF Act, the Redevelopment Projects is not financially feasible and would not otherwise be completed; and

WHEREAS, on May 10, 2006, the TIF Commission voted to recommend that the Board of Aldermen adopt an ordinance in the form required by the Act (i) adopting tax increment financing within the Redevelopment Area, (ii) approving the Redevelopment Plan, (iii) approving and designating the Redevelopment Area as a “redevelopment area” as provided in the Act, (iv) approving the Redevelopment Projects as described within the Redevelopment Plan, and (v) approving the issuance of tax increment financing revenue notes in the amount as specified in the Redevelopment Plan; and

WHEREAS, the Developer has demonstrated that the Redevelopment Projects 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 Projects in order to encourage and facilitate the redevelopment of the Redevelopment Areas; 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, 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 Areas on the whole are a “blighted Area”, as defined in Section 99.805 of the TIF Act, and have 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 Projects 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 effective date of ordinance approving the Redevelopment Projects.

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 Projects are not built, and are built pursuant to the Redevelopment Plan.

F. Redevelopment of the Redevelopment Areas in accordance with the Redevelopment Plan is not financially feasible without the assistance of tax increment financing and would not otherwise be completed.

G. The Redevelopment Plan does not include the initial development or redevelopment of any “gambling establishment” as that term is defined in Section 99.805(6) of the TIF Act.

H. The Redevelopment Area includes only those parcels of real property and improvements thereon directly and substantially benefitted by the proposed Redevelopment Projects.

SECTION TWO. The Redevelopment Areas described in the Redevelopment Plan are 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 May 10, 2006, including amendments thereto, if any, and the Redevelopment Projects within RPA 1 and RPA 2 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 "600 Washington Special Allocation Fund." To the extent permitted by law and except as otherwise provided in the Redevelopment Plan, the City hereby pledges funds in the 600 Washington Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof.

SECTION FIVE. Tax increment allocation financing is hereby adopted within the Redevelopment Areas. After the total equalized assessed valuation of the taxable real property in the Redevelopment Areas exceeds the certified total initial equalized assessed valuation of the taxable real property in the Redevelopment Areas, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in the Redevelopment Areas 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 Areas selected for the Redevelopment Projects 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 Areas selected for the Redevelopment Projects and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the Areas selected for the Redevelopment Projects 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 600 Washington Special Allocation Fund for the purpose of paying redevelopment costs and obligations incurred in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the Redevelopment Projects 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 (50%) 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 Areas of the Redevelopment Projects over the amount of such taxes generated by economic activities within the Areas of the Redevelopment Projects in the calendar year prior to the adoption of the Redevelopment Projects 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 600 Washington Special Allocation Fund.

SECTION SEVEN. The Comptroller of the City is hereby authorized to enter into agreements or contracts with other taxing districts as is necessary to ensure the allocation and collection of the taxes and payments in lieu of taxes described in Sections Five and Six of this Ordinance and the deposit of the said taxes or payments in lieu of taxes into the 600 Washington Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof, all in accordance with the TIF Act.

SECTION EIGHT. The City Register is hereby directed to submit a certified copy of this Ordinance to the City Assessor, who is directed to determine the total equalized assessed value of all taxable real property within the Redevelopment Areas 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 Areas, and shall certify such amount as the total initial equalized assessed value of the taxable real property within the Redevelopment Areas.

SECTION NINE. The Mayor and Comptroller of the City or their designated representatives are hereby authorized and directed to take any and all actions as may be necessary and appropriate in order to carry out the matters herein authorized, with no such further action of the Board of Aldermen necessary to authorize such action by the Mayor and the Comptroller or their designated

representatives.

SECTION TEN. The Mayor and the Comptroller or their designated representatives, with the advice and concurrence of the City Counselor and after approval by the Board of Estimate and Apportionment, are hereby further authorized and directed to make any changes to the documents, agreements and instruments approved and authorized by this Ordinance as may be consistent with the intent of this Ordinance and necessary and appropriate in order to carry out the matters herein authorized, with no such further action of the Board of Aldermen necessary to authorize such changes by the Mayor and the Comptroller or their designated representatives.

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, within ninety (90) days after the effective date of an ordinance, authorizing the City to enter into a redevelopment agreement pertaining to each Redevelopment Project, the developer named under such agreement has not (i) executed such Redevelopment Agreement and (ii) paid all fees due to the City in accordance with the terms of the Redevelopment Agreement, the provisions of this Ordinance shall be deemed null and void and of no effect and all rights conferred by this Ordinance on Developer shall terminate, *provided further*, however, that prior to any such termination the Developer may seek an extension of time in which to execute such 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

600 WASHINGTON TIF REDEVELOPMENT PLAN

600 WASHINGTON

TIF REDEVELOPMENT PLAN

**Submitted to
the City of St. Louis
Tax Increment Financing Commission
March 17, 2006**

600 Washington

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I. INTRODUCTION

The following is a plan prepared for redevelopment of certain real property in the City of St. Louis (the "City") consisting of the property commonly known as the St. Louis Centre and the One City Centre Office Tower along with the old Dillard's Building located at 601 Washington Avenue (the "Redevelopment Area" or "Area"). A legal description and map of the Redevelopment Area are attached hereto as **Appendix 1** and incorporated herein by this reference.

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 contemplates the complete redevelopment of the Area into a mix of residential and commercial space with related parking.

The Redevelopment Area contains two separate and distinct Redevelopment Project Areas (each a "Redevelopment Project Area" or "RPA"), each of which contains a separate redevelopment project. The first of the two RPAs consists of the southern portion of the Area, which occupies all of City Block 127 between Washington Avenue, Locust Street, 6th Street, and 7th Street ("RPA 1"), and now contains the St. Louis Centre Mall and One City Centre Office Tower. This Redevelopment Plan proposes the rehabilitation and renovation of RPA 1 into a mix of commercial and residential spaces ("Redevelopment Project 1" or "Project 1"). The second RPA consists of the northern portion of the Area which, occupies all of City Block 125 between Lucas Street, Washington Avenue, 6th Street, and 7th Street ("RPA 2"), and is currently vacant. The Redevelopment Plan calls for the comprehensive renovation of the

entire structure, and the redevelopment of the site into new commercial and residential spaces (“Redevelopment Project 2” or “Project 2”). A legal description and map of the Redevelopment Area are attached hereto as **Appendix 1** and incorporated herein by this reference. Together, Redevelopment Project 1 and Redevelopment Project 2 comprise the “Redevelopment Projects” or “Projects” (with each singularly being a “Project” or “Redevelopment Project”) for purposes of this Redevelopment Plan.

This Redevelopment Plan proposes that the City initially authorize and issue one or more Tax Increment Financing Notes (“TIF Notes”) in an amount up to Twenty Two Million Five Hundred Fifty Five Thousand and No/100 Dollars (\$22,550,000.00) plus issuance costs to fund a portion of the costs of Redevelopment Project 1. This Redevelopment Plan also proposes that the City authorize and issue one or more additional TIF Notes in an amount up to Eleven Million Eight Hundred Twenty Thousand and No/100 Dollars (\$11,820,000.00) plus issuance costs to fund a portion of the costs of Redevelopment Project 2. The TIF Notes issued shall be reimbursed solely from the revenue stream of Payments In Lieu of real estate Taxes (“PILOTS”) and Economic Activity Taxes (“EATS”) generated by the Projects over a twenty-three year period. Up to one hundred percent of PILOTS within the Redevelopment Area and up to fifty percent of EATS will be allocated to retire the TIF Notes. After completion of the Redevelopment Projects with respect to RPA 1 or RPA 2, the City may issue TIF Note(s) or other TIF obligations to the respective developer or developers of the Projects (“Developer”) or a third party to evidence the City’s obligation to reimburse the Developer for a portion of the costs of the Redevelopment Projects. Such TIF Note(s) will be paid solely from revenues on deposit in the 600 Washington Special Allocation Fund, in accordance with and pursuant to the TIF Act.

Upon receipt by the City of a written request by Developer and evidence that the Developer has met certain criteria agreed upon by the City and Developer in one or more Redevelopment Agreements, the City shall cause one of its agencies to immediately proceed to issue tax increment financing bonds (“TIF Bonds”) to repay the TIF Note.

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

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, a copy of which is attached hereto as **Appendix 9**.

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. REDEVELOPMENT PLAN INCLUDING NECESSARY FINDINGS

1. Legal Description of the Redevelopment Area

A legal description and map of the Redevelopment Area, RPA 1, and RPA 2 are included herein as **Appendix 1**.

2. Redevelopment Plan Objectives

The City of St. Louis has established the following objectives for the 600 Washington TIF Redevelopment Plan. These objectives are consistent with those purposes outlined in the TIF Act, as amended:

- To reduce or eliminate the conditions that cause the Redevelopment Area to be a "blighted area" as defined by Section 99.805(1) of the TIF Act and as described in this Redevelopment Plan;
 - To enhance the public health, safety, and welfare of the community by curing blighting conditions and encouraging other improvements necessary for insuring the Area's stability and existing and future redevelopment consistent with this Redevelopment Plan;
 - To enhance the tax base by inducing development of the Redevelopment Area to its highest and best use, benefitting taxing districts and encouraging private investment in surrounding areas;
 - To eliminate significant physical and psychological impediments to the development of Downtown;
 - To promote the health, safety, order, convenience, prosperity and the general welfare, as well as efficiency and economy in the process of development;
 - To further objectives outlined in the Downtown Development Action Plan and the City of St. Louis Strategic Land Use Plan;
 - To increase property values of the Area;
 - To provide development opportunities in the Redevelopment Area and surrounding areas; and
- To stimulate construction and permanent employment opportunities and increased demand for services for the Area.

3. Redevelopment Project

As discussed, this Redevelopment Plan divides the Redevelopment Area into two separate RPAs, RPA 1 and RPA 2, each of which is the subject of a separate redevelopment project. In order to further the objectives stated in this Redevelopment Plan, the Redevelopment Projects consist of:

Redevelopment Project 1

- Residential and Commercial Use Redevelopment of the existing mall and office tower located at 600 Washington and commonly known as the St. Louis Centre and One City

Centre into residential units and a mix of commercial spaces.

Redevelopment Project 2

- Mixed Use Development Renovation of the entire structure and construction of new commercial and residential spaces.

The Redevelopment Projects are generalized to leave room for design creativity and owner specifications as needed, so that the Developer can respond to prospective owners' and tenants' needs as well as market conditions as completion of the Redevelopment Projects progress.

It is expected that the Redevelopment Projects will capitalize on existing successful redevelopment efforts in other portions of Downtown and help transform the impression of the nearby Convention Center, Washington Avenue Loft District, and the Metrolink station. In addition, it is expected that the Project will encourage an increase in other commercial and residential development efforts in the vicinity of the Redevelopment Area.

The total estimated Redevelopment Project Costs for Redevelopment Project 1 at this time equal approximately \$109.9 million, excluding any developer fees, and the estimated total Redevelopment Project Costs for Redevelopment Project 2 at this time equal approximately \$95.4 million, excluding any developer fees, 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 Projects at this time and that the actual redevelopment cost items for implementing the Redevelopment Projects may vary depending on market conditions and other factors.

4. General Land Uses to Apply

The general land uses proposed for the Area includes a variety of commercial uses and residential uses. A map profiling the general land uses to apply is attached hereto as **Appendix 8** and incorporated herein by this reference.

5. Redevelopment Schedule and Estimated Dates of Completion

It is estimated that implementation of Redevelopment Project 1 will be completed within thirty-eight (38) months from the execution of a redevelopment agreement between the City and the Developer of Project 1 as contemplated herein. Also, it is estimated that implementation of Redevelopment Project 2 will be completed within forty eight (48) months from the execution of a redevelopment agreement between the City and the Developer of Project 2 as contemplated herein. 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. The anticipated Redevelopment Program Schedule for the TIF Project is included herein as **Appendix 4**.

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

The current Equalized Assessed Value of all property in the Redevelopment Area is attached as **Appendix 5**. These values are established and will be confirmed by the Assessor of the City of St. Louis. **Appendix 5** also includes historical information concerning the Equalized Assessed Value of the Redevelopment Area.

7. Estimated Equalized Assessed Value After Redevelopment

The total estimated Equalized Assessed Value of all taxable property subject to PILOTS in RPA 1 after redevelopment and completion of Redevelopment Project 1 is approximately \$23,642,098 (2009). The total estimated Equalized Assessed Value of all taxable property subject to PILOTS in RPA 2 after redevelopment and completion of Redevelopment Project 2 is approximately \$11,318,323 (2011).

8. Acquisition

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

9. Blighted Area

As described in greater detail in the *Analysis of Conditions Representing a Blighted Area for the 600 Washington Redevelopment Area* attached hereto as **Appendix 3** and incorporated herein by this reference, 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 cost of redevelopment precludes 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 rehabilitation of improvements as contemplated in this Redevelopment Plan is not economically viable if fully borne by the Developer.

9. Conforms with the Comprehensive Plan of the City

The Redevelopment Plan conforms to the development of the City as set forth in the “Comprehensive City Plan” (1947), the “St. Louis Development Program” (1973), the “Economic Development Strategy” (1978), the “Downtown Development Action Plan” (1973), and the “Strategic Land Use Plan” (2005).

10. Plan for Relocation Assistance

As the Redevelopment Area is currently largely vacant, relocation of residents or businesses is not anticipated to be necessary within the Redevelopment Area with respect to the Redevelopment Projects. 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.

11. Cost Benefit Analysis

A cost benefit analysis showing the fiscal impact of the Projects on each taxing district impacted by this Redevelopment Plan and sufficient information to determine the financial feasibility of the Project is on file with the St. Louis Development Corporation, 1015 Locust Street, Suite 1200, St. Louis, MO 63101.

If the TIF Redevelopment Projects are completed, then each of the taxing districts will continue to receive all of the tax revenues currently received from the Redevelopment Area. Additionally, they will benefit from the additional property taxes and economic activity taxes which will be paid and not contributed to the TIF. The TIF Act allows for the collection of only 50% of the EATS for payment of project costs. The other 50% are distributed to the appropriate taxing authorities.

12. Does Not Include Gambling Establishment

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

13. Reports to DED

As required by the TIF Act, 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.

14. Historical Land Use of Property Within the Redevelopment Area

The Area consists of two City Blocks including the St. Louis Centre and Office Tower and the vacant building once occupied by Dillard’s. The structures in RPA 1, the St. Louis Centre Mall and One City Centre Officer Tower, were constructed in 1985, but the mall has largely fallen into disuse as nearly all retailers have left the premises. For this reason, the viability of retaining tenants in the Office Tower has been jeopardized through its connection with the mall.

The old Dillard’s Building comprising RPA 2 was built in 1902. Although the building was once a prominent location in Downtown, it has since fallen into disrepair and become significantly deteriorated and an eye sore for this prominent Downtown location. Redevelopment efforts in the past have failed, and the building would not be anticipated to be redeveloped without the adoption of TIF.

IV. FINANCING PLAN1. 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 Redevelopment Project 1 are approximately \$109.9 million, excluding any developer fees, and those in connection with Redevelopment Project 2 are approximately \$95.4 million, excluding any developer fees, 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, and such Project Costs, in accordance with the TIF Act, may include but are not limited to:

- Costs of studies, surveys, plans and specifications;
- Professional service costs including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services;
- Property assembly costs including, but not limited to, acquisition of land and other real or personal property rights, or interests therein;
- Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
- Costs of construction of public works or improvements;
- Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include the payment of interest on any obligation issued under the provisions of this Redevelopment Plan accruing during the estimated period of construction of any Redevelopment Project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto; and
- All or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Project, to the extent the City, by written agreement, accepts and approves such costs.

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

The following table illustrates the anticipated categories costs that will be funded in part by TIF for Redevelopment Project 1, assuming the funding of up to \$22,550,000 in Redevelopment Project Costs.

CATEGORY	
	Acquisition Costs
	Site Preparation and Improvements Costs (includes, but is not limited to, street and sidewalk improvements, utility work and resetting of curbs and landscaping and lighting in the common areas).
	Financing Costs (includes, but is not limited to, loan fees, disbursing fees, construction monitoring and inspection fees, lender's legal fees, loan appraisals, flood certificates, tax credit investor fees and any and all other costs incurred by the Developer in connection with obtaining financing for and a tax credit investor in the Redevelopment Project).
	Environmental Testing, Remediation and/or Abatement Costs.
	Professional Service Costs (includes, but is not limited to, architectural, engineering, legal, marketing, financial, planning, or special services).
	TIF Costs & Issuance Costs incurred by the Developer.
	Rehabilitation, renovation or reconstruction of the existing buildings and structures and construction of common improvements to RPA 1.
\$ 22,550,000	TOTAL

The following table illustrates the anticipated categories costs that will be funded in part by TIF for Redevelopment Project 2, assuming the funding of up to \$11,820,000 in Redevelopment Project Costs.

CATEGORY	
	Acquisition Costs
	Site Preparation and Improvements Costs (includes, but is not limited to, street and sidewalk improvements, utility work and resetting of curbs and landscaping and lighting in the common areas).
	Financing Costs (includes, but is not limited to, loan fees, disbursing fees, construction monitoring and inspection fees, lender's legal fees, loan appraisals, flood certificates, tax credit investor fees and any and all other costs incurred by the Developer in connection with obtaining financing for and a tax credit investor in the Redevelopment Project).
	Environmental Testing, Remediation and/or Abatement Costs.
	Professional Service Costs (includes, but is not limited to, architectural, engineering, legal, marketing, financial, planning, or special services).
	TIF Costs & Issuance Costs incurred by the Developer.
	Rehabilitation, renovation or reconstruction of the existing buildings and structures and construction of common improvements to RPA 1.
\$ 11,820,000	TOTAL

It is not the intent of **Appendix 2**, the table provided above, or this Redevelopment Plan to restrict the City or the Developer to the cost amounts, categories or allocations as outlined. During the life of the Redevelopment Area, Plan, and Projects, other costs may be incurred or adjustments may be made within and among the line items specified in **Appendix 2** and additional categories may be added to the extent allowed by the TIF Act, if necessary and reasonable to accomplish the program objectives of the Redevelopment Plan.

2. Anticipated Sources of Funding to Pay Redevelopment Project Costs

There are four (5) principal sources of potential funds that are anticipated to be used to pay the costs of implementation of the Redevelopment Plan and the Redevelopment Project 1 previously described. These sources are:

- New Markets Tax Credits;
- Missouri Downtown Economic Stimulus Funds;
- Owner equity;
- Private financing;
- Funds available through the issuance of TIF notes, bonds, loans, or other certificates of indebtedness (herein collectively referred to as “TIF Note or other financial obligations”).

There are seven (7) principal sources of potential funds that are anticipated to be used to pay the costs of implementation of the Redevelopment Plan and the Redevelopment Project 2 previously described. These sources are:

- State Historic Tax Credits;
- Federal Historic Tax Credits;
- Missouri Brownfield Tax Credits;
- Missouri Downtown Economic Stimulus Funds;
- Owner equity;
- Private financing;
- Funds available through the issuance of TIF notes, bonds, loans, 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 Projects, other sources may be found or adjustments may be made within or in addition to the sources specified in **Appendix 2**.

3. TIF Note Funding

This Redevelopment Plan proposes that the City initially authorize the issuance of one or more Tax Increment Financing Notes (“TIF Note”) in an amount up to Twenty Two Million Five Hundred Fifty Five Thousand and No/100 Dollars (\$22,550,000.00) plus issuance costs, to fund a portion of the Redevelopment Project Costs associated with completion of Redevelopment Project 1. Also, this Redevelopment Plan proposes that the City initially authorize and issue one or more additional TIF Notes in an amount up to Eleven Million Eight Hundred Twenty Thousand and No/100 Dollars (\$11,820,000.00) plus issuance costs to fund a portion of the Redevelopment Project Costs associated with completion of Redevelopment Project 2. The TIF Notes or other financial obligations will be issued only to finance the Redevelopment Projects 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 Projects. 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 600 Washington Special Allocation Fund.

The 600 Washington Special Allocation Fund will contain at least two accounts for each RPA as provided for and in

accordance with the TIF Act:

1. The “PILOTS Account” will contain all payments in lieu of taxes derived from all taxable lots, blocks, tracts, and parcels of real property (or any interest therein) within the Redevelopment Area as contemplated by this Redevelopment Plan and in accordance with the TIF Act; and
2. The “Economic Activity Taxes (“EATS”) Account” will contain fifty percent (50%) of the total funds from taxes imposed by the City which are generated by the operations and activities within the Redevelopment Area, excluding licenses, fees or special assessments, and excluding personal property taxes and payments to the PILOTS Account, in accordance with the TIF Act.

Funds on deposit in the PILOTS Account and EATS 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, the EATS Account, from funds derived from other taxes deposited into the Special Allocation Fund.

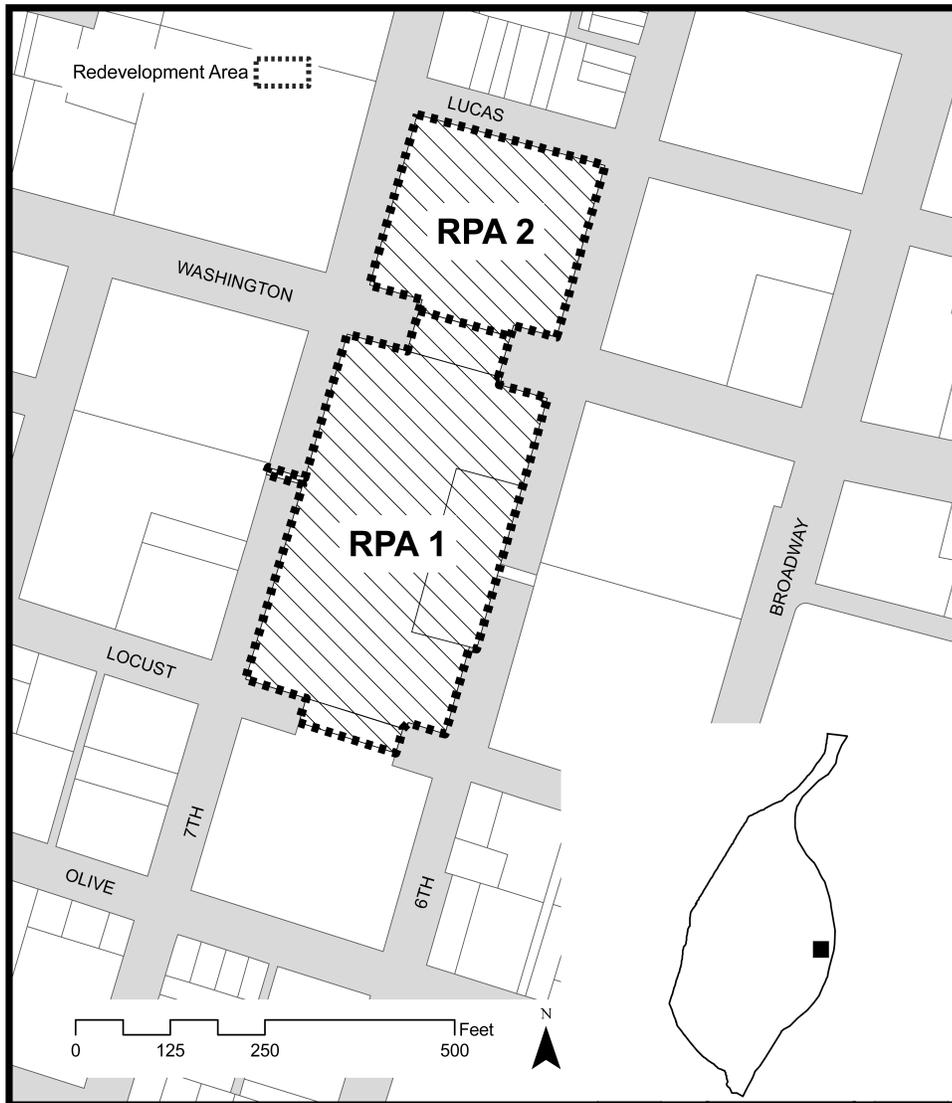
4. Evidence of Commitment to Finance Redevelopment Project Costs

Appendix 7 contains preliminary commitment letters provided by Labor-Management Fund Advisors, LLC, Great Southern Bank, and La Salle Bank, which have made preliminary reviews of the development proposal and has expressed a commitment to provide financing of Redevelopment Project Costs associated with the Redevelopment Projects.

APPENDIX 1

600 WASHINGTON TIF REDEVELOPMENT PLAN
MAP OF REDEVELOPMENT AREA AND
LEGAL DESCRIPTIONS OF PROJECT AREA 1 AND PROJECT AREA 2

BOUNDARY
600 Washington
Redevelopment Area
City of St. Louis, Missouri



RPA 1

Legal Description

LEGAL DESCRIPTION

PARCEL 1 :

Unit 1 of One City Centre Condominium in City Blocks 126 and 127 and portions of vacated St. Charles and Sixth Streets, according to that certain First Amended Condominium Plat of One City Centre Condominium dated September 20, 1984, as recorded on October 23, 1984, in Plat Book 52, page 3, of the St. Louis City Records, which First Amended Condominium Plat amended that certain Condominium Plat of One City Centre Condominium, recorded in Plat Book 50 page 4; together with a twenty-five percent (25%) undivided share in all common elements appurtenant thereto; all according to and more particularly described in the One City Centre Declaration of Condominium Ownership recorded September 27, 1983 as Daily No. 178 in Book 367M, page 289, as amended in its entirety by the Amended and Restated Declaration of Condominium Ownership for One City Centre Condominium dated September 21, 1983, as recorded October 23, 1984 as Daily No. 185 in Book 431M, page 446, of the St. Louis City Records, as amended by First Amendment to Amended and Restated Declaration of Condominium Ownership for One City Centre Condominium recorded in Book M-484, page 2062, which Unit is located on the following property in the City of St. Louis, Missouri:

A tract of land being Lot 2 of "Centre Subdivision", according to the plat thereof recorded in Plat Book 52, page 242 of the St. Louis City Records, being part of Blocks 126 and 127 together with part of vacated St. Charles Street and part of vacated Sixth Street in the City of St. Louis, Missouri, and described as follows:

at a point on the South line of Washington Avenue, 80 feet wide, at its intersection with the West line of Sixth Street, 60 feet wide, said point being the Northeast corner of City Block 126; thence along the West line of Sixth Street, said line also being the East line of City Block 126, South 0 degrees 09 minutes 32 seconds East, 104.96 feet to the Northwest corner of that portion of Sixth Street as vacated by Ordinance Numbers 58843 and 59430, and the point of beginning of the herein described tract of land; thence leaving the West line of Sixth Street and running along the North line of that portion of Sixth Street, as vacated by said Ordinances, South 87 degrees 23 minutes 26 seconds East, 21.52 feet to the Northeast corner thereof; thence along the East line of that portion of Sixth Street, as vacated, South 2 degrees 36 minutes 34 seconds West, 274.67 feet to the Southeast corner thereof; thence along the South line of that portion of Sixth Street, as vacated, North 87 degrees 23 minutes 26 seconds West, 18.83 feet to the Southwest corner thereof, said point being located on the West line of Sixth Street, as aforementioned; thence along the West line of Sixth Street, said line also being the East line of City Block 127, North 2 degrees 37 minutes 07 seconds East, 1.00 feet to a point on the South line of Lot 2 of said Subdivision; thence leaving said point and running along the line dividing Lot 1 and Lot 2, the following bearings and distances: North 87 degrees 23 minutes 26 seconds West, 91.34 feet; North 2 degrees 36 minutes 34 seconds East, 272.67 feet and South 87 degrees 23 minutes 26 seconds East, 88.70 feet to a point on the West line of Sixth Street, as aforementioned; thence along the West line of Sixth Street, said line also being the East line of City Block 126, North 0 degrees 09 minutes 32 seconds West, 1.00 feet to the point of beginning.

PARCEL 2:

A tract of land being part of Locust Street, 60 feet wide, as vacated by Ordinance Numbers 59092 and 59430 in the City of St. Louis, Missouri, and described as follows:

Commencing at a point on the East line of Seventh Street, 60 feet wide, at its intersection with the South line of Locust Street, 60 feet wide, said point being the Northwest corner of City Block 128; thence along the South line of Locust Street, said line also being the North line of City Block 128, South 87 degrees 23 minutes 10 seconds East, 81.91 feet to the Southwest corner of that portion of Locust Street vacated by Ordinance Numbers 59092 and 59430, and the point of beginning of the herein described tract of land; thence leaving the South line of Locust Street and running along the West line of that portion of Locust Street as vacated by said Ordinances, North 2 degrees 36 minutes 34 seconds East, 16.00 feet to the Northwest corner thereof, said point being the Southwest corner thereof, said portion of Locust Street having air rights vacated by Ordinance number 59103; thence along the South line of said air rights vacation South 87 degrees 23 minutes 10 seconds East, 133.83 feet to the Southeast corner thereof, said point also being the northeast corner of that portion of Locust Street vacated by said Ordinance Number 59092 and 59430; thence along the East line of that portion of Locust Street as vacated by said Ordinances South 2 degrees 36 minutes 34 seconds West, 16.00 feet to the Southeast corner thereof; said point being located on the South line of Locust Street, 60 feet wide, and being distant, North 87 degrees 23 minutes 10 seconds West, 55.39 feet from the northeast corner of the City Block 128, as measured along the South line of Locust Street; thence along the South line of Locust Street, north 87 degrees 23 minutes 10 seconds West, 133.83 feet to the point of

beginning.

PARCEL 3:

A tract of land being a part of that portion of Locust Street, above a horizontal plane 72.00 feet above 0.00 on the City of St. Louis Datum, as vacated by ordinance Number 59103 in the City of St. Louis, Missouri, and described as follows:

Commencing at a point on the East line of Seventh Street, 60 feet wide, at its intersection with the south line of Locust Street, 60 feet wide, said point being the northwest corner of City Block 128, South 87 degrees 23 minutes 10 seconds East, 81.91 feet to the Southwest corner of that portion of Locust Street vacated by Ordinance Numbers 59092 and 59430; thence leaving the South line of Locust Street and running along the West line of that portion of Locust Street as vacated by said Ordinance, north 2 degrees 36 minutes East, 16.00 feet to the northwest corner thereof, said point being the Southwest of that portion of Locust Street having air rights vacated by Ordinance Number 59103, and point of beginning of the herein described tract of land thence along the West line of said air rights vacation, North 2 degrees 36 minutes 34 seconds East, 26.64 feet to a point on the South line of that portion of Locust Street as vacated by Ordinance Numbers 58816 and 59430, and being distant South 87 degrees 23 minutes 26 seconds East, 94.68 feet from the Southwest corner of that portion of Locust Street, as vacated by said Ordinances, as measured along its South line; thence along the south line of Locust Street, South 87 degrees 23 minutes 26 seconds East, 133.83 feet to a point on the East line of that portion of Locust Street having air rights vacated by Ordinance Number 59103, and being distant north 87 degrees 23 minutes 26 seconds West, 5.31 feet from the Southeast corner of that portion of Locust Street, as vacated Ordinance Numbers 58816 and 59430, as measured along its South line; thence along the East line of said air rights vacation, South 2 degrees 36 minutes 34 seconds West, 26.65 feet to the Southeast corner thereof, said point being the northeast corner of that portion of Locust Street as vacated by Ordinance Number 59092 and 59430; thence along the north line of Locust Street as vacated, North 87 degrees 23 minutes 10 seconds West, 133.83 feet to the point of beginning.

PARCEL 4:

A tract of land being a part of that portion of Seventh Street, above a horizontal plane 72.00 feet above 0.00 on the City of St. Louis Datum, as vacated by Ordinance Number 59102 in the City of St. Louis, Missouri, and described as follows:

Commencing at a point on the South line of Washington Avenue, 80 feet wide, at its intersection with the West line of Seventh Street, 60 feet wide, said point being the Northeast corner of City Block 164; thence along the West line of seventh Street, said line also being the East line of City Block 164, South 0 degrees 00 minutes 38 seconds East, 149.69 feet and South 1 degree 37 minutes 12 seconds West, 41.93 feet to the northwest corner of that portion of Seventh Street having air rights vacated by Ordinance Number 59102 and the point of beginning of the herein described tract of land; thence along the North line of said air rights vacation, South 88 degrees 43 minutes 07 seconds East, 47.68 feet to a point on the West line of that portion of Seventh street as vacated by Ordinance Numbers 58720, 58816 and 59430, and being distant South 2 degrees 36 minutes 34 seconds West, 212.2 feet from the northwest corner of that portion of Seventh Street as vacated by said Ordinances, as measured along its West line; thence along the West line of Seventh Street, as vacated, South 2 degrees 36 minutes 34 seconds West, 13.00 feet to a point on the South line of that portion of seventh Street having air rights vacated by Ordinance number 59102, said point being distant North 2 degrees 36 minutes 34 seconds East, 271.48 feet from the Southwest corner of that portion of Seventh Street, as vacated by Ordinance Numbers 58816 and 59430, as measured along its West line; thence along the South line of that portion of Seventh Street having air rights vacated by Ordinance Number 59102, north 88 degrees 43 minutes 07 seconds West, 47.54 feet to the Southwest corner thereof, said point being located on the West line of Seventh Street, 60 feet wide, and being distant North 2 degrees 33 minutes 13 seconds East, 253.08 feet from the Southeast corner of City Block 180, as measured along the West line of seventh Street; thence along the West line of seventh Street, North 2 degrees 33 minutes 13 seconds East, 4.91 feet and North 1 degree 37 minutes 12 seconds East, 8.10 feet to the point of beginning.

PARCEL 5:

A tract of land being a part of that portion of Washington Avenue, above a horizontal plane 68.00 feet above 0.00 on the City of St. Louis Datum, as vacated by Ordinance Number 59104 in the City of St. Louis, Missouri, and described as follows:

Commencing at a point on the South line of Washington Avenue, 80 feet wide, at its intersection with the west line of Sixth Street, 60 feet wide, said point being the Northeast corner of City Block 126; thence along the South line of Washington Avenue, said line also being the North line of City Block 126, South 89 degrees 57 minutes 56 seconds West, 55.00 feet to the Southeast corner of that portion of Washington Avenue as vacated by Ordinance Numbers 58720, 58816 and 59430; thence leaving the South line of Washington Avenue and running along the East line of said vacated portion of Washington Avenue, north 2 degrees 36 minutes 34

seconds East, 18.85 feet to the northeast corner thereof; thence along the North line of Washington Avenue, as vacated, South 89 degrees 57 minutes 56 seconds West, 4.58 feet to a point on the east line of that portion of Washington Avenue having air rights vacated by Ordinance Number 59104, said point being distant, north 89 degrees 57 minutes 56 seconds East, 93.91 feet from the Northwest corner of that portion of Washington Avenue as vacated by Ordinance Numbers 58720, 58816 and 59430, as measured along its Northern line; thence along the West line of that portion of Washington Avenue as vacated by Ordinance Numbers 59091 and 59430; thence along the South line of the portion of Washington Avenue, as vacated by said Ordinances, North 89 degrees 57 minutes 43 seconds East, 125.31 feet to the Southeast corner thereof, said point being the Northeast corner of that portion of Washington Avenue having air rights vacated by Ordinance Number 59104; thence along the East line of said air rights vacation, South 2 degrees 36 minutes 34 seconds West, 46.18 feet to the point of beginning.

PARCEL 6:

A tract of land being Lot 1 of "Centre Subdivision", a subdivision according to the plat thereof recorded in Plat Book 52, page 24 of the St. Louis city Records, being part of Blocks 126 and 127 together with the vacated North and South Alley in Block 127 and portions of the following vacated streets, Locust Street, Seventh Street, Washington Avenue and St. Charles Street, in the City of St. Louis, Missouri, and described as follows:

Beginning at a point on the South line of Washington Avenue, 80 feet wide, at its intersection with the West line of Sixth Street, 60 feet wide, said point being the northeast corner of City Block 126; thence along the West line of Sixth Street, said line also being the East line of City Block 126, South 0 degrees 09 minutes 32 seconds East, 105.96 feet to a point on the North line of Lot 2 of said Subdivision; thence leaving said point and running along the line dividing Lot 1 and Lot 2, the following bearings and distance; north 87 degrees 23 minutes 26 seconds East, 91.34 feet to a point on the West line of Sixth Street, as aforementioned; thence along the West line of Sixth Street, said line also being the East line of City Block 127, South 2 degrees 37 minutes 26 seconds West, 88.70 feet; south 2 degrees 36 minutes 34 seconds West, 272.67 feet and South 87 degrees 23 minutes 26 seconds West, said line also being the East line of City Block 127, South 2 degrees 37 minutes 07 seconds West, 94.67 feet to its intersection with the North line of Locust Street, 60 feet wide, said point being the Southeast corner of City Block 127; thence along the North line of Locust Street, said line also being the South line of City Block 127, North 87 degrees 23 minutes 26 seconds West, 50.00 feet to the Northeast corner of that portion of Locust Street as vacated by Ordinance Numbers 58816 and 59430; thence leaving the North line of Locust Street and running along the east line of that portion of Locust Street, as vacated by said Ordinances, South 2 degrees 36 minutes 34 seconds West, 17.33 feet to the Southeast corner thereof; thence along the South line of that portion of Locust Street, as vacated, North 87 degrees 23 minutes 26 seconds West, 233.82 feet to the Southwest corner thereof, said point being located on the West line of that portion of Seventh Street, as vacated by Ordinance Numbers 58720, 58816 and 59430; thence along the West line of that portion of Seventh Street, as vacated, North 2 degrees 36 minutes 34 seconds East, 496.60 feet to the Northwest corner thereof, said point being located on the North line of that portion of Washington Avenue, as vacated by Ordinance Numbers 58720, 58816 and 59430; thence along the north line of that portion of Washington Avenue, as vacated, North 89 degrees 57 minutes 56 Seconds East, 221.37 feet to the Northeast corner thereof; thence along the East line of that portion of Washington Avenue, as vacated, South 2 degrees 36 minutes 34 seconds West, 18.85 feet to the Southeast corner thereof, said point being located on the South line of Washington Avenue, as aforementioned; thence along the South line of Washington Avenue, said line also being the North line of City Block 126, North 89 degrees 57 minutes 56 seconds East, 55.00 feet to the point of beginning.

PARCEL 8:

Together with all easements, rights, benefits and privileges in favor of said Unit 1 of One City Centre Condominium, created pursuant to the Declaration of Condominium Ownership, dated September 21, 1983, as recorded on September 27, 1983 as Daily No. 178 in Deed Book 367M, page 289, as amended in its entirety by the Amended and Restated Declaration of Condominium Ownership dated September 20, 1984, and recorded October 23, 1984 as Daily No. 185 in Book 431M page 446, as amended by First Amendment to Amended and Restated Declaration of Condominium Ownership for One City Centre Condominium recorded in Book M-484, page 2062.

PARCEL 9:

All easements, rights, benefits and privileges in favor of said Unit 1 of One City Centre Condominium, created pursuant to Office Easement Agreement dated October 1, 1984 among St. Louis Centre, Ltd., a Delaware Limited Partnership, CC&P City Centre Ltd., and Juneco Redevelopment Corporation recorded October 30, 1984 as in Book M-432, page 1390, as amended by Amendment to Office Easement Agreement recorded in Book M-484, page 2049 and modified by Second Amendment to Office Easement Agreement recorded in Book 593M page 165 and Supplement to Office Easement Agreement and First and Second Amendments thereto recorded in Book 658M page 460, and modified by Third Amendment thereto recorded in Book 1731 page 3730.

PARCEL 10:

All easements of use, connection, support and access and other rights in favor of St. Louis Centre, Ltd., its successors and assigns, as created by that certain Construction Operation and Reciprocal Easement Agreement by and among St. Louis Centre, Ltd., The May Department Stores Company and May Centers, Inc., dated February 16, 1983 and recorded on February 17, 1983 in the aforesaid Recorder's Office in Book 335M, page 1674 as amended by that certain Amendment No. 1 to Construction, Operation and Reciprocal Easement Agreement dated April 17, 1983 as recorded on April 29, 1983 in Book M-344, page 1306 and by that certain Allocable Share Agreement, dated February 16, 1983 between St. Louis Centre, Ltd. And The May Department Stores Company, together with all the rights, benefits and privileges accruing to St. Louis Centre, Ltd. and its successors and assigns thereunder (collectively the said "RCA").

RPA 2

Legal Description

PARCEL 1:

A tract of land being off of Block 125 together with vacated portions of Washington Avenue and Lucas Avenue in the City of St. Louis, Missouri, and described as follows:

Beginning at the point on the East line of Seventh Street, 60 feet wide, at the its intersection with the North line of Washington Avenue, 80 feet wide, said point being the Southwest corner of City Block 125; thence along the East line of Seventh Street, said line also being the West line of City Block 125, and its direction prolongation Northwardly, North 0 degrees 03 minutes 23 seconds West, 250.73 feet to point on the former centerline of Lucas Avenue, 50 feet wide, said point being the Northwest corner of that portion of Lucas Avenue vacated by Ordinance Number 59553; thence along the North line of said vacated area, being the former centerline of Lucas Avenue, North 89 degrees 50 minutes 30 seconds East, 271.78 feet to the Northeast corner thereof, said point being located on the direct Northward prolongation of the West line of Sixth Street, 60 feet wide, said line also being the East line of City Block 125; thence along said prolongation and along the West line of Sixth Street, also being the East line of City Block 125, South 0 degrees 06 minutes 50 seconds East, 251.30 feet to tie (its) intersection with the North line of Washington Avenue, 80 feet wide, said point being the Southeast corner of City Block 125; thence along the North line of Washington Avenue, said line also being the South line of City Block 125, south 89 degrees 57 minutes 43 seconds West, 55.92 feet to the Northeast corner of the portion of Washington Avenue vacated by said Ordinance Numbers 59091 and 59430; thence leaving the North line of Washington Avenue and running along the East line of that portion of Washington Avenue, as vacated by said Ordinances, South 2 degrees 36 minutes 34 seconds West, 15.02 feet to the Southeast corner thereof, said point being the Northeast corner of that portion of Washington Avenue having air rights vacated by Ordinance Number 59104; thence along the North line of said air rights vacation, South 89 degrees 57 minutes 43 seconds West, 125.31 feet to the Northwest corner thereof, said point also being the Southwest corner of that portion of Washington Avenue vacated by Ordinance Numbers 59091 and 59430; thence along the West line of that portion of Washington Avenue as vacated by said Ordinances, North 0 degrees 02 minutes 04 seconds West, 15.00 feet to the Northwest corner thereof, said point being located on the North line of Washington Avenue, 80 feet wide; thence along the North line of Washington Avenue, said line also being the South line of City Block 125, South 89 degrees 57 minutes 43 seconds West, 90.08 feet to the point of beginning.

PARCEL 2:

Reciprocal easement rights in the pedestrian bridge between City Blocks 125 and 166. pursuant to Bridge Easement Agreement dated August 14, 1964, and recorded on August 26, 1964 in Book 8620, page 199, as amended by Amendment No. 1 to Bridge Easement Agreement dated August 25, 1965 and recorded in Book 8620 page 206, together with such easements in said Bridge Easement Agreement conveyed by that certain Quit Claim Deed dated September 20, 1984, from the Land Clearance for Redevelopment Authority of the City of St. Louis to Mayco Redevelopment Corporation, and recorded October 25, 1984 as Daily No. 103, in Book M-431, page 1654.

**APPENDIX 2
ANTICIPATED SOURCES AND USES OF FUNDS**

RPA 1 - SOURCES AND USES

SOURCES OF FUNDS (INTERIM)

EQUITY / MEZZANINE DEBT	19.07%	\$	10,500,000
FIRST MORTGAGE - MALL	80.93%	\$	44,573,964
CONSTRUCTION DEBT - TOWER		\$	26,500,000
TIF BRIDGE LOAN		\$	15,372,046
NMTC'S / BRIDGE LOAN		\$	3,000,000
SALES COMMISSIONS (PAID FROM CLOSINGS)		\$	1,372,391
DEFERRED DEVELOPER FEE / OWNER PROFIT		\$	8,587,776
TOTAL SOURCES (INTERIM)		\$	109,906,177

SOURCES OF FUNDS (PERMANENT)

CONDO SALES REVENUES	\$	37,091,645
TIF NOTE SALES PROCEEDS (MALL)	\$	13,596,457
TIF NOTE SALES PROCEEDS (TOWER)	\$	8,942,544
NMTC CREDIT EQUITY	\$	5,644,500
TDD NOTE SALES PROCEEDS	\$	3,081,075
MALL RETAIL FIRST MORTGAGE	\$	14,750,000
TOWER MEZZANINE DEBT	\$	14,000,000
DEUTSCHE BANK (TOWER FIRST MORTGAGE)	\$	12,800,000
TOTAL SOURCES (PERMANENT)	\$	109,906,221

USES OF FUNDS

	SF		\$/SF	
CONSTRUCTION COSTS				
RE-SKINNING COSTS	108,850	\$	30	\$ 3,265,500
STRUCTURAL DEMOLITION				\$ 500,000
STRUCTURAL REINFORCEMENT				\$ 400,000
TERRACES / LAWNS	39,381	\$	40	\$ 1,575,240
SHELL COSTS	442,786	\$	47	\$ 20,810,942
FINISH COSTS FOR CONDOS	187,480	\$	50	\$ 9,374,000
FINISH COSTS FOR PARKING/LOADING	100,781	\$	15	\$ 1,511,715
TENANT FINISH 1ST FLOOR RETAIL	87,718	\$	25	\$ 2,192,950
TENANT FINISH GOLD'S GYM	25,832	\$	15	\$ 387,480
TENANT FINISH 4TH FLOOR	25,382	\$	25	\$ 634,550
FIRST FLOOR PARKING MEZZANINE	60	\$	17,500	\$ 1,050,000
TOWER TENANT FINISH / LOBBY UPGRADES / SKIN				\$ 7,500,000
TOTAL CONSTRUCTION COSTS				\$ 49,202,377
ACQUISITION COSTS				\$ 35,607,000
ARCHITECTURAL & ENGINEERING				\$ 1,615,000
CONTINGENCY		10.00%		\$ 4,170,238
LEGAL/ACCOUNTING/CONSULTING				\$ 460,000
OTHER COSTS				\$ 480,100
FINANCING COSTS				\$ 750,000
MARKETING COSTS				\$ 2,950,830
RESERVES				\$ 750,000
1ST MTG CONSTRUCTION PERIOD INTEREST				\$ 2,030,400
TIF BRIDGE LOAN				\$ 970,000
MEZZ LOAN CONSTRUCTION PERIOD INTEREST				\$ 2,332,500
DEVELOPER FEE PAID OUT				\$ 1,300,000
PROFIT				\$ 7,287,776
TOTAL USES				109,906,221

RPA 2 - SOURCES AND USES

SOURCES OF FUNDS (INTERIM)		TOTAL	
FEDERAL AND BROWNFIELD TAX CREDIT EQUITY		\$	9,802,620 -
MO HISTORIC TAX CREDIT BRIDGE LOAN	77.67%	\$	13,500,000 -
TIF BRIDGE LOAN	60.00%	\$	7,096,178 -
OWNER EQUITY		\$	600,000 -
ADDITIONAL EQUITY		\$	9,200,000 -
SALES COMMISSIONS PAID FROM CLOSINGS		\$	1,247,698 -
DEFERRED DEVELOPER FEE		\$	11,500,000 -
FIRST MORTGAGE DEBT		\$	42,445,204 -
TOTAL SOURCES		\$	95,391,700 -
SOURCES OF FUNDS (PERMANENT)			
LIMITED PARTNERSHIP EQUITY			
FEDERAL HISTORIC TAX CREDIT EQUITY		\$	8,737,200 -
MISSOURI HISTORIC TAX CREDIT EQUITY		\$	17,382,200 -
MISSOURI BROWNFIELD TAX CREDIT EQUITY		\$	2,376,000 -
DEFERRED DEVELOPER FEE		\$	2,000,000 -
TOTAL LP EQUITY		\$	30,495,400 -
CONDO SALES REVENUES		\$	33,721,555 -
TIF NOTE SALES PROCEEDS		\$	11,826,964 -
PERMANENT FIRST MORTGAGE		\$	19,347,767 -
SURPLUS (GAP)		\$	-
TOTAL SOURCES		\$	95,391,686 -
USES OF FUNDS			
	SF	\$/SF	
CONSTRUCTION RESKIN ATRIUM	27,300	\$ 35	\$ 955,500 -
CONSTRUCTION SHELL COSTS	577,882	\$ 50	\$ 28,894,100 -
FINISH APTMS / CONDOS	344,639	\$ 45	\$ 15,508,755 -
FINISH PARKING / STORAGE	134,421	\$ 17	\$ 2,285,157 -
WHITE BOX OFFICE / RETAIL	97,931	\$ 25	\$ 2,448,275 -
TENANT IMPROV. OFFICE / RETAIL	97,931	\$ 30	\$ 2,937,930 -
			\$ 53,029,717 -
ACQUISITION COSTS			\$ 12,600,000 -
ARCHITECTURAL & ENGINEERING			\$ 1,345,000 -
CONTINGENCY		10.00%	\$ 5,302,972 -
LEGAL / ACCOUNTING / CONSULTING			\$ 245,000 -
OTHER COSTS			\$ 362,000 -
FINANCING COSTS			\$ 670,000 -
MARKETING / MANAGEMENT			\$ 1,808,698 -
ESCROWS / RESERVES			\$ 1,200,000 -
1ST MORTGAGE CONSTRUCTION PERIOD INTEREST			\$ 2,716,800 -
BRIDGE LOAN CONSTRUCTION PERIOD INTEREST			\$ 2,166,200 -
EQUITY CONSTRUCTION PERIOD INTEREST			\$ 2,445,300 -
DEVELOPER FEE - PAID OUT	City Max	\$ 11,197,753	\$ 9,500,000 -
DEVELOPER FEE - DEFERRED			\$ 2,000,000 -
TOTAL USES			95,391,686 -

APPENDIX 3

ANALYSIS OF CONDITIONS REPRESENTING A BLIGHTED AREA FOR THE
600 WASHINGTON REDEVELOPMENT AREA

ANALYSIS OF CONDITIONS REPRESENTING A BLIGHTED AREA

for the
600 WASHINGTON TIF REDEVELOPMENT AREA

600 WASHINGTON TIF REDEVELOPMENT PLAN

March 17, 2006
City of St. Louis, Missouri

Tax Increment Financing Commission

TIF ELIGIBILITY

The Redevelopment Area (the “Area”) established in the 600 Washington TIF Redevelopment Plan (the “TIF Redevelopment Plan”) is a blighted area based upon the fact that it exhibits the factors set in the TIF Act (Section 99.805(1). MO. REV. STAT.).

As defined, 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.

Blighting factors and conditions present in the Redevelopment Area include:

- 1) Deterioration of Site Improvements:
 - a) Building interior and exterior;
 - b) Sidewalks and curbs;
 - c) Site improvements; and
 - d) Systems and components.
- 2) Unsanitary and unsafe conditions resulting from:
 - a) Trash and debris; and
 - b) Exterior site conditions.
- 3) Improper Subdivision or Obsolete Platting.
- 4) Existence of Conditions which Endanger Lives or Property by Fire or Other Causes.
- 5) Menace to the Public Health, Safety, Morals or Welfare
- 6) Economic and Social Liability:
 - a) Deferred maintenance and lack of investment;
 - b) Excessive Vacancy; and

- c) Uncompetitive position.

The factors listed above will persist and continue to decline until the comprehensive redevelopment of the Area is undertaken.

A map providing an overview of such conditions is attached hereto as Exhibit 1, along with Photographs of Conditions in the Area attached hereto as Exhibit 2.

DATA COLLECTION METHODS

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 March 2006. Observations and conclusions are based upon on-site inspections of the Redevelopment Area and familiarity with the local market.

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. Survey of the condition and use of the Redevelopment Area;
- b. Public documents relating to the history and/or condition of the Area;
- c. Professional assessments of the condition of the Area;
- d. Analysis of existing uses and their relationships; and
- e. Independent environmental and code assessments

OVERVIEW OF REDEVELOPMENT AREA

The Redevelopment Area consists of City Blocks 125 and 127, as shown on **Appendix 1** to the TIF Redevelopment Plan. The Area contains the St. Louis Centre Shopping Mall, One City Centre Office Tower, and the vacant Dillard's Building.

DISCUSSION OF BLIGHT IN THE REDEVELOPMENT AREA

1. 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.

Deterioration of the entire mall and office complex, the St. Louis Centre and adjoining One City Centre Office Tower, has resulted in functional obsolescence as the site is outmoded and beyond its intended use. Construction of the complex was completed 21 years ago in 1985. The Area has become functionally obsolete, highlighted by the Centre's excessive vacancies and the lack of necessary maintenance of the structure and site improvements. These factors have contributed to the decline of the Office Tower connected to the Centre.

These Buildings suffer from deterioration of both primary and secondary building components. The exterior wall of the approximately 4,000,000 square feet complex is significantly degraded and discolored in many places and is in need of tuckpointing and repair. Further, there are signs of degradation and discoloration throughout, marking the neglect and lack of maintenance.

The complex also suffers from deterioration of several interior components. Cracked, skewed, and missing tiles plagued the flooring throughout. Unsanitary conditions in the food court area are evident as vacated kitchen bays show signs of filth, grime, and discoloration from food and smoke debris. These conditions have persisted, and thus, the ceiling will need to be replaced. Many of the interior skylight windows were cracked or completely shattered. At the time the Area was reviewed, escalator service in the shopping mall portion of the building was restricted.

The vacant building located at 601 Washington, the former site of the Dillard's department store, suffers from deterioration of both primary and secondary building components. The exterior walls of the structures are degraded in many places and are in need of significant repair and tuckpointing, with discoloration and peeling paint throughout. The rear portion of the building is dilapidated, while other deteriorated conditions evident on the building include: unfilled holes in the fascia, broken and/or missing façade and soffits, and degraded window sills and cornices. Many of the windows in the Area are unsecure and are broken or missing entirely in several places. The window frames are plagued by the same conditions of rampant deterioration that characterize the external walls of this building.

The interior of this building is significantly dilapidated. What remains of the Dillard's department store is a mere skeleton of five floors. Any improvements have been removed, and current occupation and safe use is inconceivable.

In addition, significant deterioration is evident in many of the secondary components of both buildings. The utilities are outdated and substandard as storm water components and street gutters are missing or obsolete. Wiring and plumbing fixtures are exposed in places, and there is an accumulation of gravel, dirt, and dust due to a lack of regular maintenance throughout of the Area.

The sidewalks, loading areas, and curbing are substantially deteriorated and need to be replaced as they are uneven and crumbling impairing the attractiveness, marketability, and safety of the Area. Standing water from precipitation on sidewalk and parking areas is evidenced by large surfaces of dirt sediment. The Area also suffers from the presence of debris and refuse, as deleterious conditions have not been remedied, evidencing a general lack of maintenance.

2. Unsanitary or Unsafe Conditions. The Redevelopment Area is characterized by several serious unsanitary and unsafe conditions. The accumulation of dirt and dust in the Area due to deferred maintenance, together with litter and garbage, increase the risk of illness and create an unsanitary environment for living or working. The lack of secure access points and the existence of damaged or broken building components constitute unsafe conditions, as they pose a potential threat to personal property and safety.

Portions of the Area have become overrun by avian feral and contain significant amounts of bird excrement. These unsanitary conditions pose a serious risk of illness or disease to any modern inhabitants, and contribute to the vacancy, underutilization, and blight of the Area.

The desperate conditions of the Area have fostered an incubator for crime and neglect. The St. Louis Police Department reported 37 instances of crime in the Area from 2003 to March of 2006 despite its prominent location. Crime records and reports include robbery, larceny, assault, disorderly conduct, begging, and various drug and liquor related offenses. These reports highlight the negative stability and safety concerns that deterioration and lack of investment have manifested in the Area.

3. Improper Subdivision or Obsolete Platting. The Area's platting results in its deteriorated conditions and vacancies and impedes the uses noted for the Area in the Downtown Now Development Action Plan. The Area is not marketable, and is inconsistent with City's stated development objectives. Further, most tenants have left the premise, including an anchor tenant, Dillard's. Due to recent developments in traffic and parking patterns, as well as a shift in the predominant uses in this portion of Downtown since the time of this buildings' original construction, the buildings' size and orientation are improper. The current orientation of the buildings on the site and the corresponding deterioration fail to optimize the occupancy of the Area.

The Buildings were configured for retail uses in 1985, and at the time, the Area was developed without the benefit or guidance of a community development plan. Since that time, the Downtown Now Development Action

Plan has recognized mixed-use development as appropriate for buildings along Washington Avenue.

The approximately 4.5 million square feet of available space in the structures of the Area lack dedicated parking. This problem has hindered marketing and demand for uses in the Area, including the St. Louis Centre and the Office Tower. Moreover, since accessible parking is not offered for the Area, the Tower is only accessible through entrances located inside of the St. Louis Centre and a disguised lobby on 6th Street, a one-way, 40foot wide tertiary street.

Additional problems result from pedestrian bridges that scale each street surrounding the Centre and Office Tower, creating inhibited exterior linkages to adjacent structures. Perhaps the most problematic is the massive access bridge across Washington Avenue. These bridges prohibit the connectivity of Washington Avenue and have hindered development on a planned basis and in a manner compatible with contemporary standards and requirements in this portion of Downtown. This has been recognized as a major limitation to the vitality and development of Area because the bridges have isolated visibility, fostered crime, and caused neglect to exterior conditions. The proposed Projects would benefit the Area and all of downtown through the removal of the bridges.

Due to the absence of effective community planning, platting of the Area has become obsolete as the surrounding neighborhood has, in accordance with the City's recognized development objectives, moved toward the comprehensive revitalization of Downtown, in particular, the Washington Avenue Corridor. The incompatibility of the Area with such development leaves it with limited potential and ability to meet its economic potential despite its location.

4. Existence of Conditions which Endanger Lives or Property by Fire and Other Causes.

Endangerment by fire and other causes is typically due to the presence of structures below minimum code standards. Such code standards include building, housing, property maintenance, fire, environmental, or other governmental codes applicable to a particular property. The principal purpose of such codes is to require buildings to be constructed and maintained so that they will have the capacity to support the type of occupancy, and necessary fire and similar hazard protection, or to establish the minimum standards essential for safe and sanitary use, occupation, and/or habitation.

Environmental concerns were noted in the March 2006, Phase I Environmental Assessment completed by Environmental Operations, Inc. on the vacant building located at 601 Washington Avenue. Beams in the basement of the structure were assumed to have asbestos containing materials based on current regulations. Also the presence of friable and non-friable materials which represent a significant potential for health hazards, including asbestos, were found in ceiling and floor tiles throughout. Finally, suspect lead-based paint was observed throughout the building.

Due to the deterioration of site improvements of the Redevelopment Area, the Area suffers from endangerment by fire and/or other causes. The Area lacks contemporary safety, access, and other security measures in several places. These unsafe conditions endanger life and property and render portions of the Area uninhabitable for modern commercial or residential uses.

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

As noted above, the Area has presented crime and safety concerns to this prominent location in Downtown. Public anxiety of visiting the Area has discouraged demand and advanced blighted conditions. Without new investment and redevelopment of the Area, conditions will continue to worsen.

The St. Louis Centre complex has been noted as the one of the most significant obstacles to the complete revitalization of downtown. Negative perspectives and accounts from residents and visitors alike are numerous for the troubled complex. Crime and safety concerns have been a detriment to the success of this prominent

location in downtown, as well as success of the entire community.

ECONOMIC AND SOCIAL LIABILITY

Due to the predominance of blighting factors discussed above, the Area in its current condition is a significant liability to the social welfare and economic independence of the City. As noted above, the Area suffers from obvious neglect and a clear lack of investment. This disparity has fostered a state of economic obsolescence as the property within the Area is no longer marketable because of its condition and location, and has become an economic burden to the City. Deterioration and subsequent obsolescence of the Area have contributed to the lack of physical maintenance, abandonment, and excessive vacancies.

The Area in its current condition hampers the economic vitality and independence of the City by failing to generate tax revenue and discouraging reinvestment in or maintenance of these properties. The Area's physical condition and level of underutilization, combined with vacancies, diminishes its potential to generate property tax revenues for the City up to its full potential. Without the comprehensive renovation and redevelopment of the Area, its physical condition will continue to deteriorate and its economic efficiency will continue to decrease. Furthermore, the bridges within the Area have been recognized as a significant obstacle to the redevelopment of Downtown and Washington Avenue.

The Redevelopment Area has suffered an increase in vacancies with deferred maintenance, and it has become further blighted. The above blighting factors and conditions have fostered economic obsolescence in the Area. The type of economic underutilization seen in the Redevelopment Area has been recognized as a blighting condition by the Missouri Supreme Court case Tierney v. Planned Industrial Expansion Authority of Kansas City, Missouri, 742 S.W. 2d 146, 151 (Mo. 1987).

In Tierney at 151, the Court stated:

...(10) The owners, finally, attack the concept of "economic underutilization"... They suggest that almost all land could be put to a higher and better use, and argue that the concept of economic under-utilization is so broad...

We do not find the fault or the danger perceived. The concept of urban redevelopment has gone far beyond "slum clearance" and the concept of economic underutilization is a valid one. This is explicit in State ex rel. Atkinson v. Planned Industrial Expansion Authority of St. Louis, 517 S.W.2d 36 (Mo. Banc 1975), sustaining the statutes governing this case. Centrally located urban land is scarce. The problems of assembling tracts of sufficient size to attract developers, and of clearing uneconomic structures, are substantial and serious... We need not repeat all of the evidence which has before the city council tending to show that redevelopment of this area would promote a higher level of economic activity, increased employment, and greater services to the public...

The economic underutilization of the buildings contributes to the eligibility of the Redevelopment Area. The comprehensive redevelopment of the site will foster much needed economic activity and add to the success of City, and in particular, the Washington Avenue corridor.

Indeed, the Area is now in an especially precarious position, as many of the tenants have vacated the premises, including the Dillard's Department store located at 601 Washington Avenue. These vacancies have resulted in the continued lack of maintenance and corresponding physical deterioration of the Area, which problems can only be remediated by the type of comprehensive redevelopment such as is a part of the Redevelopment Projects. If such physical deterioration is allowed to continue, the Area, in addition to failing to generate tax revenue and economic activity anywhere near its potential, will become a financial burden on the City.

Exhibit 1
Blight Analysis

BLIGHT ANALYSIS
600 Washington
Redevelopment Area
City of St. Louis, Missouri

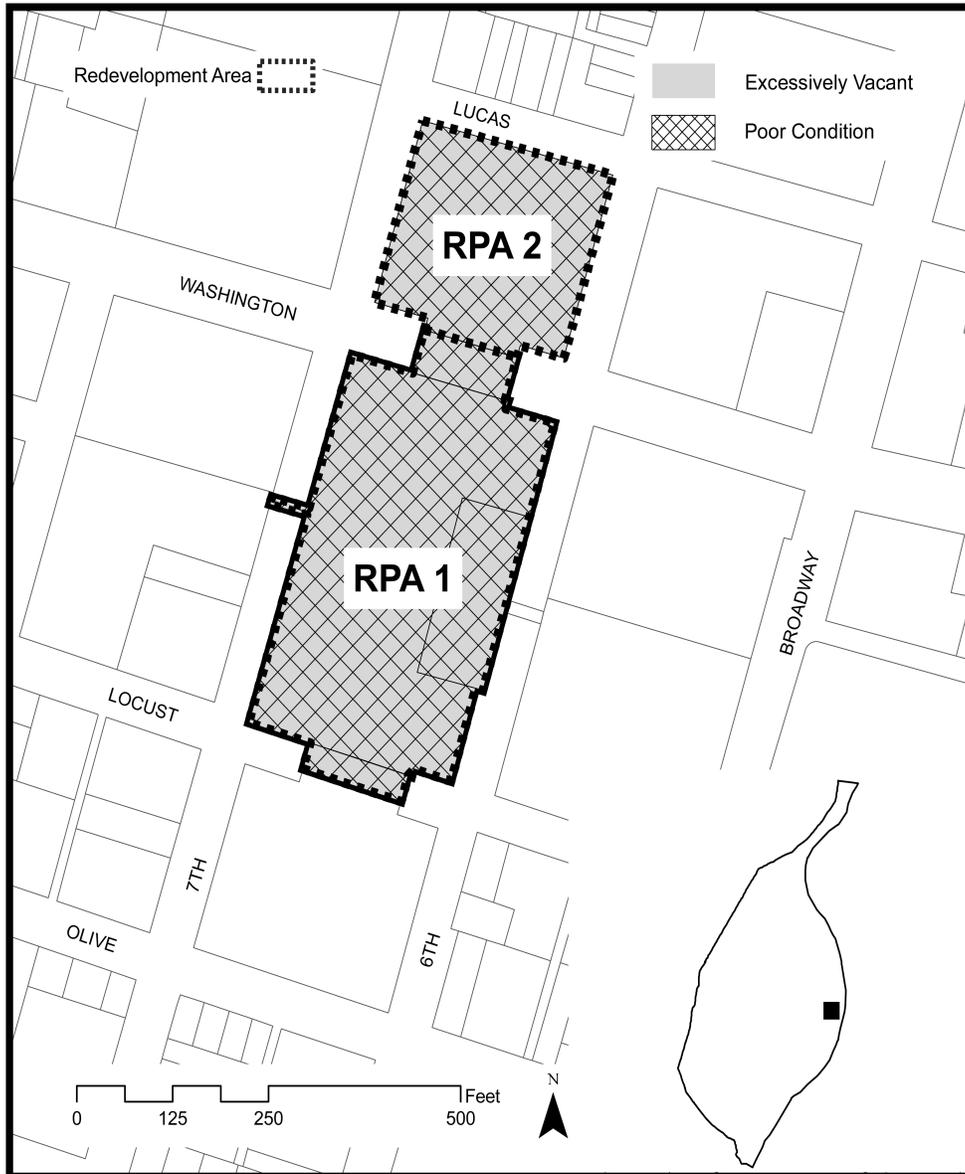


Exhibit 2

Photographs of Conditions in the Area













APPENDIX 4

**600 WASHINGTON TIF REDEVELOPMENT PLAN
ANTICIPATED REDEVELOPMENT PROJECT SCHEDULE**

First TIF Commission Meeting	2/15/06
Submit Redevelopment Plan to TIF Commission (at least 45 days prior to public hearing)	3/17/06
Mailing of Notice of TIF Commission Public Hearing to Taxing Districts (not less than 45 days prior to hearing) (RSMo. 99.830.3)	3/24/06
First Publication of Notice of TIF Commission Public Hearing (not more than 30 days prior to hearing) (RSMo. 99.830.1)	4/17/06
Written Notice to Property Owners (not less than 10 days prior to public hearing) (RSMo. 99.830.3)	4/17/06
Second Publication of Notice of TIF Commission Public Hearing (not more than 10 days prior to public hearing) (RSMo. 99.830.1)	5/01/06
Public Hearing by TIF Commission (RSMO. '99.825)	5/10/06
TIF Commission Recommendation to Board of Aldermen (within 90 days of TIF Public Hearing) (RSMo. 99.820.3)	5/10/06
TIF Ordinances Introduced adopting plan, approving project, establishing district, establishing special allocation fund, approving redevelopment agreement and authorizing issuance of TIF Notes (between 14 and 90 days after hearing) (RSMo. 99.820.1[1])	5/26/06
HUDZ Committee Hearing on TIF Ordinances	6/02/06
Second Reading of TIF Ordinances	6/09/06
Perfection of Board Bill(s)	6/17/06
Third Reading and Final Passage of TIF Ordinances	6/24/06
Mayor Signs Bills	7/05/06
Full Construction Commences	7/15/06
Construction Complete	7/15/06

APPENDIX 5

**600 WASHINGTON TIF REDEVELOPMENT PLAN
CURRENT AND HISTORICAL INFORMATION CONCERNING THE EQUALIZED ASSESSED VALUE
OF REDEVELOPMENT AREA AND ECONOMIC ACTIVITY TAXES
WITHIN THE REDEVELOPMENT AREA**

RPA 1

<u>Street Address</u>	<u>Tax ID</u>	<u>Equalized Assessed Value</u>
601 Locust St.	01270000161	\$708,200
601 F Locust St.	01270000170	\$20,400
415 N. 6th St.	01270001011	\$176,900
413 N. 6th St.	01270001021	\$ 3,200,000
413 N. 6th St.	01270081010	\$0

RPA 2

601 Washington Ave.	01250000151	\$ 1,232,000
---------------------	-------------	--------------

HISTORY OF ASSESSED VALUE

TERM	AV	% CHANGE
2001	5,567,200	
2002	5,567,200	0.00%
2003	4,800,000	-13.78%
2004	4,800,000	0.00%
2005	5,337,500	11.20%
2006	5,337,500	0.00%

Information concerning Economic Activity Taxes (EATs) is non-public and thus, not available at this time.

APPENDIX 6

600 WASHINGTON TIF REDEVELOPMENT PLAN
DEVELOPER'S AFFIDAVIT

STATE OF MISSOURI)
C.H.)
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 600 Washington Tax Increment Financing Redevelopment Plan, initially dated March 17, 2006 (the "Redevelopment Plan").

1. I am a duly authorized representative of Pyramid Construction, Inc. (the "Developer") and am authorized by the Developer to attest to the matters set forth herein.

2. I am familiar with the Redevelopment Area described in the Redevelopment Plan. In my opinion, based on the factors set forth in the Redevelopment Plan, the Redevelopment Area, on the whole, qualifies as a "blighted area" as defined in Section 99.805(3) of the Missouri Revised Statutes (2000), and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing.

And Further Affiant Sayeth Not.

Pyramid Construction, Inc.

By: [Signature]
Name Matt O'Leary
Title: Sr. Vice President

Subscribe and sworn to before me this 9 day of March, 2006.

[Signature]
Notary Public

My Commission Expires: 9-11-06
ALFREDO HASSON
Notary Public - State of Missouri
City of St. Louis
My Commission Expires Sep. 11, 2006

APPENDIX 7

600 WASHINGTON TIF REDEVELOPMENT PLAN
EVIDENCE OF COMMITMENT TO FINANCE PROJECT COSTS

03-21-06 13:35 From-LASALLE BANK COMM RE

3146213947

T-787 P.01/01 F-044



LaSalle Bank n.a.
One North Brentwood
Suite 950
St. Louis, MO 63105
(314) 613-1915
Fax (314) 621-3947
paul.lakamp@abnamro.com

Paul A. LaKamp
Vice President

Commercial Real Estate

March 21, 2006

Mr. Matthew O'Leary
Dillard's Building LLC
The Pyramid Companies
906 Olive Street, Suite 600
St. Louis, MO 63101

RE: Proposed 600 Washington Redevelopment, Project Area 2
Former Dillard's Building
601 Washington Avenue
St. Louis, MO 63101

Dear Matt:

This letter evidences the initial commitment by LaSalle Bank National Association ("LaSalle") to provide construction financing for the proposed redevelopment of the above property (the "Project"), subject to review and approval by LaSalle's loan committee. Terms for the construction financing are currently being negotiated and no binding commitment has been made.

As we have discussed, the Project would not be feasible without the assistance of tax increment financing. Therefore, please be advised that we are excited to provide financing for the Project should the City of St. Louis issue the necessary tax increment financing.

Very truly yours,

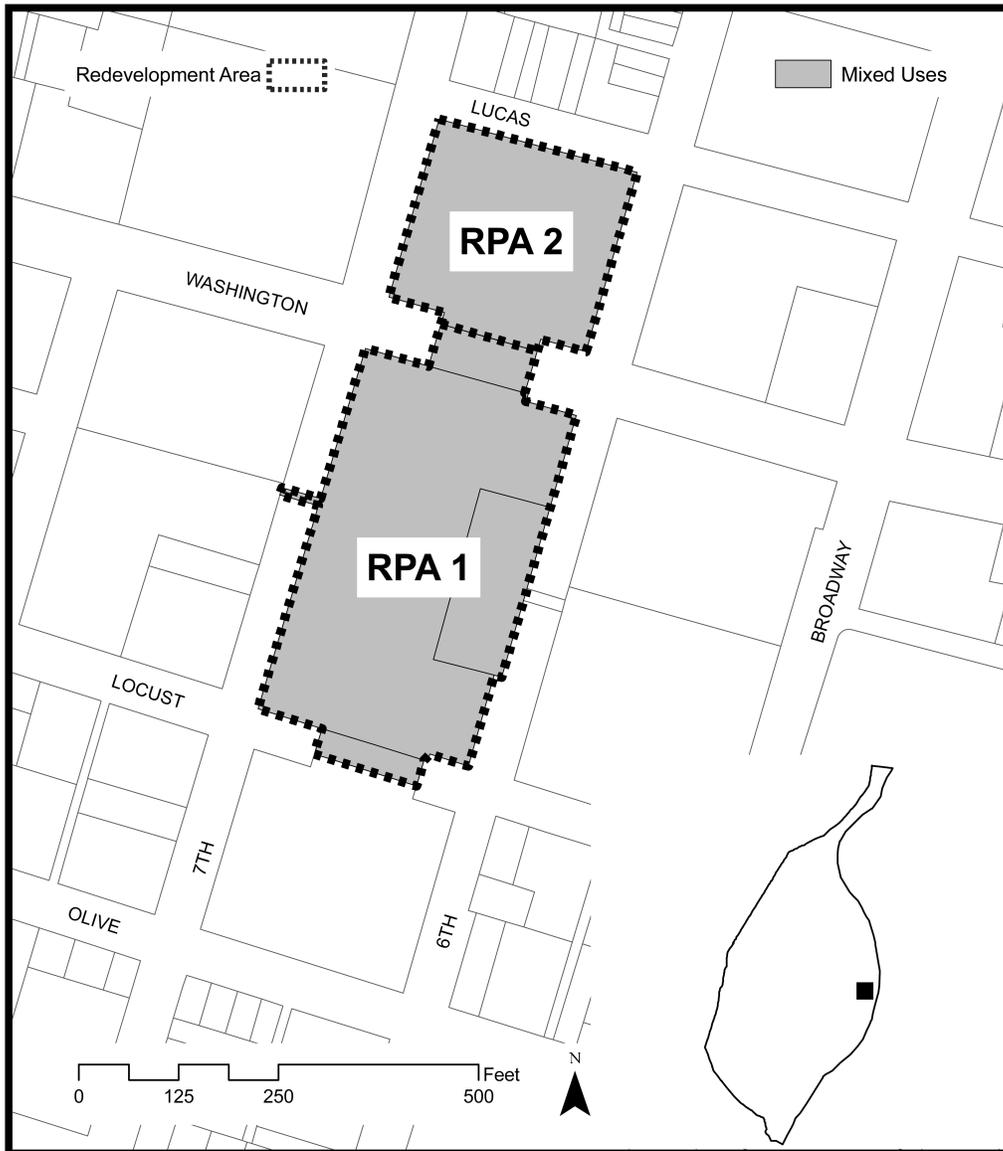
A handwritten signature in cursive script that reads "Paul A. LaKamp".

Paul LaKamp
LaSalle Bank National Association

APPENDIX 8

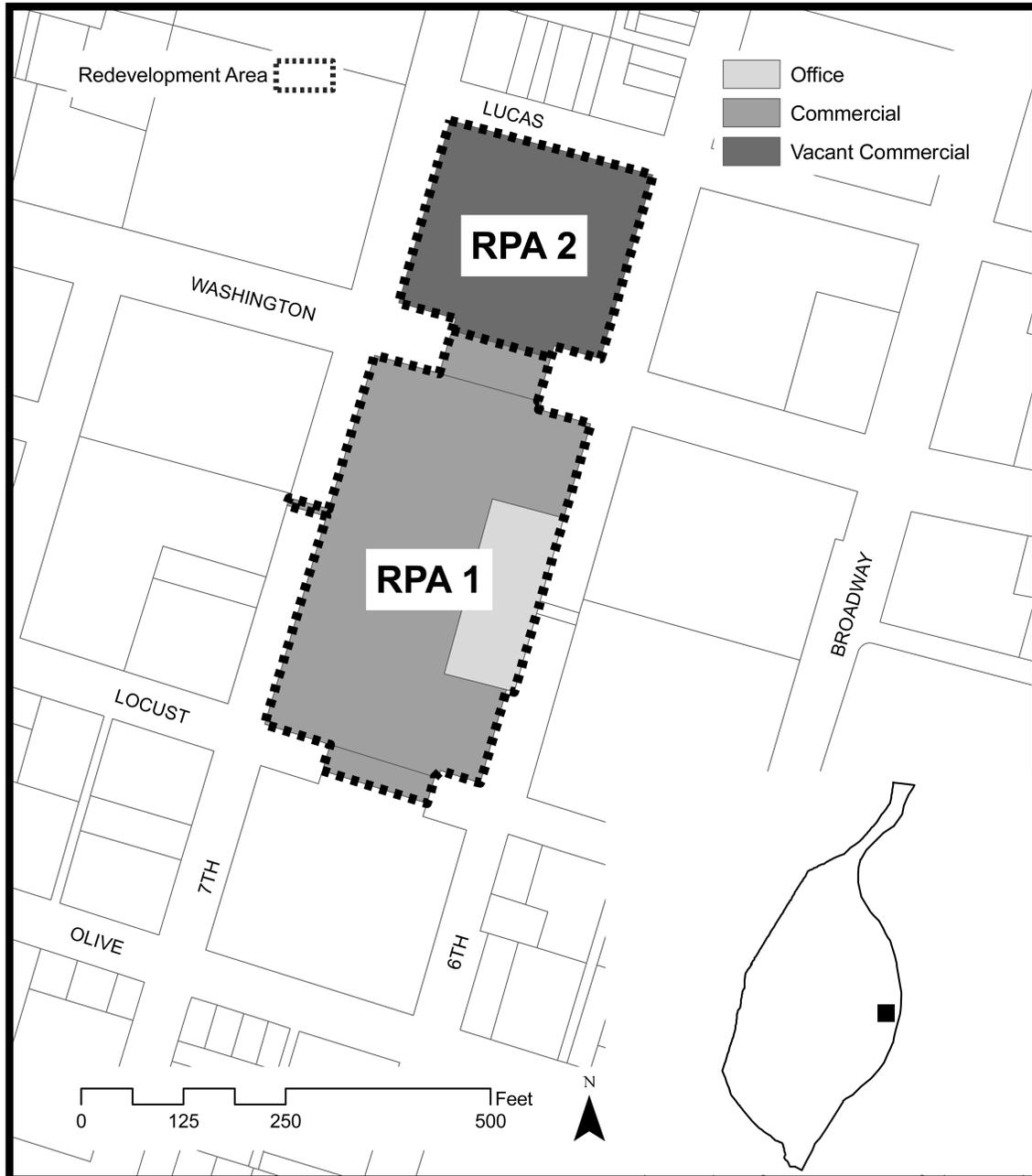
600 WASHINGTON TIF REDEVELOPMENT PLAN
GENERAL LAND USES TO APPLY

GENERAL LAND USE
600 Washington
Redevelopment Area
City of St. Louis, Missouri



EXISTING LAND USE

600 Washington Redevelopment Area City of St. Louis, Missouri



APPENDIX 9

**600 WASHINGTON TIF REDEVELOPMENT PLAN
REAL PROPERTY TAX INCREMENT ALLOCATION ACT****SECTIONS 99.800 to 99.865, MISSOURI REVISED STATUTES****Law, how cited.**

99.800. Sections 99.800 to 99.865 shall be known and may be cited as the "Real Property Tax Increment Allocation Redevelopment Act".

(L. 1982 H.B. 1411 & 1587 § 1)

Definitions.

99.805. As used in sections 99.800 to 99.865, unless the context clearly requires otherwise, the following terms shall mean:

(1) "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;

(2) "Collecting officer", the officer of the municipality responsible for receiving and processing payments in lieu of taxes or economic activity taxes from taxpayers or the department of revenue;

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

(4) "Economic activity taxes", the total additional revenue from taxes which are imposed by a municipality and other taxing districts, and which are generated by economic activities within a redevelopment area over the amount of such taxes generated by economic activities within such redevelopment area in the calendar year prior to the adoption of the ordinance designating such a redevelopment area, 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, licenses, fees or special assessments. For redevelopment projects or redevelopment plans approved after December 23, 1997, if a retail establishment relocates within one year from one facility to another facility within the same county and the governing body of the municipality finds that the relocation is a direct beneficiary of tax increment financing, then for purposes of this definition, the economic activity taxes generated by the retail establishment shall equal the total additional revenues from economic activity taxes which are imposed by a municipality or other taxing district over the amount of economic activity taxes generated by the retail establishment in the calendar year prior to its relocation to the redevelopment area;

(5) "Economic development area", any area or portion of an area located within the territorial limits of a municipality, which does not meet the requirements of subdivisions (1) and (3) of this section, and in which the governing body of the municipality finds that redevelopment will not be solely used for development of commercial businesses which unfairly compete in the local economy and is in the public interest because it will:

- (a) Discourage commerce, industry or manufacturing from moving their operations to another state; or
- (b) Result in increased employment in the municipality; or (c) Result in preservation or enhancement of the tax base of the municipality;

- (6) "Gambling establishment", an excursion gambling boat as defined in section 313.800, RSMo, and any related business facility including any real property improvements which are directly and solely related to such business facility, whose sole purpose is to provide goods or services to an excursion gambling boat and whose majority ownership interest is held by a person licensed to conduct gambling games on an excursion gambling boat or licensed to operate an excursion gambling boat as provided in sections 313.800 to 313.850, RSMo. This subdivision shall be applicable only to a redevelopment area designated by ordinance adopted after December 23, 1997;
- (7) "Municipality", a city, village, or incorporated town or any county of this state. For redevelopment areas or projects approved on or after December 23, 1997, "municipality" applies only to cities, villages, incorporated towns or counties established for at least one year prior to such date;
- (8) "Obligations", bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by a municipality to carry out a redevelopment project or to refund outstanding obligations;
- (9) "Ordinance", an ordinance enacted by the governing body of a city, town, or village or a county or an order of the governing body of a county whose governing body is not authorized to enact ordinances;
- (10) "Payment in lieu of taxes", those estimated revenues from real property in the area selected for a redevelopment project, which revenues according to the redevelopment project or plan are to be used for a private use, which taxing districts would have received had a municipality not adopted tax increment allocation financing, and which would result from levies made after the time of the adoption of tax increment allocation financing during the time the current equalized value of real property in the area selected for the redevelopment project exceeds the total initial equalized value of real property in such area until the designation is terminated pursuant to subsection 2 of section 99.850;
- (11) "Redevelopment area", an area designated by a municipality, in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area, a conservation area, an economic development area, an enterprise zone pursuant to sections 135.200 to 135.256, RSMo, or a combination thereof, which area includes only those parcels of real property directly and substantially benefited by the proposed redevelopment project;
- (12) "Redevelopment plan", the comprehensive program of a municipality for redevelopment intended by the payment of redevelopment costs to reduce or eliminate those conditions, the existence of which qualified the redevelopment area as a blighted area, conservation area, economic development area, or combination thereof, and to thereby enhance the tax bases of the taxing districts which extend into the redevelopment area. Each redevelopment plan shall conform to the requirements of section 99.810;
- (13) "Redevelopment project", any development project within a redevelopment area in furtherance of the objectives of the redevelopment plan; any such redevelopment project shall include a legal description of the area selected for the redevelopment project;
- (14) "Redevelopment project costs" include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan or redevelopment project, as applicable. Such costs include, but are not limited to, the following:
- (a) Costs of studies, surveys, plans, and specifications;
 - (b) Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services. Except the reasonable costs incurred by the commission established in section 99.820 for the administration of sections 99.800 to 99.865, such costs shall be allowed only as an initial expense which, to be recoverable, shall be included in the costs of a redevelopment plan or project;
 - (c) Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
 - (d) Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
 - (e) Initial costs for an economic development area;
 - (f) Costs of construction of public works or improvements;

- (g) Financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations issued pursuant to sections 99.800 to 99.865 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;
 - (h) 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 municipality by written agreement accepts and approves such costs;
 - (i) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or are required to be paid by federal or state law;
 - (j) Payments in lieu of taxes;
- (15) "Special allocation fund", the fund of a municipality or its commission which contains at least two separate segregated accounts for each redevelopment plan, maintained by the treasurer of the municipality or the treasurer of the commission into which payments in lieu of taxes are deposited in one account, and economic activity taxes and other revenues are deposited in the other account;
- (16) "Taxing districts", any political subdivision of this state having the power to levy taxes;
- (17) "Taxing districts' capital costs", those costs of taxing districts for capital improvements that are found by the municipal governing bodies to be necessary and to directly result from the redevelopment project; and
- (18) "Vacant land", any parcel or combination of parcels of real property not used for industrial, commercial, or residential buildings.

(L. 1982 H.B. 1411 & 1587 § 2, A.L. 1986 H.B. 989 & 1390 merged with S.B. 664, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

Redevelopment plan, contents, adoption of plan, required findings --time limitations--reports by department of economic development, required when, contents.

99.810. 1. Each redevelopment plan shall set forth in writing a general description of the program to be undertaken to accomplish the objectives and shall include, but need not be limited to, the estimated redevelopment project costs, the anticipated sources of funds to pay the costs, evidence of the commitments to finance the project costs, the anticipated type and term of the sources of funds to pay costs, the anticipated type and terms of the obligations to be issued, the most recent equalized assessed valuation of the property within the redevelopment area which is to be subjected to payments in lieu of taxes and economic activity taxes pursuant to section 99.845, an estimate as to the equalized assessed valuation after redevelopment, and the general land uses to apply in the redevelopment area. No redevelopment plan shall be adopted by a municipality without findings that:

- (1) The redevelopment area on the whole is a blighted area, a conservation area, or an economic development area, 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. Such a finding shall include, but not be limited to, a detailed description of the factors that qualify the redevelopment area or project pursuant to this subdivision and an affidavit, signed by the developer or developers and submitted with the redevelopment plan, attesting that the provisions of this subdivision have been met;
- (2) The redevelopment plan conforms to the comprehensive plan for the development of the municipality as a whole;
- (3) The estimated dates, which shall not be more than twenty-three years from the adoption of the ordinance approving a redevelopment project within a redevelopment area, of completion of any redevelopment project and retirement of obligations incurred to finance redevelopment project costs have been stated, provided that no ordinance approving a redevelopment project shall be adopted later than ten years from the adoption of the ordinance approving the redevelopment plan under which such project is authorized and provided that no property for a redevelopment project shall be acquired by eminent domain later than five years from the adoption of the ordinance approving such redevelopment project;

- (4) A plan has been developed for relocation assistance for businesses and residences;
- (5) A cost-benefit analysis showing the economic impact of the plan on each taxing district which is at least partially within the boundaries of the redevelopment area. The analysis shall show the impact on the economy if the project is not built, and is built pursuant to the redevelopment plan under consideration. The cost-benefit analysis shall include a fiscal impact study on every affected political subdivision, and sufficient information from the developer for the commission established in section 99.820 to evaluate whether the project as proposed is financially feasible;
- (6) A finding that the plan does not include the initial development or redevelopment of any gambling establishment, provided however, that this subdivision shall be applicable only to a redevelopment plan adopted for a redevelopment area designated by ordinance after December

2. By the last day of February each year, each commission shall report to the director of economic development the name, address, phone number and primary line of business of any business which relocates to the district. The director of the department of economic development shall compile and report the same to the governor, the speaker of the house and the president pro tempore of the senate on the last day of April each year.

(L. 1982 H.B. 1411 & 1587 § 3 subsec. 1, A.L. 1986 S.B. 664 merged with H.B. 989 & 1390, A.L. 1987 S.B. 367 Revision, A.L. 1991 H.B. 502, A.L. 1993 H.B. 566, A.L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

County implementing project within boundaries of municipality, permission required--definition of municipality to include county.

99.815. When a county of this state desires to implement a tax increment financing project within the boundaries of a municipality partially or totally within the county, such county shall first obtain the permission of the governing body of the municipality located within the county. When the term "municipality" is used within sections 99.800 to 99.865, such term may be interpreted to include a county implementing a tax incremental financing project.

(L. 1982 H.B. 1411 & 1587 § 3 subsec. 2)

Municipalities' powers and duties--commission appointment and powers--public disclosure requirements--officials' conflict of interest, prohibited.

99.820. 1. A municipality may:

- (1) By ordinance introduced in the governing body of the municipality within fourteen to ninety days from the completion of the hearing required in section 99.825, approve redevelopment plans and redevelopment projects, and designate redevelopment project areas pursuant to the notice and hearing requirements of sections 99.800 to 99.865. No redevelopment project shall be approved unless a redevelopment plan has been approved and a redevelopment area has been designated prior to or concurrently with the approval of such redevelopment project and the area selected for the redevelopment project shall include only those parcels of real property and improvements thereon directly and substantially benefited by the proposed redevelopment project improvements;
- (2) Make and enter into all contracts necessary or incidental to the implementation and furtherance of its redevelopment plan or project;
- (3) Pursuant to a redevelopment plan, subject to any constitutional limitations, acquire by purchase, donation, lease or, as part of a redevelopment project, eminent domain, own, convey, lease, mortgage, or dispose of, land and other property, real or personal, or rights or interests therein, and grant or acquire licenses, easements and options with respect thereto, all in the manner and at such price the municipality or the commission determines is reasonably necessary to achieve the objectives of the redevelopment plan. No conveyance, lease, mortgage, disposition of land or other property, acquired by the municipality, or agreement relating to the development of the property shall be made except upon the adoption of an ordinance by the governing body of the municipality. Each municipality or its commission shall establish written procedures relating to bids and proposals for implementation of the redevelopment projects. Furthermore, no conveyance, lease, mortgage, or other disposition of land or agreement relating to the development of property shall be made without making public disclosure of the terms of the disposition and all bids and proposals made in response to the municipality's request. Such procedures for obtaining such bids and proposals shall provide reasonable opportunity for any person to submit alternative proposals or bids;

- (4) Within a redevelopment area, clear any area by demolition or removal of existing buildings and structures;
- (5) Within a redevelopment area, renovate, rehabilitate, or construct any structure or building;
- (6) Install, repair, construct, reconstruct, or relocate streets, utilities, and site improvements essential to the preparation of the redevelopment area for use in accordance with a redevelopment plan;
- (7) Within a redevelopment area, fix, charge, and collect fees, rents, and other charges for the use of any building or property owned or leased by it or any part thereof, or facility therein;
- (8) Accept grants, guarantees, and donations of property, labor, or other things of value from a public or private source for use within a redevelopment area;
- (9) Acquire and construct public facilities within a redevelopment area;
- (10) Incur redevelopment costs and issue obligations;
- (11) Make payment in lieu of taxes, or a portion thereof, to taxing districts; (12) Disburse surplus funds from the special allocation fund to taxing districts as follows:
 - (a) Such surplus payments in lieu of taxes shall be distributed to taxing districts within the redevelopment area which impose ad valorem taxes on a basis that is proportional to the current collections of revenue which each taxing district receives from real property in the redevelopment area;
 - (b) Surplus economic activity taxes shall be distributed to taxing districts in the redevelopment area which impose economic activity taxes, on a basis that is proportional to the amount of such economic activity taxes the taxing district would have received from the redevelopment area had tax increment financing not been adopted;
 - (c) Surplus revenues, other than payments in lieu of taxes and economic activity taxes, deposited in the special allocation fund, shall be distributed on a basis that is proportional to the total receipt of such other revenues in such account in the year prior to disbursement;
- (13) If any member of the governing body of the municipality, a member of a commission established pursuant to subsection 2 of this section, or an employee or consultant of the municipality, involved in the planning and preparation of a redevelopment plan, or redevelopment project for a redevelopment area or proposed redevelopment area, owns or controls an interest, direct or indirect, in any property included in any redevelopment area, or proposed redevelopment area, which property is designated to be acquired or improved pursuant to a redevelopment project, he or she shall disclose the same in writing to the clerk of the municipality, and shall also so disclose the dates, terms, and conditions of any disposition of any such interest, which disclosures shall be acknowledged by the governing body of the municipality and entered upon the minutes books of the governing body of the municipality. If an individual holds such an interest, then that individual shall refrain from any further official involvement in regard to such redevelopment plan, redevelopment project or redevelopment area, from voting on any matter pertaining to such redevelopment plan, redevelopment project or redevelopment area, or communicating with other members concerning any matter pertaining to that redevelopment plan, redevelopment project or redevelopment area. Furthermore, no such member or employee shall acquire any interest, direct or indirect, in any property in a redevelopment area or proposed redevelopment area after either (a) such individual obtains knowledge of such plan or project, or (b) first public notice of such plan, project or area pursuant to section 99.830, whichever first occurs;
- (14) Charge as a redevelopment cost the reasonable costs incurred by its clerk or other official in administering the redevelopment project. The charge for the clerk's or other official's costs shall be determined by the municipality based on a recommendation from the commission, created pursuant to this section.

2. Prior to adoption of an ordinance approving the designation of a redevelopment area or approving a redevelopment plan or redevelopment project, the municipality shall create a commission of nine persons if the municipality is a county or a city not within a county and not a first class county with a charter form of government with a population in excess of nine hundred thousand, and eleven persons if the municipality is not a county and not in a first class county with a charter form of government having a population of more than nine hundred thousand, and twelve persons if the municipality is located in or is a first class county with a charter form of government having a population of more than nine hundred thousand, to be appointed as follows:

- (1) In all municipalities two members shall be appointed by the school boards whose districts are included within the redevelopment plan or redevelopment area. Such members shall be appointed in any manner agreed upon by the affected districts;
- (2) In all municipalities one member shall be appointed, in any manner agreed upon by the affected districts, to represent all other districts levying ad valorem taxes within the area selected for a redevelopment project or the redevelopment area, excluding representatives of the governing body of the municipality;
- (3) In all municipalities six members shall be appointed by the chief elected officer of the municipality, with the consent of the majority of the governing body of the municipality;
- (4) In all municipalities which are not counties and not in a first class county with a charter form of government having a population in excess of nine hundred thousand, two members shall be appointed by the county of such municipality in the same manner as members are appointed in subdivision (3) of this subsection;
- (5) In a municipality which is a county with a charter form of government having a population in excess of nine hundred thousand, three members shall be appointed by the cities in the county which have tax increment financing districts in a manner in which the cities shall agree;
- (6) In a municipality which is located in the first class county with a charter form of government having a population in excess of nine hundred thousand, three members shall be appointed by the county of such municipality in the same manner as members are appointed in subdivision (3) of this subsection;
- (7) At the option of the members appointed by the municipality, the members who are appointed by the school boards and other taxing districts may serve on the commission for a term to coincide with the length of time a redevelopment project, redevelopment plan or designation of a redevelopment area is considered for approval by the commission, or for a definite term pursuant to this subdivision. If the members representing school districts and other taxing districts are appointed for a term coinciding with the length of time a redevelopment project, plan or area is approved, such term shall terminate upon final approval of the project, plan or designation of the area by the governing body of the municipality. Thereafter the commission shall consist of the six members appointed by the municipality, except that members representing school boards and other taxing districts shall be appointed as provided in this section prior to any amendments to any redevelopment plans, redevelopment projects or designation of a redevelopment area. If any school district or other taxing jurisdiction fails to appoint members of the commission within thirty days of receipt of written notice of a proposed redevelopment plan, redevelopment project or designation of a redevelopment area, the remaining members may proceed to exercise the power of the commission. Of the members first appointed by the municipality, two shall be designated to serve for terms of two years, two shall be designated to serve for a term of three years and two shall be designated to serve for a term of four years from the date of such initial appointments. Thereafter, the members appointed by the municipality shall serve for a term of four years, except that all vacancies shall be filled for unexpired terms in the same manner as were the original appointments.

3. The commission, subject to approval of the governing body of the municipality, may exercise the powers enumerated in sections 99.800 to 99.865, except final approval of plans, projects and designation of redevelopment areas. The commission shall hold public hearings and provide notice pursuant to sections 99.825 and 99.830. The commission shall vote on all proposed redevelopment plans, redevelopment projects and designations of redevelopment areas, and amendments thereto, within thirty days following completion of the hearing on any such plan, project or designation and shall make recommendations to the governing body within ninety days of the hearing referred to in section 99.825 concerning the adoption of or amendment to redevelopment plans and redevelopment projects and the designation of redevelopment areas. The requirements of subsection 2 of this section and this subsection shall not apply to redevelopment projects upon which the required hearings have been duly held prior to August 31, 1991.

(L. 1982 H.B. 1411 & 1587 § 3 subsec. 3, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1, A.L. 1998 S.B. 707 & 484, A.L. 2003 S.B. 11)

(2000) Proposed city charter amendment requiring two-thirds voter approval on every tax increment financing measure violated section and thus was unconstitutional pursuant to article VI, section 19(a). State ex rel. Hazelwood Yellow Ribbon Committee v. Klos, 35 S.W.3d 457 (Mo.App.E.D.).

Adoption of ordinance for redevelopment, public hearing required --objection procedure--hearing and notices not required, when --restrictions on certain projects.

99.825. 1. Prior to the adoption of an ordinance proposing the designation of a redevelopment area, or approving a redevelopment plan or redevelopment project, the commission shall fix a time and place for a public hearing and notify each taxing district located wholly or partially within the boundaries of the proposed redevelopment area, plan or project. At the public hearing

any interested person or affected taxing district may file with the commission written objections to, or comments on, and may be heard orally in respect to, any issues embodied in the notice. The commission shall hear and consider all protests, objections, comments and other evidence presented at the hearing. The hearing may be continued to another date without further notice other than a motion to be entered upon the minutes fixing the time and place of the subsequent hearing. Prior to the conclusion of the hearing, changes may be made in the redevelopment plan, redevelopment project, or redevelopment area, provided that each affected taxing district is given written notice of such changes at least seven days prior to the conclusion of the hearing. After the public hearing but prior to the adoption of an ordinance approving a redevelopment plan or redevelopment project, or designating a redevelopment area, changes may be made to the redevelopment plan, redevelopment projects or redevelopment areas without a further hearing, if such changes do not enlarge the exterior boundaries of the redevelopment area or areas, and do not substantially affect the general land uses established in the redevelopment plan or substantially change the nature of the redevelopment projects, provided that notice of such changes shall be given by mail to each affected taxing district and by publication in a newspaper of general circulation in the area of the proposed redevelopment not less than ten days prior to the adoption of the changes by ordinance. After the adoption of an ordinance approving a redevelopment plan or redevelopment project, or designating a redevelopment area, no ordinance shall be adopted altering the exterior boundaries, affecting the general land uses established pursuant to the redevelopment plan or changing the nature of the redevelopment project without complying with the procedures provided in this section pertaining to the initial approval of a redevelopment plan or redevelopment project and designation of a redevelopment area. Hearings with regard to a redevelopment project, redevelopment area, or redevelopment plan may be held simultaneously.

2. Tax incremental financing projects within an economic development area shall apply to and fund only the following infrastructure projects: highways, roads, streets, bridges, sewers, traffic control systems and devices, water distribution and supply systems, curbing, sidewalks and any other similar public improvements, but in no case shall it include buildings.

(L. 1982 H.B. 1411 & 1587 § 4, A.L. 1986 S.B. 664 merged with H.B. 989 & 1390, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

Notice of public hearings, publication and mailing requirements, contents.

99.830. 1. Notice of the public hearing required by section 99.825 shall be given by publication and mailing. Notice by publication shall be given by publication at least twice, the first publication to be not more than thirty days and the second publication to be not more than ten days prior to the hearing, in a newspaper of general circulation in the area of the proposed redevelopment. Notice by mailing shall be given by depositing such notice in the United States mail by certified mail addressed to the person or persons in whose name the general taxes for the last preceding year were paid on each lot, block, tract, or parcel of land lying within the redevelopment project or redevelopment area which is to be subjected to the payment or payments in lieu of taxes and economic activity taxes pursuant to section 99.845. Such notice shall be mailed not less than ten days prior to the date set for the public hearing. In the event taxes for the last preceding year were not paid, the notice shall also be sent to the persons last listed on the tax rolls within the preceding three years as the owners of such property.

2. The notices issued pursuant to this section shall include the following:

- (1) The time and place of the public hearing;
- (2) The general boundaries of the proposed redevelopment area or redevelopment project by street location, where possible;
- (3) A statement that all interested persons shall be given an opportunity to be heard at the public hearing;
- (4) A description of the proposed redevelopment plan or redevelopment project and a location and time where the entire plan or project proposal may be reviewed by any interested party;
- (5) Such other matters as the commission may deem appropriate.

3. Not less than forty-five days prior to the date set for the public hearing, the commission shall give notice by mail as provided in subsection 1 of this section to all taxing districts from which taxable property is included in the redevelopment area, redevelopment project or redevelopment plan, and in addition to the other requirements pursuant to subsection 2 of this section, the notice shall include an invitation to each taxing district to submit comments to the commission concerning the subject matter of the hearing prior to the date of the hearing.

4. A copy of any and all hearing notices required by section 99.825 shall be submitted by the commission to the director of the department of economic development. Such submission of the copy of the hearing notice shall comply with the prior notice requirements pursuant to subsection 3 of this section.

(L. 1982 H.B. 1411 & 1587 § 5, A.L. 1991 H.B. 502, A.L. 1993 H.B. 566, A.L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

Secured obligations authorized--interest rates--how retired--sale --approval by electors not required--surplus fund distribution --exception--county collectors' and municipal treasurers' duties--no personal liability for commission, municipality or state.

99.835. 1. Obligations secured by the special allocation fund set forth in sections 99.845 and 99.850 for the redevelopment area or redevelopment project may be issued by the municipality pursuant to section 99.820 or by the tax increment financing commission to provide for redevelopment costs. Such obligations, when so issued, shall be retired in the manner provided in the ordinance or resolution authorizing the issuance of such obligations by the receipts of payments in lieu of taxes as specified in section 99.855 and, subject to annual appropriation, other tax revenue as specified in section 99.845. A municipality may, in the ordinance or resolution, pledge all or any part of the funds in and to be deposited in the special allocation fund created pursuant to sections 99.845 and 99.850 to the payment of the redevelopment costs and obligations. Any pledge of funds in the special allocation fund may provide for distribution to the taxing districts of moneys not required for payment of redevelopment costs or obligations and such excess funds shall be deemed to be surplus funds, except that any moneys allocated to the special allocation fund as provided in subsection 4 of section 99.845, and which are not required for payment of redevelopment costs and obligations, shall not be distributed to the taxing districts but shall be returned to the department of economic development for credit to the general revenue fund. In the event a municipality only pledges a portion of the funds in the special allocation fund for the payment of redevelopment costs or obligations, any such funds remaining in the special allocation fund after complying with the requirements of the pledge, including the retention of funds for the payment of future redevelopment costs, if so required, shall also be deemed surplus funds. All surplus funds shall be distributed annually to the taxing districts in the redevelopment area by being paid by the municipal treasurer to the county collector who shall immediately thereafter make distribution as provided in subdivision (12) of section 99.820.

2. Without limiting the provisions of subsection 1 of this section, the municipality may, in addition to obligations secured by the special allocation fund, pledge any part or any combination of net new revenues of any redevelopment project, or a mortgage on part or all of the redevelopment project to secure its obligations or other redevelopment costs.

3. Obligations issued pursuant to sections 99.800 to 99.865 may be issued in one or more series bearing interest at such rate or rates as the issuing body of the municipality shall determine by ordinance or resolution. Such obligations shall bear such date or dates, mature at such time or times not exceeding twenty-three years from their respective dates, when secured by the special allocation fund, be in such denomination, carry such registration privileges, be executed in such manner, be payable in such medium of payment at such place or places, contain such covenants, terms and conditions, and be subject to redemption as such ordinance or resolution shall provide. Obligations issued pursuant to sections 99.800 to 99.865 may be sold at public or private sale at such price as shall be determined by the issuing body and shall state that obligations issued pursuant to sections 99.800 to 99.865 are special obligations payable solely from the special allocation fund or other funds specifically pledged. No referendum approval of the electors shall be required as a condition to the issuance of obligations pursuant to sections 99.800 to 99.865.

4. The ordinance authorizing the issuance of obligations may provide that the obligations shall contain a recital that they are issued pursuant to sections 99.800 to 99.865, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

5. Neither the municipality, its duly authorized commission, the commissioners or the officers of a municipality nor any person executing any obligation shall be personally liable for such obligation by reason of the issuance thereof. The obligations issued pursuant to sections 99.800 to 99.865 shall not be a general obligation of the municipality, county, state of Missouri, or any political subdivision thereof, nor in any event shall such obligation be payable out of any funds or properties other than those specifically pledged as security therefor. The obligations shall not constitute indebtedness within the meaning of any constitutional, statutory or charter debt limitation or restriction.

(L. 1982 H.B. 1411 & 1587 § 6, A.L. 1990 H.B. 1564, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

Obligation, refunded to pay redevelopment costs, requirements--other obligations of municipality pledged to redevelopment may qualify.

99.840. 1. A municipality may also issue its obligations to refund, in whole or in part, obligations theretofore issued by such municipality under the authority of sections 99.800 to 99.865, whether at or prior to maturity; provided, however, that the last maturity of the refunding obligations shall not be expressed to mature later than the last maturity date of the obligations to be refunded.

2. In the event a municipality issues obligations under home rule powers or other legislative authority, the proceeds of which are pledged to pay for redevelopment project costs, the municipality may, if it has followed the procedures in conformance with sections 99.800 to 99.865, retire such obligations from funds in the special allocation fund in amounts and in such manner as if such obligations had been issued pursuant to the provisions of sections 99.800 to 99.865.

(L. 1982 H.B. 1411 & 1587 § 7)

Tax increment financing adoption--division of ad valorem taxes--payments in lieu of tax, deposit, inclusion and exclusion of current equalized assessed valuation for certain purposes, when--other taxes included, amount-supplemental tax increment financing fund established, disbursement.

99.845. 1. A municipality, either at the time a redevelopment project is approved or, in the event a municipality has undertaken acts establishing a redevelopment plan and redevelopment project and has designated a redevelopment area after the passage and approval of sections 99.800 to 99.865 but prior to August 13, 1982, which acts are in conformance with the procedures of sections 99.800 to 99.865, may adopt tax increment allocation financing by passing an ordinance providing that after the total equalized assessed valuation of the taxable real property in a redevelopment project exceeds the certified total initial equalized assessed valuation of the taxable real property in the redevelopment project, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in such redevelopment project by taxing districts and tax rates determined in the manner provided in subsection 2 of section 99.855 each year after the effective date of the ordinance until redevelopment costs have been paid shall be divided as follows:

(1) 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 county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing;

(2) (a) 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 municipal treasurer who shall deposit such payment in lieu of taxes into a special fund called the "Special Allocation Fund" of the municipality 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. The municipality may, in the ordinance, pledge the funds in the special allocation fund for the payment of such costs and obligations and provide for the collection of payments in lieu of taxes, the lien of which may be foreclosed in the same manner as a special assessment lien as provided in section 88.861, RSMo. No part of the current equalized assessed valuation of each lot, block, tract, or parcel of property in the area selected for the redevelopment project attributable to any increase above the total initial equalized assessed value of such properties shall be used in calculating the general state school aid formula provided for in section 163.031, RSMo, until such time as all redevelopment costs have been paid as provided for in this section and section 99.850;

(b) Notwithstanding any provisions of this section to the contrary, for purposes of determining the limitation on indebtedness of local government pursuant to article VI, section 26(b) of the Missouri Constitution, the current equalized assessed value of the property in an area selected for redevelopment attributable to the increase above the total initial equalized assessed valuation shall be included in the value of taxable tangible property as shown on the last completed assessment for state or county purposes;

- (c) The county assessor shall include the current assessed value of all property within the taxing district in the aggregate valuation of assessed property entered upon the assessor's book and verified pursuant to section 137.245, RSMo, and such value shall be utilized for the purpose of the debt limitation on local government pursuant to article VI, section 26(b) of the Missouri Constitution;
- (3) For purposes of this section, "levies upon taxable real property in such redevelopment project by taxing districts" shall not include the blind pension fund tax levied under the authority of article III, section 38(b) of the Missouri Constitution, or the merchants' and manufacturers' inventory replacement tax levied under the authority of subsection 2 of section 6 of article X, of the Missouri Constitution, except in redevelopment project areas in which tax increment financing has been adopted by ordinance pursuant to a plan approved by vote of the governing body of the municipality taken after August 13, 1982, and before January 1, 1998.
2. In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1 of this section, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance after July 12, 1990, and prior to August 31, 1991, fifty percent of the total additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing districts, 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 taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to section 70.500, RSMo, licenses, fees or special assessments other than payments in lieu of taxes and any penalty and interest thereon, or, effective January 1, 1998, taxes levied pursuant to section 94.660, RSMo, for the purpose of public transportation, shall be allocated to, and paid by the local political subdivision collecting officer to the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account within the special allocation fund. Any provision of an agreement, contract or covenant entered into prior to July 12, 1990, between a municipality and any other political subdivision which provides for an appropriation of other municipal revenues to the special allocation fund shall be and remain enforceable.
3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1 of this section, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance after August 31, 1991, fifty percent of the total additional revenue from taxes, penalties and interest which are imposed by the municipality 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, RSMo, or effective January 1, 1998, taxes levied for the purpose of public transportation pursuant to section 94.660, RSMo, 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 local political subdivision collecting officer to the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account within the special allocation fund.
4. Beginning January 1, 1998, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance and which have complied with subsections 4 to 12 of this section, in addition to the payments in lieu of taxes and economic activity taxes described in subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues, as defined in subsection 8 of this section, estimated for the businesses within the project area and identified by the municipality in the application required by subsection 10 of this section, over and above the amount of such taxes reported by businesses within the project area as identified by the municipality in their application prior to the approval of the redevelopment project by ordinance, while tax increment financing remains in effect, may be available for appropriation by the general assembly as provided in subsection 10 of this section to the department of economic development supplemental tax increment financing fund, from the general revenue fund, for distribution to the treasurer or other designated financial officer of the municipality with approved plans or projects.
5. The treasurer or other designated financial officer of the municipality with approved plans or projects shall deposit such funds in a separate segregated account within the special allocation fund established pursuant to section 99.805.
6. No transfer from the general revenue fund to the Missouri supplemental tax increment financing fund shall be made unless an appropriation is made from the general revenue fund for that purpose. No municipality shall commit any state revenues prior to an appropriation being made for that project. For all redevelopment plans or projects adopted or approved after December 23, 1997, appropriations from the new state revenues shall not be distributed from the Missouri supplemental tax increment financing fund into the special allocation fund unless the municipality's redevelopment plan ensures that one hundred percent of payments in lieu of taxes and fifty percent of economic activity taxes generated by the project shall be used for eligible redevelopment project costs while tax

increment financing remains in effect. This account shall be separate from the account into which payments in lieu of taxes are deposited, and separate from the account into which economic activity taxes are deposited.

7. In order for the redevelopment plan or project to be eligible to receive the revenue described in subsection 4 of this section, the municipality shall comply with the requirements of subsection 10 of this section prior to the time the project or plan is adopted or approved by ordinance. The director of the department of economic development and the commissioner of the office of administration may waive the requirement that the municipality's application be submitted prior to the redevelopment plan's or project's adoption or the redevelopment plan's or project's approval by ordinance.

8. For purposes of this section, "new state revenues" means:

(1) The incremental increase in the general revenue portion of state sales tax revenues received pursuant to section 144.020, RSMo, excluding sales taxes that are constitutionally dedicated, taxes deposited to the school district trust fund in accordance with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by law. In no event shall the incremental increase include any amounts attributable to retail sales unless the municipality or authority has proven to the Missouri development finance board and the department of economic development and such entities have made a finding that the sales tax increment attributable to retail sales is from new sources which did not exist in the state during the baseline year. The incremental increase in the general revenue portion of state sales tax revenues for an existing or relocated facility shall be the amount that current state sales tax revenue exceeds the state sales tax revenue in the base year as stated in the redevelopment plan as provided in subsection 10 of this section; or

(2) The state income tax withheld on behalf of new employees by the employer pursuant to section 143.221, RSMo, at the business located within the project as identified by the municipality. The state income tax withholding allowed by this section shall be the municipality's estimate of the amount of state income tax withheld by the employer within the redevelopment area for new employees who fill new jobs directly created by the tax increment financing project.

9. Subsection 4 of this section shall apply only to blighted areas located in enterprise zones, pursuant to sections 135.200 to 135.256, RSMo, blighted areas located in federal empowerment zones, or to blighted areas located in central business districts or urban core areas of cities which districts or urban core areas at the time of approval of the project by ordinance, provided that the enterprise zones, federal empowerment zones or blighted areas contained one or more buildings at least fifty years old; and

(1) Suffered from generally declining population or property taxes over the twenty-year period immediately preceding the area's designation as a project area by ordinance; or

(2) Was a historic hotel located in a county of the first classification without a charter form of government with a population according to the most recent federal decennial census in excess of one hundred fifty thousand and containing a portion of a city with a population according to the most recent federal decennial census in excess of three hundred fifty thousand.

10. The initial appropriation of up to fifty percent of the new state revenues authorized pursuant to subsections 4 and 5 of this section shall not be made to or distributed by the department of economic development to a municipality until all of the following conditions have been satisfied:

(1) The director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee have approved a tax increment financing application made by the municipality for the appropriation of the new state revenues. The municipality shall include in the application the following items in addition to the items in section 99.810:

- (a) The tax increment financing district or redevelopment area, including the businesses identified within the redevelopment area;
- (b) The base year of state sales tax revenues or the base year of state income tax withheld on behalf of existing employees, reported by existing businesses within the project area prior to approval of the redevelopment project;
- (c) The estimate of the incremental increase in the general revenue portion of state sales tax revenue or the estimate for the state income tax withheld by the employer on behalf of new employees expected to fill new jobs created within the redevelopment area after redevelopment;

- (d) The official statement of any bond issue pursuant to this subsection after December 23, 1997;
- (e) An affidavit that is signed by the developer or developers attesting that the provisions of subdivision (1) of section 99.810 have been met and specifying that the redevelopment area would not be reasonably anticipated to be developed without the appropriation of the new state revenues;
- (f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal impact on the state of Missouri; and
- (g) The statement of election between the use of the incremental increase of the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area;
- (h) The name, street and mailing address, and phone number of the mayor or chief executive officer of the municipality;
- (i) The street address of the development site;
- (j) The three-digit North American Industry Classification System number or numbers characterizing the development project;
- (k) The estimated development project costs;
- (l) The anticipated sources of funds to pay such development project costs; (m) Evidence of the commitments to finance such development project costs; (n) The anticipated type and term of the sources of funds to pay such development project costs; (o) The anticipated type and terms of the obligations to be issued;
- (p) The most recent equalized assessed valuation of the property within the development project area;
- (q) An estimate as to the equalized assessed valuation after the development project area is developed in accordance with a development plan;
- (r) The general land uses to apply in the development area;
- (s) The total number of individuals employed in the development area, broken down by full-time, part-time, and temporary positions;
- (t) The total number of full-time equivalent positions in the development area;
- (u) The current gross wages, state income tax withholdings, and federal income tax withholdings for individuals employed in the development area;
- (v) The total number of individuals employed in this state by the corporate parent of any business benefitting from public expenditures in the development area, and all subsidiaries thereof, as of December thirty-first of the prior fiscal year, broken down by full-time, part-time, and temporary positions;
- (w) The number of new jobs to be created by any business benefitting from public expenditures in the development area, broken down by full-time, part-time, and temporary positions;
- (x) The average hourly wage to be paid to all current and new employees at the project site, broken down by full-time, part-time, and temporary positions;
- (y) For project sites located in a metropolitan statistical area, as defined by the federal Office of Management and Budget, the average hourly wage paid to nonmanagerial employees in this state for the industries involved at the project, as established by the United States Bureau of Labor Statistics;
- (z) For project sites located outside of metropolitan statistical areas, the average weekly wage paid to nonmanagerial

employees in the county for industries involved at the project, as established by the United States Department of Commerce;

- (aa) A list of other community and economic benefits to result from the project;
- (bb) A list of all development subsidies that any business benefiting from public expenditures in the development area has previously received for the project, and the name of any other granting body from which such subsidies are sought;
- (cc) A list of all other public investments made or to be made by this state or units of local government to support infrastructure or other needs generated by the project for which the funding pursuant to this act** is being sought;
- (dd) A statement as to whether the development project may reduce employment at any other site, within or without the state, resulting from automation, merger, acquisition, corporate restructuring, relocation, or other business activity;
- (ee) A statement as to whether or not the project involves the relocation of work from another address and if so, the number of jobs to be relocated and the address from which they are to be relocated;
- (ff) A list of competing businesses in the county containing the development area and in each contiguous county;
- (gg) A market study for the development area;
- (hh) A certification by the chief officer of the applicant as to the accuracy of the development plan;

(2) The methodologies used in the application for determining the base year and determining the estimate of the incremental increase in the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area shall be approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. Upon approval of the application, the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee shall issue a certificate of approval. The department of economic development may request the appropriation following application approval;

(3) The appropriation shall be either a portion of the estimate of the incremental increase in the general revenue portion of state sales tax revenues in the redevelopment area or a portion of the estimate of the state income tax withheld by the employer on behalf of new employees who fill new jobs created in the redevelopment area as indicated in the municipality's application, approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. At no time shall the aggregate annual appropriation of the new state revenues for redevelopment areas exceed fifteen million dollars;

(4) Redevelopment plans and projects receiving new state revenues shall have a duration of up to fifteen years, unless prior approval for a longer term is given by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee; except that, in no case shall the duration exceed twentythree years.

11. In addition to the areas authorized in subsection 9 of this section, the funding authorized pursuant to subsection 4 of this section shall also be available in a federally approved levee district, where construction of a levee begins after December 23, 1997, and which is contained within a county of the first classification without a charter form of government with a population between fifty thousand and one hundred thousand inhabitants which contains all or part of a city with a population in excess of four hundred thousand or more inhabitants.

12. There is hereby established within the state treasury a special fund to be known as the "Missouri Supplemental Tax Increment Financing Fund", to be administered by the department of economic development. The department shall annually distribute from the Missouri supplemental tax increment financing fund the amount of the new state revenues as appropriated as provided in the provisions of subsections 4 and 5 of this section if and only if the conditions of subsection 10 of this section are met. The fund shall also consist of any gifts, contributions, grants or bequests received from federal, private or other sources. Moneys in the Missouri supplemental tax increment financing fund shall be disbursed per project pursuant to state appropriations.

13. All personnel and other costs incurred by the department of economic development for the administration and operation of subsections 4 to 12 of this section shall be paid from the state general revenue fund. On an annual basis, the general revenue fund shall be reimbursed for the full amount of such costs by the developer or developers of the project or projects for which municipalities have made tax increment financing applications for the appropriation of new state revenues, as provided for in subdivision (1) of subsection 10 of this section. The amount of costs charged to each developer shall be based upon the percentage arrived at by dividing the monetary amount of the application made by each municipality for a particular project by the total monetary amount of all applications received by the department of economic development.

14. For redevelopment plans or projects approved by ordinance that result in net new jobs from the relocation of a national headquarters from another state to the area of the redevelopment project, the economic activity taxes and new state tax revenues shall not be based on a calculation of the incremental increase in taxes as compared to the base year or prior calendar year for such redevelopment project, rather the incremental increase shall be the amount of total taxes generated from the net new jobs brought in by the national headquarters from another state. In no event shall this subsection be construed to allow a redevelopment project to receive an appropriation in excess of up to fifty percent of the new state revenues.

(L. 1982 H.B. 1411 & 1587 § 8 subsec. 1, A.L. 1986 S.B. 664 merged with H.B. 989 & 1390, A.L. 1990 H.B. 1564, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1, A.L. 1998 S.B. 707 & 484, A.L. 2003 H.B. 289 merged with S.B. 235)

*This section was amended by H.B. 289, S.B. 235, and S.B. 620 during the first regular session of the 92nd General Assembly, 2003. Due to a contingent expiration date in § 135.284, two versions of this section appear here.

***This act" (H.B. 289, 2003) contained numerous sections. Consult Disposition of Sections table for a definitive listing.

(1995) This statute creates an exception to the county sales tax statutes (67.582 & 67.700). County of Jefferson v. Quiktrip Corp., 912 S.W.2d 487 (Mo.banc 1995).

Tax increment financing adoption--division of ad valorem taxes--payments in lieu of tax, deposit, certain evaluation not to be used in calculating state school aid formula, when--other taxes included, amount--supplemental tax increment financing fund established, disbursement--net new jobs from relocation, effect of.

99.845. 1. A municipality, either at the time a redevelopment project is approved or in the event a municipality has undertaken acts establishing a redevelopment plan and redevelopment project and has designated a redevelopment area after the passage and approval of sections 99.800 to 99.865 but prior to August 13, 1982, which acts are in conformance with the procedures of sections 99.800 to 99.865, may adopt tax increment allocation financing by passing an ordinance providing that after the total equalized assessed valuation of the taxable real property in a redevelopment project exceeds the certified total initial equalized assessed valuation of the taxable real property in the redevelopment project, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in such redevelopment project by taxing districts and tax rates determined in the manner provided in subsection 2 of section 99.855 each year after the effective date of the ordinance until redevelopment costs have been paid shall be divided as follows:

(1) 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 county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing;

(2) 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 municipal treasurer who shall deposit such payment in lieu of taxes into a special fund called the "Special Allocation Fund" of the municipality 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. The municipality may, in the ordinance, pledge the funds in the special allocation fund for the payment of such costs and obligations and provide for the collection of payments in lieu of taxes, the lien of which may be foreclosed in the same manner as a special assessment lien as provided in section 88.861, RSMo. No part of the current equalized assessed valuation of each lot, block, tract, or parcel of property in the area selected for the redevelopment project attributable to any increase above the total initial equalized assessed value of such properties shall be used in calculating the general state school aid formula provided for in section 163.031, RSMo, until such time as all redevelopment costs have been paid as provided for in this section and section 99.850;

(3) For purposes of this section, "levies upon taxable real property in such redevelopment project by taxing districts" shall not include the blind pension fund tax levied under the authority of article III, section 38(b) of the Missouri Constitution, or the merchants' and manufacturers' inventory replacement tax levied under the authority of subsection 2 of section 6 of article X, of the Missouri Constitution, except in redevelopment project areas in which tax increment financing has been adopted by ordinance pursuant to a plan approved by vote of the governing body of the municipality taken after August 13, 1982, and before January 1, 1998.

2. In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1 of this section, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance after July 12, 1990, and prior to August 31, 1991, fifty percent of the total additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing districts, 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 taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to section 70.500, RSMo, licenses, fees or special assessments other than payments in lieu of taxes and any penalty and interest thereon, or, effective January 1, 1998, taxes levied pursuant to section 94.660, RSMo, for the purpose of public transportation, shall be allocated to, and paid by the local political subdivision collecting officer to the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account within the special allocation fund. Any provision of an agreement, contract or covenant entered into prior to July 12, 1990, between a municipality and any other political subdivision which provides for an appropriation of other municipal revenues to the special allocation fund shall be and remain enforceable.

3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1 of this section, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance after August 31, 1991, fifty percent of the total additional revenue from taxes, penalties and interest which are imposed by the municipality 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, RSMo, or effective January 1, 1998, taxes levied for the purpose of public transportation pursuant to section 94.660, RSMo, 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 local political subdivision collecting officer to the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account within the special allocation fund.

4. Beginning January 1, 1998, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance and which have complied with subsections 4 to 12 of this section, in addition to the payments in lieu of taxes and economic activity taxes described in subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues, as defined in subsection 8 of this section, estimated for the businesses within the project area and identified by the municipality in the application required by subsection 10 of this section, over and above the amount of such taxes reported by businesses within the project area as identified by the municipality in their application prior to the approval of the redevelopment project by ordinance, while tax increment financing remains in effect, may be available for appropriation by the general assembly as provided in subsection 10 of this section to the department of economic development supplemental tax increment financing fund, from the general revenue fund, for distribution to the treasurer or other designated financial officer of the municipality with approved plans or projects.

5. The treasurer or other designated financial officer of the municipality with approved plans or projects shall deposit such funds in a separate segregated account within the special allocation fund established pursuant to section 99.805.

6. No transfer from the general revenue fund to the Missouri supplemental tax increment financing fund shall be made unless an appropriation is made from the general revenue fund for that purpose. No municipality shall commit any state revenues prior to an appropriation being made for that project. For all redevelopment plans or projects adopted or approved after December 23, 1997, appropriations from the new state revenues shall not be distributed from the Missouri supplemental tax increment financing fund into the special allocation fund unless the municipality's redevelopment plan ensures that one hundred percent of payments in lieu of taxes and fifty percent of economic activity taxes generated by the project shall be used for eligible redevelopment project costs while tax increment financing remains in effect. This account shall be separate from the account into which payments in lieu of taxes are deposited, and separate from the account into which economic activity taxes are deposited.

7. In order for the redevelopment plan or project to be eligible to receive the revenue described in subsection 4 of this section, the municipality shall comply with the requirements of subsection 10 of this section prior to the time the project or plan is adopted

or approved by ordinance. The director of the department of economic development and the commissioner of the office of administration may waive the requirement that the municipality's application be submitted prior to the redevelopment plan's or project's adoption or the redevelopment plan's or project's approval by ordinance.

8. For purposes of this section, "new state revenues" means:

(1) The incremental increase in the general revenue portion of state sales tax revenues received pursuant to section 144.020, RSMo, excluding sales taxes that are constitutionally dedicated, taxes deposited to the school district trust fund in accordance with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by law. The incremental increase in the general revenue portion of state sales tax revenues for an existing or relocated facility shall be the amount that current state sales tax revenue exceeds the state sales tax revenue in the base year as stated in the redevelopment plan as provided in subsection 10 of this section; or

(2) The state income tax withheld on behalf of new employees by the employer pursuant to section 143.221, RSMo, at the business located within the project as identified by the municipality. The state income tax withholding allowed by this section shall be the municipality's estimate of the amount of state income tax withheld by the employer within the redevelopment area for new employees who fill new jobs directly created by the tax increment financing project.

9. Subsection 4 of this section shall apply only to blighted areas located in enterprise zones, pursuant to sections 135.200 to 135.256, RSMo, blighted areas located in federal empowerment zones, or to blighted areas located in central business districts or urban core areas of cities which districts or urban core areas at the time of approval of the project by ordinance, provided that the enterprise zones, federal empowerment zones or blighted areas contained one or more buildings at least fifty years old; and

(1) Suffered from generally declining population or property taxes over the twenty-year period immediately preceding the area's designation as a project area by ordinance; or

(2) Was a historic hotel located in a county of the first classification without a charter form of government with a population according to the most recent federal decennial census in excess of one hundred fifty thousand and containing a portion of a city with a population according to the most recent federal decennial census in excess of three hundred fifty thousand.

10. The initial appropriation of up to fifty percent of the new state revenues authorized pursuant to subsections 4 and 5 of this section shall not be made to or distributed by the department of economic development to a municipality until all of the following conditions have been satisfied:

(1) The director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee have approved a tax increment financing application made by the municipality for the appropriation of the new state revenues. The municipality shall include in the application the following items in addition to the items in section 99.810:

- (a) The tax increment financing district or redevelopment area, including the businesses identified within the redevelopment area;
- (b) The base year of state sales tax revenues or the base year of state income tax withheld on behalf of existing employees, reported by existing businesses within the project area prior to approval of the redevelopment project;
- (c) The estimate of the incremental increase in the general revenue portion of state sales tax revenue or the estimate for the state income tax withheld by the employer on behalf of new employees expected to fill new jobs created within the redevelopment area after redevelopment;
- (d) The official statement of any bond issue pursuant to this subsection after December 23, 1997;
- (e) An affidavit that is signed by the developer or developers attesting that the provisions of subdivision (1) of section 99.810 have been met and specifying that the redevelopment area would not be reasonably anticipated to be developed without the appropriation of the new state revenues;
- (f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal impact on the state of Missouri; and

- (g) The statement of election between the use of the incremental increase of the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area;
- (2) The methodologies used in the application for determining the base year and determining the estimate of the incremental increase in the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area shall be approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. Upon approval of the application, the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee shall issue a certificate of approval. The department of economic development may request the appropriation following application approval;
- (3) The appropriation shall be either a portion of the estimate of the incremental increase in the general revenue portion of state sales tax revenues in the redevelopment area or a portion of the estimate of the state income tax withheld by the employer on behalf of new employees who fill new jobs created in the redevelopment area as indicated in the municipality's application, approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. At no time shall the aggregate annual appropriation of the new state revenues for redevelopment areas exceed fifteen million dollars;
- (4) Redevelopment plans and projects receiving new state revenues shall have a duration of up to fifteen years, unless prior approval for a longer term is given by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee; except that, in no case shall the duration exceed twentythree years.
11. In addition to the areas authorized in subsection 9 of this section, the funding authorized pursuant to subsection 4 of this section shall also be available in a federally approved levee district, where construction of a levee begins after December 23, 1997, and which is contained within a county of the first classification without a charter form of government with a population between fifty thousand and one hundred thousand inhabitants which contains all or part of a city with a population in excess of four hundred thousand or more inhabitants.
12. There is hereby established within the state treasury a special fund to be known as the "Missouri Supplemental Tax Increment Financing Fund", to be administered by the department of economic development. The department shall annually distribute from the Missouri supplemental tax increment financing fund the amount of the new state revenues as appropriated as provided in the provisions of subsections 4 and 5 of this section if and only if the conditions of subsection 10 of this section are met. The fund shall also consist of any gifts, contributions, grants or bequests received from federal, private or other sources. Moneys in the Missouri supplemental tax increment financing fund shall be disbursed per project pursuant to state appropriations.
13. All personnel and other costs incurred by the department of economic development for the administration and operation of subsections 4 to 12 of this section shall be paid from the state general revenue fund. On an annual basis, the general revenue fund shall be reimbursed for the full amount of such costs by the developer or developers of the project or projects for which municipalities have made tax increment financing applications for the appropriation of new state revenues, as provided for in subdivision (1) of subsection 10 of this section. The amount of costs charged to each developer shall be based upon the percentage arrived at by dividing the monetary amount of the application made by each municipality for a particular project by the total monetary amount of all applications received by the department of economic development.
14. For redevelopment plans or projects approved by ordinance that result in net new jobs from the relocation of a national headquarters from another state to the area of the redevelopment project, the economic activity taxes and new state tax revenues shall not be based on a calculation of the incremental increase in taxes as compared to the base year or prior calendar year for such redevelopment project, rather the incremental increase shall be the amount of total taxes generated from the net new jobs brought in by the national headquarters from another state. In no event shall this subsection be construed to allow a redevelopment project to receive an appropriation in excess of up to fifty percent of the new state revenues.

(L. 1982 H.B. 1411 & 1587 § 8 subsec. 1, A.L. 1986 S.B. 664 merged with H.B. 989 & 1390, A.L. 1990 H.B. 1564, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1, A.L. 1998 S.B. 707 & 484, A.L. 2003 S.B. 620)

Effective 6-18-03

Contingent expiration date, see § 135.284

*This section was amended by H.B. 289, S.B. 235 and S.B. 620 during the first regular session of the 92nd General Assembly, 2003. Due to a contingent expiration date in § 135.284, two versions of this section appear here.

Reimbursement from special allocation fund for emergency services, when--no new TIF projects authorized for flood plain areas in St. Charles County, applicability of restriction.

99.847. 1. Any district providing emergency services pursuant to chapter 190 or 321, RSMo, shall be entitled to reimbursement from the special allocation fund in the amount of at least fifty percent nor more than one hundred percent of the district's tax increment.

2. Notwithstanding the provisions of sections 99.800 to 99.865 to the contrary, no new tax increment financing project shall be authorized in any area which is within an area designated as flood plain by the Federal Emergency Management Agency and which is located in or partly within a county with a charter form of government with greater than two hundred fifty thousand inhabitants but fewer than three hundred thousand inhabitants.

3. This subsection shall not apply to tax increment financing projects or districts approved prior to July 1, 2003, and shall allow the aforementioned tax increment financing projects to modify, amend or expand such projects including redevelopment project costs by not more than forty percent of such project original projected cost including redevelopment project costs as such projects including redevelopment project costs as such projects redevelopment projects including redevelopment project costs existed as of June 30, 2003, and shall allow the aforementioned tax increment financing district to modify, amend or expand such districts by not more than five percent as such districts existed as of June 30, 2003.

(L. 1996 H.B. 1237 § 24, A.L. 2002 S.B. 1107)

(2004) Subsections 2 and 3 of section as added by Senate Bill No. 1107 in 2002 violated single subject requirement of article III, section 23 and are void. City of St. Charles v. Holden and Nixon, Case No. 02CV325669 (Cole County Circuit Court, 5/11/04).

Emergency services district, reimbursement from special allocation fund authorized, when.

99.848. Notwithstanding subsection 1 of section 99.847, any district providing emergency services pursuant to chapter 190 or 321, RSMo, shall be entitled to reimbursement from the special allocation fund in the amount of at least fifty percent nor more than one hundred percent of the district's tax increment. This section shall not apply to tax increment financing projects or districts approved prior to August 28, 2004.

(L. 2004 H.B. 1529 & 1655)

Costs of project paid--surplus fund in special allocation fund --distribution-dissolution of fund and redevelopment area.

99.850. 1. When such redevelopment project costs, including, but not limited to, all municipal obligations financing redevelopment project costs incurred under sections 99.800 to 99.865 have been paid, all surplus funds then remaining in the special allocation fund shall be paid by the municipal treasurer to the county collector who shall immediately thereafter pay such funds to the taxing districts in the area selected for a redevelopment project in the same manner and proportion as the most recent distribution by the collector to the affected districts of real property taxes from real property in the area selected for a redevelopment project.

2. Upon the payment of all redevelopment project costs, retirement of obligations and the distribution of any excess moneys pursuant to section 99.845 and this section, the municipality shall adopt an ordinance dissolving the special allocation fund for the redevelopment area and terminating the designation of the redevelopment area as a redevelopment area. Thereafter the rates of the taxing districts shall be extended and taxes levied, collected, and distributed in the manner applicable in the absence of the adoption of tax increment financing.

3. Nothing in sections 99.800 to 99.865 shall be construed as relieving property in such areas from paying a uniform rate of taxes, as required by article X, section 3 of the Missouri Constitution.

(L. 1982 H.B. 1411 & 1587 § 8 subsecs. 2, 3, 4, A.L. 1991 H.B. 502)

Tax rates for districts containing redevelopment projects, method for establishing--county assessor's duties--method of extending taxes to terminate, when.

99.855. 1. If a municipality by ordinance provides for tax increment allocation financing pursuant to sections 99.845 and 99.850, the county assessor shall immediately thereafter determine total equalized assessed value of all taxable real property within such redevelopment project by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within such project, and shall certify such amount as the total initial equalized assessed value of the taxable real property within such project.

2. After the county assessor has certified the total initial equalized assessed value of the taxable real property in such redevelopment project, then, in respect to every taxing district containing a redevelopment project, the county clerk, or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within such district for the purpose of computing any debt service levies to be extended upon taxable property within such district, shall in every year that tax increment allocation financing is in effect ascertain the amount of value of taxable property in a redevelopment project by including in such amount the certified total initial equalized assessed value of all taxable real property in such area in lieu of the equalized assessed value of all taxable real property in such area. For the purpose of measuring the size of payments in lieu of taxes under sections 99.800 to 99.865, all tax levies shall then be extended to the current equalized assessed value of all property in the redevelopment project in the same manner as the tax rate percentage is extended to all other taxable property in the taxing district. The method of extending taxes established under this section shall terminate when the municipality adopts an ordinance dissolving the special allocation fund for the redevelopment project.

(L. 1982 H.B. 1411 & 1587 § 9, A.L. 1986 S.B. 664 merged with H.B. 989 & 1390, A.L. 1991 H.B. 502)

Severability.

99.860. If any section, subsection, subdivision, paragraph, sentence or clause of sections 99.800 to 99.860 is, for any reason, held to be invalid or unconstitutional, such decision shall not affect any remaining portion, section, or part thereof which can be given effect without the invalid provision.

(L. 1982 H.B. 1411 & 1587 § 10)

Joint committee on real property tax increment allocation redevelopment, members, appointment, duties.

99.863. Beginning in 1999, and every five years thereafter, a joint committee of the general assembly, comprised of five members appointed by the speaker of the house of representatives and five members appointed by the president pro tem of the senate, shall review sections 99.800 to 99.865. A report based on such review, with any recommended legislative changes, shall be submitted to the speaker of the house of representatives and the president pro tem of the senate no later than February first following the year in which the review is conducted.

(L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

Report by municipalities, contents, publication--satisfactory progress of project, procedure to determine--reports by department of economic development required, when, contents--rulemaking authority--department to provide manual, contents.

99.865. 1. Each year the governing body of the municipality, or its designee, shall prepare a report concerning the status of each redevelopment plan and redevelopment project, and shall submit a copy of such report to the director of the department of economic development. The report shall include the following:

- (1) The amount and source of revenue in the special allocation fund;
- (2) The amount and purpose of expenditures from the special allocation fund;
- (3) The amount of any pledge of revenues, including principal and interest on any outstanding bonded indebtedness;

- (4) The original assessed value of the redevelopment project;
- (5) The assessed valuation added to the redevelopment project;
- (6) Payments made in lieu of taxes received and expended;
- (7) The economic activity taxes generated within the redevelopment area in the calendar year prior to the approval of the redevelopment plan, to include a separate entry for the state sales tax revenue base for the redevelopment area or the state income tax withheld by employers on behalf of existing employees in the redevelopment area prior to the redevelopment plan;
- (8) The economic activity taxes generated within the redevelopment area after the approval of the redevelopment plan, to include a separate entry for the increase in state sales tax revenues for the redevelopment area or the increase in state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area;
- (9) Reports on contracts made incident to the implementation and furtherance of a redevelopment plan or project;
- (10) A copy of any redevelopment plan, which shall include the required findings and costbenefit analysis pursuant to subdivisions (1) to (6) of section 99.810;
- (11) The cost of any property acquired, disposed of, rehabilitated, reconstructed, repaired or remodeled;
- (12) The number of parcels acquired by or through initiation of eminent domain proceedings; and
- (13) Any additional information the municipality deems necessary.

2. Data contained in the report mandated pursuant to the provisions of subsection 1 of this section and any information regarding amounts disbursed to municipalities pursuant to the provisions of section 99.845 shall be deemed a public record, as defined in section 610.010, RSMo. An annual statement showing the payments made in lieu of taxes received and expended in that year, the status of the redevelopment plan and projects therein, amount of outstanding bonded indebtedness and any additional information the municipality deems necessary shall be published in a newspaper of general circulation in the municipality.

3. Five years after the establishment of a redevelopment plan and every five years thereafter the governing body shall hold a public hearing regarding those redevelopment plans and projects created pursuant to sections 99.800 to 99.865. The purpose of the hearing shall be to determine if the redevelopment project is making satisfactory progress under the proposed time schedule contained within the approved plans for completion of such projects. Notice of such public hearing shall be given in a newspaper of general circulation in the area served by the commission once each week for four weeks immediately prior to the hearing.

4. The director of the department of economic development shall submit a report to the speaker of the house of representatives and the president pro tem of the senate no later than February first of each year. The report shall contain a summary of all information received by the director pursuant to this section.

5. For the purpose of coordinating all tax increment financing projects using new state revenues, the director of the department of economic development may promulgate rules and regulations to ensure compliance with this section. Such rules and regulations may include methods for enumerating all of the municipalities which have established commissions pursuant to section 99.820. No rule or portion of a rule promulgated under the authority of sections 99.800 to 99.865 shall become effective unless it has been promulgated pursuant to the provisions of chapter 536, RSMo. All rulemaking authority delegated prior to June 27, 1997, is of no force and effect and repealed; however, nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to June 27, 1997, if such rule complied with the provisions of chapter 536, RSMo. The provisions of this section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, including the ability to review, to delay the effective date, or to disapprove and annul a rule or portion of a rule, are subsequently held unconstitutional, then the purported grant of rulemaking authority and any rule so proposed and contained in the order of rulemaking shall be invalid and void.

6. The department of economic development shall provide information and technical assistance, as requested by any municipality, on the requirements of sections 99.800 to 99.865. Such information and technical assistance shall be provided in the form of a manual, written in an easy- to-follow manner, and through consultations with departmental staff.

(L. 1982 H.B. 1411 & 1587 § 11, A.L. 1990 H.B. 1564, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

(2000) Proposed city charter amendment requiring two-thirds voter approval on every tax increment financing measure violated section and thus was unconstitutional pursuant to article VI, section 19(a). State ex rel. Hazelwood Yellow Ribbon Committee v. Klos, 35 S.W.3d 457 (Mo.App.E.D.).

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