BOARD BILL #251 INTRODUCED BY ALDERWOMAN MARLENE DAVIS

An Ordinance designating a portion of the City of St. Louis, Missouri as a redevelopment area known as the 634 North Grand TIF Redevelopment Area pursuant to the Real Property Tax Increment Allocation Redevelopment Act; adopting and approving a redevelopment plan; adopting and approving a redevelopment project for redevelopment project area 1 as described in the Redevelopment Plan with respect thereto; adopting tax increment financing within the redevelopment project area 1; making findings with respect thereto; establishing the 634 North Grand 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 TLG 634 N. Grand LLC, a Missouri limited liability company (the "Developer"), prepared a plan for redevelopment titled the "634 North Grand Tax Increment Financing (TIF) Redevelopment Plan" dated November 9, 2015,

(the "Redevelopment Plan") for an area containing ten (10) parcels containing approximately 2.5 acres of land and generally bounded by North Grand Boulevard to the west, described as properties south of Samuel Shepard Drive to the north, North Theresa Avenue to the east and Washington Avenue to the south, though several parcels within that block are excluded, 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 Area is split into two Redevelopment Project Areas ("RPA's") known as RPA1 AND RPA2, with RPA1 to be activated with the approval of the Redevelopment Agreement of this Plan. RPA2 will be activated at a later date.

WHEREAS, the Redevelopment Plan proposes to redevelop the RPA1 Redevelopment Area by acquiring land, demolition or renovation of existing improvements, the installation of site improvements and other infrastructure, and the renovation of a commercial building into offices, a hotel, and retail facility, as set forth in the Redevelopment Plan (the "Redevelopment Project," or "TIF Project"); and

WHEREAS, on November 5, 2015, 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 November 5, 2015 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 November 5, 2015, 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 RPA1 of the Redevelopment Area, (ii) approving the Redevelopment Plan, (iii) approving and designating the RPA1 of 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 RPA1 Project 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 RPA1 Project 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 RPA1 Project 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 RPA1 Project Area and to establish a special

allocation fund for the RPA1 Project Area in order to provide for the promotion of the general welfare through redevelopment of the RPA1 Project Area in accordance with the Redevelopment Plan which redevelopment includes, but is not limited to, assistance in the physical, economic, and social development of the City of St. Louis, providing for a stabilized population and plan for the optimal growth of the City of St. Louis, encouragement of a sense of community identity, safety and civic pride, and the elimination of impediments to land disposition and development in the City of St. Louis.

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

SECTION ONE. The Board of Aldermen hereby adopts the foregoing recitals as findings and makes the following additional findings:

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

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

C. In accordance with the TIF Act, the Redevelopment Plan states the estimated dates of completion of the Redevelopment Project and retirement of the financial obligations

issued to pay for certain redevelopment project costs and these dates are twenty three (23) years or less from the date of approval of the Redevelopment Project.

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

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

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

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

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

SECTION TWO. The Redevelopment Area described in the Redevelopment Plan is hereby designated as a "redevelopment area" as defined in Section 99.805(12) of the TIF Act.

SECTION THREE. The Redevelopment Plan as reviewed and recommended by the TIF Commission on November 5, 2015, 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 "634 North Grand 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 634 North Grand 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 RPA1 Area. After the total equalized assessed valuation of the taxable real property in the RPA1 Area exceeds the certified total initial equalized assessed valuation of the taxable real property in the RPA1 Area, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in the RPA1 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 634 North Grand 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 RPA1 Project over the amount of such taxes generated by economic activities within the area of the RPA1 Project Area 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 634 North Grand 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 634 North Grand 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

634 NORTH GRAND
TIF REDEVELOPMENT PLAN

634 NORTH GRAND
TAX INCREMENT FINANCING (TIF)
REDEVELOPMENT PLAN

November 9, 2015

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guiding effective decisions in
real estate, community, and economic development

634 NORTH GRAND
TAX INCREMENT FINANCING (TIF)
REDEVELOPMENT PLAN

November 9, 2015

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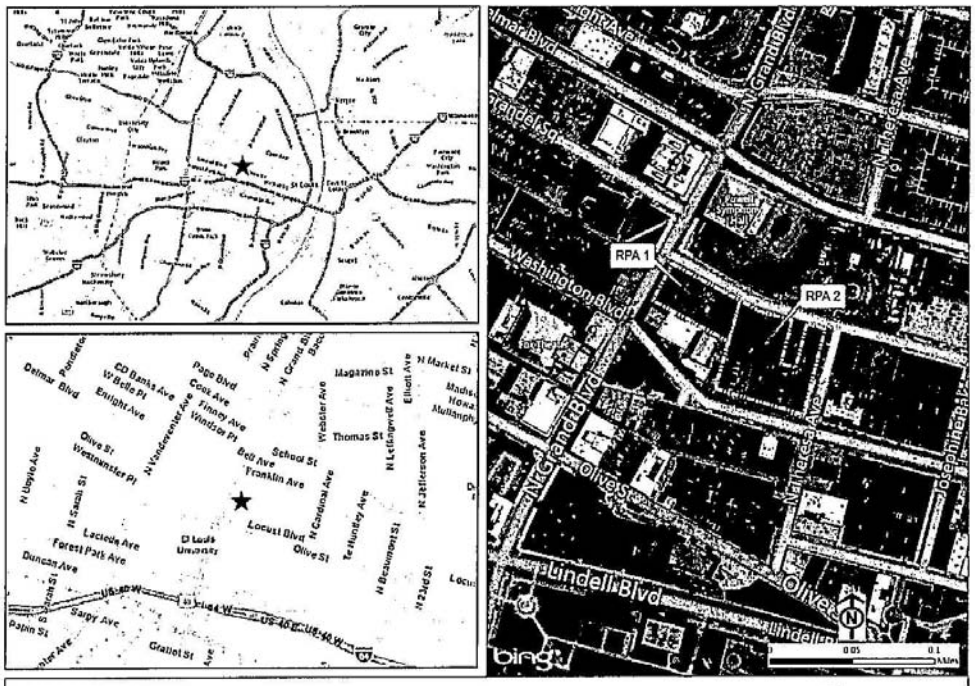
1. INTRODUCTION

Overview of Redevelopment Area

The 634 North Grand TIF Redevelopment Area (the "Redevelopment Area" or "Area"), is located at the southeast corner of North Grand Boulevard and Samuel Shepard Drive near the geographic center of the City of St. Louis, Missouri.



SITE LOCATION
634 North Grand TIF Redevelopment Area
St. Louis, Missouri

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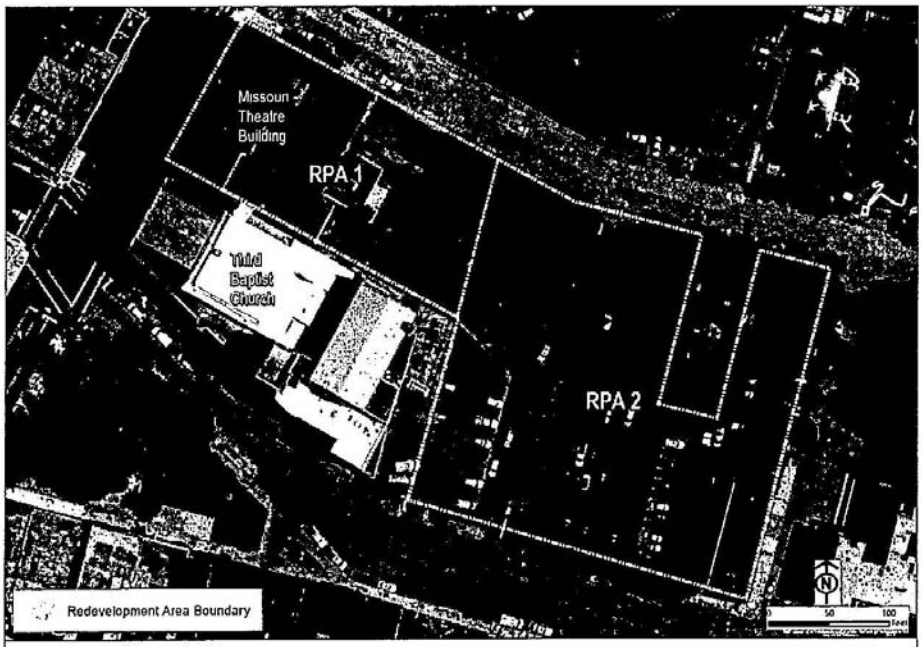
The Redevelopment Area, which consists of ten parcels containing approximately 2.5 acres of land, is generally bounded by North Grand Boulevard to the west, Samuel Shepard Drive to the north, North Theresa Avenue to the east, and Washington Avenue to the south, though several parcels within that block, including Third Baptist Church and a private residence, are excluded.

The Area is split into two Redevelopment Project Areas ("RPAs"). RPA 1 is to be activated for redevelopment concurrent with the passage of the ordinance approving the

Redevelopment Agreement for this Redevelopment Plan; RPA 2 will be activated at a later date.

Appendix A provides a legal description of the Redevelopment Area and both RPAs



2014 AERIAL IMAGERY
634 North Grand TIF Redevelopment Area
St. Louis, Missouri

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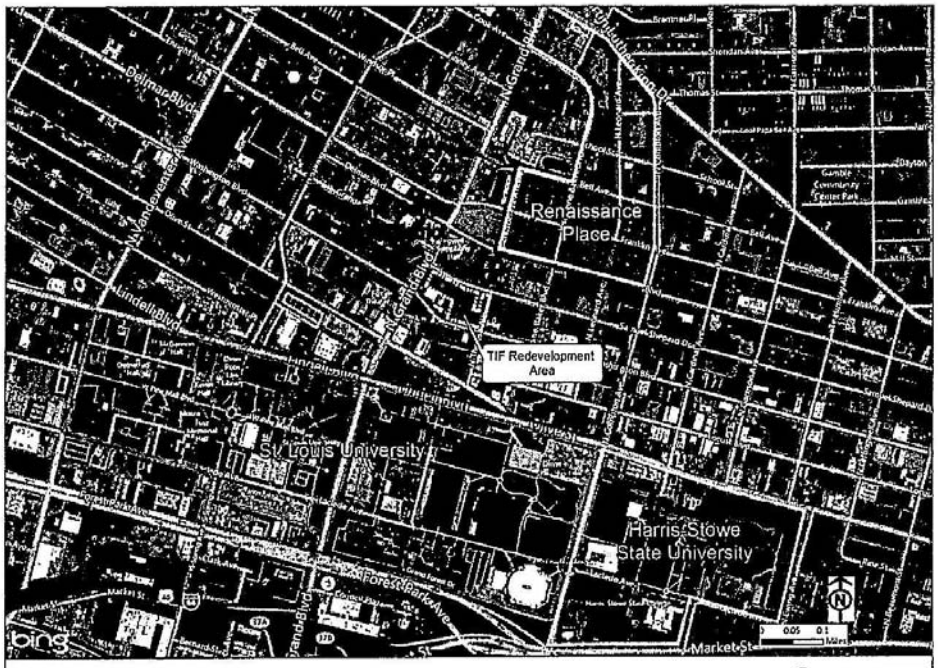
The Redevelopment Area is located within the Grand Center Arts District, home to numerous cultural attractions including theatres, concert and performance halls, arts centers, museums, galleries, and restaurants. Although the renaissance of Grand Center has been underway for some time, the Redevelopment Area has lagged behind. The project described in this Redevelopment Plan is intended to return the site to productive use and add desirable amenities to the burgeoning cultural district surrounding it.

The Redevelopment Area currently contains two buildings. The former Missouri Theatre building, at the site's northwest corner, housed offices of the City of St. Louis until 2007 when it was vacated due to increasing functional obsolescence. The 157,000 square foot building first opened in 1920 and was expanded to its current footprint in 1959. The second building, a 5400 square foot structure currently used for storage by Third Baptist Church, sits at the site's southeast corner.

The entire Redevelopment Area is currently zoned "H" (Area Commercial District), which was designated "to establish and preserve general commercial areas consisting of shopping centers and commercial strips ... This district is intended to provide diversified types of goods and services to a large consumer population coming from an extensive area." Offices, hotels, restaurants, bars, and retail establishments are all permitted uses within Area Commercial Districts.

Neighboring Development

The Redevelopment Area is primarily surrounded by cultural, commercial, and civic uses. Cultural destinations, including Powell Symphony Hall, the Fabulous Fox Theatre, Kranzberg Arts Center, and many more line Grand Boulevard to the north and south of the site. The Frost Campus of St. Louis University is approximately a quarter mile to the south. Areas directly to the east are mainly occupied by parking and some residential development, including the Renaissance Place development to the northeast. To the west, across Grand Boulevard, lies the bulk of the Grand Center Arts District.



NEIGHBORING DEVELOPMENT
634 North Grand TIF Redevelopment Area
St. Louis, Missouri

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Purpose of Redevelopment Plan

The Redevelopment Area represents an important redevelopment opportunity, given its location near the center of St. Louis and its proximity to important cultural, educational, and civic destinations. The site is well positioned for hotel, restaurant, and office uses.

This Redevelopment Plan will:

- Restore a valuable historic landmark and return it to productive use;
- Abate environmental hazards and eliminate blight throughout the Redevelopment Area;
- Attract a new employer, Bull Moose Tube, and its associated well-paying employment opportunities, to the City of St. Louis;
- Reinforce and enhance the attractiveness of the area as a cultural, dining, and retail destination;
- Provide attractive housing opportunities for new City residents;
- Provide new structured parking for visitors to the Grand Center Arts District; and
- Provide an important source of taxes for the City of St. Louis and other taxing jurisdictions on a site where very little tax revenue is currently being generated.

Summary of Redevelopment Plan

The site is currently occupied by a vacant twelve-story office building (containing approximately 157,000 square feet), a small structure with several offices and apartments, and a large surface parking lot. It is not anticipated that the existing development can be reused, in its current condition, for the types of activities for which the site is best suited. It is therefore necessary to extensively remodel the existing office building and demolish the smaller mixed-use structure and parking lot so that environmental remediation and site preparation work can be undertaken. This Redevelopment Plan proposes, over the course of two development phases, to:

1. Restore the Missouri Theatre building's historic façade;
2. Remediate hazardous building materials;
3. Renovate and remodel the building's interior to accommodate modern office, hotel, restaurant, and retail tenants;
4. Remodel the Missouri Theatre building's basement to create additional space for new bars and restaurants;
5. Construct an additional story on the Missouri Theatre building with a roof deck and pool;
6. Demolish the small building at the site's southeast corner;
7. Demolish the surface parking lots;

8. Undertake earthwork as necessary to allow for appropriate storm water detention, site ingress/egress, and construction of more intensive uses;
9. Construct several new buildings featuring apartments, office, and retail space;
10. Construct a new parking garage;
11. Provide surface parking, landscaping, exterior lighting, etc.

As currently envisioned, the completed development will feature approximately 30,000 square feet of office, a 139-room hotel, several bars and restaurants, approximately 6,000 square feet of retail, and 120 rental apartments.

Use of Tax Increment Financing

To facilitate redevelopment of the Redevelopment Area, it is proposed to use tax increment allocation financing ("TIF") pursuant to Section 99.800 *et seq.* of the REVISED STATUTES OF MISSOURI ("RSMo"), known as the *Real Property Tax Increment Allocation Redevelopment Act* ("TIF Act"). TIF has proven to be an effective tool for remedying conditions in "blighted areas" and for encouraging growth and development through investment by private enterprise in situations such as those faced in the Redevelopment Area.

Why Tax Increment Financing is Needed in the Redevelopment Area

While the revitalization of the Redevelopment Area has been desired by local residents, businesses, and the City in general for some time, there are a number of serious impediments to private redevelopment. The costs associated with making full productive use of the Redevelopment Area are increased by the former Missouri Theatre building's functional obsolescence and contamination by hazardous building materials. The developer is committed to making valuable reuse of the existing building, but the cost of doing so is high. Despite these high redevelopment costs, the site has a finite ability to generate revenue. Consequently, an imbalance between expense and revenue is created that makes the project economically infeasible unless selected development costs are effectively reduced by means of TIF.

These economic factors represent the second component of the "but for" justification upon which this project's use of TIF is based – without the availability of TIF funds as a development incentive, private developers will continue to be discouraged from taking on the extraordinary costs of site redevelopment.

The Developer's affidavit, included as Appendix C, attests to the fact that the Redevelopment Area qualifies as a "blighted area" (as defined by the TIF Act) and that the Area has not been subject to growth and development through investment by private enterprise. The effect of these realities is that the Redevelopment Area would not reasonably be anticipated to be developed without the adoption of Tax Increment Financing.

Use and Benefits of Tax Increment Allocation Financing

Upon the City's adoption of TIF and approval of the Redevelopment Project described in this Redevelopment Plan, payments resulting from incremental increases in various taxes occurring within the Redevelopment Area will be reallocated and deposited for a limited time into a special fund of the City (the "Special Allocation Fund"). These taxes will include incremental real property taxes ("Payments in Lieu of Taxes" or "PILOTs") and part of the incremental tax revenue generated by economic activities within the Redevelopment Area ("Economic Activity Taxes" or "EATs"), including taxes on sales, hotel rooms, restaurant gross receipts, earnings/payroll, and utilities.

In this case, the Developer is requesting that the TIF be coupled with property tax abatement available pursuant to Chapter 353 of the Revised Statutes of Missouri ("Chapter 353"). Chapter 353 tax abatement can last for up to 25 years, during which up to 100 percent of real estate taxes can be abated. The Developer is requesting ten years of 100 percent abatement, followed by thirteen years of 50 percent abatement. After the initial period of 100 percent real property tax abatement, tax revenues will flow into the Special Allocation Fund as PILOTs.

In addition, the Developer is requesting a "contractual pledge" by the City of St. Louis of half the general sales tax levied on hotel rooms. Only some levies are available to be pledged this way – these include the City's General Fund levy (1.375%), the Capital Improvements levy (0.5%), and the City Transportation levy (0.5%). Thus the total TIF-eligible tax on the sale of hotel rooms would be 2.375%, of which half would flow into the Special Allocation Fund as EATs. The other half would be paid to the applicable taxing jurisdictions. This pledge would ***not*** include the separate 3.5% hotel room tax dedicated to convention center development.

Revenues deposited in the Special Allocation Fund may be used to secure obligations, the proceeds of which, in turn, may be used to finance the various Redevelopment Project Costs enumerated in section 99.805(15) of the TIF Act. For the duration of the Redevelopment Project, all personal property tax revenue, as well as fifty percent of earnings, payroll, and utility tax revenues, will be passed through to the applicable taxing districts.

Once the TIF obligations are retired, the TIF dissolves and all taxes generated in the Redevelopment Area will be based on the then-current assessed valuation and tax rates.

TIF, as a redevelopment tool, provides several benefits. Typically, the stream of future revenues available through TIF is used to secure and finance TIF bonds or notes. Thus, the City and the Developer have funds available at the inception of the Redevelopment Project, when they are needed most. Additionally, TIF provides for direct representation of all affected taxing districts on the commission that reviews and recommends redevelopment plans and redevelopment projects to the City.

Organization of this Redevelopment Plan

Sections 99.805(13) and 99.810 of the TIF Act set forth the requirements for redevelopment plans. Accordingly, this Redevelopment Plan represents the comprehensive program of the City intended by the payment of Redevelopment Project Costs to reduce or eliminate those conditions, the existence of which qualify the Redevelopment Area as a "blighted area," "conservation area," or "economic development area" (as those terms are defined in Section 99.805 of the TIF Act), and to thereby enhance and insure the tax base of the taxing districts which extend into the Redevelopment Area.

Subsequent sections of this Redevelopment Plan set forth a summary of key findings; Redevelopment Plan objectives (along with a general description of the program and activities to accomplish these objectives); existing and proposed land uses for the Redevelopment Area; the estimated costs of the Redevelopment Project; the anticipated sources of funds to pay costs; evidence of the commitments to finance the costs of projects; the anticipated type and term of the sources of funds to pay costs; the anticipated type and terms of the obligations to be issued; the most recent equalized assessed valuation of the property within the Redevelopment Area which is to be subjected to payments in lieu of taxes and economic activity taxes pursuant to Section 99.845 of the TIF Act; and an estimate of the equalized assessed valuation after redevelopment. This Redevelopment Plan also provides the basis and documentation for findings required by Sections 99.810.1(1) through 99.810.1(6) of the TIF Act and summarizes reporting requirements imposed by Section 99.810.2 of the TIF Act.

2. SUMMARY OF KEY FINDINGS

Introduction

In order to establish a Redevelopment Area, adopt a Redevelopment Plan, and authorize Tax Increment Financing, the City must find, and this Plan concludes, pursuant to Section 99.810 of the TIF Act that:

a. The Redevelopment Area on the whole is a blighted area, a conservation area, or an economic development area, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. This finding shall include, but not be limited to, a detailed description of the factors that qualify the Redevelopment Area or project pursuant to sections 99.805(1) and 99.810.1 of the TIF Act and an affidavit, signed by the Developer and submitted with the Redevelopment Plan, attesting that the provisions of section 99.810.1 of the TIF Act have been met;

b. The Redevelopment Plan conforms to the Comprehensive Plan for the development of the municipality as a whole;

c. The estimated dates, which shall not be more than twenty-three years from the adoption of the ordinance approving a Redevelopment Project within a Redevelopment Area, of completion of any Redevelopment Project and retirement of obligations incurred to finance Redevelopment Project costs have been stated;

d. A plan has been developed for relocation assistance for businesses and residences that will be relocated;

e. A cost-benefit analysis has been performed showing the economic impact of the Redevelopment Plan on each taxing district that is at least partially within the boundaries of the Redevelopment Area. The analysis shall show the impact on the economy if the project is not built, as well as the impact if it is built according to the Redevelopment Plan contained herein. The cost-benefit analysis shall include a fiscal impact study on every affected political subdivision, and sufficient information for the TIF Commission to evaluate whether the project as proposed is financially feasible; and

f. The 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).

Documentation of the determination that the Redevelopment Area meets the requirements of the TIF Act follows:

Blighted Area Not Subject to Growth and Development by Private Enterprise and Not Reasonably Anticipated to be Developed Without TIF

The Redevelopment Area meets the requirements for designation as a "blighted area" as defined by Section 99.805(1) of the TIF Act. The *Data and Analysis of Conditions Representing a Blighted Area for the 634 North Grand TIF Redevelopment Area* report ("Blight Study"), which is incorporated herein by reference, details and documents the conditions which qualify the Redevelopment Area as a "blighted area."

The Redevelopment Area 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. Appendix C to this Redevelopment Plan contains an affidavit, signed by the Developer, which is submitted with and incorporated by reference in this Redevelopment Plan, attesting that the provisions of Section 99.810.1 of the TIF Act have been met.

Conformance to the City's Comprehensive Plan

The uses proposed for the Redevelopment Area are consistent with and in furtherance of the *2005 Strategic Land Use Plan of the Comprehensive Plan of the City of St. Louis* (as amended) (the "*SLUP*"). This document, which is the most recent comprehensive land use plan for the City, was prepared by the St. Louis City Department of Planning and has been amended and updated several times. The *SLUP* specifically identifies the Redevelopment Area as a primary opportunity for the development of specialty mixed use activity in the City.

Estimated Dates for Completion of the Redevelopment Project and Retirement of Obligations to Finance Costs of the Redevelopment Project

This Redevelopment Plan states, in Section 8, that all TIF obligations issued to finance costs of the Redevelopment Project for RPA 1 are estimated to be retired no later than February, 2039. This conforms to the requirement of the TIF Act that all obligations be retired not more than 23 years from the date of adoption of the ordinance approving a Redevelopment Project in a TIF Redevelopment Area. (RSMo § 99.810).

This Redevelopment Plan states that renovation of the office building is anticipated to begin in early 2016, following approval of this Redevelopment Plan. The Redevelopment Project for RPA 1 (as described in this Redevelopment Plan) is anticipated to be completed in the spring of 2017. RPA 2 will not be activated at this time.

Relocation Assistance Plan

To the extent any relocation is needed to carry out the Redevelopment Plan, the provisions of Sections 523.200 to 523.215, Missouri Revised Statutes (as amended), shall be complied with.

Cost-Benefit Analysis Showing Economic Impact on Each Taxing District

A separate Cost-Benefit Analysis (dated November 9, 2015), prepared by Development Strategies, which details the economic impact of this Redevelopment Plan on each taxing district that is at least partially within the boundaries of the Redevelopment Area, is incorporated herein by reference. The analysis shows the impact on taxing districts if the Redevelopment Project is not built, as well as the impact if the Redevelopment Project is built according to this Redevelopment Plan.

The cost-benefit analysis additionally includes a study of the fiscal impact on each affected political subdivision and sufficient information from the Developer for the TIF Commission to evaluate whether the Redevelopment Project for RPA 1, as proposed, is financially feasible.

No Gambling Establishment

This 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).

3. REDEVELOPMENT PLAN OBJECTIVES

The following objectives have been established for this Redevelopment Plan. These objectives are consistent with those contained in the *SLUP*, as well as those purposes outlined in the TIF Act:

- To reduce or eliminate those conditions, the existence of which qualify the Redevelopment Area as a "blighted area" and thereby to enhance the public health, safety, welfare, or morals;
- To provide a demonstration and catalyst project for the continued growth and development of the Grand Center cultural district;
- To allow the Redevelopment Area to be put to productive use once again;
- To support the neighboring commercial development along North Grand Boulevard by providing a new commercial traffic generator to the area;
- To provide a range of job opportunities, from entry-level to professional/managerial, for the residents of the City of St. Louis;
- To provide a funding mechanism which will pay for the costs of improvements needed to stimulate growth and development through private reinvestment; and
- As a result of these activities, to enhance the tax bases and the resulting tax revenues for the City and all other taxing districts that extend into the Redevelopment Area.

4. GENERAL DESCRIPTION OF ACTIVITIES TO BE UNDERTAKEN TO ACCOMPLISH OBJECTIVES

To accomplish the objectives of this Redevelopment Plan, a program has been initiated to make TIF available within the Redevelopment Area and to attract and encourage private investment in the Redevelopment Area. Steps undertaken to date include:

- Preparation of this Redevelopment Plan providing for the redevelopment of the Redevelopment Area in accordance with and in furtherance of the *SLUP*;

- Study of the Redevelopment Area to document the existence of conditions that render the Redevelopment Area a "blighted area" under the TIF Act. The study methodology and documentation are set forth in a separate document, entitled *Data and Analysis of Conditions Representing a "Blighted Area" for the 634 North Grand TIF Redevelopment Area*. (Study results provide the basis for the findings in Section 2 of this Redevelopment Plan); and

- Solicitation and consideration of proposals from qualified private entities for redevelopment projects within the Redevelopment Area and selection of qualified redevelopers for purposes of negotiation to implement the Redevelopment Projects that meets the goals and objectives of the *SLUP* and this Redevelopment Plan.

As a result of these efforts, this Redevelopment Plan envisions a revitalized, productive, and inviting commercial destination for the St. Louis community and surrounding areas.

Subsequent activities necessary to implement the Redevelopment Projects and to accomplish the objectives of this Redevelopment Plan include, without limitation:

- The negotiation, approval, and execution of a Redevelopment Agreement providing for the terms upon which the developer will undertake the Redevelopment Project in RPA 1 in accordance with this Redevelopment Plan;
- Abatement of environmental hazards;
- Renovation of the existing office building;
- Excavation, grading, and site preparation;
- New construction;
- Landscaping and infrastructure improvements;
- Funding of selected costs of the Redevelopment Projects and issuance of temporary and permanent TIF obligations.

5. EXISTING LAND USE

The Redevelopment Area is comprised of ten parcels occupied by one large office building, one small mixed-use structure, and a large surface parking lot.

EXISTING LAND USE IN THE 634 NORTH GRAND REDEVELOPMENT AREA As of August 2015		
LAND USE	**Square Feet**	**% of Total Square Footage**
Buildings (footprint)	18,700	17%
Surface Parking	91,300	83%
TOTAL	**110,000**	**100%**

Source: Development Strategies field survey and records of the City of St. Louis.

The Redevelopment Area's buildings currently contain approximately 162,400 square feet – 157,000 square feet in the former Missouri Theatre building and 5400 square feet in the other building. The remainder of the site is occupied by a large surface parking lot.

6. PROPOSED DEVELOPMENT PLAN

General Land Use and Redevelopment Project Areas

When completed, the Redevelopment Area will have rehabilitated an outdated, vacant office building and replaced a large surface parking lot with high quality, mixed-use development. Below is a general description of the redevelopment projected to occur in each of the two RPAs.

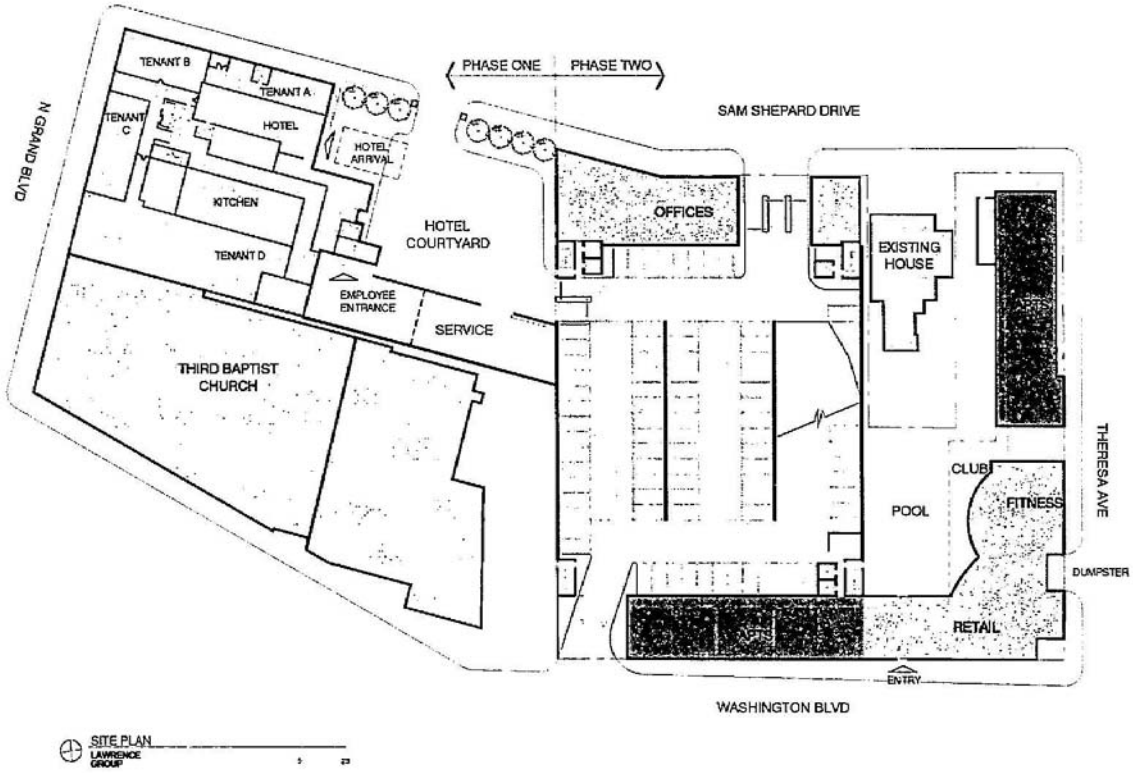
Redevelopment Project Area 1: This RPA consists of one parcel, 0.9 acres in size, at the Redevelopment Area's northwest corner; this parcel contains the large, historic Missouri Theatre office building. To enhance the commercial value and viability of the Area, the following actions are proposed:

- Restore the Missouri Theatre building's historic façade by cleaning, replacing and repointing terra cotta and brick details as necessary;
- Remediate hazardous materials in the building and throughout the site;
- Renovate and remodel the building's interior to provide attractive space to accommodate modern office, hotel, restaurant, and retail tenants;
- Demolish the former parking lot security structure at the entrance from Samuel Sheppard Drive;
- Demolish the surface parking area and replace it with a courtyard entrance to the hotel, including an improved entrance from Samuel Sheppard Drive;
- Provide attractive landscaping details, exterior lighting, and other site upgrades to improve the overall image, safety, and functioning of RPA 1.

Redevelopment Project Area 2: This RPA consists of the Redevelopment Area's remaining nine parcels, which total 1.6 acres. With the exception of the small mixed-use building at the site's southeast corner, RPA 2 is currently composed of a large surface parking lot. ***The following plans for RPA 2 are preliminary, as RPA 2 will not be activated at this time.***

- Demolish the small building at the site's southeast corner;
- Demolish the surface parking lots;
- Undertake earthwork as necessary to allow for appropriate storm water detention, site ingress/egress, and construction of more intensive uses;
- Construct several new buildings featuring apartments, office, and retail space;
- Construct a new parking garage;
- Provide new surface parking, landscaping, exterior lighting, and other necessary site improvements to enhance the site's image and utility.

It is important to note that the above description of proposed development reflects current plans for the redevelopment but could be subject to change in accordance with the TIF Act.



THE ABOVE SITE PLAN IS PRELIMINARY AND SUBJECT TO CHANGE

7. ESTIMATED REDEVELOPMENT PROJECT COSTS

Section 99.805(15) of the TIF Act authorizes the City to include as "redevelopment project costs", "...the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan or redevelopment project, as applicable."

The TIF Act states that eligible redevelopment project costs include but are not limited to:

a) Costs of studies, surveys, plans, and specifications;

b) Professional service costs including, but not limited to, architectural, engineering, legal, marketing, financial, planning, or special services, subject to the limitations of Section 99.805(15)(b) of the TIF Act;

c) Property assembly costs including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;

d) Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;

e) Costs of construction of public works or improvements;

f) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations issued pursuant to sections 99.800 to 99.865 of the TIF Act 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 thereto;

g) All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;

h) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or are required to be paid by federal or state law; and

i) Payments in lieu of taxes.

Estimated costs for the redevelopment of RPA 1 is anticipated to total approximately $53.44 million. The table on the following page illustrates a potential allocation of total costs.

634 NORTH GRAND REDEVELOPMENT PROJECT AREA 1 ESTIMATED PROJECT COSTS (Thousands) [1, 2]						
Studies & Professional Services	Property Acquisition & Relocation	Demolition, Environmental, Site Prep & Improvements	Building Renovation Costs	Financing Costs	Contingency/ Reserve	TOTAL
$5,586	$3,350	$2,750	$35,792	$1,992	$3,973	**$53,443**

It is assumed that the City will issue a TIF Note supported by the stream of projected revenues, as authorized by the TIF Act. The following figures, therefore, represent the "TIF Note value" of revenues to be generated by the TIF. The "Note value" is equal to the net present value (in 2016 dollars) of the revenue stream over its lifetime, at a discount rate of 5.5 percent, with debt coverage ratios of 1.25 applied to the revenue stream of each type of EATs.

Redevelopment Project Costs anticipated to be funded out of TIF revenues are equal to approximately $4.85 million. In addition, the "contractual pledge" of hotel room sales taxes is expected to generate approximately $670,000 (NPV) over its lifetime. These revenues are not technically TIF revenues; thus they are not included in the total TIF amount below.

The following table illustrates the project costs expected to be funded by TIF revenues:

634 NORTH GRAND REDEVELOPMENT PROJECT AREA 1 ESTIMATED TIF-FUNDED PROJECT COSTS (Thousands) [1, 2]						
Studies & Professional Services	Property Acquisition & Relocation	Demolition, Environmental, Site Prep & Improvements	Building Renovation Costs	Financing Costs	Contingency	TOTAL
$345	$0	$300	$4,200	$0	$0	**$4,845**

1. *Estimates of Redevelopment Project and TIF-funded Costs are based upon certain assumptions that may not materialize and, as an estimate or projection, are subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in this estimation. Accordingly, the actual costs may vary from the contemplated costs.*

2. *Because of the uncertainty of the above estimated costs, and because the amount of costs for certain categories may vary as a result of unforeseen events and circumstances, the above costs may be shifted among the categories of costs.*

Distribution of costs among the various cost categories for Redevelopment Projects is approximate. As the Redevelopment Projects are implemented, specific categorical items and actual associated costs may vary from those provided above. The above estimated costs are exclusive of costs of issuance of TIF Obligations (as hereinafter defined), required reserve accounts, accrued interest on TIF Obligations and capitalized interest, if any.

8. ANTICIPATED FUNDS TO PAY COSTS & OBLIGATIONS TO BE ISSUED

Anticipated Sources of Funds to Pay Redevelopment Costs

It is anticipated that the sources of funds to pay the costs of the Redevelopment Projects could include:

- Funds available to the Developer through the Developer's own operating revenues and cash reserves;
- Funds made available through private financing obtained by the Developer, including a construction loan, permanent mortgage, and/or mezzanine financing available through the Federal EB-5 Program;
- Proceeds of Brownfield, State Historic, and Federal Historic tax credits;
- Proceeds of TIF notes or TIF bonds (collectively, "TIF Obligations") issued by the City and secured by anticipated PILOTs and EATs collected pursuant to the TIF Act upon adoption of tax increment allocation financing for the Redevelopment Area by the City and deposited from time to time in the "special allocation fund" (as that term is defined in section 99.805(16) of the TIF Act) established for the Redevelopment Project; and
- Contractually-pledged funds representing 50% of projected revenues from the general sales tax on hotel rooms.

Evidence of Commitments to Finance the Project Costs

Appendix B contains a commitment letter provided by Eagle Bank and Trust Company to provide financing for the Redevelopment Project. The Developer also commits to finance Project Costs through a combination of equity, conventional financing, mezzanine financing, tax credits, and TIF Obligations that would be purchased or privately placed by the Developer.

Anticipated Type and Term of Sources of Funds to Pay Costs

As noted above, Redevelopment Project funds anticipate a combination of developer equity, conventional financing, tax credits, and TIF Obligations. Conventional financing provided by the Developer will include both private construction financing and permanent financing. Terms of construction and permanent financing will be determined through negotiations between the Developer and the Developer's equity partners and private lending institutions.

As detailed below, TIF Obligations may consist of an initial issuance of temporary notes to be subsequently refunded by permanent bonds, each secured by revenues deposited into the "Special Allocation Fund" for the Redevelopment Projects established pursuant to the TIF Act. As provided in the TIF Act, the maximum term of TIF financing will not exceed 23 years from the adoption by the City of the ordinance approving tax increment financing in the Redevelopment Project Area.

Anticipated Type and Term of Obligations to be Issued

It is anticipated that costs of the Redevelopment Projects may initially be financed through issuance by the City of St. Louis of Tax Increment Financing notes ("TIF Notes") purchased by the Developer or related parties associated with the development. The TIF Notes may be secured by, and payable from, revenues available in the Special Allocation Fund.

TIF Notes may be issued in a net aggregate principal amount reflecting the Redevelopment Project Costs incurred pursuant to this Redevelopment Plan and approved pursuant to a redevelopment agreement between the City and the Developer.

In no instance, however, shall the term of any TIF Obligation issued for this Redevelopment Project exceed 23 years from the adoption by the City of the ordinance approving tax increment financing for the Redevelopment Project. The anticipated date of approval is February, 2016. In that case, the latest date anticipated for retirement of all TIF Obligations issued for this Redevelopment Project would be February, 2039.

9. EQUALIZED ASSESSED VALUATIONS

Most Recent Equalized Assessed Valuation of Property within the Redevelopment Area

The most recent equalized assessed valuation ("EAV") of property within RPA 1 of the Redevelopment Area is provided by the records of the St. Louis City Assessor's Office. Most recent EAVs reflect assessments for the tax year 2015. RPA 1's 2015 assessed value is $317,700.

Estimated Equalized Assessed Valuation after Redevelopment

The estimated EAV after redevelopment is predicated upon increases in property values resulting from the completion of the Redevelopment Projects. The table below provides an estimate of the resulting EAV after full redevelopment.

634 NORTH GRAND REDEVELOPMENT PROJECT AREA 1 ESTIMATED EAV FOLLOWING REDEVELOPMENT		
2015 EAV	ESTIMATED EAV AFTER REDEVELOPMENT	PROJECTED INCREMENTAL EAV
$317,700	$8,836,020	$8,518,320

Source: The Lawrence Group, St. Louis City, and Development Strategies

10. REPORTING REQUIREMENTS

Annual TIF District Report

Each year the governing body of the municipality, or its designee, shall prepare a report concerning the status of each redevelopment plan and redevelopment project, and shall submit a copy of such report to the director of the department of economic development. The requirements for such reports are detailed in the TIF Act at § 99.865.1.

Annual Report Regarding Relocated Businesses

The TIF Commission, by the last day of February each year, shall report to the State Director of Economic Development the name, address, phone number, and primary line of business of any business which relocates to the Redevelopment Area pursuant to requirements of § 99.810.2 of the TIF Act.

Public Hearing Required Every Five Years

Five years after the establishment of a TIF district pursuant to an approved redevelopment plan, and every five years thereafter, the municipality's governing body shall hold a public hearing regarding that redevelopment plan. The purpose of this hearing shall be to determine if the redevelopment project is making satisfactory progress under its proposed time schedule. The requirements for such hearings are detailed in § 99.865.3 of the TIF Act.

APPENDIX A

Legal Description of the
634 North Grand Tax Increment Financing
Redevelopment Area

Overall Redevelopment Area

A tract of land in Block 1061 of the City of St. Louis, beginning at the Intersection of the East line of Grand Boulevard, with the South line of Samuel Shepard Drive (formerly Lucas Avenue); thence East along the South line of Samuel Shepard Drive, a distance of 315.06 feet to an angle point in said South line; thence continuing East along the South line of Samuel Shepard Drive (formerly Lucas Avenue) a distance of 108.22 feet to the Northwest corner of property conveyed to Robert and Natalie Duggan by deed recorded in Book 07102008 page 16 of the City of St. Louis Records; thence South along the West line of said Duggan property a distance of 142.56 feet to the Southwest corner thereof; thence East along the South line of said Duggan property a distance of 50 feet to the Southeast corner thereof; thence North along the East line of said Duggan property a distance of 142.56 feet to the South line of Samuel Shepard Drive (formerly Lucas Avenue); thence East along the South line of Samuel Shepard Drive (formerly Lucas Avenue) a distance of 60 feet to the West line of Theresa Avenue; thence South along the West line of Theresa Avenue a distance of 274.34 feet more or less to the North line of Washington Boulevard; thence West along the North line of Washington Boulevard a distance of 325 feet more or less to the East line of property conveyed to Third Baptist Church by deed recorded March 3, 1973 daily number 102; thence North along the East line of said Third Baptist Church property a distance of 160 feet more or less to the Northeast corner thereof and to the South line of property conveyed to TLG 634 N Grand LLC, by deed recorded in Book 12042013 page 219 of the City of St. Louis Records; thence West along the South line of said TLG 634 N Grand LLC a distance of 245 feet more or less to the Southwest corner of said TLG 634 N Grand LLC property and to the East line of Grand Boulevard; thence North along the East line of Grand Boulevard a distance of 129 feet 4 inches to the point of beginning.

RPA 1

A tract of land in Block 1061 of the City of St. Louis, beginning at the Intersection of the East line of Grand Boulevard, with the South line of Samuel Shepard Drive (formerly Lucas Avenue); thence Southwardly along the East line of Grand Boulevard 129 feet 4 inches a point which is 89 feet 3 inches North of the South line of U.S. Survey 1662 and being 84.55 feet North of the North line of Washington Boulevard; thence Eastwardly parallel with the South line of U. S. Survey 1662, a distance of 260 feet; thence Northwardly to a point on the South line of said Samuel Shepard Drive distant 230 feet East of the East line of Grand Boulevard; thence Westwardly along the South line of Samuel Shepard Drive, a distance of 230 feet to the point of beginning.

RPA 2

A tract of land in Block 1061 of the City of St. Louis, beginning at point on the South line of Samuel Shepard Drive (formerly Lucas Avenue) distant 230 feet East of its intersection with the East line of Grand Boulevard; thence East along the South line of Samuel Shepard Drive, a distance of 85.06 feet to an angle point in said South line; thence continuing East along the South line of Samuel Shepard Drive (formerly Lucas Avenue) a distance of 108.22 feet to the Northwest corner of property conveyed to Robert and Natalie Duggan by deed recorded in Book 07102008 page 16 of the City of St. Louis Records; thence South along the West line of said Duggan property a distance of 142.56 feet to the Southwest corner thereof; thence East along the South line of said Duggan property a distance of 50 feet to the Southeast corner thereof; thence North along the East line of said Duggan property a distance of 142.56 to the

South line of Samuel Shepard Drive (formerly Lucas Avenue); thence East along the South line of Samuel Shepard Drive (formerly Lucas Avenue) a distance of 60 feet to the West line of Theresa Avenue; thence South along the West line of Theresa Avenue a distance of 274.34 feet more or less to the North line of Washington Boulevard; thence West along the North line of Washington Boulevard a distance of 325 feet more or less to the East line of property conveyed to Third Baptist Church by deed recorded March 3, 1973 daily number 102; thence North along the East line of said Third Baptist Church property a distance of 160 feet more or less to the Northeast corner thereof and to the South line of property conveyed to TLG 634 N Grand LLC, by deed recorded in Book 12042013 page 219 of the City of St. Louis Records; thence East along the South line of said TLG 634 N Grand LLC property a distance of 15 feet more or less to a point distant 260 feet East of the East line of Grand Boulevard; thence North to a point on the South line of Samuel Shepard Drive (formerly Lucas Avenue) distant 230 feet East of the East line of Grand Boulevard and to the point of beginning.

APPENDIX B

Evidence of Commitment to Finance Project Costs

April 30, 2015

Mr. Joseph M. Cyr, Jr.
Director of Development Services
The Lawrence Group
319 North 4th Street
St. Louis, MO 63102

Re: TLG 634 N Grand, LLC ("Borrower")

Dear Joe:

This letter evidences a preliminary commitment by Eagle Bank and Trust Company of Missouri ("Eagle Bank") to support the Borrower's mixed-use redevelopment of the real property located at 634 N. Grand in the City of St Louis, MO

Please note as Eagle Bank's final commitment remains subject to the satisfactory completion of its customary underwriting and due diligence as well as final credit approval by Eagle Bank's Loan Committee, the proposed term sheet should not be construed as a binding obligation and you should not rely on it as such.

We appreciate the opportunity to work with you and look forward to our continued discussions.

Sincerely,

EAGLE BANK AND TRUST COMPANY OF MISSOURI

By: _____

William A. Springer
Senior Vice President

SUMMARY OF PROPOSED TERMS AND CONDITIONS

Eagle Bank and Trust Company of Missouri
5721 S. Lindbergh Blvd
Saint Louis, Missouri 63123

APPENDIX C

Developer's Affidavit

634 North Grand 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 634 North Grand Tax Increment Financing Redevelopment Plan, initially dated August 21, 2015 (the "Redevelopment Plan").

1. I am a duly authorized representative of TLG 634 N Grand 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 (2015), 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.

TLG 634 N Grand LLC
A Missouri limited liability company

By: _____
Name: Stephen A. Smith
Title: Manager

Subscribed and sworn to before me on this 6th day of August, 2015

Amanda Auer
Notary Public

My Commission Expires: 12/05/2015

NOTARY PUBLIC NOTARY SEAL STATE OF MISSOURI

AMANDA AUER
My Commission Expires
December 5, 2016
St. Louis City
Commission #11460078

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