

ORDINANCE #69140
Board Bill No. 288

An Ordinance designating a portion of the City of St. Louis, Missouri as a redevelopment area known as the 2727 Washington 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 2727 Washington Special Allocation Fund; authorizing certain actions by City officials; and containing a severability clause.

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

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

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

WHEREAS, staff and consultants of the City and Birch LLC, a Missouri limited liability company, an affiliate of 4900 Manchester TIF, Inc., a Missouri corporation (the “Developer”), prepared a plan for redevelopment titled the “2727 Washington TIF Redevelopment Plan” dated January 3, 2012 (the “Redevelopment Plan”) for an area located in City Block 983 and containing three parcels commonly numbered as 2727 Washington Avenue, 2713 Washington Avenue, and 2728 Dr. Samuel T. Shepard Drive (the “Redevelopment Area” or “Area”), which Redevelopment Area is more fully described in the Redevelopment Plan, attached hereto and incorporated herein as **Exhibit A**; and

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

WHEREAS, on February 1, 2012, 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 February 1, 2012, the TIF Commission found that completion of the Redevelopment Project would provide a substantial and significant public benefit through the elimination of blighting conditions, the creation of new jobs in the City, increased property values and tax revenues, preservation of historic structures, stabilization of the Redevelopment Area, facilitation of the economic stability of the City as a whole, and further found that without the assistance of tax increment financing in accordance with the TIF Act, the Redevelopment Project is not financially feasible and would not otherwise be completed; and

WHEREAS, on February 1, 2012, the TIF Commission voted to recommend that the Board of Aldermen adopt an ordinance in the form required by the Act (i) adopting tax increment financing within the Redevelopment Area, (ii) approving the Redevelopment Plan, (iii) approving and designating the Redevelopment Area as a “redevelopment area” as provided in the Act, (iv) approving the Redevelopment Project as described within the Redevelopment Plan, and (v) approving the issuance of one or more tax increment financing revenue notes in the amount as specified in the Redevelopment Plan; and

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

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

WHEREAS, the Redevelopment Area qualifies for the use of tax increment financing to alleviate the conditions that

qualify it as a “blighted area” as provided in the TIF Act and as set forth herein; and

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

WHEREAS, it is necessary and desirable and in the best interest of the City to approve the Redevelopment Project to allow the rehabilitation of the building in the Redevelopment Area into commercial space; and

WHEREAS, it is necessary and desirable and in the best interest of the City to adopt tax increment allocation financing within the Redevelopment Area and to establish a special allocation fund for the Redevelopment Area in order to provide for the promotion of the general welfare through redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan which redevelopment includes, but is not limited to, assistance in the physical, economic, and social development of the City of St. Louis, providing for a stabilized population and plan for the optimal growth of the City of St. Louis, encouragement of a sense of community identity, safety and civic pride, and the elimination of impediments to land disposition and development in the City of St. Louis.

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

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

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

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

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

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

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

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

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

H. The Redevelopment Area includes only those parcels of real property and improvements thereon directly and substantially benefitted 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 February 1,

2012, 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 "2727 Washington Special Allocation Fund." To the extent permitted by law and except as otherwise provided in the Redevelopment Plan, the City hereby pledges funds in the 2727 Washington Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof.

SECTION FIVE. Tax increment allocation financing is hereby adopted within the Redevelopment 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 2727 Washington Special Allocation Fund for the purpose of paying redevelopment costs and obligations incurred in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the Redevelopment 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 2727 Washington Special Allocation Fund.

SECTION SEVEN. The Comptroller of the City is hereby authorized to enter into agreements or contracts with other taxing districts as 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 2727 Washington Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof, all in accordance with the TIF Act.

SECTION EIGHT. The City Register is hereby directed to submit a certified copy of this Ordinance to the City Assessor, who is directed to determine the total equalized assessed value of all taxable real property within the Redevelopment 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
2727 WASHINGTON TIF REDEVELOPMENT PLAN**

**2727 WASHINGTON
TIF REDEVELOPMENT PLAN**

**submitted to
the City of St. Louis
Tax Increment Financing Commission
January 3, 2012**

**2727 WASHINGTON
TIF REDEVELOPMENT PLAN
TABLE OF CONTENTS**

- I. INTRODUCTION
- II. OVERVIEW OF TAX INCREMENT FINANCING
- III. REDEVELOPMENT PLAN INCLUDING NECESSARY FINDINGS
 - 1. LEGAL DESCRIPTION AND MAP OF THE REDEVELOPMENT AREA
 - 2. REDEVELOPMENT PLAN OBJECTIVES
 - 3. REDEVELOPMENT PROJECT
 - 4. GENERAL LAND USES TO APPLY
 - 5. REDEVELOPMENT SCHEDULE AND ESTIMATED DATES OF COMPLETION
 - 6. MOST RECENT EQUALIZED ASSESSED VALUE OF PARCELS WITHIN REDEVELOPMENT AREA
 - 7. ESTIMATED EQUALIZED ASSESSED VALUE AFTER REDEVELOPMENT
 - 8. ACQUISITION
 - 9. BLIGHTED AREA
 - 10. CONFORMS WITH THE COMPREHENSIVE PLAN OF THE CITY

11. PLAN FOR RELOCATION ASSISTANCE
12. COST BENEFIT ANALYSIS
13. DOES NOT INCLUDE GAMBLING ESTABLISHMENT
14. REPORTS TO DED
15. HISTORICAL LAND USE

IV. FINANCING PLAN

1. ELIGIBLE REDEVELOPMENT PROJECT COSTS
2. ANTICIPATED SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS
3. TIF NOTE FUNDING
4. EVIDENCE OF COMMITMENT TO FINANCE PROJECT COSTS

2727 WASHINGTON

**TIF REDEVELOPMENT PLAN
APPENDICES**

1. LEGAL DESCRIPTION AND MAP OF THE REDEVELOPMENT AREA
2. ANTICIPATED SOURCES AND USES OF FUNDS
3. ANALYSIS OF CONDITIONS REPRESENTING A BLIGHTED AREA FOR THE 2727 WASHINGTON REDEVELOPMENT AREA
4. ANTICIPATED REDEVELOPMENT PROJECT SCHEDULE
5. CURRENT AND HISTORICAL INFORMATION CONCERNING THE EQUALIZED ASSESSED VALUE WITHIN THE REDEVELOPMENT AREA
6. DEVELOPER'S AFFIDAVIT
7. EVIDENCE OF COMMITMENT TO FINANCE PROJECT COSTS
8. GENERAL LAND USES TO APPLY

I. INTRODUCTION

The following is a plan prepared for redevelopment of certain real property in the City of St. Louis (the "City") consisting of three parcels in City Block 983 located at 2727 Washington Avenue, 2713 Washington Avenue, and 2728 Dr. Samuel T. Shepard Drive (the "Redevelopment Area" or "Area"). The Area currently contains a approximately 12,000 square foot building (the "Building"). A legal description and map of the Redevelopment Area is 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 redevelopment of the Area into commercial, governmental, medical, or institutional 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 Four Hundred Fifty Thousand and No/100 Dollars (\$450,000.00) 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"), if any, generated by the Project over a twenty-three year period. 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 2727 Washington Special Allocation Fund, in accordance with and pursuant to

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

II. OVERVIEW OF TAX INCREMENT FINANCING

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

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

The concept of tax increment financing is outlined as follows: implementation of a redevelopment project within the redevelopment area will produce increased real estate assessments attributable to the redevelopment within the area. The area then generates PILOTS on the increased assessed value of the improved property. The project also generates new EATS resulting from operations within the redevelopment or project area. The TIF Act authorizes the capture of certain PILOTS and EATS in the redevelopment or project area over and above such levels within that area in the year of approval of the redevelopment project (with respect to PILOTS) and in the year prior to the approval of the redevelopment project (with respect to EATS). New development is made possible within the redevelopment area through the municipality’s use of incremental revenues to finance certain costs of developing or redeveloping the area.

The municipality segregates these incremental revenues into a special account, the “special allocation fund,” during the period of time in which the incremental revenues are dedicated to the purposes identified in the redevelopment plan. The municipality is further authorized to pledge additional net new revenues from the project to the purposes identified in the redevelopment plan. Taxing districts also benefit from the increase in certain other taxes resulting from the increased economic activity in the redevelopment or project area. These taxes resulting from development of the redevelopment project are not deposited in the special allocation fund pursuant to the provisions of the TIF Act.

III. REDEVELOPMENT PLAN INCLUDING NECESSARY FINDINGS

1. Legal Description of the Redevelopment Area

A legal description and map of the Redevelopment Area are included herein as **Appendix 1**. The Area includes the real property generally described as 2727 Washington Avenue, 2713 Washington Avenue, and 2728 Dr. Samuel T. Shepard Drive in the City of St. Louis.

2. Redevelopment Plan Objectives

The City of St. Louis has established the following objectives for the 2727 Washington TIF Redevelopment Plan. These objectives are consistent with those purposes outlined in the TIF Act, as amended:

- To reduce or eliminate the conditions that cause the Redevelopment Area to be a “blighted area” as defined by Section 99.805(1) of the TIF Act and as described in this Redevelopment Plan;
- To enhance the public health, safety, and welfare of the community by curing blighting conditions and encouraging other improvements necessary for insuring the Area’s
- stability and existing and future redevelopment consistent with this Redevelopment Plan;
- To enhance the tax base by inducing development of the Redevelopment Area to its highest and best use, 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);
- To increase property values of the Area and surrounding areas;
- Increase occupancy and use of an existing building, thus ensuring it does not continue to fall into disrepair; and
- To stimulate construction and permanent employment opportunities and increased demand for services for the Area and surrounding areas.

3. Redevelopment Project

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

- Commercial Use Renovation of the building located within the Redevelopment Area for commercial, medical, institutional and/or governmental use

It is expected that the Redevelopment Project will encourage additional redevelopment activity in Midtown Neighborhood and will stabilize and enhance the perception of this portion of St. Louis as a safe and active environment. In addition, the Project will reuse an existing building and bring an otherwise obsolete structure into productive use.

The total estimated Redevelopment Project Costs for the Redevelopment Project at this time equal approximately \$1,699,700 (excluding developer fees), as set forth in greater detail in **Appendix 2**. It should be noted that the costs set forth in **Appendix 2** are estimated based on the knowledge of the Redevelopment Project at this time and that the actual redevelopment cost items for implementing the Redevelopment Project may vary depending on market conditions and other factors.

4. General Land Uses to Apply

The general land uses proposed for the Area are commercial 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 twelve (12) 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. Current 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**.

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 \$428,813.

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 2727 Washington Redevelopment Area* attached hereto as **Appendix 3** and incorporated herein by this reference, the Redevelopment Area as a whole is a blighted area, and has not been subject to growth and development through investment by private enterprise and will not reasonably be expected to be developed without the adoption of tax increment financing. The Developer has executed an affidavit attesting to the existence of these conditions, which 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. In its present state, the Building located within the Redevelopment Area is not leasable without remediation of the existing conditions of blight.

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 an "Opportunity 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 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

Located in Midtown, the Building was constructed in 1955 and has historically been used as a commercial warehouse and storage facility. Currently, the property is used as a commercial wholesale screen printing facility which will be relocated to outside of the City of St. Louis.

IV. FINANCING PLAN1. Eligible Redevelopment Project Costs

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

within the redevelopment area, including the retention of funds for the payment of future redevelopment costs.

The estimated Redevelopment Project Costs to be incurred in connection with the TIF Project are approximately \$450,000 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 \$450,000 in Redevelopment Project Costs.

CATEGORY	
	Acquisition Costs
	Demolition Costs (includes, but is not limited to, demolition of existing building 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 building and structures and construction of common improvements to the Redevelopment Area and construction of new structures as permitted by the TIF Act.
\$ 450,000	TOTAL

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

2. Anticipated Sources of Funding to Pay Redevelopment Project Costs

There are three (3) 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;
- Funds available through the issuance of TIF notes, bonds, loans, or other certificates of indebtedness (herein collectively referred to as “TIF Note(s)”).

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 Four Hundred Fifty Thousand and No/100 Dollars (\$450,000.00) plus issuance costs to fund a portion of the Redevelopment Project Costs associated with completion of the Redevelopment Project, with a term of retirement for all such issues not more than 23 years. The TIF Notes or other financial obligations will be issued only to finance the Redevelopment Project and Redevelopment Project Costs as outlined in **Appendix 2**, which are eligible costs as specified in Section 99.805(11) of the TIF Act, including any costs of issuing the TIF Notes or other financial obligations.

The 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 2727 Washington Special Allocation Fund.

The 2727 Washington Special Allocation Fund will contain at least two accounts as provided for and in accordance with the TIF Act:

- A. 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
- B. 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, if any, 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.

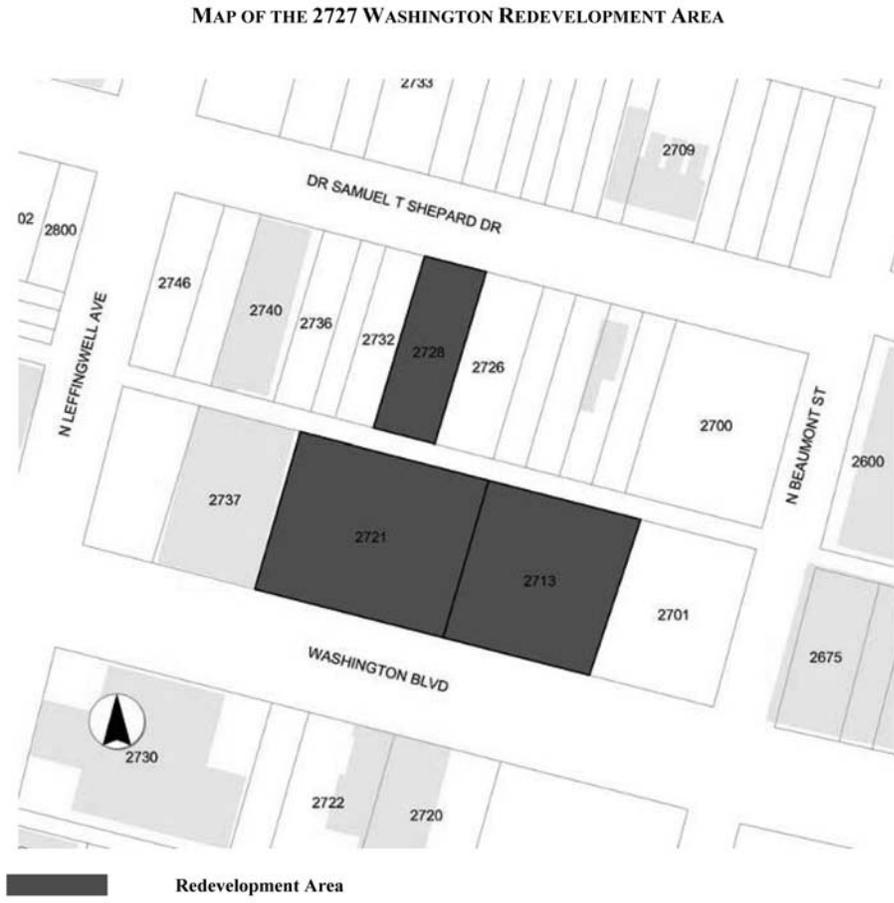
**APPENDIX 1
2727 WASHINGTON TIF REDEVELOPMENT PLAN
LEGAL DESCRIPTION AND MAP OF REDEVELOPMENT AREA**

Parcel No. 1: Lots 9 to 14 inclusive in Block 18 of Stoddard Addition and in Block 983 of the City of St. Louis, together fronting 150 feet on the North line of Washington Boulevard by a depth Northwardly of 124 feet 8 inches to an alley.

Parcel No. 2: Lots 27 and 28 in Block 18 of Stoddard Addition and in Block 983 of the City of St. Louis, together fronting 50 feet on the South line of Lucas Avenue by a depth Southwardly of 134 feet 8 inches to an alley.

Parcel No. 3: The West 15 feet of Lot 4 and all of Lots 5, 6, 7 and 8 in Block 18 of Stoddard Addition, and in Block 983 of the City of St. Louis, together fronting 115 feet on the North line of Washington Boulevard by a depth Northwardly of 124 feet 8 inches to an alley.

MAP OF THE 2727 WASHINGTON REDEVELOPMENT AREA



**APPENDIX 2
2727 WASHINGTON TIF REDEVELOPMENT PLAN
ANTICIPATED SOURCES AND USES OF FUNDS**

USES OF FUNDS

Acquisition	\$475,000
Construction Costs	
Hard Costs	\$961,200
Contingency	\$106,800
Financing Costs and Soft Costs	
Architect/Engineering	\$15,000
Environmental	\$20,000
Survey \$5,000	
Title, Recording and Disbursing	\$5,000
TIF Legal Fees	\$55,000
Lease Commission Fees	<u>\$56,700</u>
Total Development Costs	\$1,699,700

SOURCES OF FUNDS

Construction Debt & Owner's Equity	\$1,249,700
TIF Assistance	<u>\$450,000</u>
Total Development Sources	\$1,699,700

**APPENDIX 3
ANALYSIS OF CONDITIONS REPRESENTING A BLIGHTED AREA FOR THE
2727 WASHINGTON REDEVELOPMENT AREA**

ANALYSIS OF CONDITIONS REPRESENTING A BLIGHTED AREA
for the
2727 WASHINGTON TIF REDEVELOPMENT AREA

2727 WASHINGTON
TIF REDEVELOPMENT PLAN

January 3, 2012

City of St. Louis, Missouri
Tax Increment Financing Commission

TIF ELIGIBILITY

The 2727 Washington Redevelopment Area (the "Redevelopment Area" or "Area") established in the 2727 Washington Redevelopment Plan (the "TIF Redevelopment Plan") is a blighted area based on the fact that it exhibits the factors set forth in Section 99.805(1) of the Revised Statutes of Missouri (the "TIF Act").

As defined, a "blighted area" is:

An area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.

Blighting factors and conditions present in the Redevelopment Area include:

- 1) Deterioration of Site Improvements:
 - a. Building exterior;
 - b. Building interior;
 - c. Building mechanical systems;
 - d. Parking area deterioration; and

- 2) Unsanitary and unsafe conditions resulting from:
 - a. Deteriorated site improvements;
 - b. Asbestos and industrial chemical use;
 - c. Lack of indoor sprinkler system; and

- 3) Existence of Conditions which Endanger Lives or Property by Fire or Other Causes:
 - a. Deteriorating physical components;
 - b. Lack of indoor sprinkler system;
 - c. Asbestos and industrial chemical use; and

These factors and conditions constitute:

- 1) A Menace to the Public Health, Safety, Morals or Welfare
 - a. Fire hazard;
 - b. Underground sewer lines discharge causing internal flooding; and c. Asbestos and industrial chemical remediation.

- 2) An Economic or Social Liability:
 - a. Deferred maintenance;
 - b. Uncompetitive position;
 - c. Unsafe conditions; and
 - d. Lack of ADA compliant access.

The factors listed above will persist and continue to decline until the 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 December 2011. 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

OVERVIEW OF THE REDEVELOPMENT AREA

The Redevelopment Area consists of three parcels in City Block 983 located at 2727 Washington Avenue, 2713 Washington Avenue, and 2728 Dr. Samuel T. Shepard Drive as shown on Appendix 1 to the TIF Redevelopment Plan. The Area contains one building located at 2727 Washington Avenue (the “Building”), a side parking lot, and a rear parking lot located at 2728 Dr. Samuel T. Shepard Drive.

DISCUSSION OF BLIGHT IN THE REDEVELOPMENT AREA1) 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. The roof of the building has significant damage and leaks during inclement weather have caused water damage to the ceiling. Since the Building was constructed in 1955, asbestos tiles have been used on the ceiling and floor. Given the damage caused by the roof to the ceiling, the ceiling tiles have water damage in several areas and are generally deteriorating and require remediation. A public sewer line runs underneath the adjacent parking lot and Building. During rain storms, the sewer often overcharges and backs up through the Building's internal plumbing system. This has caused significant damage to the Building's floor and renders internal improvements nearly impossible without relocating the sewer lines underneath the Building at significant expense. The foundation of the building contains a crack on the northwest corner of the Building which has caused the Building to settle more quickly in that corner of the Building. The Building has historically been used by a commercial screen print manufacturer and thus contains a significant amount of industrial paints and chemicals that have stained and eroded portions of the interior of the Building. Moreover, the Building does not have ADA compliant access nor does it provide for ADA compliant accommodation inside of the Building. Primary components of the Building including wiring and plumbing are either in need of repair or require significant updates. Secondary components of the Building, including doors, garage doors, windows, bathrooms, frames, gutters, and require replacement or significant repair.

The existing parking areas adjacent to and to the rear of the Building have fallen into significant disrepair. There are several cracks in the asphalt that have been tarred over without addressing the root cause. Trees have been allowed to grow around the back parking lot and their roots have caused the asphalt to warp. These areas will require repaving in order for them to be used by the Building's occupants and their customers. Moreover, the existing parking spaces do not satisfy the City's zoning requirements for office users and will require expansion into the adjacent undeveloped vacant lot.

The Area suffers from significant deterioration of improvements and 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) Unsanitary or Unsafe Conditions:

In addition to the general physical deterioration of site improvements stated above, the Area contains unsanitary or unsafe conditions. The Building has not been remodeled or improved upon since a building permit was applied for in 1996 to install a commercial electric sign. Thus, the Building currently does not meet the City of St. Louis' Fire Code because it lacks an internal sprinkler system. Given the presence of combustible chemicals within the Building related to the screen printing business as well as the presence of temporary walls and other flammable materials, the Building represents a significant fire hazard to the neighborhood. This condition is only exacerbated by the Building's history of roof leaks and flooding caused by the overcharged sewer lines underneath the Building, which increase the risk for electrical fires and other fire related hazards.

The flooding caused by the overcharged sewer lines also represents an unsanitary condition related to the Building. The water that floods the Building constitutes an unsanitary condition that requires immediate clean-up to avoid further contamination and damage to the Building's mechanical systems and equipment located within the Building and ensure employees and other users inside the Building work in a sanitary environment. The residue left by the water also damages the Building's walls and floor and the current user has largely elected to strip down the building to its concrete walls and floor to avoid future damage.

During the site visit, it was noted that the Building lacks adequate and secure parking. The current parking areas are poorly lit and the current occupant of the Property has reported car break-ins that have affected the employees located in the

Building. Discarded alcohol bottles and other debris were present on the vacant lot adjacent to the site and the abandoned and boarded up home to the north of the Property has been reported according to the Citizen's Service Bureau as containing "Derelicts on Private Property." This situation, combined with the underutilization of the Building, represents an unsafe condition due to the increased threat to personal safety in the Area.

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

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

The deteriorating condition of the Area has resulted in conditions that are unsafe and present a danger to property and personal safety. As previously mentioned, the Building requires extensive repairs to its primary components. The lack of maintenance and deteriorated conditions pose a potential danger to lives or property by fire in the Area and a condition which endangers lives or property by fire or other causes. Moreover, as previously mentions, the Building does not have an internal sprinkler system, which combined with the presence of combustible chemicals and flammable materials, present a fire hazard.

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 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 bring the Area to a marketable development represents 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 taxes for the City up to its full potential. Without the redevelopment of the Area, its physical condition will continue to deteriorate and its economic efficiency will suffer.

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

Exhibit 1

2727 Washington TIF Redevelopment Area

Exhibit 1
2727 Washington TIF Redevelopment Area



Exhibit 2: Photographs of Blighted Conditions



Front of Building



Cracks and wear and tear in adjacent parking lot



Sewer manhole in adjacent parking lot and downspout; sewer line runs underneath building and frequently overcharges, discharging water into the building



Corroded metal side door and railing; access is not ADA compliant



Adjacent vacant lot under control of Developer; cracks in the exterior stucco of the Building; boarded and vacant house in the immediate vicinity of the Redevelopment Area



Crumbling foundation of prior adjacent Building; empty liquor bottles and general trash and debris were present at the site visit



Building has 4 cargo doors in significant disrepair



Rear Parking lot; exhibits significant cracks and lack of maintenance due to tree and undergrowth; Parking lacks sufficient lighting



Cracks in the sidewalk immediately adjacent to Building; obsolete cargo door will need to be replaced/bricked to improve Building security



Crumbling foundation at northeast corner of building; interior crack shows signs of uneven Building settlement



Cracked door window; framing in need of significant repair; electrical system for the Building contains exposed fuses and wiring in the boiler room where large portion of Building flooding occurs.



Corroded industrial chemical barrels used for commercial screen printing business; barrels are located in the boiler room where large portion of Building flooding occurs



Rusted and corroded utility sink and equipment; chemical and paint stains on the floor



Obsolete fire door and fire resistant cabinets



Non-ADA compliant internal storage area; floor corrosion and deterioration



Building internal drain that floods utility room during rainstorms; will need to be relocated to resolve flooding problem



Deteriorating door and door frame; crack in wall



Crumbing door frame; corroded metal door; asbestos tile on the floor; water damage from flooding



Drain outside of door that causes flooding inside Building



Exposed electrical wire; water damage from roof leak; asbestos tile



Damage around HVAC v; water damage; asbestos tile; broken light fixtures



Wall corrosion around HVAC vent



Water damage on floor tile



Water damage on asbestos tile floor



Internal piping system in utility room; sediment from previous water damage



Internal piping system in utility room; water damage and sediment from previous water damage



Non-ADA compliant bathroom facility; sole bathroom for the Building

**APPENDIX 4
2727 WASHINGTON TIF REDEVELOPMENT PLAN
ANTICIPATED REDEVELOPMENT PROJECT SCHEDULE**

First TIF Commission Meeting	12/14/2011
Mailing of Notice of TIF Commission Public Hearing to Taxing Districts (not less than 45 days prior to hearing) (RSMo. §99.830.3)	12/16/2011
Submit Redevelopment Plan to TIF Commission (at least 45 days prior to public hearing)	12/16/2011
First Publication of Notice of TIF Commission Public Hearing (not more than 30 days prior to hearing) (RSMo. §99.830.1)	1/2/2012
Written Notice to Property Owners (not less than 10 days prior to public hearing) (RSMo. §99.830.3)	1/20/2012
Second Publication of Notice of TIF Commission Public Hearing (not more than 10 days prior to public hearing) (RSMo. §99.830.1)	1/23/2012
Public Hearing by TIF Commission / Recommendation to Board of Aldermen	2/1/2012
TIF Ordinances introduced adopting plan, approving project, establishing special allocation fund, approving redevelopment agreement and authorizing of TIF Note issuance (no sooner than 14 and not more than 90 days after hearing) (RSMo. §99.820.1[1])	2/17/2012
HUDZ Committee Hearing on TIF Ordinances	2/22/2012
Second Reading of TIF Ordinances	2/24/2012
Perfection of Board Bill(s)	3/2/2012
Third Reading and Final Passage of TIF Ordinances	3/2/2012
Mayor Signs Bills (at least 10 days after third reading and final passage of TIF Ordinances)	3/12/2012
TIF Ordinances Become Effective (30 days following signature of TIF Ordinances by the Mayor)	4/11/2012
Execution of Redevelopment Agreement (expected within 90 days of effective date of TIF Ordinances)	7/10/2012
Commencement of Construction (expected within 180 days of effective date of TIF Ordinances)	7/10/2012
Completion of Construction	7/10/2013

APPENDIX 5
2727 WASHINGTON TIF REDEVELOPMENT PLAN
EQUALIZED ASSESSED VALUE OF REDEVELOPMENT AREA

Street Address	Tax ID	Equalized Assessed Value		
		2011	2009	2007
2727 Washington	983001900	\$96,600	\$ 84,000	\$ 80,700
2713 Washington	983001800	\$12,600	\$ 12,600	\$ 12,600
2713 Washington (Billboard)	983001808	\$1,400	\$ 1,400	\$ 1,400
2728 Dr. Samuel T. Shepard Dr.	983000700	\$8,400	\$ 8,400	\$ 7,900

APPENDIX 6
2727 WASHINGTON TIF REDEVELOPMENT PLAN
DEVELOPER'S AFFIDAVIT

STATE OF MISSOURI)
)
CITY OF ST. LOUIS)

AFFIDAVIT

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

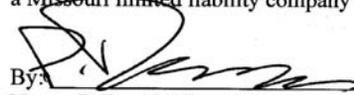
The undersigned swears, affirms and certifies the following to be true to induce the approval of Tax Increment Financing for the Redevelopment Area described in the 2727 Washington Tax Increment Financing Redevelopment Plan, initially dated January 3, 2012 (the "Redevelopment Plan").

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

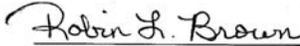
2. I am familiar with the Redevelopment Area described in the Redevelopment Plan. In my opinion, based on the factors set forth in the Redevelopment Plan, the Redevelopment Area, on the whole, qualifies as a "blighted area" as defined in Section 99.805(3) of the Missouri Revised Statutes (2000), and 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.

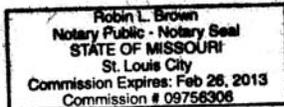
Birch LLC
a Missouri limited liability company

By: 
Name: P. David Glarner
Title: Authorized Signatory

Subscribe and sworn to before me this 28th day of December 2011.


Notary Public

My Commission Expires: Feb. 26, 2013



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APPENDIX 7
2727 WASHINGTON TIF REDEVELOPMENT PLAN
EVIDENCE OF COMMITMENT TO FINANCE PROJECT COSTS



December 30, 2011

Mr. Robert D. Glarner, Jr.
Birch LLC
1701 Macklind Avenue
St. Louis, MO 63110

Re: Proposed redevelopment of 2727 Washington Avenue, St. Louis, Missouri

Dear Mr. Glarner:

The purpose of this letter is to evidence American Bank of Missouri's (the "Bank") preliminary commitment to provide financing for the proposed redevelopment of the building and related improvements located at 2727 Washington Avenue, St. Louis, Missouri (the "Project"). This correspondence is intended as a preliminary expression of the Bank's commitment to 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 Board of Directors, 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.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy C. Nash".

Timothy C. Nash
President/CEO



**APPENDIX 8
2727 WASHINGTON TIF REDEVELOPMENT PLAN**

GENERAL LAND USES TO APPLY



 Commercial, medical, governmental or institutional use

APPROVED: March 28, 2012