

ORDINANCE #69379
Board Bill No. 251

An Ordinance designating a portion of the City of St. Louis, Missouri as a redevelopment area known as the Northeast Hampton Berthold 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 Northeast Hampton Berthold 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 Tri-Star Imports, Inc., a Missouri corporation (the “Developer”), prepared a plan for redevelopment titled the “Northeast Hampton Berthold Redevelopment Area TIF Redevelopment Plan” dated October 5, 2012, as amended October 22, 2012 (the “Redevelopment Plan”) for an area containing five (5) parcels located in City Block 4591-W and generally described as properties south of Clayton Road and Oakland Avenue, west of Oakview Place, north of Berthold, and east of Hampton Avenue in the City of St. Louis (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 acquiring land, demolition of existing improvements, the installation of site improvements and other infrastructure, and the construction of a new commercial facility, as set forth in the Redevelopment Plan (the “Redevelopment Project,” or “TIF Project”); and

WHEREAS, on October 30, 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 October 30, 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, the strengthening of employment and economic base of the City, 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 October 30, 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 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 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) eliminate incompatible land uses, (v) eliminate structurally substandard buildings, and (vi) 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 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/or vacant with deteriorated site improvements, defective or inadequate street layout, unsanitary and unsafe conditions, improper subdivision or obsolete platting, and conditions exist which endanger lives or property by fire or other causes, thus discouraging investment and the Redevelopment Area represents a menace to the public health, safety, morals or welfare, a social and economic liability to the City and displays a lack of growth and development by private enterprise; 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 area as outlined in the Redevelopment Plan; 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 costbenefit 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 October 30, 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 “Northeast Hampton Berthold 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 Northeast Hampton Berthold 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:

1. That portion of taxes, penalties and interest levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in the area selected for the Redevelopment Project shall be allocated to and, when collected, shall be paid by the 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;

2. Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the Redevelopment Project and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the area selected for the Redevelopment Project shall be allocated to and, when collected, shall be paid to the City Treasurer, who shall deposit such payments in lieu of taxes into the Northeast Hampton Berthold 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 Northeast Hampton Berthold 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 Northeast Hampton Berthold

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 one hundred 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

NORTHEAST HAMPTON BERTHOLD REDEVELOPMENT AREA TIF REDEVELOPMENT PLAN

[Attached hereto]

**NORTHEAST HAMPTON/BERTHOLD REDEVELOPMENT AREA
TIF REDEVELOPMENT PLAN**

OCTOBER 5, 2012, REVISED OCTOBER 22, 2012

Submitted to:

City of St. Louis, Missouri

Tax Increment Financing Commission

Northeast Hampton/Berthold Redevelopment Area

TIF Redevelopment Plan

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*Northeast Hampton/Berthold Redevelopment Area**TIF Redevelopment Plan*

I. INTRODUCTION AND BACKGROUND OF THE AREA

The following Redevelopment Plan is prepared for redevelopment of certain real property in the City of St. Louis ("City") consisting of city block 4591.04 and generally described as properties east of Hampton Avenue, South of Clayton Avenue, west of Oakview Place, and north of Berthold Avenue (the "Redevelopment Area" or "Area"). The Area consists of properties previously operated as the KTVI, and later FOX2, news and broadcast facility. The Redevelopment Area boundaries are generally displayed graphically on **Plate 1 – Redevelopment Area Boundary Map**, located in **Appendix A**, and is further described in **Exhibit 1 – Boundary Description** contained in **Appendix B**. The Area consists of approximately 3.62 acres and is comprised of 5 separate parcels and Cairns Place as identified on **Exhibit 2 – Property Ownership List** in **Appendix B**.

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 (the "TIF Act"). This Redevelopment Plan contemplates the complete redevelopment of the Area into commercial 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 Two Million Eight Hundred and Fifty Thousand and No/100 Dollars (\$2,850,000) plus issuance costs to fund a portion of the costs of the Redevelopment Project. The TIF Notes issued shall be reimbursed solely 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. 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 solely from revenues on deposit in the Northeast Hampton/Berthold 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 pursuing the redevelopment of a declining area, or to induce the development of an area that has been deficient in growth and development, the State of Missouri has provided various statutory tools a municipality may use in order to initiate private and public development/redevelopment. One such tool is the TIF Act also known as Tax Increment Financing ("TIF"). This legislation provides for the establishment of tax increment financing districts referred to in the TIF Act as "redevelopment areas". In order to establish a TIF redevelopment area, the area proposed for designation must meet certain criteria as set forth in the TIF Act. These criteria are established in accordance with one of three types of redevelopment areas that may be designated. These types of redevelopment areas are:

- Blighted area;
- Conservation area; or
- Economic development area.

Prior to the designation of a redevelopment area, a redevelopment plan must be prepared which identifies specific redevelopment projects within the redevelopment area. The plan must outline the objectives that the plan intends to accomplish, describe how the redevelopment projects accomplish those objectives, and provide a program by which the objectives and the redevelopment projects will be accomplished. The purposes of establishing the redevelopment area are to reduce or eliminate blighting conditions, foster economic and physical improvements, and enhance the tax base of the taxing districts that levy taxes within the redevelopment area.

The concept of TIF is relatively simple. Incremental revenue is created when there is an increase in tax revenues in the designated area above the annual revenue that the redevelopment area generated in the year prior to its establishment. New development is "induced" to occur by allowing interested parties to use the incremental revenue created by the new development to finance certain costs of developing or redeveloping the redevelopment area. Bonds or other financial obligations can be issued to capture the revenue at the inception of a project to repay these costs.

Typically, bonds or other financial obligations are issued to finance the costs associated with the various capital improvements and redevelopment projects that are proposed to occur in the area. These financial obligations are then retired on an annual basis using the incremental revenue generated from the new development. The TIF Act authorizes the capture of certain PILOTS and EATS in the redevelopment area over and above such levels within the redevelopment area in the year prior to the approval of the redevelopment project. This revenue is set aside in a special fund known as the "special allocation fund". During the period in which the incremental revenue is dedicated to the purposes specified in the redevelopment plan (up to 23 years), all taxing districts that levy ad valorem taxes in the redevelopment area continue to receive the taxes based upon the property values that existed prior to the new development and adoption of TIF. Those local jurisdictions that levy economic activity taxes (sales and utility taxes) also continue to collect the amount of these taxes that existed prior to the implementation of a TIF district, as well as 50% of the new economic activity taxes generated by the project.

The TIF Act requires a city seeking to create a redevelopment area to create a TIF Commission. The TIF Commission's role is to review and consider the area proposed to be designated as a redevelopment area and to make a recommendation to the governing body of the city regarding the establishment of the redevelopment area and the associated redevelopment plan and project(s).

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There are several advantages in choosing TIF over other redevelopment programs. Because the TIF Act authorizes the TIF revenues to be pledged to bonds or other financial obligations, the developer and the city have funds available at the beginning of the development process when they are typically the most needed. Another advantage is that TIF requires all the taxing entities to share in forgoing the receipt of new revenue during the period while the obligations are being retired. This is because, unlike tax abatement programs, the city must dedicate 50% of its economic activity tax revenue that is generated by the new development to the special allocation fund, not just its property tax increment. In addition, in the TIF process, the city is vested with control over where and how the increment will be used. An additional advantage is that the city is allowed to use the power of eminent domain to ensure that necessary property acquisition occurs and that public improvements are built.

The initial step in forming a TIF district and establishing the redevelopment area is to analyze the area being contemplated for designation. This is necessary to determine whether the area can meet the criteria specified in the Act for designation as a blighted, conservation, or economic development area. Once the governing body of a city has determined that the area will qualify, it may approve a redevelopment plan. The redevelopment plan identifies objectives, policies, redevelopment projects, activities and costs necessary to accomplish the redevelopment of the area. Funding and financing aspects of the plan are also outlined, as well as plan schedules and dates for implementation.

III. REDEVELOPMENT PLAN INCLUDING NECESSARY FINDINGS

1. Legal Description of the Redevelopment Area

The Redevelopment Area boundaries are generally displayed graphically on **Plate 1- Redevelopment Area Boundary Map**, located in **Appendix A**, and is further described in **Exhibit 1 – Boundary Description** contained in **Appendix B**.

2. Redevelopment Plan Objectives

The Redevelopment Plan outlines the program that the City proposes to undertake to accomplish the objectives for the Redevelopment Area. The objectives forming the basis for the Redevelopment Plan for the Northeast Hampton/Berthold Redevelopment Area are outlined in the following paragraphs. These objectives are consistent with the 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 ensuring 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;
- To stimulate construction and permanent employment opportunities and increased demand for services for the Area and surrounding areas; and
- To provide goods and services to St. Louis region while importing spending to the City of St. Louis.

3. Redevelopment Project

To satisfy the above objectives, the Redevelopment Project consists of commercial uses resulting from the complete redevelopment of the Area together with related improvements. By constructing the Project, it is expected that the Developer (“Developer”) will remove the blighting factors of the Area through a uniquely urban design and site layout that will dramatically transform the urban character of the Area and the Hampton/Clayton intersection.

The Project will facilitate ongoing, positive momentum for the transformation of the Hampton/Interstate 64 interchange by:

- Transforming the urban character of this “gateway entrance” from the interstate;

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- Serving as a catalyst project for ongoing revitalization and reinvestment in underutilized properties in the Hampton corridor and surrounding neighborhood;
- Providing high-quality automotive goods and services for City residents;
- Attracting an internationally recognized and marquee brand to the neighborhood;
- Eliminating blight from the neighborhood;
- Creating employment opportunities (est. 60 jobs); and
- Generating new tax revenues to the City and its taxing districts in the form of increased personal property, real property and payroll taxes, as well as the tax benefits derived from the presence of additional commercial employees in the City.

The total estimated Redevelopment Project Costs for the Redevelopment Project at this time equal approximately \$13,200,000 as set forth in greater detail in **Section IV, Financing Plan**.

4. General Land Uses to Apply

The general land uses proposed for the Area are commercial uses. The land uses to apply to the Redevelopment Area are displayed on **Plate 2 - Future Land Use Map** contained in the **Appendix A**.

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 the redevelopment agreement between the City and the Developer of this Redevelopment Project 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 Program Schedule for the TIF Project is included herein as **Exhibit 3 – Anticipated Redevelopment Program Schedule** in **Appendix B**.

6. Equalized Assessed Value

In accordance with the TIF Act, the most recent equalized assessed valuation (EAV) and an estimate of the EAV after redevelopment must be compiled for the Area and shown in this Plan. This data is provided in **Table III-1, entitled Estimated Equalized Assessed Valuation (EAV) Before And After Redevelopment**.

Information on the individual properties within the Area is shown on **Exhibit 2 – Property Ownership List** in **Appendix B**. In order to estimate the EAV after redevelopment, the Redevelopment Project must be used as the basis for the estimate. The estimate of market value for the building and site improvements comprising the Redevelopment Project are based on comparable market valuation estimates for similar commercial uses in the City of St. Louis.

Northeast Hampton/Berthold Redevelopment Area

TIF Redevelopment Plan

**Table III-1
ESTIMATED EQUALIZED TAXABLE ASSESSED VALUATION (EAV)
BEFORE AND AFTER REDEVELOPMENT
NORTHEAST HAMPTON/BERTHOLD REDEVELOPMENT AREA**

Total Redevelopment Area	
Assessment Item	Estimated Taxable EAV (\$)
Total After Redevelopment	2,314,920
Most Recent Taxable EAV Amount	620,800
Estimated Incremental Appraised and Taxable Assessed Values	1,694,120

7. Acquisition

The Developer has the properties under contract with the current property ownership. Eminent domain is not contemplated as a condition of tax increment financing to complete the Project.

8. Blighted Area

As described in greater detail in the *Analysis of Conditions Representing a Blighted Area for the Northeast Hampton/Berthold Redevelopment Area* attached hereto as **Appendix C** 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 **Exhibit 4** in **Appendix B**.

The cost of redevelopment precludes private enterprise from developing the Redevelopment Area to its highest and best use without public assistance. The cost of curing the existing conditions of blight and rehabilitation of improvements as contemplated in this Redevelopment Plan is not economically viable if fully borne by the Developer.

9. Conforms with the Comprehensive Plan of the City

The Redevelopment Plan conforms to the development of the City as set forth in the "Strategic Land Use Plan" (2005). The Area is designated as "Specialty Mixed Use Area". "Specialty Mixed Use Area" designations are applied to areas promoting a unique mix of uses to be preserved and developed. The Plan identifies areas where business, residents, arts, and other entertainment coexist together as "Specialty Mix Use". The Project's unique, urban aesthetics and regional attraction for customers will contribute to the Area's intersection of Forest Park's cultural and educational institutions, neighboring residential neighborhoods and buildings, and neighborhood commercial businesses. The Redevelopment Project for this TIF matches the goals set for this designation.

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10. Plan for Relocation Assistance

The relocation of residents and 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.

11. 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, 1520 Market Street, Suite 2000, St. Louis, MO 63103.

If the Redevelopment Project is completed, then each of the taxing districts will continue to receive all of the tax revenues currently received from the Redevelopment Area. Additionally, they will benefit from the additional 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.

12. Does Not Include Gambling Establishment

This Plan does not include the development or redevelopment of any gambling establishment.

13. Department of Economic Development Report

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

14. Historical Land Use of Property within the Redevelopment Area

The property is located near the intersection of I-64 and Hampton Ave. in one of the City's 27 historical neighborhoods – Oakland. Originally part of the Gratiot League Square, so called because it was intended to be three miles square, it was later slightly shortened on its western side. Its northern limit was a line bisecting Forest Park, on the south it reached to the present Bancroft Ave. and in an east-west direction it extended from Kingshighway to Big Bend. Construction of the Pacific Railroad through the area in the early 1850's led to the opening of several subdivisions. After the World's Fair of 1904, more buildup occurred south of Oakland Ave. and east of McCausland. From Kingshighway westward to about the present location of Macklind Ave., it was rural in character, with farms and there was no street where Oakland Ave. is today. By the time of the World's Fair, the area from Hampton to Kraft, south of Clayton Ave. was built up. Eventually, urban development resulted in a row of commercial structures developed along Oakland Ave., facing Forest Park, beginning in the late 1950's. Eventually, Hampton Ave. between Oakland and Manchester, became a commercial center. Currently, the Area largely consists of institutional, commercial and industrial uses to the east of Hampton, with pockets of residential development including the Highlands. West of Hampton, the Dogtown neighborhood consists of residential and neighborhood commercial uses.

Sources: City of St. Louis and "History of St. Louis Neighborhoods" by Norbury L. Wayman.

IV. FINANCING PLAN

1. Eligible and Estimated Redevelopment Project Costs

In order to establish an estimate of the redevelopment project costs that apply to the Redevelopment Area, the concepts for redevelopment presented in the General Land Use Plan. More specifically, the following Redevelopment Plan and project implementation elements and costs attributable to them must reflect:

- Costs of studies, surveys, plans and specifications;
- Professional service costs including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services;
- Property assembly costs including, but not limited to, acquisition of land and other real or personal property rights, or interests therein;
- Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
- Costs of construction of 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 estimated Redevelopment Project Costs to be incurred in connection with the Project are approximately \$13,206,000, and are displayed on **Table IV-1**. It should be noted that these costs are estimated based on knowledge of the Project at this time and that the actual cost items for implementing the Redevelopment Plan and the Redevelopment Project may vary from these estimates.

Northeast Hampton/Berthold Redevelopment Area

TIF Redevelopment Plan

**Table IV-1
TOTAL REDEVELOPMENT PROJECT COSTS
NORTHEAST HAMPTON/BERTHOLD REDEVELOPMENT AREA**

PROJECT COSTS		
Property Acquisition Costs		2,550,000
Property Development Costs		10,350,000
Demolition/Environmental	100,000	
Site Improvement Costs	700,000	
Building Construction	8,900,000	
Closing, Title, Survey & Misc.	50,000	
Architect & Engineering	400,000	
Contingency	200,000	
Subtotal		12,900,000
Financing Costs		150,000
Legal, Professional, Closing & Misc. Costs		150,000
TOTAL USES FOR PROJECT COSTS		13,200,000

The 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 provides for the use of TIF revenues for the following costs, in accordance with the TIF Act, which may include, but are not limited to:

- Cost 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 property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
- Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
- Costs of construction of public works or improvements;
- Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include the payment of interest on any obligations 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;
- 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;

Northeast Hampton/Berthold Redevelopment Area

TIF Redevelopment Plan

- Relocation costs to the extent the City determines that relocation costs shall be paid or are required to be paid by Federal or State law; and
- Payments in lieu of taxes.

Table VI-2, entitled **Estimated Redevelopment Project Costs to be Paid by TIF**, illustrates the anticipated categories and costs that will be funded in part by TIF, assuming the funding of up to \$2,850,000 in Redevelopment Project Costs and assuming the creation of the Transportation Development District and Community Improvement District as described below. It should be noted that these costs are estimated based on knowledge of the Project at this time and that the actual cost items for implementing the Redevelopment Plan and the Redevelopment Project may vary from these estimates.

**Table IV-2
ESTIMATED REDEVELOPMENT PROJECT COSTS to be PAID by TIF
NORTHEAST HAMPTON/BERTHOLD REDEVELOPMENT AREA**

PROJECT COSTS		
Property Acquisition Costs		0
Property Development Costs		2,550,000
Demolition/Environmental	100,000	
Site Improvement Costs	700,000	
Building Construction	1,750,000	
Closing, Title, Survey & Misc.	0	
Architect & Engineering	0	
Contingency	0	
Subtotal		2,550,000
Financing Costs		150,000
Legal, Professional, Closing & Misc. Costs		150,000
TOTAL USES FOR PROJECT COSTS		2,850,000

It is not the intent of Table IV-1, Table IV-2, 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 Tables IV-1 and IV-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

It is anticipated that there are (4) four principal sources of funds to be used to pay the costs of implementation of the Redevelopment Plan and the Redevelopment Project previously described. These sources are:

- Owner equity;

Northeast Hampton/Berthold Redevelopment Area

TIF Redevelopment Plan

- Private financing;
- Funds available through the issuance of TIF notes, bonds, loans or other certificates of indebtedness (herein collectively referred to as "TIF Note or other financial obligations"). It is contemplated that these funds will include those generated by a Community Improvement District ("CID") under Sections 67.1401 to 67.1561 of the Missouri Revised Statutes as amended and funds generated by a Transportation Development District ("TDD") under Sections 238.200 to 238.280 of the Missouri Revised Statutes as amended.

Table VI-3, entitled **Estimated Sources to Pay for Redevelopment Project Costs**, illustrates the anticipated sources, including TIF, CID and TDD, to fund the Redevelopment Project Costs. It should be noted that these sources are estimated based on knowledge of the Project at this time and that the anticipated type and term of the sources of funds, as set forth in Table IV-3, for implementing the Redevelopment Plan and the Redevelopment Project may vary from these estimates.

**Table IV-3
ESTIMATED SOURCES TO PAY FOR REDEVELOPMENT PROJECT COSTS
NORTHEAST HAMPTON/BERTHOLD REDEVELOPMENT AREA**

PROJECT FUNDING SOURCES	
Private Financing & Equity	10,350,000
Tax Increment Financing	2,300,000
CID Financing	275,000
TDD Financing	275,000
TOTAL SOURCES TO PAY REDEVELOPMENT PROJECT COSTS	13,200,000

It is not the intent of Table IV-3 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 Table IV-3.

3. TIF Note Funding

This Redevelopment Plan proposes that the City initially authorize and issue one or more Tax Increment Financing Notes ("TIF Note") in an amount up to Two Million Eight Hundred Fifty Thousand and No/100 Dollars (\$2,850,000) 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 Cost as outlined in Tables IV-1 and IV-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 Notes or other financial obligations, in any year, solely with money legally available for such purpose within the Northeast Hampton/Berthold Special Allocation Fund.

*Northeast Hampton/Berthold Redevelopment Area**TIF Redevelopment Plan*

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

Funds on deposit in the PILOTS Account and EATS Account will be pledged to the payment of the Redevelopment Project Costs. Such payment obligations shall not constitute debts or liabilities of the City, the State of Missouri, or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction and neither the City nor the State of Missouri shall be liable thereon except from the PILOTS Account, and, to the extent appropriated by the City on an annual basis, the EATS Account, from funds derived from other taxes deposited into the Special Allocation Fund.

It is expected that a Community Improvement District will be created under Chapter 67 of the Revised Statutes of Missouri, as amended, and a Transportation Development District will be created under Chapter 238 of the Revised Statutes of Missouri, as amended, to provide additional sources of funds to pay for Redevelopment Project Costs. Community Improvement District and Transportation Development District revenues may be used as a revenue source for retirement of TIF Notes or other financial obligations. The CID and the TDD may also enter into intergovernmental cooperation agreements with other governmental entities to facilitate the accomplishment of the Project's objectives. It is possible that the CID and the TDD may direct its funds directly into the Special Allocation Fund. If this were to occur, within the Special Allocation Fund a Community Improvement District ("CID") account and a separate Transportation Development District ("TDD") account would be created. Any funds directed by the CID into the Special Allocation Fund would be paid into this account.

4. Evidence of Commitment to Finance Redevelopment Project Costs

Exhibit 5 in Appendix B contains preliminary commitment letters providing evidence of the Developer's commitment to provide financing of Redevelopment Project Costs associated with the Redevelopment Project.

Northeast Hampton/Berthold Redevelopment Area

TIF Redevelopment Plan

APPENDIX A

**PLATE 1 – REDEVELOPMENT AREA BOUNDARY MAP
NORTHEAST HAMPTON/BERTHOLD REDEVELOPMENT AREA**



**PLATE 2 – FUTURE LAND USE MAP
NORTHEAST HAMPTON/BERTHOLD REDEVELOPMENT AREA**

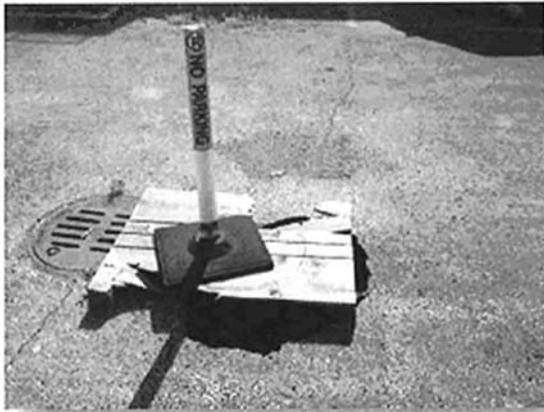
Future Land Use = Commercial 



NE Hampton Berthold Redevelopment Area

TIF Redevelopment Plan

PLATE 3 – AREA PHOTOS



Dilapidated infrastructure.



Deteriorated parking areas.

NE Hampton Berthold Redevelopment Area

TIF Redevelopment Plan



100% vacancy.



Evidence of roof leakage.

NE Hampton Berthold Redevelopment Area

TIF Redevelopment Plan



Evidence of water penetration including step cracking, crumbling mortar and peeling paint.



Outmoded design of parking and infrastructure. Lack of barrier around light pole presents safety hazards for pedestrian and vehicles.

Northeast Hampton/Berthold Redevelopment Area

TIF Redevelopment Plan

APPENDIX B

EXHIBIT I



PROPERTY DESCRIPTION

Tax Increment Financing District

A tract of land located in City Block 4591-W of the City of St. Louis, Missouri being more particularly described as follows:

Beginning at the intersection of the north right-of-way line of Berthold Avenue, 60 feet wide with the east right-of-way line of Hampton Avenue, variable width; thence northerly along said east right-of-way line to its intersection with the southeastern right-of-way line of Clayton Avenue, 60 feet wide; thence northeasterly along said southeastern right-of-way line and its direct northeasterly prolongation to the east right-of-way of Cairns Place, 50 feet wide; thence south along said east right-of-way line to its intersection with the north right-of-way line of a 15 feet wide alley; thence east along said north right-of-way line to its intersection with the direct northeasterly prolongation of the west line of a tract of land as conveyed to Hardees of St. Louis, by instrument recorded on 11/11/2011 as Daily No. 1111; thence south along said prolongation line, said west line to the south line of said Hardees of St. Louis tract; thence east along said south line of to the west right-of-way line of Oakview Place, 50 feet wide; thence south along said west right-of-way line to its intersection with the north right-of-way line of above said Berthold Avenue; thence west along said right-of-way line to the Point of Beginning, revised October 11, 2012.

257 CHESTERFIELD BUSINESS PARKWAY • ST. LOUIS, MO 63005 • (636) 530-9100
Fax (636) 530-9130 • E-MAIL ADDRESS: general@stockassoc.com

Exhibit 2
Property Ownership List
Northeast Hampton/Berthold Redevelopment Area

Locator ID	Property Address	Owner	Total Taxable Assessment
459104065	5924 CLAYTON	COMMUNITY TELEVISION OF MISSOURI LLC	128,500
459104180	5915 BERTHOLD	COMMUNITY TELEVISION OF MISSOURI LLC	433,900
459104135	1031-1045 OAKVIEW	COMMUNITY TELEVISION OF MISSOURI LLC	25,000
459104120	1025-1027 OAKVIEW	COMMUNITY TELEVISION OF MISSOURI LLC	16,500
459104110	1021-1023 OAKVIEW	COMMUNITY TELEVISION OF MISSOURI LLC	16,900
TOTALS		5 PARCELS	\$ 620,800

Exhibit 3
Proposed Anticipated Redevelopment Schedule

First TIF Commission Meeting	09/12/12
Mailing of Notice of TIF Commission Public Hearing to Taxing Districts (not less than 45 days prior to hearing) (RSMo. §99.803.3)	09/13/12
First Publication of Notice of TIF Commission Public Hearing (not more than 10 days prior to hearing) (RSMo. §99.830.1)	10/06/12
Submit Redevelopment Plan to TIF Commission	10/15/12
Written Notice to Property Owners (not less than 10 days prior to public hearing) (RSMo. §99.830.3)	10/15/12
Second Publication of Notice of TIF Commission Public Hearing (not more than 10 days prior to public hearing) (RSMo. §99.830.1)	10/23/12
Public Hearing by TIF Commission	10/30/12
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])	11/16/12
HUDZ Committee Hearing on TIF Ordinances	11/21/12
Second Reading of TIF Ordinances	11/30/12
Perfection of Board Bill(s)	12/07/12
Third Reading and Final Passage of TIF Ordinances	12/14/12
Mayor Signs Bills (at least 10 days after third reading and final passage of TIF Ordinances)	12/24/12
TIF Ordinances Become Effective (30 days following signature of TIF Ordinances by the Mayor)	01/24/13

467994.1

Execution of Redevelopment Agreement (expected within 30 days of effective date of TIF Ordinances)	02/24/13
Commencement of Construction (expected within 60 days of effective date of TIF Ordinances)	03/24/13
Completion of Construction (anticipated 8-9 months following Commencement of Construction)	12/31/13

Exhibit 4

STATE OF MISSOURI)
)
_____ 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 Northeast Hampton/Berthold Tax Increment Financing Redevelopment Plan, initially dated October 5, 2012 (the "Redevelopment Plan").

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

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

And Further Affiant Sayeth Not.

TriStar Imports Inc.
a Missouri corporation

By: [Signature]
Name TOM HENNERES
Title PRESIDENT

Subscribe and sworn to before me this 5 day of Oct 2012.

[Signature]
Notary Public

My Commission Expires: 8-3-2013



JAN NOLTING
My Commission Expires
August 3, 2013
St. Louis County
Commission #0478859

EXHIBIT 5



Mercedes-Benz

Mercedes-Benz
Financial Services

October 3, 2012

TPH Holdings, LLC
27 Clarkson Farms Drive
Chesterfield, Missouri 63017

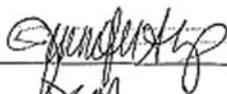
Re: Acquisition and Construction Loan from Mercedes-Benz Financial Services USA LLC ("MBF") to TPH Holdings, LLC ("Borrower")

Ladies and Gentlemen:

At your request, this will confirm that MBF has approved a loan to Borrower in an amount not to exceed \$14,000,000.00 for the purchase of approximately 3.26 acres of land located at 5924 Clayton Avenue, in St. Louis, Missouri and construction of a Mercedes-Benz dealership and related improvements thereon. MBF's commitment to make the Loan is subject in all respects to the terms and conditions set forth in its Construction Loan Terms and Conditions which were executed by Borrower on October 3, 2012.

Very truly yours,

**MERCEDES-BENZ FINANCIAL
SERVICES USA LLC**

By: 
Its: 

Northeast Hampton/Berthold Redevelopment Area

TIF Redevelopment Plan

APPENDIX C

ANALYSIS OF CONDITIONS REPRESENTING A BLIGHTED AREA

for the

NORTHEAST HAMPTON/BERTHOLD REDEVELOPMENT AREA

NORTHEAST HAMPTON/BERTHOLD REDEVELOPMENT PLAN

OCTOBER 5, 2012

City of St. Louis, Missouri

Tax Increment Financing Commission

Northeast Hampton Berthold Redevelopment Area

Blighting Analysis

SUMMARY OF FINDINGS

The Northeast Hampton Berthold Redevelopment Area (the "Redevelopment Area" or "Area") established in the Northeast Hampton Berthold 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").

The TIF Act defines a "Blighted Area" as follows:

...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; (RSMo 99.805)

Blighting factors and conditions present in the Redevelopment Area include:

- 1. Defective or Inadequate Street Layout**
 - a. Configuration of existing stub street.
- 2. Deterioration of Site Improvements**
 - a. Building exteriors;
 - b. Building interiors; and
 - c. Public infrastructure.
- 3. Unsanitary and Unsafe Conditions**
 - a. Presence of environmental concerns.
- 4. Improper Subdivision or Obsolete Platting**
 - a. Presence of small, residential lot sizes; and
 - b. Outmoded platting for future designated uses.
- 5. Existence of Conditions which Endanger Lives or Property by Fire or Other Causes**
 - a. Lack of life and safety features in existing buildings.

These factors and conditions are:

- 6. An Economic or Social Liability**
 - a. Deferred maintenance; and
 - b. Uncompetitive position.
- 7. Lack of Growth and Development by Private Enterprise**

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

Northeast Hampton Berthold Redevelopment Area

Blighting Analysis

The Redevelopment Area boundaries are generally displayed graphically on **Plate 1- Boundary Map**, located in **Appendix A** of the **Redevelopment Plan**. Photos of the conditions in the Area are displayed on **Plate 3 – Area Photos** in the **Appendix A** of the **Redevelopment Plan**.

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 requisite field work was performed on September 25, 2012. Observations and conclusions are based upon on-site inspections of the Redevelopment Area, discussions with representatives of the current ownership, 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. An exterior and interior survey of the condition and use of the Redevelopment Area;
- B. Public documents and records relating to the history and/or conditions of the Area;
- C. Discussions with representatives of the current property owner;
- D. Analysis of existing uses;
- E. Asbestos Inspection; and
- F. Phase I Environmental Assessment.

OVERVIEW OF THE REDEVELOPMENT AREA

The following Redevelopment Plan is prepared for redevelopment of certain real property in the City of St. Louis ("City") consisting of city block 4591.04 and generally described as properties east of Hampton Avenue, South of Clayton Avenue, west of Oakview Place, and north of Berthold Avenue (the "Redevelopment Area" or "Area"). The Area consists of properties previously operated as the KTVI, and later FOX2, news and broadcast facility.

BLIGHTED AREA FACTORS AND CONDITIONS PRESENT IN THE REDEVELOPMENT AREA

1. Predominance of Defective or Inadequate Street Layout

The Area contains a defective and inadequate street layout. Cairns Place is essentially a stub street within the Area's boundaries. The physical condition of Cairns does not clearly delineate between the "public right-of-way" and the private drive-aisles and entryways of properties abutting the street unlike a properly functioning street design. For example, parking spaces at the adjacent Hardee's restaurant have no curb along Cairns Place allowing traffic to freely move between parking areas and the street. Cairns Place "dead ends" into 5915 Berthold's drive-way without clear demarcation between the public street and the private driveway which also promotes vehicular cross-access between Clayton Road and Berthold using the drive-aisle of 5915 Berthold's parking area as a substitute for street access. Due to Cairns Place current configuration the Area suffers from a defective and inadequate street layout for the future intended uses as identified in the City's Strategic Land Use plan for the Area.

2. 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

Northeast Hampton Berthold Redevelopment Area

Blighting Analysis

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.

Portions of the building demonstrate deterioration in the primary building components including step cracking in masonry blocks, evidence of roof leaks in areas, water damaged block walls, and rusting HVAC and electrical piping. Secondary building components also display deterioration including rotted fascia materials, peeling paint resulting from water damage, and detached gutters, downspouts and piping. The site improvements, such as parking areas or drive lanes, are in various states of deterioration with potholes or cracking of asphalt. Sections of the public infrastructure have sunken, hazardous pavement holes in the right-of-way.

Existing Primary Structures Located within the Northeast Hampton Berthold Redevelopment Area

Address	Description	Estimated Year Built	Condition	Current Use
5915 Berthold	Concrete Block	1953	Poor/Deteriorated	Vacant/Commercial
1025-1027 Oakview PL	Brick/Concrete	Unknown	Poor/Deteriorated	Vacant/Commercial

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

3. Unsanitary and Unsafe Conditions

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

An Asbestos Investigation of the 5915 Berthold was completed on August 16, 2012. The Asbestos Investigation identified a number of asbestos containing environmental concerns, including asbestos containing floor tile adhesives and mastic, duct insulation, pipe insulation, and ceiling tiles adhesives. According to the Asbestos Investigation, the presence of these asbestos containing materials is widely dispersed throughout the property and in concentrations of varying degrees. All of these asbestos materials are recommended to be removed by a licensed asbestos contractor.

A Phase 1 Environmental Site Assessment was completed on August 15, 2012. The Phase 1 ESA identified recognized environmental conditions, including:

It has been determined through past records and environmental investigations that a 3,000 gallon underground storage tank (UST) used to store heating oil is located underneath the Subject Property. The UST has not been in service for many years but the exact age or condition of the tank cannot be determined. This tank qualifies as a recognized environmental condition because it possess "a material threat of release of (a) hazardous substance or petroleum product."

Northeast Hampton Berthold Redevelopment Area

Blighting Analysis

Further, the Phase 1 ESA identified additional potential liabilities requiring further evaluation, including:

Based on the building's age, lead-based paint may be present. A thorough lead-based paint inspection, including sampling of all suspect surfaces, would be required to identify all lead-based paint in the building. Painted surfaces were observed to be in overall good condition at the time of the inspection. The presence of lead-based paint in the building does not present any immediate environmental concerns.

These issues constitute unsanitary or unsafe conditions, preventing the full utilization of the Area.

4. Improper Subdivision or Obsolete Platting

The Area is designated as a "Specialty Mix Use Area" in the City's Strategic Land Use Plan. "Specialty Mixed Use Area" designations are applied to areas promoting a unique mix of uses to be preserved and developed. The Plan identifies areas where business, residents, arts, and other entertainment coexist together as "Specialty Mix Use". The Area and surrounding uses are predominately commercial, retail, institutional, or high-density residential in nature – single family residences are not located in the immediate blocks east of Hampton and along Oakland or Berthold (also Parkview Place further east).

The Area contains two properties platted in size for single family use – 1025-1027 Oakview and 1021-1023 Oakview. These obsolete platted properties are inadequate in size and configuration to support future Specialty Mix Use land uses in concert with the larger and higher density uses in the immediate blocks adjacent to the Area.

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

The former buildings do not meet current life and safety code regulations, including a lack of fire suppression (sprinklers) throughout the building. These conditions present a danger to lives or property by fire or other causes.

IMPACT OF NOTED FACTORS AND CONDITIONS REPRESENTING BLIGHTED CONDITIONS

The conditions in their present state outlined in this analysis are a menace to the public health, safety, morals or welfare and are an economic or social liability.

6. An Economic or Social Liability

Due to the predominance of blighting factors discussed in this Blighting Analysis, the Area in its current condition is a liability to the social welfare and economic independence of the City. As previously noted, the Area suffers from lack of investment as evidenced by the lack of physical maintenance and the 100% vacancy of the Area. To overcome the underutilization of the Area, conditions that contribute to economic and social liability must be remediated in order to allow for new 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

*Northeast Hampton Berthold Redevelopment Area**Blighting Analysis*

Area. The Area's inadequate street layout, physical condition, obsolete platting and unsafe conditions when combined with the vacancy of the Area, diminish the Area's potential to generate property and economic activity tax revenues for the City. In addition, because the Area is vacant, it does not generate "spin-off" revenue such as sales taxes, utility taxes, and business license fees.

The Area is well-located close to Interstate 64; however, in its current condition which includes an obsolete design and use as a television studio, is unmarketable. Without the comprehensive redevelopment of the Area, its physical condition will continue to deteriorate and its economic efficiency will suffer.

The economic underutilization of property in the Area contributes to the Redevelopment Area's qualification as a "blighted area" under the TIF Act. The comprehensive redevelopment of the Area will foster much needed economic activity and will contribute to the growth of the City.

7. Lack of Growth and Investment by Private Enterprise

The Redevelopment Area has not been subject to growth and development through investment by private enterprise as evidenced by the Area's vacancy and is not reasonably anticipated to be developed without adoption of this Redevelopment Plan. The inadequate street layout, deterioration of site improvements, the improper subdivision or obsolete platting, the unsanitary or unsafe conditions, and the existence of conditions which endanger lives or property by fire or other causes impede reinvestment in the Area.