

AN ORDINANCE OF THE CITY OF RICHMOND HEIGHTS, MISSOURI, AMENDING THE REDEVELOPMENT PLAN, REDEVELOPMENT PROJECT AND REDEVELOPMENT AGREEMENT FOR THE FRANCIS PLACE REDEVELOPMENT AREA.

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WHEREAS, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the “Act”), authorizes municipalities to undertake redevelopment projects in blighted, conservation or economic development areas, as defined in the Act; and

WHEREAS, on March 3, 2003, the City Council adopted (1) Ordinance No. 4835 approving a plan for redevelopment known as the Redevelopment Plan for the Francis Place Redevelopment Area (the “Original Redevelopment Plan”), and designating the Redevelopment Area (as described therein) as a “redevelopment area” (as that term is defined in the Act), and (2) Ordinance No. 4838 designating PACE–CDB, L.L.C., a Missouri limited liability company (the “Developer”) as the developer of the Redevelopment Area and authorizing the City to execute and enter into a Redevelopment Agreement with the Developer with regard to the redevelopment of the Redevelopment Area (the “Original Agreement”); and

WHEREAS, on November 7, 2005, the City Council adopted Ordinance No. 4961, approving Amendment One to the Redevelopment Plan for the Francis Place Redevelopment Area (collectively with the Original Redevelopment Plan, the “Redevelopment Plan”); and

WHEREAS, the Original Agreement has previously been amended by the First Amendment to Redevelopment Agreement dated as of October 20, 2003, the Second Amendment to Redevelopment Agreement dated as of May 1, 2004, and the Third Amendment to Redevelopment Agreement dated as of November 7, 2005 (collectively with the Original Agreement, the “Agreement”); and

WHEREAS, the Developer has proposed certain changes to the Redevelopment Plan, the RPA 2 Redevelopment Project (as described in the Redevelopment Plan) and Agreement that will allow it to complete the RPA 2 Redevelopment Project; and

WHEREAS, the proposed amendment to the Redevelopment Plan and RPA 2 Redevelopment Project does not alter the exterior boundaries of the Redevelopment Area, affect the general land uses established pursuant to the Redevelopment Plan or change the nature of any Redevelopment Project identified in the Redevelopment Plan; and

WHEREAS, to facilitate the development within the Redevelopment Area, the City finds it necessary and desirable to amend the Redevelopment Plan, the RPA 2 Redevelopment Project and the Agreement, as provided herein;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF RICHMOND HEIGHTS, MISSOURI, AS FOLLOWS:

SECTION 1. The Council hereby approves:

(a) Amendment Two to the Redevelopment Plan for the Francis Place Redevelopment Area, attached as **Exhibit A** hereto, and

(b) the Fourth Amendment to Redevelopment Agreement, attached as **Exhibit B** hereto.

SECTION 2. The sections of this ordinance shall be severable. If any section of this ordinance is found by a court of competent jurisdiction to be invalid, the remaining sections shall remain valid, unless the court finds that: (a) the valid sections are so essential to and inseparably connected with and dependent upon the void section that it cannot be presumed that the City Council has or would have enacted the valid sections without the void ones; and (b) the valid sections, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

SECTION 3. This ordinance shall take effect and be in full force on the thirty-first day following its passage and being signed as provided by law.

PASSED and SIGNED this 3<sup>rd</sup> day of March, 2008.

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BETTY J. HUMPHREY  
MAYOR

ATTEST:

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PATRICIA S. VILLMER  
DEPUTY CITY CLERK

APPROVED AS TO FORM:

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KENNETH J. HEINZ  
CITY ATTORNEY

First reading: February 4, 2008  
Second reading: February 19, 2008 (Amended)  
Final reading: March 3, 2008

**EXHIBIT A**

**AMENDMENT TWO TO THE REDEVELOPMENT PLAN  
FOR THE FRANCIS PLACE REDEVELOPMENT AREA**

The Redevelopment Plan for the Francis Place Redevelopment Area dated as of February 10, 2003, as amended by Amendment One to the Redevelopment Plan for the Francis Place Redevelopment Area (as amended, the “Redevelopment Plan”), and the RPA 2 Redevelopment Project described therein are hereby further amended as follows:

1. The description of anticipated sources of funds to pay costs is revised by amending the fourth bullet point on page 4-8 to read as follows:

- It is expected that the TIF Bonds or other financial obligations will be paid with (1) payments in lieu of taxes and economic activity taxes, as provided in the Act, (2) funds available through the implementation of a Transportation Development District (TDD) under Sections 238.200 to 238.280 of the Missouri Revised Statutes, (3) funds available through the implementation of a Community Improvement District (CID) under Sections 67.1401 to 67.1571 of the Missouri Revised Statutes, and (4) at the option of the City, other incremental tax revenue that the City derives from the redevelopment project.

2. Tables 4-2, 4-2A and 4-3 are amended to read as follows:

**Table 4-2  
ANTICIPATED REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT COSTS  
(without Transportation Development District and Community Improvement District)  
Francis Place Redevelopment Area**

Cost Items	Cost in \$				
	RPA 1	RPA 2	RPA 3	RPA 4	Total
Land Acquisition and Relocation	\$1,382,500	\$3,500,000	\$476,500	-	\$5,359,000
Structured Parking	7,404,000	7,665,000	-	-	15,069,000
On-Site Improvements	3,213,500	4,900,000	3,723,500	-	11,837,000
<b>Totals</b>	<b>\$12,000,000</b>	<b>\$16,065,000</b>	<b>\$4,200,000</b>	<b>\$0</b>	<b>\$32,265,000</b>

Source: Cost estimates provided by the Developer.

**Table 4-2A**  
**ANTICIPATED REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT COSTS**  
**(with Transportation Development District and Community Improvement District)**  
**Francis Place Redevelopment Area**

Cost Items	Cost in \$				
	RPA 1	RPA 2	RPA 3	RPA 4	Total
Land Acquisition and Relocation	\$ 3,439,500	\$7,040,000	\$1,022,600	-	\$11,502,100
Structured Parking	7,404,000	7,785,000	-	-	15,189,000
On-Site Improvements	3,341,000	5,500,000	3,767,000	-	12,608,000
Off-Site Improvements	1,239,500	160,000	577,500	-	1,977,000
Professional Fees	766,000	200,000	68,900	-	1,034,900
Contingency	210,000	-	64,000	-	274,000
<b>Totals</b>	<b>\$16,400,000</b>	<b>\$20,685,000</b>	<b>\$5,500,000</b>	<b>\$0</b>	<b>\$42,585,000</b>

Source: Cost estimates provided by the Developer.

**Table 4-3**  
**ANTICIPATED REDEVELOPMENT PLAN AND PROJECT**  
**IMPLEMENTATION COSTS TO BE PRIVATELY FINANCED**  
**Francis Place Redevelopment Area**

Source of Funds	Cost in \$				
	RPA 1	RPA 2	RPA 3	RPA 4	Total
Total Redevelopment Plan & Project Implementation Costs	\$50,723,000	\$125,000,000	\$55,000,000	\$4,230,000	\$234,953,000
Redevelopment Plan & Project Costs to be Financed by TIF Bonds or Other Financial Obligations <sup>1</sup>	12,000,000	16,065,000	4,200,000	0	32,265,000
Redevelopment Plan & Project Costs to be Financed by TDD Revenue, CID Revenue or Other Financial Obligations <sup>1</sup>	4,400,000	4,620,000	1,300,000	0	10,320,000
<b>Total Redevelopment Plan &amp; Project Implementation Costs to be Privately Financed</b>	<b>\$34,323,000</b>	<b>\$104,315,000</b>	<b>\$49,500,000</b>	<b>\$4,230,000</b>	<b>\$192,368,000</b>

<sup>1</sup> Excludes reserve fund, capitalized interest and costs of issuance.

Source: PGAV calculation and cost estimates provided by the Developer.

3. The Text of the Redevelopment Plan is amended to incorporate and correspond to the amended Tables 4-2, 4-2A, and 4-3, above.

4. The first paragraph on page 4-9 is amended to read as follows:

The cost item amounts in **Table 4-2** and **Table 4-2A** are based on the conceptual Project, as outlined previously in this Plan, and on cost data submitted by the Developer. In order to be reimbursed for the amount of costs shown in **Table 4-2A**, the City will require the Developer to (1) create a Transportation Development District (TDD) and cause the TDD to impose a 1% sales tax, and (2) create a Community Improvement District (CID) and cause the CID to impose a 1% sales tax. Accordingly, the amount of redevelopment project costs financed through non-TDD and non-CID revenues is \$32,265,000. This amount will be allocated between each of the Redevelopment Project Areas as follows: RPA 1 will not exceed \$12,000,000; RPA 2 will not exceed \$16,065,000; and RPA 3 will not exceed \$4,200,000. No project costs within RPA 4 will be designated as redevelopment project costs. All of the costs shown in **Table 4-2** and **Table 4-2A** are being qualified as TIF redevelopment project costs to achieve the lowest possible borrowing costs on any financings, thus minimizing the time period before the property within the Redevelopment Area becomes fully taxable.

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## **EXHIBIT B**

### **FOURTH AMENDMENT TO REDEVELOPMENT AGREEMENT**

This FOURTH AMENDMENT TO REDEVELOPMENT AGREEMENT (the “Fourth Amendment”), dated as of March 3, 2008, is made and entered into by and between the CITY OF RICHMOND HEIGHTS, MISSOURI, an incorporated political subdivision of the State of Missouri (the “City”), and The Boulevard-St. Louis, L.L.C., a Delaware limited liability company (the “Developer”) (as successor in interest to PACE-CDB, L.L.C.). The following recitals form the basis for this Fourth Amendment and are made a material part hereof.

WHEREAS, the City and Developer previously entered into a certain Redevelopment Agreement, dated April 18, 2003 (the “Agreement”) concerning the redevelopment of the Francis Place Redevelopment Area; and

WHEREAS, the City and Developer previously entered into a First, Second and Third Amendment to the Redevelopment Agreement, affecting certain terms of the aforesaid Agreement; and

WHEREAS, the City and the Developer desire to further amend the Agreement as set forth below in order to increase the overall public incentive available to finance the cost of the Redevelopment Project.

NOW, THEREFORE, for one dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Developer agree as follows:

1. Any capitalized terms used in this Fourth Amendment but not defined herein shall have the same meanings as are set forth in the Agreement, unless amended herein or the context of their use clearly indicates otherwise.
2. Notwithstanding anything contained in the Agreement to the contrary, all references to a Transportation Development District (“TDD”) shall be deemed to include a reference to a Community Improvement District (“CID”), and such terms shall be used interchangeably, it being the intent of the parties that a one percent (1%) sales tax shall be levied within each individual RPA and that within RPA 2 an additional one percent (1%) sales tax shall be levied within the boundaries of a hotel site.
3. Substantial Completion Date.

(a) The Redevelopment Project schedule in Paragraph 3.5.1 is amending by deleting December 31, 2005 from the row labeled “Submit Notice of Acquisition” in the RPA 2 section and inserting June 16, 2006 in lieu thereof.

(b) The Redevelopment Project schedule in Paragraph 3.5.1 is amending by deleting the row labeled “Submit Certificate of Substantial Completion” in the RPA 2 section and inserting in lieu thereof:

<b>Activity</b>	<b>Maximum Time for Performance (Absent Force Majeure)</b>	<b>Maximum Time for Performance (With Force Majeure)</b>
Submit Certificate of Substantial Completion	48 months after delivery of Notice of Acquisition	60 months after delivery of Notice of Acquisition

4. Use of TDD Revenues. Paragraph 3.15 is amended by adding a new sentence immediately after subparagraph (iii) to read as follows:

Notwithstanding the foregoing, all or a portion of the TDD Portion of the TDD Revenues may be pledged to any financial obligation of the City issued for the purpose of funding the RPA 2 Redevelopment Project.

5. Reimbursement of Developer Costs.

a. Paragraph 4.1 is hereby amended by deleting the number \$39,500,000 in the first paragraph and inserting in lieu thereof \$42,585,000.

b. Paragraph 4.1(a) of the Agreement is hereby amended by deleting the number \$31,500,000 for the amount of Redevelopment Project Costs that do not qualify as Transportation Project costs and inserting in lieu thereof \$32,265,000, and further amended by deleting the number \$15,300,000.00 for RPA 2 and inserting in lieu thereof \$16,065,000.

c. Paragraph 4.1(b) of the Agreement is hereby amended by deleting the number \$19,700,000.00 for RPA 2 and inserting in lieu thereof \$20,685,000.

d. Paragraph 4.1(e) of the Agreement is hereby amended by deleting the number \$2,300,000 for RPA 2 and inserting in lieu thereof \$4,620,000.

6. Interest Rate on TIF Notes. Paragraph 5.1.1 of the Agreement is hereby amended by deleting the reference to 8% and inserting in lieu thereof 10%.

7. RPA 2 Municipal Revenues. Existing Paragraph 6.1.1 of the Agreement is hereby amended by designating the existing text as Subparagraph 6.1.1(a) and adding the following to the end of the paragraph:

(b) Notwithstanding the foregoing, the City shall issue its revenue notes pursuant to its home rule charter powers (the “Additional Obligations”) to reimburse the Developer for costs incurred by the Developer in connection with the construction of the RPA 2 Redevelopment Project and not otherwise reimbursed through the issuance of TIF Notes or TDD Notes. The maximum principal amount of the Additional Obligations shall be determined by the City after receiving the City’s financial advisor’s recommendation (using the same criteria in subparagraph (c) below as will be used if Additional Bonds are issued); provided that such principal amount shall not exceed \$1,815,000. The Additional Obligations shall be issued at such time, in substantially such form and upon such terms as the TIF Notes.

(c) The City shall use its reasonable best efforts to issue its special obligations pursuant to its home rule charter powers (the “Additional Bonds”) to refund the Additional



Obligations, upon the written request by the Developer and upon the City's financial advisor's recommendation in favor of issuing such bonds. The financial advisor shall recommend the principal amount to be issued based on its review of projections of all revenues available for debt service as proposed by an independent qualified consultant showing that if all available revenues were to be applied to the repayment of the Additional Bonds, the Additional Bonds would reasonably be anticipated to be retired within their stated maturity and would be reasonably likely to achieve a debt service coverage ratio reasonably acceptable to the City's financial advisor. The City shall apply the net proceeds of such Additional Bonds to the payment of costs relating to the issuance of the Additional Bonds, to the payment of outstanding principal of and interest on the Additional Obligations to be refunded, to the payment of capitalized interest on the Additional Bonds, and to the establishment of a reasonable debt service reserve fund for the Additional Bonds, as determined by the City's financial advisor.

(d) The Additional Obligations and Additional Bonds may be secured by the RPA 2 Municipal Revenues and other revenues, including the TDD Portion of the TDD Revenues derived within RPA 2 and any CID revenues which are not captured as Economic Activity Taxes within RPA 2. At such time as the City shall issue the Additional Obligations or the Additional Bonds, all or a portion of RPA 2 Municipal Revenues may be pledged to the retirement of such Additional Obligations or Additional Bonds in lieu of being appropriated to the Special Allocation Fund.

8. Reimbursable Redevelopment Project Costs. The Agreement is hereby amended by replacing Exhibit C to the Agreement with the Exhibit attached hereto as Exhibit C (2008).

9. Reimbursement of Costs. Upon execution of this Amendment by the City and delivery of the same to the Developer, the Developer agrees to pay the City up to the sum of Ten Thousand Dollars (\$10,000) which sum shall be used to reimburse the City for all documented costs incurred in connection with the negotiation, review and adoption of this Fourth Amendment and a corresponding amendment to the Redevelopment Plan, including the costs of all legal and consulting fees and any other documentation or procedures required directly in connection therewith.

10. Except for the amendments contained herein, all of the provisions of the Agreement shall remain unmodified and in full force and effect, and the same are hereby ratified and affirmed in all respects. City and Developer each hereby acknowledge that this Fourth Amendment may be executed in counterparts, exchanged by facsimile transmission and that the facsimile copies of each party's respective signature(s) shall be binding as if the same were an original signature. This Fourth Amendment shall be binding upon and inure to the benefit of the respective successors and permitted assigns and, as applicable, the heirs and legal representatives of the parties hereto. The Agreement as previously amended and further modified by this Fourth Amendment, constitutes the entire understanding and agreement between the parties and may not be amended, supplemented, or modified except by a writing executed by both of the parties. This Fourth Amendment and all related documents shall be governed by the laws of the State of Missouri.

IN WITNESS WHEREOF, the parties have executed this Amendment effective as of the day and year above written.

“City”

**CITY OF RICHMOND HEIGHTS, MISSOURI**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

“Developer”

**The Boulevard-St. Louis, L.L.C.**

**By: Pace-CDB, L.L.C., Member**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT C

### REIMBURSABLE REDEVELOPMENT PROJECT COSTS\*

	<b>RPA 1</b>	<b>RPA 2</b>	<b>RPA 3</b>	<b>RPA 4</b>	<b>Total</b>
Land Acquisition and Relocation	3,439,500	7,040,000	1,022,600	0	11,502,100
Structured Parking	7,404,000	7,300,000		0	14,704,000
On-Site Improvements	3,341,000	5,985,000	3,767,000	0	17,608,000
Off-Site Improvements	1,239,500	160,000	577,500	0	1,977,000
Professional Fees	766,000	200,000	68,900	0	1,034,900
Contingency	210,000	-	64,000	0	274,000
<b>Totals</b>	<b>16,400,000</b>	<b>20,685,000</b>	<b>5,500,000</b>	<b>0</b>	<b>42,585,000</b>

(Source: Cost estimates provided by the Developer).

\*Amounts shown on this Exhibit C are in addition to the amount of Additional Obligations issued by the City pursuant to Section 6.1.1 of this Agreement.