ORDINANCE #68440
Board Bill No. 141

An Ordinance designating a portion of the City of St. Louis, Missouri as a redevelopment area known as the Hadley Dean Building Redevelopment Area pursuant to the Real Property Tax Increment Allocation Redevelopment Act; approving a redevelopment plan and a redevelopment project with respect thereto; adopting tax increment financing within the redevelopment area; making findings with respect thereto; establishing the Hadley Dean Building Special Allocation Fund; authorizing certain actions by City officials; and containing a severability clause.

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

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

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

WHEREAS, staff and consultants of the City and Loftworks, L.L.C., a Missouri limited liability company, an affiliate of Hadley Dean Building TIF, Inc., a Missouri corporation (the "Developer"), prepared a plan for redevelopment titled the "Hadley Dean Building TIF Redevelopment Plan" dated April 17, 2009 (the "Redevelopment Plan") for an area located in City Block 181 and containing one parcel commonly known as 701 N. 11th or 1101 Lucas Avenue in St. Louis, excluding unit two on the second floor (the "Redevelopment Area" or "Area"), which Redevelopment Area is more fully described in the Redevelopment Plan, attached hereto and incorporated herein as **Exhibit A**; and

WHEREAS, the Redevelopment Plan proposes to redevelop the Redevelopment Area by rehabilitation and redevelopment of the building in the Redevelopment Area into commercial and office space, as set forth in the Redevelopment Plan (the "Redevelopment Project," or "TIF Project"); and

WHEREAS, on June 3, 2009, after all proper notice was given, the TIF Commission held a public hearing in conformance with the TIF Act and received comments from all interested persons and taxing districts relative to the Redevelopment Area, the Redevelopment Plan, and the Redevelopment Project; and

WHEREAS, on June 3, 2009, the TIF Commission found that completion of the Redevelopment Project would provide a substantial and significant public benefit through the elimination of blighting conditions, the creation of new jobs in the City, increased property values and tax revenues, preservation of historic structures, stabilization of the Redevelopment Area, facilitation of the economic stability of the City as a whole, and further found that without the assistance of tax increment financing in accordance with the TIF Act, the Redevelopment Project is not financially feasible and would not otherwise be completed; and

WHEREAS, on June 3, 2009, 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 Project as described within the Redevelopment Plan, and (v) approving the issuance of one or more tax increment financing revenue notes in the amount as specified in the Redevelopment Plan; and

WHEREAS, the Developer has demonstrated that the Redevelopment Project would not reasonably be anticipated to be developed without the adoption of tax increment financing and, therefore, redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan is not feasible and would not otherwise be completed; and

WHEREAS, the Board of Aldermen has received the recommendations of the TIF Commission regarding the Redevelopment Area and the Redevelopment Plan and finds that it is desirable and in the best interests of the City to designate the Redevelopment Area as a "redevelopment area" as provided in the TIF Act, adopt the Redevelopment Plan and Redevelopment Project in order to encourage and facilitate the redevelopment of the Redevelopment Area; and

WHEREAS, the Redevelopment Area qualifies for the use of tax increment financing to alleviate the conditions that qualify it as a "blighted area" as provided in the TIF Act and as set forth herein; and

WHEREAS, the property constituting the Redevelopment Area is underutilized and vacant, thus discouraging investment and encouraging crime and vagrancy, and the Redevelopment Area represents a social and economic liability to the City; and

WHEREAS, it is necessary and desirable and in the best interest of the City to approve the Redevelopment Project to allow the rehabilitation of the building in the Redevelopment Area into commercial space; 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, and the elimination of impediments to land disposition and development in the City of St. Louis.

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

SECTION ONE. The Board of Aldermen hereby makes the following findings:

A. The Redevelopment Area on the whole is a "blighted area", as defined in Section 99.805 of the TIF Act, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. This finding includes, the Redevelopment Plan sets forth, and the Board of Aldermen hereby finds and adopts by reference: (i) a detailed description of the factors that qualify the Redevelopment Area as a "blighted area" and (ii) an affidavit, signed by the Developer and submitted with the Redevelopment Plan, attesting that the provisions of Section 99.810.1(1) of the TIF Act have been met, which description and affidavit are incorporated herein as if set forth herein.

B. The Redevelopment Plan conforms to the comprehensive plan for the development of the City as a whole.

C. In accordance with the TIF Act, the Redevelopment Plan states the estimated dates of completion of the Redevelopment Project and retirement of the financial obligations issued to pay for certain redevelopment project costs and these dates are twenty three (23) years or less from the date of approval of the Redevelopment Project.

D. A plan has been developed for relocation assistance for businesses and residences as set forth in Ordinance No. 62481 adopted December 20, 1991.

E. A cost-benefit analysis showing the economic impact of the Redevelopment Plan on each taxing district which is at least partially within the boundaries of the Redevelopment Area is on file with the St. Louis Development Corporation, which cost-benefit analysis shows the impact on the economy if the Redevelopment Project is not built, and if the Redevelopment Project is built pursuant to the Redevelopment Plan as well as a fiscal impact study on every affected political subdivision and sufficient information for the TIF Commission to evaluate whether the Redevelopment Project is financially feasible.

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

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

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

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

SECTION THREE. The Redevelopment Plan as reviewed and recommended by the TIF Commission on June 3, 2009, including amendments thereto, if any, and the Redevelopment Project described in the Redevelopment Plan are hereby adopted and approved. A copy of the Redevelopment Plan is attached hereto as **Exhibit A** and incorporated herein by reference.

SECTION FOUR. There is hereby created and ordered to be established within the treasury of the City a separate fund to be known as the "Hadley Dean Building 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 Hadley Dean Building Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof.

SECTION FIVE. Tax increment allocation financing is hereby adopted within the Redevelopment Area. After the total equalized assessed valuation of the taxable real property in the Redevelopment Area exceeds the certified total initial equalized assessed valuation of the taxable real property in the Redevelopment Area, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in the Redevelopment Area by taxing districts and tax rates determined in the manner provided in Section 99.855.2 of the TIF Act each year after the effective date of this Ordinance until redevelopment costs have been paid shall be divided as follows:

That portion of taxes, penalties and interest levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in the area selected for the Redevelopment Project shall be allocated to and, when collected, shall be paid by the City Collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing;

Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the Redevelopment Project and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the area selected for the Redevelopment Project shall be allocated to and, when collected, shall be paid to the City Treasurer, who shall deposit such payments in lieu of taxes into the Hadley Dean Building Special Allocation Fund for the purpose of paying redevelopment costs and obligations incurred in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the Redevelopment Project from which they are derived and shall be collected in the same manner as the real property tax, including the assessment of penalties and interest where applicable.

SECTION SIX. In addition to the payments in lieu of taxes described in Section Five of this Ordinance, fifty percent (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 area of the Redevelopment Project over the amount of such taxes generated by economic activities within the area of the Redevelopment Project in the calendar year prior to the adoption of the Redevelopment Project by ordinance, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri (2000) as amended, or taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri (2000) as amended, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, shall be allocated to, and paid by the collecting officer to the City Treasurer or other designated financial officer of the City, who shall deposit such funds in a separate segregated account within the Hadley Dean Building Special Allocation Fund.

SECTION SEVEN. The Comptroller of the City is hereby authorized to enter into agreements or contracts with other taxing districts as 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 Hadley Dean Building Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof, all in accordance with the TIF Act.

SECTION EIGHT. The City Register is hereby directed to submit a certified copy of this Ordinance to the City Assessor, who is directed to determine the total equalized assessed value of all taxable real property within the Redevelopment Area as of the date of this Ordinance, by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract or parcel of real property within the Redevelopment Area, and shall certify such amount as the total initial equalized assessed value of the taxable real property within the Redevelopment Area.

SECTION NINE. The Mayor and Comptroller of the City 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 the Redevelopment Project, the Developer or its affiliate or designee, 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 the Redevelopment Agreement, which extension may be granted in the sole discretion of the Board of Estimate and Apportionment of the City of St. Louis.

EXHIBIT A

HADLEY DEAN BUILDING TIF REDEVELOPMENT PLAN

HADLEY DEAN BUILDING

TIF REDEVELOPMENT PLAN
Submitted to
the City of St. Louis
Tax Increment Financing Commission

April 17, 2009

HADLEY DEAN BUILDING
TIF REDEVELOPMENT PLAN

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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 one parcel in City Block 531 and generally known and numbered as 701 N. 11th or 1101 Lucas Avenue, excluding unit two on the second floor (the "Redevelopment Area" or "Area"). The Area currently contains one commercial building that has been partially subject to a condominium regime (the "Building"). 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 commercial and office uses (the "Redevelopment Project" or "Project").

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 Nine Hundred Fifty Thousand and No/100 Dollars ($950,000.00) plus issuance costs to fund a portion of the costs of the Redevelopment Project. The TIF Notes issued shall be reimbursed from the revenue stream of Payments In Lieu of Taxes ("PILOTS") and Economic Activity Taxes ("EATS") generated by the Project over a twenty-three year period as well as those revenues generated by a 1% sales tax from a Community Improvement District (CID) anticipated to be established for

the Area. One hundred percent of PILOTS within the Redevelopment Area and fifty percent of EATS will be allocated to retire the TIF Notes. The City may issue TIF Note(s) or other TIF obligations to the developer of the Project ("Developer") or a third party to evidence the City's obligation to reimburse the Developer for a portion of the costs of the Redevelopment Project. Such TIF Note(s) will be paid from revenues on deposit in the Hadley Dean Building Special Allocation Fund, in accordance with and pursuant to the TIF Act as well as those generated by the CID sales tax. Upon receipt by the City of a written request by Developer and evidence that the Developer has met certain criteria agreed upon by the City and Developer in a Redevelopment Agreement, the City shall cause one of its agencies to immediately proceed to issue tax increment financing bonds ("TIF Bonds") to repay the TIF Note.

II. OVERVIEW OF TAX INCREMENT FINANCING

In order to promote the redevelopment of a declining area or to induce new activity in an area that has been lacking in growth and development, the State of Missouri has provided statutory tools to counties and municipalities to assist private and initiate public, investment. One such tool is the TIF Act.

The TIF Act allows cities and counties to (1) identify and designate redevelopment areas that qualify as Blighted Areas, Conservation Areas, or Economic Development Areas as each are defined in the TIF Act; (2) adopt a redevelopment plan that designates the redevelopment area and states the objectives to be attained and the program to be undertaken; (3) approve a redevelopment project(s) for implementation of the redevelopment plan; and (4) utilize the tools set forth in the TIF Act to assist in reducing or eliminating those conditions that cause the area to qualify as a redevelopment area. Generally, the TIF Act allows municipalities to foster economic and physical improvements in a redevelopment or project area and to enhance the tax base of all taxing districts that levy taxes in such area. Within redevelopment areas, municipalities may use the power of eminent domain to provide necessary property acquisition for the implementation of a redevelopment plan and redevelopment project.

The concept of tax increment financing is outlined as follows: implementation of a redevelopment project within the redevelopment area will produce increased real estate assessments attributable to the redevelopment within the area. The area then generates 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 of approval of the redevelopment project (with respect to PILOTS) and in the year prior to the approval of the redevelopment project (with respect to EATS). 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. 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.

III. REDEVELOPMENT PLAN INCLUDING NECESSARY FINDINGS

1. *Legal Description of the Redevelopment Area*

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

The Area includes the property located at 701 N. 11th.

2. *Redevelopment Plan Objectives*

The City of St. Louis has established the following objectives for the Hadley Dean Building 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, benefiting taxing districts and encouraging private investment in surrounding areas;
- 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 City of St. Louis Strategic Land Use Plan (2005) and the Downtown Development Action Plan (1999);
- To increase property values of the Area and surrounding areas;
- Rejuvenate a significant historic building, capitalizing on its notable features by restoring the Building to a marketable condition;
- Increase occupancy and activity at a property that has been unable to be fully redeveloped, thus increasing activity and enhancing public perception of Downtown St. Louis; and
- To stimulate construction and permanent employment opportunities and increased demand for services for the Area and surrounding areas.

3. *Redevelopment Project*

To satisfy the above objectives, the Redevelopment Project consists of:

• Commercial/Office Uses	Rehabilitation of all or a portion of the Area into commercial and office space together with related improvements.

The Redevelopment Project is generalized to leave room for design creativity and owner specifications as needed, so that the Developer can respond to prospective occupant's needs as well as market conditions as redevelopment of the Redevelopment Project progresses.

It is expected that the Redevelopment Project will capitalize on existing successful redevelopment activity in Downtown St. Louis, and, in so doing, will enhance the perception of this portion of St. Louis as a safe and active environment. The project will help stabilize and enhance the perception of security in the area. In addition, it is expected that the Project will encourage an increase in other redevelopment efforts in the vicinity of the Redevelopment Area.

The total estimated Redevelopment Project Costs for the Redevelopment Project at this time equal approximately $3,600,000, excluding 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 Project at this time and that the actual redevelopment cost items for implementing the Redevelopment Project may vary depending on market conditions and other factors.

4. *General Land Uses to Apply*

The general land uses proposed for the Area are commercial and office 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 the Redevelopment Project will be completed within thirty-six (36) months from the execution of a redevelopment agreement between the City and the Developer as contemplated herein. This date is merely an estimate, and such implementation may be accelerated or delayed as market or site conditions dictate. 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 Project 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**. **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 property subject to PILOTS in the Redevelopment Area after redevelopment and completion of the Redevelopment Project Area is approximately $922,741 (2011).

8. *Acquisition*

The use of eminent domain is not contemplated within the Area to complete the Redevelopment Project.

9. *Blighted Area*

As described in greater detail in the *Analysis of Conditions Representing a Blighted Area for the Hadley Dean Building 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 affidavit 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.

10. *Conforms with the Comprehensive Plan of the City*

The Redevelopment Plan conforms to the development of the City as set forth in the "Strategic Land Use Plan" (2005). The Area is designated as a "Specialty Mixed Use Area." The Redevelopment Project for this TIF matches the goals set for this designation.

11. *Plan for Relocation Assistance*

As the property is vacant, the relocation of residents or businesses is not anticipated to be necessary within the Redevelopment Area with respect to the Redevelopment Project; however, to the extent any relocation is necessary, this Plan will follow the regulations established by the City of St. Louis for relocation according to Ordinance 62481.

12. *Cost Benefit Analysis*

A cost benefit analysis showing the fiscal impact of the Project 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.

Additionally, they will benefit from the additional real and personal property taxes and economic activity taxes which will be paid and not contributed to the TIF. The TIF Act allows for the collection of only 50% of the EATS for payment of project costs. The other 50% are distributed to the appropriate taxing authorities.

13. *Does Not Include Gambling Establishment*

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

14. *Reports to DED*

As required by the TIF Act, the City shall report to the Department of Economic Development regarding the Redevelopment Area.

15. *Historical Land Use of Property within the Redevelopment Area*

The Hadley Dean Building was originally constructed in 1903 at a cost of $60,000. Designed by the office of renowned architect Isaac S. Taylor, the Building was designed as a factory/warehouse for the Hadley Dean Glass Company. In 1901, the Hadley Dean Glass Company was the only plate glass firm west of the Mississippi. The company furnished much of the glass for the 1904 St. Louis World's Fair. In 1928 the interior lobby of the Building was completely redone in Art Deco tile featuring elaborate Egyptian motifs. Because of its historic importance, the Building was added to the National Register of Historic Places in 1979. The Building underwent renovation in the 1980s and became the offices of McCormack Baron & Associates. In 2004 the Building was completely vacated and sold to developer Andrew Gladney. The Art Deco interior was destroyed and replaced by a restaurant. However, with the exception of the second floor, the remainder of the Building remained vacant. Due to poor management and years of neglect, the Building fell into a state of disrepair. Portions of the Building's mechanical systems were removed and sold. The combination of a lack of maintenance and repair, removal of critical system components, and periods without heat and/or cooling of the Building caused extensive deterioration to the Building and the closure of the prior restaurant. Currently, the Building is completely vacant and in poor condition.

Sources: Hadley Dean Glass Company National Register of Historic Places Nomination Application and City of St. Louis

IV. FINANCING PLAN

1. *Eligible Redevelopment Project Costs*

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

The estimated Redevelopment Project Costs to be incurred in connection with the TIF Project are approximately $3,600,000, excluding 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; 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 new structures as permitted by the TIF Act, of public works or other 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, assuming the funding of up to $950,000 in Redevelopment Project Costs.

	CATEGORY
	Acquisition Costs
	Demolition Costs (includes, but is not limited to, demolition of existing buildings and structures or parts thereof).
	Site Preparation and Improvements Costs (includes, but is not limited to, site work, street and sidewalk improvements, utility work, resetting of curbs, landscaping and lighting in the right of way).
	Financing Costs (includes, but is not limited to, loan fees, construction period interest, disbursing fees, construction monitoring and inspection fees, lender's legal fees, loan appraisals, flood certificates, title, recording, disbursing costs, 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 (includes, but is not limited to, the testing for and removal and disposal of toxic or hazardous substances or materials).
	Professional Service Costs (includes, but is not limited to, architectural, engineering, surveying, legal, marketing, advertising, financial, planning, or special services).
	TIF Costs & Issuance Costs incurred by the Developer.
	Rehabilitation, renovation or reconstruction of existing buildings and structures and construction of common improvements to the Redevelopment Area and construction of new structures as permitted by the TIF Act.
$950,000	**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 Project, 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 five (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 previously described. These sources are:

- Owner equity;
- Private financing;
- Federal Historic Tax Credits Equity;
- State of Missouri Historic Tax Credits Proceeds;
- 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"). It is contemplated that these funds will include any revenues generated by a Community Improvement District (CID) sales tax, with such revenues expected to be pledged by the CID to the City to repay the TIF notes.

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

3. *TIF Note Funding*

This Redevelopment Plan proposes that the City initially authorize and issue one or more Tax Increment Financing Notes ("TIF Note") in an amount up to Nine Hundred Fifty Thousand and No/100 Dollars ($950,000.00) plus issuance costs to fund a portion of the Redevelopment Project Costs associated with completion of the Redevelopment Project, with a term of retirement for all such issues not more than 23 years. The TIF Notes or other financial obligations will be issued only to finance the Redevelopment Project and Redevelopment Project Costs as outlined in **Appendix 2**, which are eligible costs as specified in Section 99.805(11) of the TIF Act, including any costs of issuing the TIF Notes or other financial obligations.

The Notes may be issued in one or more series and may include notes, temporary notes, or other financial obligations to be redeemed by TIF Notes upon completion of the Redevelopment Project. In addition, these Notes or other financial obligations may be privately placed. It is the City's intent to pay for the principal and interest on these Notes or other financial obligations, in any year, solely with money legally available for such purpose within the Hadley Dean Building Special Allocation Fund. In addition, it is anticipated that the City may establish one or more additional accounts within the Special Allocation Fund, including, but not limited to a CID Revenues Account, into which CID revenues would be deposited.

The Hadley Dean Building Special Allocation Fund will contain at least two accounts as provided for and in accordance with the TIF Act:

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

2. The "Economic Activity Taxes ("EATS") Account" will contain fifty percent (50%) of the total funds from taxes imposed by the City which are generated by the operations and activities within the Redevelopment Area, excluding licenses, fees or special assessments, and excluding personal property taxes and payments to the PILOTS Account, in accordance with the TIF Act.

Funds on deposit in the PILOTS Account 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 a preliminary commitment letter providing evidence of a commitment to provide financing of Redevelopment Project Costs associated with the Redevelopment Project.

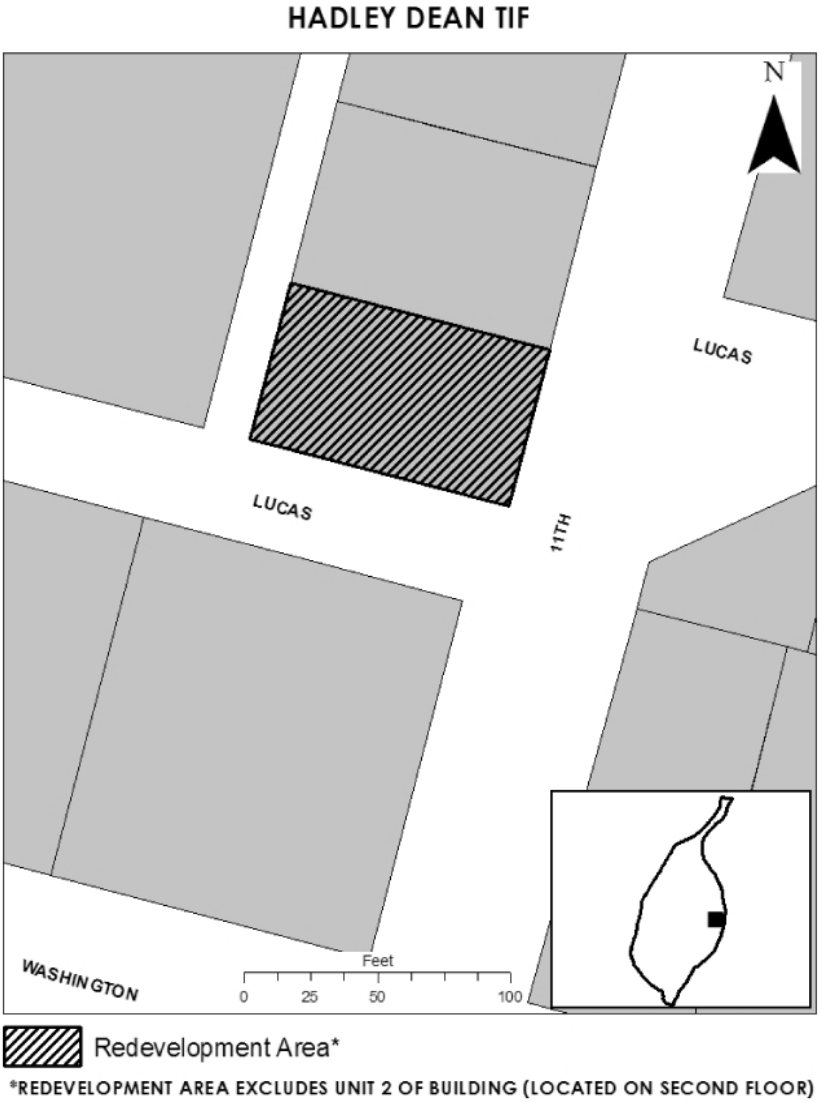
APPENDIX 1
HADLEY DEAN BUILDING TIF REDEVELOPMENT PLAN
LEGAL DESCRIPTION AND MAP OF REDEVELOPMENT AREA

Parcel 1:
Lots 21 and 22 in Block 5 of William Christy's Addition and in Block 531 of the City of St. Louis, Missouri, together fronting 60 feet on the West line of N. 11th Street and bounded on the South by Lucas Avenue: EXCEPTING THEREFROM Units 1-A, 1-B, and 2 of Hadley Square Condominium, a Condominium in City Block 531 of the City of St. Louis according to the plat thereof recorded in Book 10072004 page 0272, Including an undivided interest in the common elements appurtenant thereto, all according to and as more particularly described in the Declaration of Hadley Square Condominium dated October 07, 2004 and recorded in Book 10072004 page 0273.

Parcel 2:

Units 1-A and 1-B, of Hadley Square Condominium, a Condominium in City Block 531 of St. Louis according to the plat thereof recorded in Book 10072004 page 0272, including an undivided interest in the common elements appurtenant thereto, all according to and as more particularly described in the Declaration of Hadley Square Condominium dated October 7, 2004 and recorded in Book 10072004 page 0272.

MAP OF HADLEY DEAN BUILDING REDEVELOPMENT AREA



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APPENDIX 2
HADLEY DEAN BUILDING TIF REDEVELOPMENT PLAN
ANTICIPATED SOURCES AND USES OF FUNDS

Hadley Dean TIF Sources and Uses
(excluding Developer fee)

USES OF FUNDS	
Acquisition	950,000
Financing and Soft Costs	
Architectural	80,000
Inspecting Architect	15,000
Engineering - MEP, Structural & Civil	8,000
Property Survey/Condominium Plat	12,500
Property Appraisal	6,000
Environmental Report	8,000
Legal	125,000
Tax Credit Issuance and Application Fees	25,000
Interim/Financing Costs	
Construction Period Insurance	30,000
Construction Period Interest	175,000
Construction Loan Fee	10,000
Construction Period Real Estate Taxes	43,000
Permanent Loan Fee	15,000
Project Contingency	25,000
Lease Up Period Interest	75,000
TIF Expenses	51,000
TIF Loan Fee	7,500
Title, Recording and Disbursing	15,000
Cost Certification/Accounting	25,000
Construction Period Utilities	15,000
Marketing Costs	
Advertising and Promotion	25,000
Leasing Literature	4,000
Signage	5,000
Commission - Commercial Space	80,000
Misc.	10,000
Construction Costs	
Hard Costs - Core & Shell	880,000
Hard Costs - Tenant Improvements	720,000
Contingency	160,000
Total Development Costs	**3,600,000**
SOURCES OF FUNDS	
Construction Debt/Equity	1,625,432
TIF	950,000
Federal Historic Tax Credit Equity	501,980
Net State Historic Tax Credit Proceeds	522,588
Total Development Sources	**3,600,000**

APPENDIX 3
ANALYSIS OF CONDITIONS REPRESENTING A BLIGHTED AREA FOR THE HADLEY DEAN BUILDING REDEVELOPMENT AREA

ANALYSIS OF CONDITIONS REPRESENTING A BLIGHTED AREA

for the
HADLEY DEAN BUILDING TIF REDEVELOPMENT AREA

HADLEY DEAN BUILDING TIF REDEVELOPMENT PLAN

April 17, 2009

City of St. Louis, Missouri
Tax Increment Financing Commission

TIF ELIGIBILITY

The Hadley Dean Building Redevelopment Area (the "Redevelopment Area" or "Area") established in the Hadley Dean Building Redevelopment Plan (the "TIF Redevelopment Plan") is a blighted area based on the fact that it exhibits the factors set forth in Section 99.805(1) of the Revised Statutes of Missouri (the "TIF Act").

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 exterior;

   b. Building interior.

2) Unsanitary and unsafe conditions resulting from:

   a. Deteriorated site improvements;

3) Existence of Conditions which Endanger Lives or Property by Fire or Other Causes:

   a. Deteriorating physical components.

These factors and conditions are:

1) A Menace to the Public Health, Safety, Morals or Welfare

2) An Economic or Social Liability:

   a. Deferred maintenance;

   b. Uncompetitive position.

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

A map illustrating the boundaries of the area 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 in April, 2009.

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

In determining whether the proposed Redevelopment Area meets the eligibility requirements for Tax Increment Financing per the TIF Act, a number of sources of information were utilized; including, but not limited to, the following:

A. Survey of the condition and use of the Redevelopment Area;

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

C. Analysis of existing uses.

OVERVIEW OF THE REDEVELOPMENT AREA

The Redevelopment Area consists one building, excluding Unit Two on second floor ("Building") on one parcel in City Block 531 as shown on Appendix 1 to the TIF Redevelopment Plan.

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 plates, or holes and cracks over limited areas. Deterioration that is not easily curable, however, and that 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.

The Building suffers from deterioration of some exterior building components. The exterior suffers from deterioration due to previous periods of a lack of maintenance as well as age and use. The site visit revealed evidence of damage caused by neglect and mismanagement. The roof requires additional inspection and likely replacement in the near future to avoid further damage to the Building. Many of the windows in the Building are in need of repair and/or replacement. The exterior of the Building has cracked masonry, allowing water to seep into the Building and cause significant water damage. In addition the public infrastructure improvements built for the former restaurant were improperly constructed, causing water to seep into the basement of the Building. This situation must be remedied before the basement will be marketable to any future tenant.

The Building also suffers from deterioration of many interior building components. Primary components including wiring, plumbing, and HVAC are either in need of repair or require complete replacement. There is water damage throughout the Building causing deterioration of the walls and ceilings and the presence of mold.

The Area suffers from deterioration of site conditions. If these deficiencies are not corrected, they will cause damage to adjacent uses and public infrastructure. They cannot be corrected through normal maintenance but require rehabilitation, or replacement in order to be brought to an acceptable and marketable physical state.

2) Unsanitary or Unsafe Conditions:

In addition to the general physical deterioration of site improvements stated above, the Area contains unsanitary or unsafe conditions.

The lack of maintenance and deteriorated conditions makes the Area unsafe. The condition of the Building has encouraged vandalism. During the site visit it was noted that on and near the Area and the Building are numerous instances of graffiti.

The deterioration of the Building makes it uninhabitable in its current state. Wiring and plumbing is in need of repair or complete replacement throughout the Building. The building also lacks properly functioning and code compliant fire protection systems. The original sprinkler system was designed with pipes with a gauge no longer to code and connected through the Building's boiler system presenting a safety hazard. The Building is currently at an elevated risk for fire due to a lack of code compliant fire protection systems and piles of refuse within the Building.

These issues prevent the full utilization of the Area and increase the cost of rehabilitation.

3) Existence of Conditions which Endanger Lives or Property by Fire or Other Causes:

The deteriorating condition of the Area has resulted in conditions that are unsafe and which present a danger to property and personal safety. Vandalism and graffiti or "tagging" is present in the Area.

As previously mentioned, the Building requires extensive replacement and repairs to its primary components. The lack of maintenance and piles of refuse and debris combined with the lack of fire prevention systems pose a potential fire hazard for the Area.

The conditions as outlined above are a menace to the public health, safety, morals or welfare and are an economic or social liability.

1) Menace to the Public Health, Safety, Morals, or Welfare:

As discussed above, the Area exhibits factors that constitute a menace to the public health, safety, morals, or welfare in its present condition and use. The deteriorated condition of the property has negatively impacted surrounding residences and businesses through encouraging vagrancy, vandalism, and crime. The deteriorating, unsanitary, and unsafe conditions described above represent a menace to the public health and safety; the economic liability of the deteriorated structure also represents a menace to the public welfare.

2) Economic or Social Liability

Due to the predominance of blighting factors discussed above, the Area in its current condition is a liability to the social welfare and economic independence of the City. As noted above, the Area suffers from a lack of investment. Deterioration of the Area has contributed to the lack of physical maintenance and underutilization of the Area. To overcome the underutilization of the Area, conditions that contribute to economic and social liability must be remediated in order to allow for natural growth of existing uses in the Area.

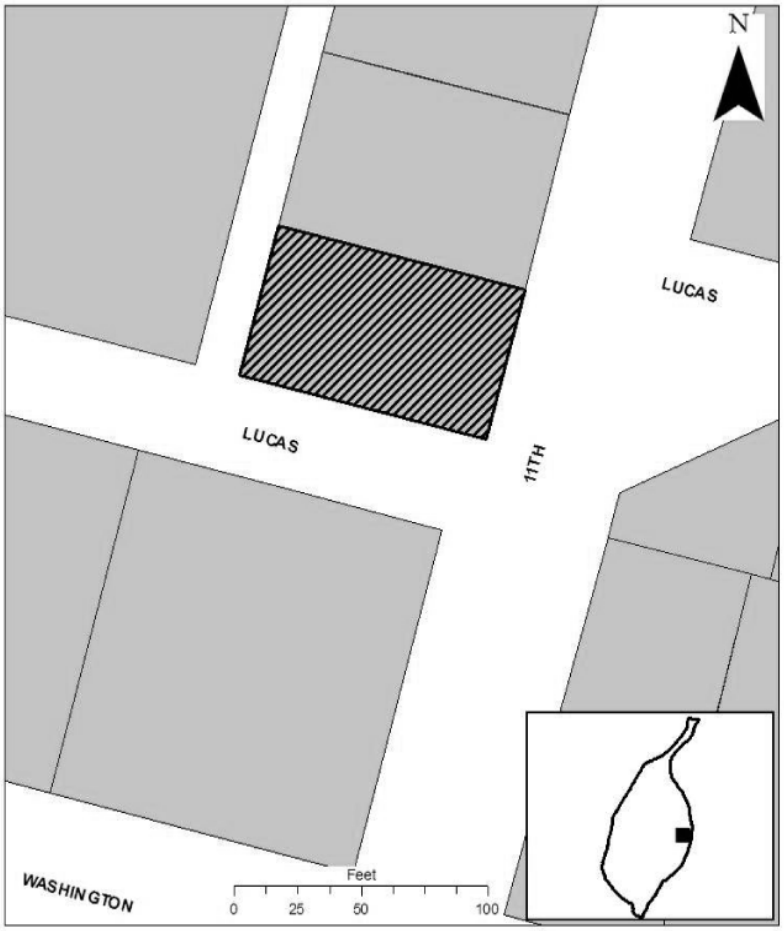
The Area in its current condition hampers the economic vitality and independence of the City by failing to generate sufficient tax revenue and discouraging reinvestment in, or maintenance of, the Area. The Area's physical condition, combined with the underutilization of the Area, diminishes its potential to generate property and economic activity tax revenues for the City up to its full potential. Without the comprehensive redevelopment of the Area, its physical condition will continue to deteriorate and its economic efficiency will suffer.

The physical condition of and resulting lack of reinvestment in the Area have resulted in economic underutilization. The economic underutilization of the property contributes to the eligibility of the Redevelopment Area. The comprehensive redevelopment of the site will foster much needed economic activity and contribute to the growth of the City.

Exhibit 1

Hadley Dean Building TIF Redevelopment Area

Blight Analysis



Predominantly blighted*

*Area of blighting study excludes Unit Two on second floor

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Exhibit 2: Photographs of Blighted Conditions

South side of the Building from the corner of North 11th Street and Washington Avenue

East side of the Building from North 11th Street

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Evidence of vandalism and graffiti in the Area

Rear view of the Building

SLC-3265414-3

Defective sidewalk construction and damaged masonry allow water inside of the Building

Black mold and mildew covering a portion of the drywall in the Building caused by defective sidewalk construction

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Heating and cooling systems are in need of replacement as are many windows

Ceilings and walls exhibit water damage on multiple floors

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View of deteriorated former office space with damage to floors and walls

Severely deteriorated and water damaged restroom facilities

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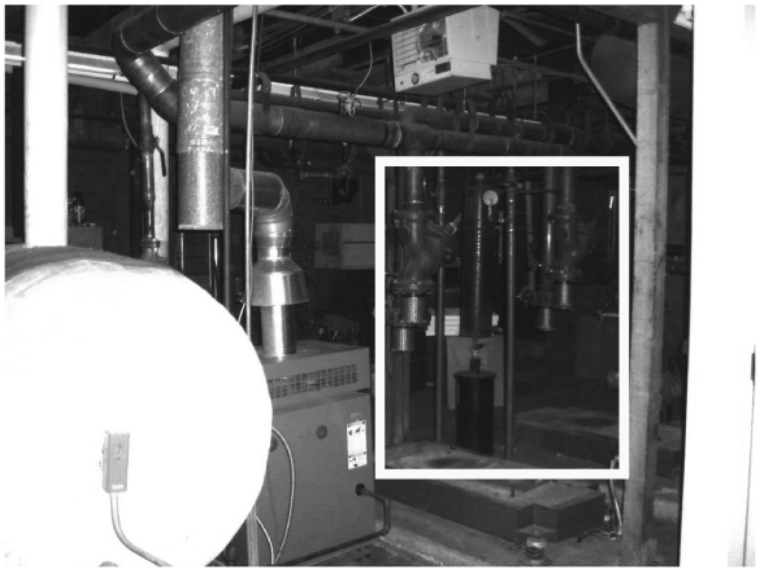

The Building is missing primary system components

The cooling system requires complete replacement

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View of the Building roof in need of repair

Example of aging and deteriorated masonry allowing water to seep into the Building

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APPENDIX 4
HADLEY DEAN BUILDING TIF REDEVELOPMENT PLAN
ANTICIPATED REDEVELOPMENT PROJECT SCHEDULE

First TIF Commission Meeting ($5,000 Application fee due)	**4/15/2009**
Submit Redevelopment Plan to TIF Commission (at least 45 days prior to public hearing)	**4/17/2009**
Mailing of Notice of TIF Commission Public Hearing to Taxing Districts (not less than 45 days prior to hearing) (RSMo. 99.830.3)	**4/17/2009**
First Publication of Notice of TIF Commission Public Hearing (not more than 30 days prior to hearing) (RSMo. 99.830.1)	**5/6/2009**
Written Notice to Property Owners (not less than 10 days prior to public hearing) (RSMo. 99.830.3)	**5/22/2009**
Second Publication of Notice of TIF Commission Public Hearing (not more than 10 days prior to public hearing) (RSMo. 99.830.1)	**5/25/2009**
Public Hearing by TIF Commission (RSMo. 99.825)	**6/3/2009**
TIF Commission Recommendation to Board of Aldermen (within 90 days of TIF Public Hearing) (RSMo. 99.820.3)	**6/3/2009**
Board of Estimate & Apportionment	**6/17/2009**
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])	**6/19/2009**
HUDZ Committee Hearing on TIF Ordinances	**6/24/2009**
Second Reading of TIF Ordinances	**6/26/2009**
Perfection of Board Bill(s)	**7/2/2009**
Third Reading and Final Passage of TIF Ordinances	**7/10/2009**
Mayor Signs Bills	**7/20/2009**
Full Construction Commences	**10/20/2009**
Construction Complete	**12/31/2010**

APPENDIX 5
HADLEY DEAN BUILDING TIF REDEVELOPMENT PLAN
CURRENT AND HISTORICAL INFORMATION CONCERNING THE EQUALIZED ASSESSED VALUE OF REDEVELOPMENT AREA

Street Address	Tax ID	Equalized Assessed Value (2008)
701 N. 11th Street, Bsmt	5310000610	$33,800.00
701 N. 11th Street, Unit 1-A	5310000620	$92,600.00

701 N. 11th Street, Unit 1-B	5310000630	$21,600.00
701 N. 11th Street, Unit 3	5310000650	$95,600.00
701 N. 11th Street, Unit 4	5310000660	$71,400.00
701 N. 11th Street, Unit 5	5310000670	$72,200.00
701 N. 11th Street, Unit 6	5310000680	$71,200.00
701 N. 11th Street, Unit 7	5310000690	$73,600.00

HISTORY OF ASSESSED VALUE

TERM	AV	% CHANGE
2003	$ 136,000*	-
2004	$ 136,000*	0%
2005	$ 219,600	38%
2006	$ 219,600	0%
2007	$ 266,000	17%
2008	$ 532,000	50%

*Values include Floor 2 of Building (not included in the Area)

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

APPENDIX 6
HADLEY DEAN BUILDING TIF REDEVELOPMENT PLAN
DEVELOPER'S AFFIDAVIT

STATE OF MISSOURI)
)
City OF ST. LOUIS)

AFFIDAVIT

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

The undersigned swears, affirms and certifies the following to be true to induce the approval of Tax Increment Financing for the Redevelopment Area described in the Hadley Dean Building Tax Increment Financing Redevelopment Plan, initially dated April 17, 2009 (the "Redevelopment Plan").

1. I am a duly authorized representative of Loftworks, L.L.C. (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.

Loftworks, L.L.C.
a Missouri limited liability company

By: _____
Name Craig Heller
Title: Managing Partner

Subscribe and sworn to before me this 6th day of April 2009.

_____
Notary Public

My Commission Expires: Dec.-22-2011

SHEILA A. LLOYD
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: Dec. 22, 2011
Commission # 07416138

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APPENDIX 7
HADLEY DEAN BUILDING TIF REDEVELOPMENT PLAN
EVIDENCE OF COMMITMENT TO FINANCE PROJECT COSTS

Pulaski Bank

Craig Heller
Hadley Square Master Landlord, LLC
317 N 11th St.
Suite 500
St. Louis, Mo. 63101

Re: Proposed Hadley Dean Building TIF project, St. Louis, Missouri

Dear Craig,

The purpose of this letter is to evidence Pulaski Bank's preliminary commitment to provide financing for your proposed project involving the redevelopment of certain real property into office and commercial uses in the Hadley Dean Building TIF in the City of St. Louis, Missouri (the "Project"). This correspondence is intended as a preliminary expression of the Bank's interest in this Project, and the potential funding of this Project is subject to several contingencies, including the review of customary due diligence, the issuance of the necessary tax increment financing by the City of ST. Louis, and the review and approval of the Bank's Loan Committee, acting in its sole subjective discretion.

As we have discussed, financing of the Project would not be feasible without the assistance of tax increment financing. Therefore, please be advised that we are excited to provide financing for the Project should the City of St. Louis issue the necessary tax increment financing and the underwriting and due diligence of the project is approved by Pulaski's loan committee.

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

Respectfully,

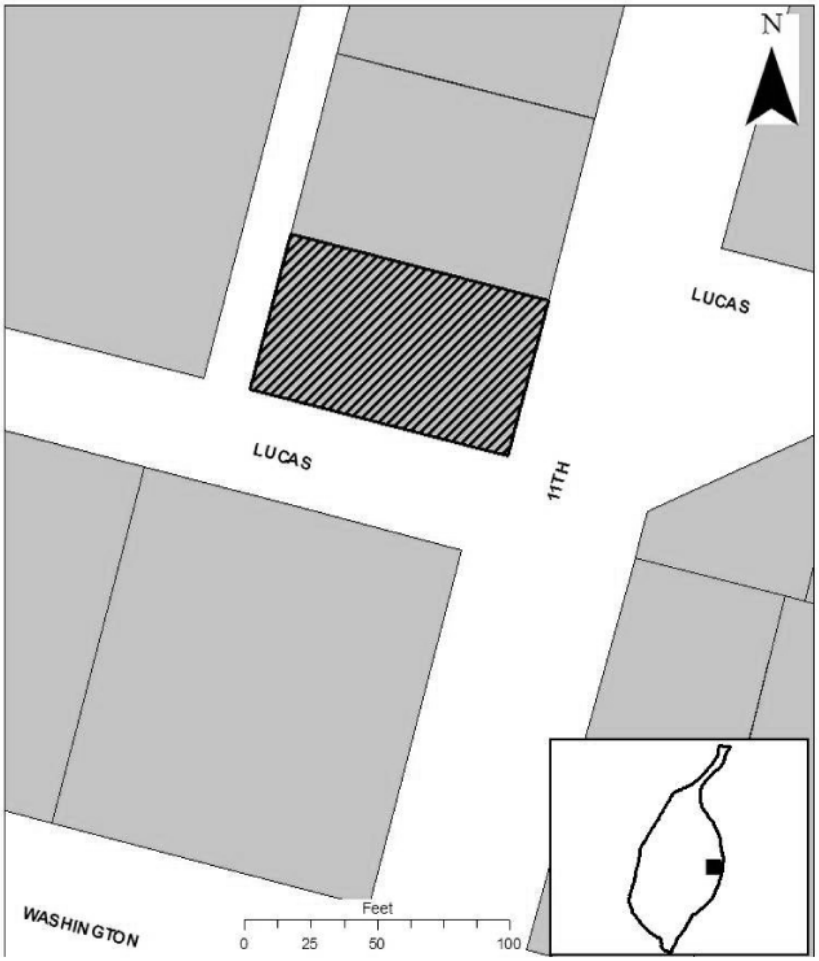
Paul Douglas Grosse
City Regional President

900 Olive Street ▪ St. Louis, MO 63101 ▪ 314-539-9600 phone ▪ 314-588-7623 fax
Check website for a complete list of bank locations: www.pulaskibankstl.com MEMBER FDIC

SLC-3265414-3

APPENDIX 8
HADLEY DEAN BUILDING TIF REDEVELOPMENT PLAN

GENERAL LAND USES TO APPLY



Mix of Commercial and Office Uses

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Approved: July 27, 2009