

**ORDINANCE #68634**  
**Board Bill No. 338**

An Ordinance designating a portion of the City of St. Louis, Missouri as a redevelopment area known as the Railway Exchange 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 Railway Exchange 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 RNY, LLC, a Missouri limited liability company (the “Developer”), prepared a plan for redevelopment titled the “Railway Exchange Building TIF Redevelopment Plan” dated November 6, 2009 (the “Redevelopment Plan”) for an area containing multiple parcels in City Blocks 128 and 129 located generally between 7th Street to the West, Locust Street to the North, 6th Street to the East, and Pine Street to the South (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 Redevelopment Area into specialty mixed uses and related improvements, as set forth in the Redevelopment Plan (the “Redevelopment Project,” or “TIF Project”); and

**WHEREAS**, on December 16, 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 December 16, 2009, the TIF Commission found that completion of the Redevelopment Project would provide a substantial and significant public benefit through the elimination of blight, the creation of new jobs in the City, the strengthening of the employment and economic base of the City, increased property values and tax revenues, 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 December 16, 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 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 Board of Alderman hereby recognizes that redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan is of economic significance to the City, and will (i) serve to reduce or eliminate the conditions that cause the Redevelopment Area to be blighted, (ii) assist physical, economic, and social development of the community, (iii) encourage a sense of community identity, safety and civic pride, (iv) preserve a property of historic value, (v) retain downtown’s only department store, (vi) eliminate unsafe building conditions and (vii) eliminate impediments to land disposition and development, and therefore, the Redevelopment Project, through tax increment financing, will serve to benefit the general welfare of the City; 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 financially 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 partially vacant and suffers significant deterioration, 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 redevelopment of the Redevelopment Area into special mixed uses; 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 adopts the foregoing recitals as findings and makes the following additional 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 December 16, 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 “Railway Exchange Building Special Allocation Fund” and such sub-accounts as are necessary to administer the Redevelopment Project. To the extent permitted by law and except as otherwise provided in the Redevelopment Plan, the City hereby pledges funds in the Railway Exchange Building Special Allocation Fund, and any sub-accounts thereof, for the payment of redevelopment project costs and obligations incurred in the payment thereof.

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

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

B. Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the Redevelopment Project and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the area selected for the Redevelopment Project shall be allocated to and, when collected, shall be paid to the City Treasurer, who shall deposit such payments in lieu of taxes into the Railway Exchange Building Special Allocation Fund, or any sub-accounts thereof, 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 Railway Exchange 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 Railway Exchange Building Special Allocation Fund and any sub-accounts thereof 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**

**Railway Exchange Building TIF REDEVELOPMENT PLAN**

**RAILWAY EXCHANGE BUILDING  
TIF REDEVELOPMENT PLAN**

**Submitted to  
the City of St. Louis  
Tax Increment Financing Commission  
November 6, 2009**

**RAILWAY EXCHANGE BUILDING  
TIF REDEVELOPMENT PLAN  
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#### **RAILWAY EXCHANGE BUILDING**

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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 multiple parcels in City Blocks 128 and 129 located generally between 7th Street to the West, Locust Street to the North, 6th Street to the East, and Pine Street to the South (the "Redevelopment Area" or "Area"). The Area currently contains a commercial/office building and related parking structure with first floor retail uses (the "Buildings"). 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 specialty mixed 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 Twenty Seven Million Eight Hundred Thousand and No/100 Dollars (\$27,800,000.00) 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), those revenues generated by a 1% sales tax from a Transportation Development District (TDD) anticipated to be established for the Area, and a portion of the existing City sales taxes generated within 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 Railway Exchange Building Special Allocation Fund, in accordance with and pursuant to the TIF Act as well as those generated by the CID sales tax and the TDD 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**.

With the exception of two excluded parcels (commonly known as 622 Olive Street having the St. Louis Assessors Office parcel identification numbers of 01290000101 and 01290000102, and 207 N. 6th Street -having the St. Louis Assessors Office parcel identification number of 01290001000), the Area includes all real property, including portions of Olive Street and alleyways, located in City Blocks 128 and 129 located generally between 7th Street to the West, Locust Street to the North, 6th Street to the East, and Pine Street to the South.

2. Redevelopment Plan Objectives

The City of St. Louis has established the following objectives for the Railway Exchange 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;
- Retaining Downtown’s only major department store;
- Create the opportunity for a significant amount of new commercial space, enabling the potential attraction or retention of a company or companies to Downtown; 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:

- Specialty Mixed Uses      Rehabilitation of all or a portion of the Area into specialty mixed use 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 \$111,715,000, 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 specialty mixed 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 sixty (60) 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 \$25,549,058.

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 Railway Exchange 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

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, certain taxing districts 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 21-story building at 600 Locust Street occupies an entire city block and is listed on the National Register of Historic Places. Completed in 1913, the building was originally known as the Railway Exchange Building due to the occupancy of the upper floors by offices of several major railroad companies. Also known as the Famous-Barr Building or the Macy's Building, it was constructed with detailed glazed terra cotta finish. The lower floors of the building were home to the flagship location of the Famous-Barr department store chain. The associated parking structure was built in 1962 in the 600 block of Olive Street and includes street-level retail space. The department store became a Macy's with the May Department Stores Company's purchase in 2006. Nominated to the National Historic Register in 2009, the Railway Exchange Building was the tallest building in the City of St. Louis at the time of its construction and one of the largest office buildings in the world. It is one of the more important works by architecture firm Mauran, Russell & Crowell. The lower floors of the building still contain Downtown St. Louis' only major department store, while the upper floor office space is significantly underutilized.

*Sources: 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 \$111,715,000, 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 (as described in Section 3 of this Article IV); 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 \$27,800,000 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.
<b>\$27,800,000</b>	<b>TOTAL</b>

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 six (6) 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; • Brownfield Tax Credit Proceeds; and
- Funds available through the issuance of TIF notes, bonds, loans, or other certificates of indebtedness (herein collectively referred to as “TIF Note(s)”). It is contemplated that these funds will include revenues generated by a Community Improvement District (CID) sales tax, a Transportation Development District (TDD) sales tax, and a portion of the existing City sales taxes generated within the Area.

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 TIF Notes in an amount up to Twenty Seven Million Eight Hundred Thousand and No/100 Dollars (\$27,800,000.00) 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.

It is anticipated that a TIF Note will be issued upon the Developer’s acquisition of the Area and subsequent TIF Notes will be issued upon the completion of the rehabilitation of portions of the Redevelopment Project. 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 the 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 Railway Exchange 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, a TDD Revenues Account, into which TDD revenues would be deposited, and Sales Tax Rebate Account, into which a portion of the existing City’s sales tax revenues within the Area would be deposited.

The Railway Exchange 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, and any additional accounts, such as the CID Revenues Account, TDD Revenues Account, and Sales Tax Rebate 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 such accounts.

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**  
**RAILWAY EXCHANGE BUILDING TIF REDEVELOPMENT PLAN**  
**LEGAL DESCRIPTION AND MAP OF REDEVELOPMENT AREA**

SURVEY PARCEL 1:

A tract of land situated in the City of St. Louis, and the State of Missouri, being all of City Block 128 and part of Locust Street, 60 feet wide, as Vacated by City Ordinance No. 59092, and being more particularly described as follows:

BEGINNING at the intersection of the Southern right-of-way line of said Locust Street and the Eastern right-of-way line of 7th Street, 60 feet wide, said intersection being the Northwest corner of said City Block 128, from said Northwest corner a cut "X" in concrete bears North 17 degrees 26 minutes 19 seconds East a distance of 5.00 feet and a cut "X" in concrete bears North 72 degrees 30 minutes 00 seconds West a distance of 5.00 feet; thence along said Southern right-of-way line of Locust Street, South 72 degrees 30 minutes 00 seconds East a distance of 81.91 feet to the Southwest corner of said Vacated portion of Locust Street, from said Southwest corner a cut "X" in concrete bears North 17 degrees 29 minutes 44 seconds East a distance of 5.00 feet; thence along the Western line of said Vacated portion of Locust Street, North 17 degrees 29 minutes 44 seconds East a distance of 16.00 feet to a cut "X" in concrete marking the Northwest corner of said Vacated portion of Locust Street; thence along the Northern line of said Vacated portion of Locust Street South 72 degrees 30 minutes 00 seconds East a distance of 133.85 feet to a cut "X" in concrete marking the Northeast corner of said Vacated portion of Locust Street; thence along the Eastern line of said Vacated portion of Locust Street, South 17 degrees 29 minutes 44 seconds West a distance of 16.00 feet to the Southeast corner of said Vacated portion of Locust Street, from said Southeast corner a cut "X" in concrete bears North 17 degrees 29 minutes 44 seconds East a distance of 5.00 feet, said Southeast corner being on said Southern right-of-way line of Locust Street; thence along said Southern right-of-way line of Locust Street, South 72 degrees 30 minutes 00 seconds East a distance of 55.39 feet to the Intersection of said Southern right-of-way line of Locust Street and the Western right-of-way line of 6th Street, 60 feet wide, said intersection being the Northeast corner of said City Block 128, from said Northeast corner a cut "X" in concrete bears North 17 degrees 29 minutes 58 seconds East a distance of 5.00 feet and a cut "X" in concrete bears South 72 degrees 30 minutes 00 seconds East a distance of 5.00 feet; thence along said Western right-of-way line of 6th Street, South 17 degrees 29 minutes 58 seconds West a distance of 228.56 feet to the intersection of said Western right-of-way line of 6th Street and the Northern right-of-way line of Olive Street, 60 feet wide, said intersection being the Southeast corner of said City Block 128, from said Southeast corner a cut "X" in concrete bears South 17 degrees 29 minutes 58 seconds West a distance of 5.00 feet and a cut "X" in concrete bears South 72 degrees 26 minutes 51 seconds East a distance of 5.00 feet; thence along said Northern right-of-way line of Olive Street, North 72 degrees 26 minutes 51 seconds West a distance of 270.90 feet to the Intersection of said Northern right-of-way line of Olive Street and said Western right-of-way line of 7th Street said intersection being the Southwest corner of said City Block 128, from said Southwest corner a cut "X" in concrete bears South 17 degrees 26 minutes 19 seconds West a distance of 5.00 feet and a cut "X" in concrete bears North 72 degrees 26 minutes 51 seconds West a distance of 5.00 feet; thence along said Western right-of-way line of 7th Street, North 17 degrees 26 minutes 19 seconds East a distance of 228.31 feet to the point of beginning.

Containing 1.470 Acres (64,050 Square Feet), according to a survey by Grimes Consulting, Dated September 2009.

SURVEY PARCEL 2

A tract of land situated in the City of St. Louis, and the State of Missouri, being part of City Block 129 also being the same tract of land conveyed to May Department Stores Company as described in Deed Book M748 page 980 of the land records of said City of St. Louis, Missouri, and the Eastern part of that portion of the Alley in said City Block 129 Vacated by City Ordinance No. 64978, and being more particularly described as follows:

COMMENCING at a cut "X" in concrete marking the intersection of the Southern right-of-way line of Olive Street, 60 feet wide, and the Eastern right-of-way line of said 7th Street, 60 feet wide, said intersection also being the Northwest corner of said City Block 129; thence along said Southern right-of way line of Olive Street, South 72 degrees 26 minutes 51 seconds East a distance of 136.28 to the intersection of said Southern right-of-way line of Olive Street and the centerline of the North-South Alley in said City Block 129, originally being 15 feet wide,

from said intersection a cut "X" in concrete bears North 17 degrees 46 minutes 39 seconds East a distance of 5.00 feet, said intersection also being the TRUE POINT OF BEGINNING of the tract herein described; thence continuing along said Southern right-of-way line of Olive Street, South 72 degrees 26 minutes 51 seconds East a distance of 134.56 feet to a cut "X" in concrete marking the intersection of said Southern right-of-way line of Olive Street and the Western right-of-way line of 6th Street, 60 feet wide, said intersection also being the Northeast corner of said City Block 129; thence along said Western right-of-way line of 6<sup>th</sup> Street, South 17 degrees 29 minutes 58 seconds West a distance of 154.43 feet to the Northeast corner of a tract of land conveyed to C.A.G. Properties, LLC as described in Deed Book 06062008 page 0240 of said land records of the City of St. Louis, Missouri, from said Northeast corner a cut "X" in concrete bears South 72 degrees 31 minutes 49 seconds East a distance of 5.00 feet; thence leaving said Western right-of-way line of 6th Street along the Northern line of said C.A.G. Properties, LLC tract, North 72 degrees 31 minutes 49 seconds West a distance of 127.81 feet to the Northwest corner of said C.A.G. Properties, LLC tract, from said Northwest corner a set Cotton Picker Spindle bears North 72 degrees 31 minutes 49 seconds West a distance of 5.00 feet, said Northwest corner being on the Eastern right-of-way line of a 15 foot wide North-South Alley in said City Block 129; thence along said Eastern right-of-way line of the Alley, North 17 degrees 46 minutes 39 seconds East a distance of 15.56 feet to a cut "X" in concrete marking the Southeast corner of said portion of the Alley in said City Block Vacated by City Ordinance No. 64978; thence along the Southern line of said Vacated portion of the Alley, North 72 degrees 31 minutes 49 seconds West a distance of 7.50 feet to a set 1/2 inch iron rod marking the intersection of said Southern line of the Vacated portion of the Alley and said centerline of the Alley; thence along said centerline of the Alley, North 17 degrees 46 minutes 39 seconds East a distance of 139.07 feet to the point of beginning.

Containing 0.476 Acres (20,735 Square Feet), according to a survey by Grimes Consulting, Dated September 2009.

### SURVEY PARCEL 3

A tract of land situated in the City of St. Louis, and the State of Missouri, being part of City Block 129 also being the same tract of land conveyed to May Department Stores Company as described as Parcel 4 of Deed Book M958 page 981 of the land records of said City of St. Louis, Missouri, and the Eastern part of that portion of the Alley in said City Block 129 Vacated by City Ordinance No. 64978, and part of the portion of the right-of-way of 7<sup>th</sup> Street Vacated by City Ordinance No. 50495, and being more particularly described as follows:

COMMENCING at a cut "X" in concrete marking the intersection of the Southern right-of-way line of Olive Street, 60 feet wide, and the Eastern right-of-way line of said 7th Street, 60 feet wide, said intersection also being the Northwest corner of said City Block 129; thence along said South right-of-way line of Olive Street, South 72 degrees 26 minutes 51 seconds East a distance of 22.20 feet to the Northeast corner of a tract of land conveyed to S & P Holdings, LLC as described in Deed Book 04142008 page 0208 of the land records of said City of St. Louis, Missouri, from said Northeast corner a cut "X" in concrete bears North 17 degrees 24 minutes 56 seconds East a distance of 5.00 feet, said Northeast corner also being the TRUE POINT OF BEGINNING of the tract herein described; thence continuing along said Southern right-of-way line of Olive Street, South 72 degrees 26 minutes 51 seconds East a distance of 39.49 feet to the Northwest corner of a tract of land conveyed to the Neil S. Tober Revocable Trust as described Deed Book 1796 page 497 of said land records of the City of St. Louis; from said Northwest corner a cut "X" in concrete bears North 17 degrees 26 minutes 19 seconds East a distance of 5.00 feet; thence leaving said Southern right-of-way line along the Western line of said Tober Trust tract, South 17 degrees 26 minutes 19 seconds West a distance of 58.40 feet to the Southwest corner of said Tober Trust tract; thence along the Southern line of said Tober Trust tract, South 72 degrees 27 minutes 55 seconds East a distance of 40.00 feet to the Southeast corner of said Tober Trust tract; thence along the Eastern line of said Tober Trust tract, North 17 degrees 26 minutes 19 seconds East a distance of 58.38 feet to the Northeast corner of said Tober trust tract, from said Northeast corner a cut "X" in concrete bears North 17 degrees 26 minutes 19 seconds East a distance of 5.00 feet, said Northeast corner also being on said Southern right-of-way of Olive Street; thence along said South right-of-way line of Olive Street, South 72 degrees 26 minutes 51 seconds East a distance of 34.58 feet to the intersection of said Southern right-of-way line of Olive Street and the centerline of the North-South Alley in said City Block 129, originally being 15 feet wide, from said intersection a cut "X" in concrete bears North 17 degrees 46 minutes 39 seconds East a distance of 5.00 feet; thence leaving said Southern right-of-way line of Olive Street along said centerline of the North-South Alley, South 17 degrees 46 minutes 39 seconds West a distance of 87.47 feet to a cut "X" in concrete marking the intersection of said

centerline of the North-South Alley and the Easterly prolongation of the Northern line of a tract of land conveyed to Catherine Ann Berkley and Louis Berkley as described in Deed Book M1117 page 1748 of said land records of the City of St. Louis; thence leaving said centerline of North-South Alley along said easterly prolongation, along said Northern line and along the Westerly prolongation of said Northern line, North 72 degrees 29 minutes 11 seconds West a distance of 147.76 feet to a set Cotton Picker Spindle marking the intersection of said Westerly prolongation of the Northern line of the Berkley tract and the Western line of that portion of the right-of-way of 7th Street Vacated by City Ordinance No. 50495; thence along the Western line of said Vacated portion of 7th Street, North 17 degrees 26 minutes 19 seconds East a distance of 29.13 feet to a set Cotton Picker Spindle marking the Northwest corner of said Vacated portion of 7th Street; thence along the North line of said Vacated portion of 7th Street, South 72 degrees 33 minutes 41 seconds East a distance of 12.00 feet to the Northeast corner of said Vacated portion of 7th Street, said Northeast corner also being the Southwest corner of said S & P Holdings, LLC tract, from said Southwest corner a found anchor on curb bears North 72 degrees 27 minutes 55 seconds West a distance of 11.48 feet; thence along the Southern line of said S & P Holdings, LLC tract, South 72 degrees 27 minutes 55 seconds East a distance of 22.23 feet to the Southeast corner of said S & P Holdings, LLC tract; thence along the Eastern line of said S & P Holdings, LLC tract, North 17 degrees 24 minutes 56 seconds East a distance of 58.41 feet to the point of beginning.

Containing 0.198 Acres (8,620 Square Feet), according to a survey by Grimes Consulting, Dated September 2009.

#### SURVEY PARCEL 4

A tract of land situated in the City of St. Louis, and the State of Missouri, being part of City Block 129 also being the same tract of land conveyed to May Department Stores Company as described as Parcels 6, 7, 8, and 10 of Deed Book M958 page 981 of the land records of said City of St. Louis, Missouri, and the Eastern part of that portion of the Alley in said City Block 129 Vacated by City Ordinance No. 64978, and part of the portion of the right-of-way of 7th Street Vacated by City Ordinance No. 50495, and being more particularly described as follows:

COMMENCING at a cut "X" in concrete marking the intersection of the Southern right-of-way line of Olive Street, 60 feet wide, and the Eastern right-of-way line of said 7th Street, 60 feet wide, said intersection also being the Northwest corner of said City Block 129; thence along said Eastern right-of-way line of said 7th Street, South 17 degrees 26 minutes 19 seconds West a distance of 58.41 feet to the Northeast corner of said portion of the right-of-way of 7th Street Vacated by City Ordinance No. 50495, from said Northeast corner a found anchor on curb bears North 72 degrees 27 minutes 55 seconds West a distance of 11.48 feet; thence leaving said Eastern right-of-way line of said 7th Street along the Northern line of said Vacated portion of 7th Street, North 72 degrees 33 minutes 41 seconds West a distance of 12.00 feet to a set Cotton Picker Spindle marking the Northwest corner of said Vacated portion of 7th Street; thence along the Western line of said Vacated portion of 7th Street, South 17 degrees 26 minutes 19 seconds West a distance of 58.28 feet to a set Cotton Picker Spindle marking the intersection of said Western line of said Vacated portion of 7th Street and the Westerly prolongation of the Southern line of a tract of land conveyed to Catherine Ann Berkley and Louis Berkley as described in Deed Book M1117 page 1748 of said land records of the City of St. Louis; thence along said Westerly prolongation, the South line of said Berkley tract, and the Easterly prolongation of said South line, South 72 degrees 30 minutes 27 seconds East a distance of 147.59 feet to a cut "X" in concrete marking the intersection of said Easterly prolongation of the Southern line of the Berkley tract and the centerline of said portion of the Alley in City Block 129 Vacated by City Ordinance No. 64978; thence along said centerline of the Vacated Alley, South 17 degrees 46 minutes 39 seconds West a distance of 22.50 feet to a set 1/2 inch iron rod marking the intersection of said centerline of the Vacated Alley and the Southern line of said Vacated portion of the Alley; thence leaving said centerline along said Southern line of the Vacated portion of the Alley, North 72 degrees 31 minutes 49 seconds West a distance of 7.50 feet to a cut "X" in concrete marking the Southeast corner of said Vacated portion of the Alley, said Southeast corner being on the Western line of the Alley in said City Block 129; thence along said Western line of the Alley, South 17 degrees 46 minutes 39 seconds West a distance of 94.07 feet to the intersection of said Western line of the Alley and the Northern right-of-way of Pine Street, 60 feet wide, from said intersection a cut "X" in concrete bears South 17 degrees 46 minutes 39 seconds West a distance of 5.00 feet; thence leaving said Western line of the Alley along said Northern right-of-way line of Pine Street, North 72 degrees 31 minutes 49 seconds West a distance of 42.46 feet to the Southeast corner of a tract of land conveyed to James Angelos as described in Deed Book 8122 page 411 of said land records of the City of St. Louis; Thence along the Eastern line of said Angelos tract, North 17 degrees 26 minutes 19 seconds East a

distance of 58.27 feet to the Northeast corner of said Angelos tract; thence along the Northern line of said Angelos tract, North 72 degrees 29 minutes 50 seconds West a distance of 42.47 feet to the Northwest corner of said Angelos tract; thence along the Western line of said Angelos tract, South 17 degrees 26 minutes 19 seconds West a distance of 58.30 feet to the Southwest corner of said Angelos tract, said Southwest corner being on said Northern right-of-way of Pine Street, from said Southwest corner a cut "X" inc concrete bears South 17 degrees 26 minutes 19 seconds West a distance of 5.00 feet; thence along said Northern right-of-way line of Pine Street, North 72 degrees 31 minutes 49 seconds West a distance of 54.47 feet to a set Cotton Picker Spindle marking the Southwest corner of said Vacated portion of 7th Street; thence leaving said Northern right-of-way line of Pine Street along the Western line of said Vacated portion of 7<sup>th</sup> Street, North 17 degrees 26 minutes 19 seconds East a distance of 116.62 feet to the point of beginning.

Containing 0.321 Acres (13,985 Square Feet), according to a survey by Grimes Consulting, Dated September 2009.

#### SURVEY PARCEL 5

A tract of land situated in the City of St. Louis, and the State of Missouri, being part of City Block 129 also being the same tract of land conveyed to the Neil S. Tober Revocable Trust as described in Deed Book 1796 page 497 of the land records of said City of St. Louis Missouri, and being more particularly described as follows:

COMMENCING at a cut "X" in concrete marking the intersection of the Southern right-of-way line of Olive Street, 60 feet wide, and the Eastern right-of-way line of said 7th Street, 60 feet wide, said intersection also being the Northwest corner of said City Block 129; thence along said South right-of-way line of Olive Street, South 72 degrees 26 minutes 51 seconds East a distance of 22.20 feet to the Northeast corner of a tract of land conveyed to S & P Holdings, LLC as described in Deed Book 04142008 page 0208 of the land records of said City of St. Louis, Missouri, from said Northeast corner a cut "X" in concrete bears North 17 degrees 24 minutes 56 seconds East a distance of 5.00 feet; thence continuing along said Southern right-of-way line of Olive Street, South 72 degrees 26 minutes 51 seconds East a distance of 39.49 feet to the Northeast corner of a tract of land conveyed to May Department Stores Company as described as Parcel 3 in Deed Book M958 page 981 of said land records of the City of St. Louis from said Northeast corner a cut "X" in concrete bears North 17 degrees 26 minutes 19 seconds East a distance of 5.00 feet, said Northeast corner also being the TRUE POINT OF BEGINNING of the tract herein described; thence continuing along said Southern right-of-way line of Olive Street, South 72 degrees 26 minutes 51 seconds East a distance of 40.00 feet to the Northwest corner of a tract of land conveyed to May Department Stores Company as described as Parcel 1 in Deed Book M958 page 981 of said land records of the City of St. Louis from said Northwest corner a cut "X" in concrete bears North 17 degrees 26 minutes 19 seconds East a distance of 5.00 feet; thence leaving said Southern right-of-way line of Olive Street along the Western line of said Parcel 1, South 17 degrees 26 minutes 19 seconds West a distance of 58.38 feet to the Southwest corner of said Parcel 1; thence North 72 degrees 27 minutes 55 seconds West a distance of 40.00 feet to the Southeast corner of said Parcel 3; thence along the eastern line of said Parcel 3, North 17 degrees 26 minutes 19 seconds East a distance of 58.40 feet to the point of beginning.

Containing 0.054 Acres (2,335 Square Feet), according to a survey by Grimes Consulting, Dated September 2009.

#### SURVEY PARCEL 6

A tract of land situated in the City of St. Louis, and the State of Missouri, being part of City Block 129 also being the same tract of land conveyed to Catherine Ann Berkley and Louis Berkley as described in Deed Book M1117 page 1748 of the land records of said City of St. Louis Missouri, and part of the Western portion of the Alley in said City Block 129 Vacated by City Ordinance No. 64978, and part of the portion of the right-of-way of 7th Street Vacated by City Ordinance No. 50495, and being more particularly described as follows:

COMMENCING at a cut "X" in concrete marking the intersection of the Southern right-of-way line of Olive Street, 60 feet wide, and the Eastern right-of-way line of said 7th Street, 60 feet wide, said intersection also being the Northwest corner of said City Block 129; thence along said Western right-of-way line of said 7th Street, South 17 degrees 26 minutes 19 seconds West a distance of 58.41 feet to the Northeast corner of said portion of the right-of-way of 7th Street Vacated by City Ordinance No. 50495, from said Northeast corner a found anchor

on curb bears North 72 degrees 27 minutes 55 seconds West a distance of 11.48 feet; thence leaving said Western right-of-way line of said 7th Street along the Northern line of said Vacated portion of 7<sup>th</sup> Street, North 72 degrees 33 minutes 41 seconds West a distance of 12.00 feet to a set Cotton Picker Spindle marking the Northwest corner of said Vacated portion of 7th Street; thence along the Western line of said Vacated portion of 7th Street, South 17 degrees 26 minutes 19 seconds West a distance of 29.13 feet to a set Cotton Picker Spindle marking the intersection of said Western line of said Vacated portion of 7th Street and the Westerly prolongation of the Southern line of a tract of land conveyed May Department Stores Company as described as Parcel 4 of Deed Book M958 page 981 of the land records of said City of St. Louis, thence along said Westerly prolongation, the South line of said Parcel 4, and the Easterly prolongation of said South line, South 72 degrees 29 minutes 11 seconds East a distance of 147.76 feet to a cut "X" in concrete marking the intersection of said Easterly prolongation of the Southern line of said Parcel 4 and the centerline of said portion of the Alley in City Block 129 Vacated by City Ordinance No. 64978; thence along said centerline of the Vacated Alley, South 17 degrees 46 minutes 39 seconds West a distance of 29.10 feet to a cut "X" in concrete marking the intersection of said centerline of the Vacated Alley and the Easterly prolongation of the Northern line of a tract of land conveyed May Department Stores Company as described as Parcel 6 of Deed Book M958 page 981 of said land records of the City of St. Louis; thence along said Easterly prolongation, along said Northern line of Parcel 6, and along the Westerly prolongation of said Northern line of Parcel 6, North 72 degrees 30 minutes 27 seconds West a distance of 147.59 feet to a set Cotton Picker Spindle marking the intersection of said Westerly prolongation of the Northern line of Parcel 6 and said Western line of the Vacated portion of 7th Street; thence along said Western line of the Vacated portion of 7th Street, North 17 degrees 26 minutes 19 seconds East a distance of 29.15 feet to the point of beginning.

Containing 0.099 Acres (4,300 Square Feet), according to a survey by Grimes Consulting, Dated September 2009.

#### SURVEY PARCEL 7

A tract of land situated in the City of St. Louis, and the State of Missouri, being part of City Block 129 also being the same tract of land conveyed to James Angelos as described in Deed Book 8122 page 411 of the land records of said City of St. Louis Missouri, and part of the portion of the right-of-way of 7th Street Vacated by City Ordinance No. 50495, and being more particularly described as follows:

COMMENCING at a cut "X" in concrete marking the intersection of the Southern right-of-way line of Olive Street, 60 feet wide, and the Eastern right-of-way line of said 7th Street, 60 feet wide, said intersection also being the Northwest corner of said City Block 129; thence along said Western right-of-way line of said 7th Street, South 17 degrees 26 minutes 19 seconds West a distance of 58.42 feet to the Northeast corner of said portion of the right-of-way of 7th Street Vacated by City Ordinance No. 50495, from said Northeast corner a found anchor on curb bears North 72 degrees 27 minutes 55 seconds West a distance of 11.48 feet; thence leaving said Western right-of-way line of said 7th Street along the Northern line of said Vacated portion of 7<sup>th</sup> Street, North 72 degrees 33 minutes 41 seconds West a distance of 12.00 feet to a set Cotton Picker Spindle marking the Northwest corner of said Vacated portion of 7th Street; thence along the Western line of said Vacated portion of 7th Street, South 17 degrees 26 minutes 19 seconds West a distance of 174.91 feet to a set Cotton Picker Spindle marking the Southwest corner of said Vacated portion of 7th Street, said Southwest corner being on the Northern right-of-way line of Pine Street, 60 feet wide; thence along said Northern right-of-way line of Pine Street, South 72 degrees 31 minutes 49 seconds East a distance of 54.47 feet to the Southeast corner of a tract of land conveyed May Department Stores Company as described as Parcel 8 of Deed Book M958 page 981 of the land records of said City of St. Louis, from said Southeast corner a cut "X" in concrete bears South 17 degrees 26 minutes 19 seconds West a distance of 5.00 feet; thence leaving said Northern right-of-way line of Pine Street along the Eastern line of said Parcel 8, North 17 degrees 26 minutes 19 seconds East a distance of 58.30 feet to the Northeast corner of said Parcel 8, said Northeast corner being on the Southern line of Parcel 7 of said Deed Book M958 page 981; thence along said Southern line of Parcel 7, South 72 degrees 29 minutes 50 seconds East a distance of 42.47 feet to the Northwest corner of Parcel 10 of said Deed Book M958 page 981; thence along the Western line of said Parcel 10, South 17 degrees 26 minutes 19 seconds West a distance of 58.27 feet to the Southwest corner of said Parcel 10, said Southwest corner of Parcel 10 being on said Northern right-of-way line of Pine Street, from said Southwest corner of Parcel 10 a cut "X" in concrete bears South 17 degrees 26 minutes 19 seconds West a distance of 5.00 feet; thence along said Southern right-of-way line of Pine Street, North 72 degrees 31 minutes 49 seconds West a distance of 42.47 feet to the point of beginning.

Containing 0.057 Acres (2,475 Square Feet), according to a survey by Grimes Consulting, Dated September 2009.

#### SURVEY PARCEL 8

A tract of land situated in the City of St. Louis, and the State of Missouri, lying in part of City Block 129, being the same tract of land conveyed to the Jillian Frobee Revocable Trust as described in Deed Book M1602 page 338 of the land records of said City of St. Louis, Missouri, and being more particularly described as follows:

COMMENCING at a cut "X" in concrete marking the intersection of the Southern right-of-way line of Olive Street, 60 feet wide, and the Western right-of-way line of said 7th Street, 60 feet wide, said intersection also being the Northwest corner of said City Block 129; thence along said Southern right-of-way line of Olive Street, South 72 degrees 26 minutes 51 seconds East a distance of 270.84 feet to a cut "X" in concrete marking the intersection of said Southern right-of-way line of Olive Street and the Western right-of-way line of 6th Street, 60 feet wide, said intersection also being the Northeast corner of said City Block 129; thence along said Western right-of-way line of 6th Street, South 17 degrees 29 minutes 58 seconds West a distance of 178.66 feet to the Southeast corner of a tract of land conveyed to C.A.G. Properties, LLC as described in Deed Book 06062008 page 0240 of said land records of the City of St. Louis, Missouri, from said Southeast corner a cut "X" in concrete bears South 72 degrees 31 minutes 49 seconds East a distance of 5.00 feet, said Southeast corner also being the TRUE POINT OF BEGINNING of the tract herein described; thence continuing along said Western right-of-way line of 6th Street, South 17 degrees 29 minutes 58 seconds West a distance of 54.28 feet to a cut "X" in concrete marking the intersection of said Western right-of-way line of 6th Street and the Northern right-of-way line of Pine Street, 60 feet wide, said intersection also being the Southeast corner of said City Block 129; thence along said Northern right-of-way line of Pine Street, North 72 degrees 31 minutes 49 seconds West a distance of 128.19 feet to a found "X" in concrete marking the intersection of said Northern right-of-way line of Pine Street and the Eastern right-of-way line of a 15 foot wide North-South Alley in said City Block 129; thence along said Eastern right-of-way line of the Alley, North 17 degrees 46 minutes 39 seconds East a distance of 54.28 feet to the Southwest corner of said C.A.G. Properties, LLC tract, from said Southwest corner a cut "X" in concrete bears North 72 degrees 31 minutes 49 seconds West a distance of 5.00 feet; thence along the Southern line of said C.A.G. Properties, LLC tract, South 72 degrees 31 minutes 49 seconds East a distance of 127.93 feet to the point of beginning.

Containing 0.160 acres (6,950 Square Feet), according to a survey by Grimes Consulting, Dated September 2009.

#### AIR RIGHTS BOUNDARY DESCRIPTION 1

A tract of land situated in the City of St. Louis, and the State of Missouri, being part of Olive Street, 60 feet wide, lying between City Block 128 and City Block 129 above the elevation 108.00 feet of the City of St. Louis Datum of 1843, and being more particularly described as follows:

COMMENCING at a cut "X" in concrete marking the intersection of the Southern right-of-way line of Olive Street, 60 feet wide, and the Eastern right-of-way line of said 7th Street, 60 feet wide, said intersection also being the Northwest corner of said City Block 129; thence along said Southern right-of-way line of Olive Street, South 72 degrees 26 minutes 51 seconds East a distance of 28.41 feet to the TRUE POINT OF BEGINNING of the tract herein described; thence leaving said Southern right-of-way line, North 17 degrees 16 minutes 24 seconds East a distance of 60.00 feet to a point on the Northern right-of-way line of said Olive Street said point bears South 72 degrees 26 minutes 51 seconds East a distance of 28.23 feet the intersection of said Northern right-of-way line of Olive Street and said Eastern right-of-way line of said 7th Street said intersection also being the Southwest corner of said City Block 128; thence along said Northern right-of-way line of Olive Street, South 72 degrees 26 minutes 51 seconds East a distance of 30.00 feet; thence leaving said Northern right-of-way line of Olive Street, South 17 degrees 16 minutes 24 seconds West a distance of 60.00 feet to said Southern right-of-way line of Olive Street; thence along said Southern right-of-way line of Olive Street, North 72 degrees 26 minutes 51 seconds West a distance of 30.00 feet to the point of beginning.

Containing 0.041 Acres (1,800 Square Feet), according to a survey by Grimes Consulting, Dated September 2009.

AIR RIGHTS BOUNDARY DESCRIPTION 2

A tract of land situated in the City of St. Louis, and the State of Missouri, being part of the 15 feet wide North-South Alley in City Block 129 above the elevation 75.25 feet of the City of St. Louis Datum of 1843, and being more particularly described as follows:

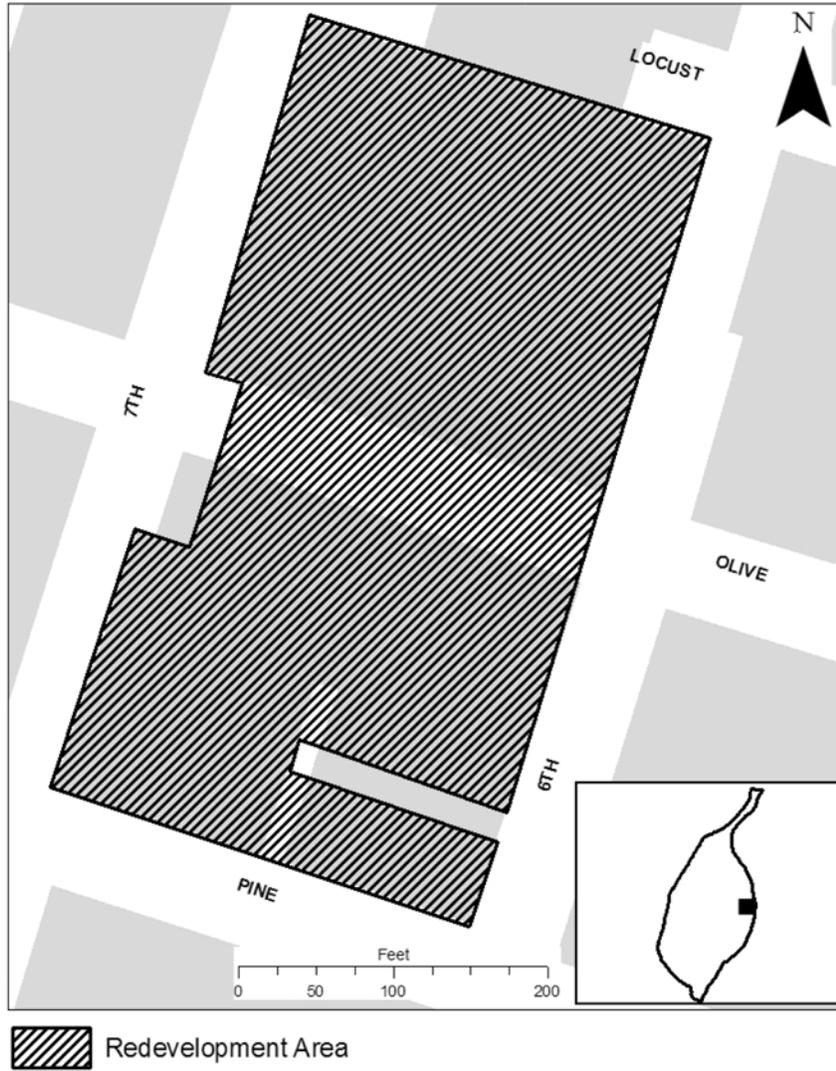
COMMENCING at a cut "X" in concrete marking the intersection of the Northern right-of-way line of Pine Street, 60 feet wide, and the Western right-of-way line of 6th Street, 60 feet wide, said intersection also being the Southeast corner of said City Block 129; thence along said Northern right-of-way line of Pine Street, North 72 degrees 31 minutes 49 seconds West a distance of 128.19 feet to the Southeast corner of said Alley, said Southeast corner being the TRUE POINT OF BEGINNING of the tract herein described; thence continuing along said Northern right-of-way line, North 72 degrees 31 minutes 49 seconds West a distance of 15.00 feet to the Southwest corner of said Alley; thence leaving said Northern right-of-way line of Pine Street along the Western line of said Alley, North 17 degrees 46 minutes 39 seconds East a distance of 54.28 feet; thence leaving said Western line of the Alley, South 72 degrees 31 minutes 49 seconds East a distance of 15.00 feet to the Eastern line of said Alley; thence along said Eastern line of the Alley, South 17 degrees 46 minutes 39 seconds West a distance of 54.28 feet to the point of beginning.

Containing 0.019 Acres (815 Square Feet), according to a survey by Grimes Consulting, Dated September 2009.

Together with all intervening streets and alleys, including a portion of Olive Street and a 15' W. north-south alley in City Block 129.

MAP OF RAILWAY EXCHANGE BUILDING REDEVELOPMENT AREA

RAILWAY EXCHANGE BUILDING TIF



**APPENDIX 2**  
**RAILWAY EXCHANGE BUILDING TIF REDEVELOPMENT PLAN**  
**ANTICIPATED SOURCES AND USES OF FUNDS (EXCLUDING DEVELOPER FEE)**

**USES OF FUNDS**

<b>Acquisition</b>	\$18,500,000
<b>Financing and Soft Costs</b>	
Architectural	\$1,200,000
Inspecting Architect	\$150,000
Engineering - MEP, Structural & Civil	\$1,200,000
Property Survey/Plat	\$250,000
Property Appraisal	\$25,000
Environmental Report	\$25,000
Legal	\$450,000
Tax Credit Issuance and Application Fees	\$650,000
<b>Interim/Financing Costs</b>	
Construction Period Insurance	\$45,000
Construction Period Interest	\$4,750,000
Construction Loan Fee	\$400,000
Construction Period Real Estate Taxes	\$750,000
Permanent Loan Fee	\$185,000
Project Contingency	\$1,500,000
Lease Up Period Interest	\$2,000,000
TIF Expenses	\$200,000
TIF Loan Fee	\$85,000
Title, Recording and Disbursing	\$375,000
Cost Certification/Accounting	\$200,000
Construction Period Utilities	\$350,000
<b>Marketing Costs</b>	
Advertising and Promotion	\$500,000
Leasing Literature	\$50,000
Signage	\$25,000
Commission - Office/Commercial Space	\$4,000,000
Misc.	\$300,000
<b>Construction Costs</b>	
Hard Costs - Core & Shell	\$46,400,000
Hard Costs - Tenant Improvements	\$12,400,000
Contingency	\$4,000,000
Exterior	\$1,250,000
Garage Repairs	\$2,000,000
Macy's Rehabilitation	\$2,500,000
Environmental Remediation	\$5,000,000
<b>Total Development Costs</b>	<b>\$ 111,715,000</b>

**SOURCES OF FUNDS**

<b>Construction Debt/Equity</b>	\$52,933,203
<b>TIF/CID/TDD/Sales Tax Rebate (All Phases)</b>	\$27,800,000
<b>Federal Historic Tax Credit Equity</b>	\$14,855,625
<b>Net State Historic Tax Credit Proceeds</b>	\$16,126,172
<b>Brownfield Tax Credit Proceeds</b>	\$4,125,000

Total Development Sources

\$ 111,715,000

**APPENDIX 3  
ANALYSIS OF CONDITIONS REPRESENTING A BLIGHTED AREA FOR THE  
RAILWAY EXCHANGE BUILDING REDEVELOPMENT AREA**

**ANALYSIS OF CONDITIONS REPRESENTING A BLIGHTED AREA**

*for the*  
**RAILWAY EXCHANGE BUILDING TIF REDEVELOPMENT AREA**

**RAILWAY EXCHANGE BUILDING  
TIF REDEVELOPMENT PLAN**

**November 6, 2009**

**City of St. Louis, Missouri  
Tax Increment Financing Commission**

**TIF ELIGIBILITY**

The Railway Exchange Building Redevelopment Area (the “Redevelopment Area” or “Area”) established in the Railway Exchange 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. Buildings’ exteriors;
  - b. Buildings’ interiors.
- 2) Improper Subdivision or Obsolete Platting:
  - a. Attachment of Building to vacant shopping mall via skyway.
- 3) Unsanitary and unsafe conditions resulting from:
  - a. Deteriorated site improvements;
  - b. Environmental contamination;
  - c. Excessive vacancy.
- 4) Existence of Conditions which Endanger Lives or Property by Fire or Other Causes:
  - a. Deteriorating physical components;
  - b. Environmental contamination.

These factors and conditions constitute:

- 1) A Menace to the Public Health, Safety, Morals or Welfare
- 2) An Economic or Social Liability:
  - a. Deferred maintenance;
  - b. Uncompetitive position;
  - c. Cost of environmental remediation.

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 October 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;
- C. Analysis of existing uses; and
- D. A Review of environmental reports for the Area.

#### OVERVIEW OF THE REDEVELOPMENT AREA

The Redevelopment Area consists of multiple parcels in City Blocks 128 and 129 located generally between 7th Street to the West, Locust Street to the North, 6th Street to the East, and Pine Street to the South as shown on Appendix 1 to the TIF Redevelopment Plan. The Area contains the Railway Exchange Building (the "Building"), along with a supporting parking garage with first floor retail (the "Parking Garage"). The Building and the Parking Garage (collectively, the "Buildings") are located to the north and south of Olive Street, respectively. The Area has previously been blighted under Section 99 of RSMo. by City Ordinance 58336 on July 20, 1981 and under Section 353 of RSMo. by City Ordinance 55952 on June 29, 1971.

#### 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 exterior and interior building components. Several of the upper floors of the Building have been vacant for a number of years and have steadily deteriorated. Primary components of the Building including wiring, plumbing, and HVAC are either in need of repair or require significant updates in order for the vacant space to be utilized. A site visit revealed several of the upper floors of the Building to be in poor condition with extensive renovations necessary to correct the deteriorated conditions. Wiring in the Building hangs loosely from the ceilings. On at least one floor, portions of the plumbing have been removed. Baseboards and flooring have been damaged and partially

removed. Much of the flooring must be replaced throughout the Building for it to be occupied. The detailed terra cotta exterior of the Building also suffers from deterioration due to age and use.

The Parking Garage shows signs of deterioration due to age and wear on the nearly 50-year old structure. There are multiple stress cracks throughout the parking structure. It is estimated that the structure will require significant improvements to repair the deterioration and bring the structure up to current commercial parking standards.

The Area suffers from deterioration of site conditions. 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) Improper Subdivision or Obsolete Platting

The Area suffers from obsolete platting. The Building was originally constructed as an unattached building for commercial and office uses. With the construction of several parking garages and the St. Louis Centre Mall (the "Mall"), a series of skyways were built to connect the Building and the Parking Garage to a number of other Downtown buildings. With changing trends in commercial and office real estate, the Mall closed and the skyway connecting the Mall to the Building has become obsolete. The Building, however, is still connected to the vacant Mall via the skyway.

3) Unsanitary or Unsafe Conditions:

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

As a factor of its age and previous updates to the Building during the last century, the Building contains large amounts of asbestos containing materials (ACM). Floor tile and/or mastic containing ACM is present on each of the 21 floors of the Building. In addition, pipe insulation and pipe fitting insulation containing ACM is also present on each floor of the Building. Without a continued period inspection and air sampling program as well as abatement of ACM materials as they become friable, the Building is unsafe for occupancy. Any renovation of the Building will require extensive environmental remediation for the ACM materials and any other hazardous substances discovered once a current Phase I and Phase II Assessment of the Area is conducted. This situation constitutes unsanitary or unsafe conditions within the Area and must be addressed prior to future occupancy of the Building.

The deteriorated conditions and piles of discarded furniture and other items present in the Building pose a clear fire hazard. In addition, the current vacancy of the upper floors of the Building, as well as the connection of the Building to the vacant Mall, represents serious security issues and unsafe conditions. Such vacancy attracts vagrants and breeds crime and vandalism. This situation, combined with the underutilization and the deteriorated conditions of several of the floors in the Area, represents an unsanitary or unsafe condition due to increased likelihood of fire and personal safety concerns within the Area.

These unsanitary and unsafe conditions prevent the full utilization of the Area and increase the cost of rehabilitation.

4) 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 present a danger to property and personal safety. As previously mentioned, the Buildings require extensive repairs to their primary components. The lack of maintenance and piles of refuse and debris pose a potential fire hazard for the Area and a condition which endangers lives or property by fire or other causes. During the site visit, evidence of vandalism within the Area was noted. In addition, the Building is largely vacant and connected to the Mall via a skyway, causing security and safety issues. The deteriorated conditions and underutilization of the Area likely encourages vandalism and crime.

As mentioned, previous studies have identified the presence of hazardous substances including ACM materials within the Area. Improper exposure of humans to these substances is extremely unsafe. Effects of these substances in humans can range from mild to severe illnesses, to various cancers, organ failure, or even death. The presence of these contaminants will require extensive environmental clean-up of the Area at a significant cost to any future developer before the Area will be able to be developed.

The blighting factors and conditions as outlined above constitute the following:

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 and excessive vacancy in the Area has the potential to negatively impact 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.

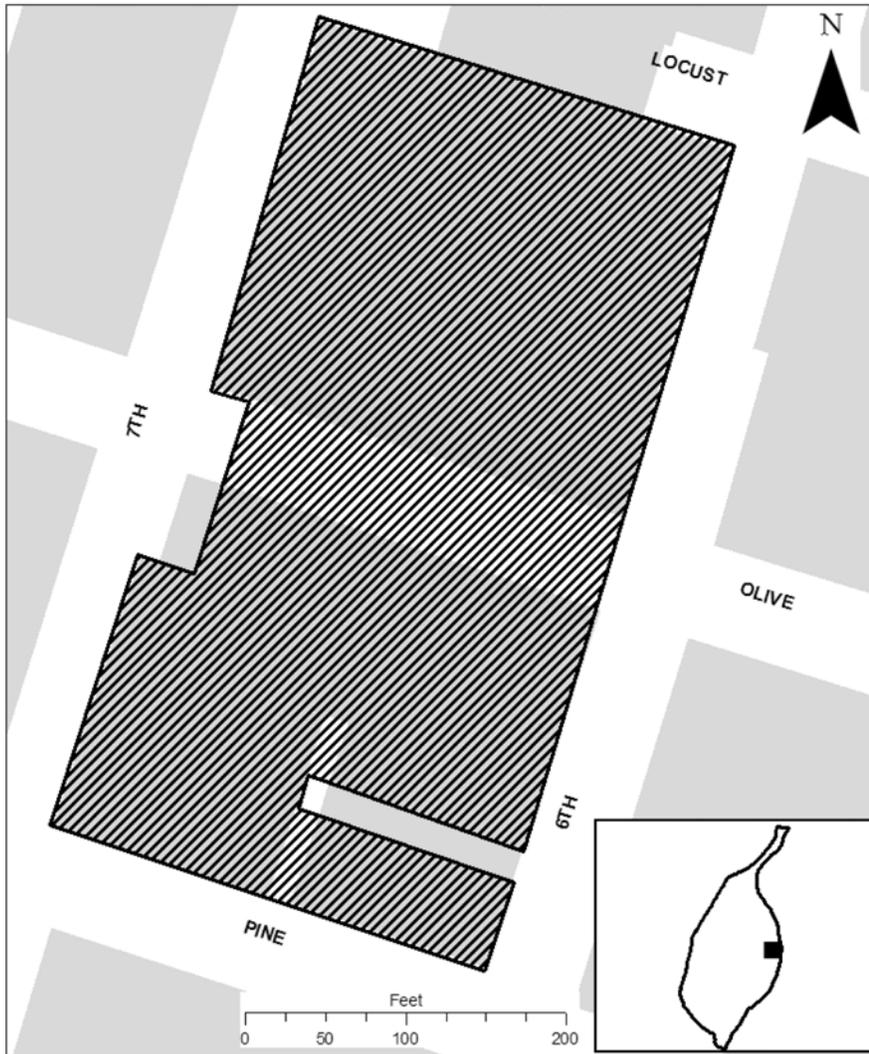
2) Economic or Social Liability:

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. The significant costs necessary to remediate the environmental contamination within the Area and to bring the Area to a fully marketable specialty mixed use development is a condition that is a major economic barrier to any future use for the Area. To overcome the underutilization of the Area, the conditions that contribute to economic and social liability must be remediated in order to allow for 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 and significant environmental contamination 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  
**Railway Exchange Building TIF Redevelopment Area**  
Blight Analysis



 Predominantly blighted

**Exhibit 2: Photographs of Blighted Conditions**



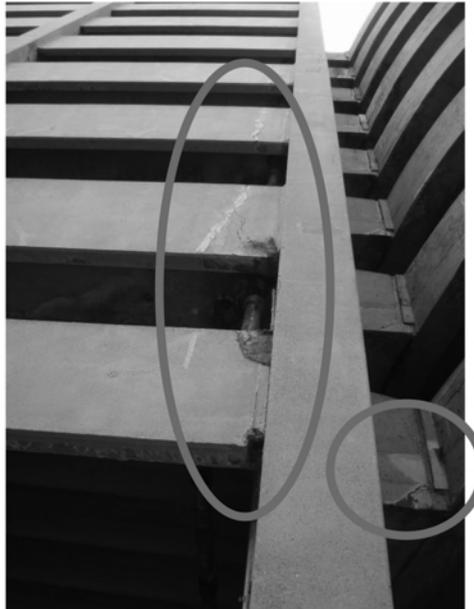
South side of the Railway Exchange Building



Associated nearly 50-year old parking structure located within the Area



Cracks and signs of deterioration on parking structure due to age and wear



View showing stress cracks and previous attempts at repair on parking structure



Vandalized vacant first floor retail business in Area



Stress cracks on parking garage ramp from deterioration due to age and use



Exterior of Railway Exchange Building showing deterioration due to age and use



Deteriorated conditions and piles of refuse constitute a fire and safety concern



Asbestos insulation is present on piping throughout the Railway Exchange Building



Deteriorated conditions and refuse within the Railway Exchange Building



Asbestos pipe insulation is present throughout the Railway Exchange Building



View of Area looking west on Olive Street

**APPENDIX 4  
RAILWAY EXCHANGE BUILDING TIF REDEVELOPMENT PLAN  
ANTICIPATED REDEVELOPMENT PROJECT SCHEDULE**

<b>First TIF Commission Meeting</b> ((\$5,000 Application fee due)	<b>10/28/2009</b>
<b>Mailing of Notice of TIF Commission Public Hearing to Taxing Districts</b> (not less than 45 days prior to hearing) (RSMo. 99.830.3)	<b>10/30/2009</b>
<b>Submit Redevelopment Plan to TIF Commission</b>	<b>11/6/2009</b>
<b>First Publication of Notice of TIF Commission Public Hearing</b> (not more than 30 days prior to hearing) (RSMo. 99.830.1)	<b>11/25/2009</b>
<b>Written Notice to Property Owners</b> (not less than 10 days prior to public hearing) (RSMo. 99.830.3)	<b>12/3/2009</b>
<b>Second Publication of Notice of TIF Commission Public Hearing</b> (not more than 10 days prior to public hearing) (RSMo. 99.830.1)	<b>12/9/2009</b>
<b>Public Hearing by TIF Commission</b> (RSMo. 99.825)	<b>12/16/2009</b>
<b>TIF Commission Recommendation to Board of Aldermen</b> (within 90 days of TIF Public Hearing) (RSMo. 99.820.3)	<b>12/16/2009</b>
<b>TIF Ordinances Introduced adopting plan, approving project, establishing district, establishing special allocation fund, approving redevelopment agreement and authorizing issuance of TIF Notes</b> (between 14 and 90 days after hearing) (RSMo. 99.820.1[1])	<b>1/8/2010</b>
<b>HUDZ Committee Hearing on TIF Ordinances</b>	<b>1/13/2010</b>
<b>Second Reading of TIF Ordinances</b>	<b>1/15/2010</b>
<b>Board of Estimate &amp; Apportionment</b>	<b>1/20/2010</b>
<b>Perfection of Board Bill(s)</b>	<b>1/22/2010</b>
<b>Third Reading and Final Passage of TIF Ordinances</b>	<b>1/29/2010</b>
<b>Mayor Signs Bills</b>	<b>2/8/2010</b>
<b>Construction Commences</b>	<b>12/1/2010</b>
<b>Construction Complete</b>	<b>12/31/2016</b>

**APPENDIX 5  
RAILWAY EXCHANGE BUILDING TIF REDEVELOPMENT PLAN  
CURRENT AND HISTORICAL INFORMATION CONCERNING THE EQUALIZED ASSESSED VALUE  
OF REDEVELOPMENT AREA**

<u>Street Address</u>	<u>Tax ID</u>	<u>Equalized Assessed Value (2009)</u>
600 Locust Street	01280000111	\$3,040,000
200 N. 7th Street	01290001400	\$1,200,000
617 Pine Street	01290001300	\$75,200
615 Pine Street	01290001200	\$75,200

201 N. 6th Street	01290001100	\$211,300
600 Olive Street	01290001800	\$667,200
216 N. 7th Street	01290001500	\$122,100
222 N. 7th Street	01290001600	\$123,700
612 Olive Street	01290000400	\$48,400
614 Olive Street	01290000300	\$70,800
620 Olive Street	01290000200	\$67,400

**HISTORY OF ASSESSED VALUE**

<b>TERM</b>	<b>AV</b>	<b>% CHANGE</b>
2004	\$ 4,527,300	-
2005	\$ 4,527,300	0%
2006	\$ 4,527,300	0%
2007	\$ 5,071,300	12%
2008	\$ 5,071,300	0%
2009	\$ 5,071,300	0%

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

APPENDIX 6  
RAILWAY EXCHANGE BUILDING TIF REDEVELOPMENT PLAN  
DEVELOPER'S AFFIDAVIT

13205 Manchester Road  
P.O. Box 790178  
St. Louis, MO 63179-0178  
Phone: (314) 543-3300  
mySouthwestBank.com



November 5, 2009

Re: Proposed Railway Exchange Building TIF project, St. Louis, Missouri

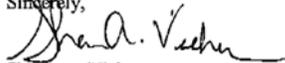
To Whom It May Concern:

The purpose of this letter is to evidence Southwest Bank an M&I Bank's preliminary commitment to provide financing for your proposed project involving the redevelopment of certain real property into commercial uses in the Railway Exchange 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.

Should you have any questions, please do not hesitate to call me @ (314) 543-3389.

Sincerely,



Shawn A. Vickers  
Assistant Vice President  
Southwest Bank an M&I Bank

Member FDIC

APPENDIX 7  
RAILWAY EXCHANGE BUILDING TIF REDEVELOPMENT PLAN  
EVIDENCE OF COMMITMENT TO FINANCE PROJECT COSTS

STATE OF MISSOURI            )  
  )  
County 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 Railway Exchange Building Tax Increment Financing Redevelopment Plan, initially dated November 5, 2009 (the "Redevelopment Plan").

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

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

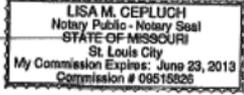
And Further Affiant Sayeth Not.

RNY, LLC  
a Missouri limited liability company

By: [Signature]  
Name: Richard K. Yackey  
Title: Member

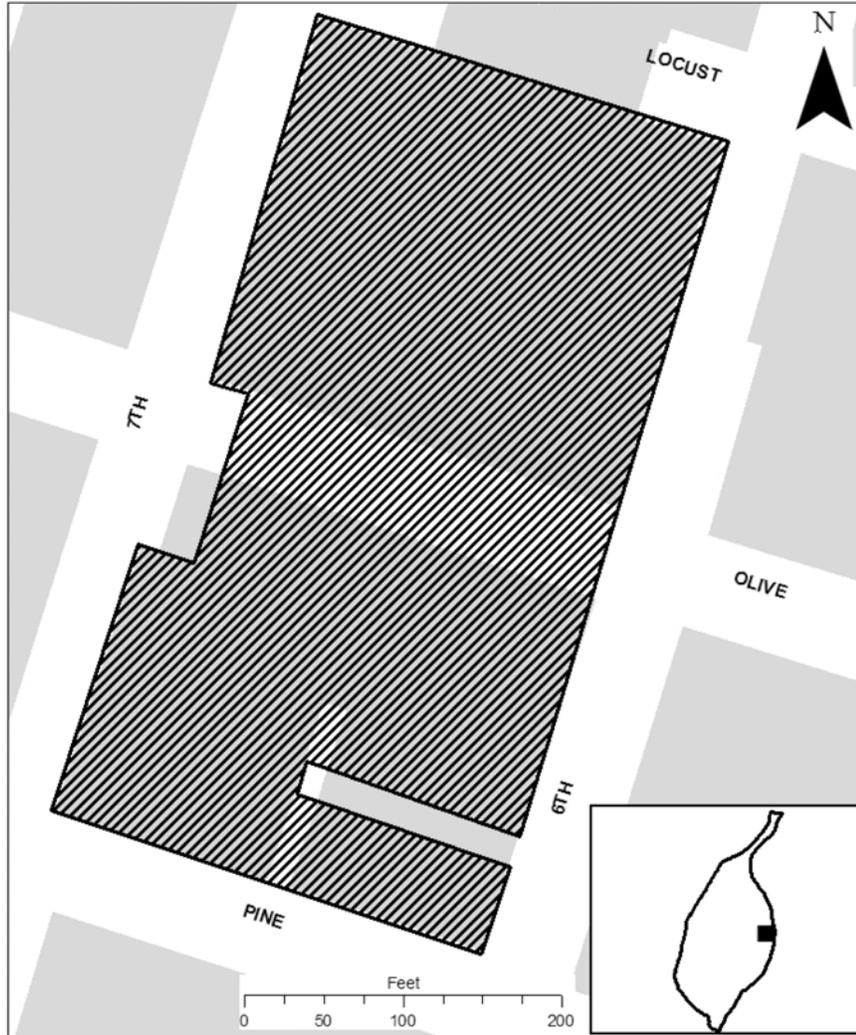
Subscribe and sworn to before me this 5<sup>th</sup> day of November 2009.

[Signature]  
Notary Public

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


APPENDIX 8  
RAILWAY EXCHANGE BUILDING TIF REDEVELOPMENT PLAN

GENERAL LAND USES TO APPLY



 Specialty Mixed Uses

Approved: March 29, 2010