2011 AMENDMENT:

HADLEY TOWNSHIP REDEVELOPMENT PLAN

City of Richmond Heights

PROGRESS WITH TRADITION

September 6, 2011

2011 AMENDMENT: HADLEY TOWNSHIP REDEVELOPMENT PLAN

1. PURPOSE OF AMENDMENT

The purpose of this 2011 Amendment: Hadley Township Redevelopment Plan (the "2011 Amendment") is to amend the Hadley Township Redevelopment Plan dated as of July 26, 2006, as previously amended by the 2008 Amendment: Hadley Township Redevelopment Plan dated as of July 2, 2008 (the "Redevelopment Plan"). This 2011 Amendment will amend the Redevelopment Plan by (a) removing certain portions of property from the Redevelopment Area, including a portion of the area known as RPA 1 and all of the area known as RPA 2, (b) updating the blight study contained in Section 3 of the original Redevelopment Plan, (c) making revisions to the scope of the Redevelopment Project and (d) reducing the amount of TIF assistance available by $2 million. Unless otherwise noted herein, all capitalized terms used herein shall have the meanings set forth in the Redevelopment Plan. Except as amended by this 2011 Amendment, the provisions of the Redevelopment Plan shall remain in full force and effect.

This 2011 Amendment is necessary because past efforts to attract development within the original boundaries of the Redevelopment Area have been unsuccessful due to the difficulty in securing private financing for large projects in the current economic environment. The revisions to the scope of the Redevelopment Project contained in this 2011 Amendment are intended to generally follow the scope of the original Redevelopment Project, albeit on a scale that is more realistic and reasonably attainable in the current economy.

The portions of the original Redevelopment Area being removed by this 2011 Amendment are unlikely to be part of a large-scale, unified redevelopment in the foreseeable future. The City believes that these portions of the original Redevelopment Area can be stabilized or rehabilitated without the need for TIF assistance. A few of the vacant buildings in the areas being removed from the Redevelopment Area that are not economically feasible to rehabilitate may be demolished and turned into green or park space.

2. REVISION TO REDEVELOPMENT AREA

Appendix A, **Appendix B** and **Appendix C** attached to the Redevelopment Plan are hereby deleted in their entirety and replaced by **Appendix A, Appendix B** and **Appendix C** attached hereto. Notwithstanding anything to the contrary in the Redevelopment Plan, the Redevelopment Area described therein shall refer only to the revised Redevelopment Area, as described in **Appendix A**, **Appendix B** and **Appendix C**. All references in the Redevelopment Plan to the size of the Area shall be changed to approximately 41 acres, including street and railroad rights-of-way.

The second sentence under "Overview and Background of the Area" on page 1-3 of the Redevelopment Plan is revised to read: "Generally the boundaries of the Area are a portion of the Highway 40/Interstate 64 right-of-way and Dale Avenue on the north, Hampton Creek and Berkley Avenue on the east, West Bruno Avenue on the south and Hanley Road on the west."

3. Revision to Analysis of Blighting Factors

Section 3 of the Redevelopment Plan is hereby amended so that it applies only to the Area described on **Appendix A** and **Appendix B** attached hereto and to the parcels identified on **Appendix C** attached hereto. All specific references to parcels, structures or blighting factors located outside the boundaries of the Area (as revised by this 2011 Amendment) are deleted. All references to aggregate numbers of parcels, structures and blighting factors within the Area are hereby revised so that they refer only to the portion of such aggregate numbers of parcels, structures and blighting factors included in the boundaries of the Area (as revised by this 2011 Amendment).

The reference to 38.8 acres under "Existing Land Use and Zoning" on page 3-3 of the Redevelopment Plan is hereby changed to approximately 41 acres, including street and railroad rights-of-way.

Section 3 of the Redevelopment Plan is further amended by the addition of the following "2011 Blight Study Update" to the end of Section 3.

2011 BLIGHT STUDY UPDATE

The intent of this 2011 Blight Study Update is to review and update the blight analysis contained in Section 3 of the Plan, in light of the 2011 Amendment to the Plan.

The City adopted the Plan in 2006 to encourage the redevelopment of the Area. In connection with the preparation of the Plan, the City retained Peckham, Guyton, Albers, and Viets (PGAV), a planning firm, to perform an analysis to determine if the Area exhibited the conditions necessary to be declared a "blighted area" under the Act. After the requisite public hearing, the City made a finding of blight in Ordinance No. 4991.

A similar study was performed by Development Strategies, another planning firm, in April 2010 as part of a review of conditions under Chapter 353 of the Missouri Revised Statutes ("Chapter 353"). This study also supported a finding that the Area was blighted (please note that the definition of "blighted area" under Chapter 353 differs slightly from the definition used in the Act). After the requisite public hearing, the City made a finding of blight in Ordinance No. 5240.

The 2011 Amendment to the Plan reduces the Redevelopment Area in size. The reduced Redevelopment Area encompasses approximately 41 acres, including 5 acres of City-owned property north of Dale Avenue. The new Area includes 161 parcels of property. A listing of the parcels within the Area, including property ownership and assessment data provided by the St. Louis County Assessor's Office, is provided in **Appendix C**.

The reduced Redevelopment Area contains 137 structures. Of this total, 117 are residential, 10 are commercial, one is categorized as public/semi-public, and one is industrial. The reduced Area includes the City's Public Works facility. The Hanley Road portion of the Area includes several commercial (both retail and office) uses. Within the Area, there are numerous vacant and dilapidated residential structures, vacant commercial spaces, and many instances of deterioration and depreciation of maintenance.

The Area is bordered to the north by the Richmond Heights Community Center and Library complex and Interstate 64. To the east of the Area are several residential neighborhoods. Commercial properties front the west side of Hanley Road. To the south of West Bruno Avenue, the Area borders a shopping center.

The Area is located in both the Hanley Road and Interstate 64 transportation corridors. These two primary transportation corridors generate significant automobile traffic and the Hanley Road corridor has undergone a transformation into a regional retail node -- multiple national, regional, and local retail tenants are located in this corridor. While the national recession and restrictions on bank lending and credit have greatly slowed investment in new retail developments, nearby Hanley Road developments in the cities of Brentwood and Maplewood have survived. The Area represents the last portion of significant residential land uses within one block of Hanley Road between Manchester Road to the south and Interstate 64 to the north. As such, the residential environment of the Area is being eroded.

The majority of the structures in the Area today are vacant or associated with residential uses. Over the years, numerous residential structures have been demolished. The majority of the residential uses in the Area are occupied by renters. Many of the units are owned by a limited number of individuals due to land assemblage attempts and speculation in the past. The residential use of the Area has suffered both from its proximity to the Hanley Road corridor, as well as by the retail development that borders the Area to the west and south. In recent years, very limited investment has occurred in residential portions of the Area, and several commercial structures have exhibited deteriorated conditions or represent obsolete land uses or structures. There are several examples of obsolete street conditions, as well as obsolete and dilapidated residential structures.

Over the last 20 years, the Hadley area has attracted various speculators and interest from the development community. This has intensified over the past several years due to changes in the Area's environs. The nature and character of Hanley Road has changed from an arterial roadway that served adjacent residential and commercial uses, to a predominately commercial corridor carrying a growing volume of traffic. This change is particularly pronounced in the area near Hanley's connection to I-170 and its direct intersection with Interstate 64. This interchange was redesigned and rebuilt as part of the major reconstruction program for Interstate 64 between 2007 and 2010.

The City has made several attempts to solicit proposals to facilitate infill development. These attempts were unsuccessful. It has become evident to City officials that, in the foreseeable future, there is little or no ability to implement the infill development option. Unfortunately, conditions in the Area have continued to deteriorate and there is little reasonable prospect that the marketplace can resolve these problems without public intervention. Some existing residents of Hadley Township have encouraged the City to continue to seek an opportunity for a unified redevelopment of the Area. Two attempts at such unified development were made, but both developers were unable to obtain necessary financing. Almost all property owners signed option agreements for the developers to purchase properties, but the options were not exercised.

Below is specific update to certain information contained in Section 3 of the original Redevelopment Plan.

Existing Land Use and Zoning

The Area was rezoned to Planned Development Mixed Use (PDM) in 2008.

The Defective or Inadequate Street Layout

The street conditions listed in the prior PGAV study (included in Section 3 of the original Redevelopment Plan) have remained unchanged or have further deteriorated.

Insanitary or Unsafe Conditions

Several structures in the Area are in a severely deteriorated condition and exhibit leaning or failing portions of foundations or other structural components. A total of 18 (or approximately 13%) of the 137 buildings in the Area were classified as dilapidated in the prior PGAV study. These structures are scattered throughout the Area.

Deterioration of Site Improvements

Throughout the Area, various levels of deterioration are present. Of the 137 structures in the Area, approximately 47% were built prior to 1950 and approximately 87% are 35 years of age or older. Buildings over 35 years of age are considered old enough for time to have had an impact on the physical condition of the building or its viability for its originally intended use. In the past, Federal urban renewal standards typically recognized that as a building reaches an age of 35 years, there is increased likelihood that major deterioration might be occurring.

Conditions in the Area have only worsened as commercial growth and an increasing isolation of the neighborhood as a residential area has occurred. A total of 66 structures are considered deteriorated and 18 are considered dilapidated. An additional 20 are considered obsolete. These deteriorated conditions were found in buildings and lots throughout the Area.

Code violations noted in the original Redevelopment Plan were more centered in the middle of the Area (Banneker, Stockard, and Elinor Avenues). Many of the more deteriorated, and in some cases dilapidated, building conditions were found to exist on these same streets today.

Economic or Social Liability and Retarding of Housing Accommodations

One of the indicators of a declining residential environment can be seen in the property ownership data for the Area obtained from the St. Louis County Assessor. In the Area, there were a total of 144 residential lots (lots either occupied by residential uses or vacant lots in residential subdivisions). Of these, 87 lots (approximately 60%) were classified as either vacant or non-owner occupied. This rate has been increasing and almost every block in the Area has non-owner occupied housing.

The condition and makeup of the commercial properties in the Area represent additional economic liabilities for the City. Given the growth that has occurred in the environs of the Area and the location of the Area within two primary transportation corridors, it is clear that the Area is underutilized. In 2005 (prior to the approval of the Redevelopment Plan), the City received $37,999.11 in general sales tax revenue from within the Area. In 2010, that number declined to $25,136.18. Several businesses have closed since 2006, including the Millis Animal Hospital and Mainline Mortgage Company.

Lack of Growth and Development by Private Enterprise

Investment in commercial property along Hanley Road in the Area has been limited. The only recent change was the conversion of the vacant MRI building to a law office. Because of the existing conditions of the Area, on the whole, the Area has not been subject to growth and development through investment by private enterprise.

The costs to remedy the blighting conditions within the Area exceed the potential return on investment for a developer. Several attempts were made, but failed because financing was unattainable even with the prospect of significant public participation. The need for parcel assembly in order to assemble sites of a size and configuration to meet modern commercial and/or residential needs; the need to demolish existing improvements, including buildings, roads and utilities; and the need to construct new infrastructure that would support modern development, such as new storm sewers, water lines, and utilities, impose extraordinary costs. Should future testing find evidence of clay mining in the Area, the need to construct more extensive foundation systems to protect against potential subsidence will also add extraordinary costs. A project cannot carry these extraordinary costs and still offer lease rates or sale of land at competitive prices in the marketplace. Without tax increment financing assistance to alleviate the burden of carrying these costs, the Area cannot reasonably be anticipated to be redeveloped.

Summary and Findings

Many of blighting conditions that were present in 2006, including defective or inadequate street layout, insanitary and unsafe conditions, deterioration of site improvements and improper subdivision and obsolete platting, are still present in the Area today. The Area, even as reduced in size by the 2011 Amendment, continues, on the whole, to exhibit a predominance of blighting conditions, remains an economic and social liability in its present condition and use, and would not reasonably be anticipated to be developed without adoption of tax increment financing.

4. REVISION TO REDEVELOPMENT PROJECT

Section 4 of the Redevelopment Plan is hereby deleted and replaced in its entirety with the following:

PROGRAM OBJECTIVES

The Redevelopment Plan outlines the program that the City proposes to undertake within the Redevelopment Area. The City's objective for the Redevelopment Plan is to facilitate redevelopment of the Area, to alleviate those conditions that have caused the Area to become a blighted area, and to facilitate private reinvestment through a planned program for economic redevelopment and housing redevelopment. The Redevelopment Plan calls for commercial and residential uses that will take advantage of the site location, access, and potential trade area; significantly contribute to the City's need for both economic development and the provision of new or rehabilitated housing; provide new revenue for the affected taxing districts; and create new jobs within the City.

The following more general objectives also form the basis for the Redevelopment Plan:

- Eliminate the conditions that have qualified the Area as a "Blighted area" under the terms of the Act;

- Eliminate and/or reduce the presence of conditions that are an economic liability to the City and local taxing jurisdictions through growth in the tax base;

- Stimulate redevelopment of the Area through private investment in new commercial land uses that will provide the maximum job generation and revenue base for retirement of TIF obligations;

- Stimulate the development of new residential units and the rehabilitation of existing housing stock that will contribute to the long-term stability and growth of the City's population base;

- Provide an implementation mechanism which will accelerate the achievement of these objectives and complement other community and economic development objectives and programs; and

- Further the objectives of the City's Comprehensive Plan for this Area.

There are several reasons why the redevelopment of the Area would not reasonably be anticipated to occur without the availability of tax increment financing. The City has made several previous attempts to stabilize the neighborhood through soliciting private sector reinvestment for an infill housing program. Several unified developments were also attempted but economic conditions and credit restrictions hampered completion. Significant redevelopment of the Area will be necessary in order to alleviate the blighting conditions, facilitate private sector reinvestment, and provide new housing accommodations. The costs of parcel assembly, utility relocation, demolition of existing improvements, and grading exceed a developer's ability to make a project financially viable without public assistance. For redevelopment to occur, infrastructure in the Area must be improved. Funding for such infrastructure improvements must be raised through revenues associated with increased economic activity in the Area (i.e., the TIF revenues and special district sales tax revenues available under this Plan). A redevelopment project of this type is necessary to generate the tax revenues necessary to remedy these blighted conditions. Recognizing these obstacles to redevelopment, the City's Comprehensive Plan contemplates the use of tax increment financing to facilitate meeting the Comprehensive Plan goals and objectives.

GENERAL LAND USES TO APPLY

The land uses to apply to the Redevelopment Area, "Planned Mixed-Use," are displayed on **Plate 5, General Land Use Plan**, contained in **Appendix A**. It is anticipated that the principal land uses will be a mix of commercial, including retail, service, Class A office space and hotel uses, along with new and rehabilitated residential units.

ESTIMATED REDEVELOPMENT PROJECT COSTS

As required by the Act, this Plan contains estimated Redevelopment Project Costs, the anticipated sources of funds to pay for Redevelopment Project Costs, the anticipated type and term of the sources of funds to pay Reimbursable Project Costs.

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

- The cost of land acquisition and relocation, including the sales and relocation contracts that will be negotiated at a future date; the cost to purchase leasehold interests of tenants; relocation benefits to be paid to tenants and occupants of the property; and the amount of land to be acquired. These costs are based on the amount of land required for the Project that is envisioned, at this time, to be used for redevelopment purposes;

- The cost of demolishing existing improvements, including certain buildings, asbestos removal, and other environmental remediation costs; and the cost of demolishing existing infrastructure improvements in order to rebuild to required capacity;

- The amount and type of building construction of various types which could occur on the site;

- The cost of infrastructure improvements required, such as street improvements; curbing and sidewalk improvements; and to upgrade utilities on the site;

- The cost of the improvements to Hanley Road and the cost of storm water control measures;

- The miscellaneous costs associated with development, such as loan fees, construction loan interest, permit and inspection fees, appraisals, title insurance, surveying, soils engineering and compaction, architect/engineer fees, environmental testing, etc.;

- Bond or other financial obligations issuance costs which will be incurred over the life of the project; and

- Planning, legal, and financial advisory costs associated with the preparation of the Redevelopment Plan, and implementation of the redevelopment project which has occurred and will occur in the Area in the future.

The Redevelopment Project is a mixed-use redevelopment for primarily new commercial and new and rehabilitated residential uses as proposed by one or more developers. This may include a Class A office building, hotel, and various retail and service uses. The retail uses will likely include one or more major anchors. In addition, the City's Public Works facility may be relocated either within or outside the Redevelopment Project.

It should be noted that the sizes and site layout of the individual buildings are dependent on the needs and requirements of the ultimate tenants, who are not known at this time. This Redevelopment Plan is intended to allow for needed flexibility in the building layouts, size and configuration, as long as the overall intent and concept of the Redevelopment Project is maintained.

The Act allows the City and/or any designated developer(s) to incur redevelopment costs associated with implementation of a redevelopment plan and redevelopment project. These costs include all reasonable or necessary costs incurred, and any costs incidental to a redevelopment project. This Redevelopment Plan provides for the use of TIF revenues for the following costs, in accordance with the 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, 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;

- 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 4-1, entitled **Anticipated Redevelopment Plan and Redevelopment Project Costs**, shown on the next page, identifies the potential overall costs of implementing the Project described above. These costs represent the maximum total cost of the Project, regardless of the source of funding. These costs are estimated based on the City's knowledge of the Project at this time. The actual cost items for implementing the Redevelopment Plan and the Redevelopment Project may vary from these estimates.

Table 4-1
ANTICIPATED REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT COSTS
Hadley Township Redevelopment Area

Development Cost Items	Cost in $
Land Acquisition and Relocation (Costs associated with land acquisition and relocation, including relocation of the City's Public Works Facility, and including appraisals, title searches, closing costs, etc.	64,500,000
On-Site Preparation and Improvements Costs (Includes demolition of buildings, utilities, infrastructure, environmental remediation, extra structural improvements due to soil conditions, clearing, grading and construction of parking facilities, lighting, utilities, stormwater control, sanitary sewers, landscaping, etc.)	19,000,000
Off-Site Improvements (Includes improvements to the surrounding roads signalization, landscaping and other associated costs.)	3,500,000
Building Construction (Includes construction of new buildings, including commercial buildings, pad sites, and residential units.)	79,000,000

Professional Fees (Includes architecture, engineering, surveying, legal, planning, consulting, and leasing commissions).	2,400,000
Financing Costs and Other Construction Period Carry Costs	12,400,000
Contingency	7,500,000
Total Anticipated Redevelopment Plan and Project Costs	**189,200,000**

ANTICIPATED SOURCES OF FUNDS TO PAY COSTS

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

- Capital that is available to any developers through their own cash reserves or financing entities;

- Funds available in the Special Allocation Fund or through the issuance of Tax Increment Financing Bonds ("TIF Bonds"), short and long term notes, loans, certificates or other certificates of indebtedness (herein collectively referred to as "TIF Bonds or other financial obligations");

- Improvements by third party tenants; and

- Funds generated through the implementation of a Transportation Development District (TDD) under Section 238.200 to 238.280 of the Missouri Revised Statutes or a Community Improvement District (CID) under Sections 67.1401 to 67.1571 of the Missouri Revised Statutes.

This Plan provides for certain costs which may be paid from funds available in the Special Allocation Fund or through the issuance of TIF Bonds or other financial obligations to finance all or a portion of the demolition, rehabilitation, infrastructure, utility, and other Redevelopment Project costs as listed in **Table 4-2**, below, entitled **Anticipated Redevelopment Plan & Project Implementation Costs to be Paid by TIF Revenues (without TDD/CID)**.

Table 4-2
ANTICIPATED REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT IMPLEMENTATION COSTS TO BE PAID BY TIF BONDS OR OTHER OBLIGATIONS (without TDD/CID)
Hadley Township Redevelopment Area

Development Cost Items	Cost in $
Land Acquisition and Relocation (Costs associated with land acquisition and relocation, including relocation of the City's Public Works Facility, and including appraisals, title searches, closing costs, etc.	30,000,000
On-Site Preparation and Improvements Costs (Includes demolition of buildings, utilities, infrastructure, environmental remediation, extra structural improvements due to soil conditions, clearing, grading and construction of parking facilities, lighting, utilities,	7,750,000

stormwater control, sanitary sewers, landscaping, etc.)	
Professional Fees (Includes architecture, engineering, surveying, legal, planning, consulting, and leasing commissions).	500,000
Total Anticipated Redevelopment Plan and Project Costs	**38,250,000**

Table 4-2A
ANTICIPATED REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT IMPLEMENTATION COSTS TO BE PAID BY TIF BONDS OR OTHER OBLIGATIONS (with TDD/CID)
Hadley Township Redevelopment Area

Development Cost Items	Cost in $
Land Acquisition and Relocation (Costs associated with land acquisition and relocation, including relocation of the City's Public Works Facility, and including appraisals, title searches, closing costs, etc.	30,000,000
On-Site Preparation and Improvements Costs (Includes demolition of buildings, utilities, infrastructure, environmental remediation, extra structural improvements due to soil conditions, clearing, grading and construction of parking facilities, lighting, utilities, stormwater control, sanitary sewers, landscaping, etc.)	12,250,000
Off-Site Improvements (Includes improvements to the surrounding roads signalization, landscaping and other associated costs.)	3,500,000
Professional Fees (Includes architecture, engineering, surveying, legal, planning, consulting, and leasing commissions).	500,000
Total Anticipated Redevelopment Plan and Project Costs	**46,250,000**

The City may require a TDD and/or CID to be created and cause such districts to impose up to a 1% sales tax. Accordingly, the amount of redevelopment project costs that may be financed through TIF revenues is $38,250,000. If a TDD or CID sales tax is imposed, $46,250,000 of redevelopment project costs may be reimbursed. All of the costs 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.

It is likely that a portion of the costs may initially be financed through the issuance of notes. Once the Project is generating tax revenue, the City may issue TIF Bonds to the public or others to refinance the TIF notes. Some costs of the Project may also be reimbursed directly from available funds in the Special Allocation Fund.

The aggregate of all costs (including TIF, TDD, and CID) shall not exceed $46,250,000 plus the following costs: (1) if the City elects to finance or refinance with TIF Bonds or other financial obligations, the principal amount to be financed by TIF, TDD and CID revenues may exceed $46,250,000 to the extent required to establish a reserve fund, to pay costs of issuance, to pay capitalized and accrued interest, and to pay other eligible financing costs; and (2) such additional off-site improvements required by governmental agencies to be financed by the TDD and/or the CID.

The primary sources of revenue to retire TIF Bonds or other financial obligations will be those provided for in the Act. As stated in the Act, these sources are:

> *….payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel or real property in the area selected for the redevelopment project over and above the initial equalized assessed value of each such unit of property in the areas selected for the redevelopment project…*

This source is anticipated to generate incremental revenue resulting from increased EAV following redevelopment of the Area; and

> *…50% of the total additional revenue from taxes, penalties and interest imposed by the municipality or other taxing districts 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… but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied for the purpose of public transportation pursuant to Section 94.660 RSMo, licenses, fees or special assessments...*

This source is anticipated to generate incremental revenue from sales taxes levied by the City following redevelopment of the Area. It is not the intent of this Plan to seek utilization of the new State revenue generated as a result of redevelopment.

It is expected that the TIF Bonds or other financial obligations will also be paid with funds available through the implementation of a TDD or CID. The City may elect, but is not obligated, to use other sources of revenue to finance these costs; or alternatively, the City may make advances from funds available in the Special Allocation Fund. TIF Bonds or other financial obligations issued for a Project may be marketed through a program developed by the bond underwriter, or they may be privately placed.

It is anticipated that the remaining Project costs not funded by funds available in the Special Allocation Fund or the proceeds of TIF Bonds or other financial obligations will be paid primarily through four other sources. These sources are: (1) internal capital resources of any private developers selected by the City to implement a Project within the Area; (2) private financing secured by a developer which would use these sources of revenue to pay those costs that are not to be financed by TIF Bonds or other financial obligations; and (3) third party tenants and/or their lenders.

By comparing the figures for the Area from **Tables 4-1** and **4-2**, the costs associated with implementation of the Redevelopment Plan and Redevelopment Project to be financed by private capital or financing or other sources of revenue are as shown in **Table 4-3,** entitled **Anticipated Redevelopment Plan and Project Implementation Costs to be Privately Financed.**

Table 4-3
ANTICIPATED REDEVELOPMENT PLAN AND PROJECT IMPLEMENTATION COSTS TO BE PRIVATELY FINANCED
Hadley Township Redevelopment Area

Redevelopment Plan & Project Cost Items	Cost in $
Total Redevelopment Plan & Project Implementation Costs	189,200,000
Redevelopment Plan & Project Costs to be financed by TIF Bonds or Other Financial Obligations*	38,250,000
Redevelopment Plan & Project Costs to be financed by a Transportation Development District or a Community Improvement District	8,000,000
Total Redevelopment Plan & Project Implementation Costs to be Privately Financed	**142,950,000**

The amount of TIF Bonds or other obligations to be issued may also include and be used for payment of City professional fees and for payment of taxing district agreements, and also to pay for costs of issuance, reserves for capitalized and accrued interest, and other eligible financing costs.

ANTICIPATED TYPE AND TERM OF THE SOURCES OF FUNDS AND THE TYPES AND TERMS OF THE OBLIGATIONS TO BE ISSUED

It is anticipated that the City will issue TIF Bonds or other financial obligations, with a term of retirement for all such issues of not more than 23 years, in an amount not to exceed $38,250,000 plus the following costs: (1) the cost of professional fees (planning, City staff time, legal fees and other costs) incurred by the City and either reimbursed or paid directly by Developers; and (2) if the City elects to finance or refinance with TIF Bonds or other financial obligations, the principal amount to be financed by TIF revenues may exceed $38,250,000 to the extent required to establish a reserve fund, to pay costs of issuance, to pay capitalized and accrued interest, and to pay other eligible financing costs. It is anticipated that a separate Bond issue may be issued through the TDD or CID, supported by the revenues generated by such district. The TIF Bonds or other financial obligations will be issued only to finance the Redevelopment Plan and project costs, as previously outlined in **Table 4-2** in this section, which are eligible costs as specified in Section 99.805 of the Act, including the funding of a debt service reserve fund, capitalized and accrued interest, and any costs of issuing the TIF Bonds or other financial obligations.

The Bonds may be issued in one or more series and may include notes, temporary notes, or other financial obligations to be redeemed by TIF Bonds. In addition, these Bonds or other financial obligations may be privately placed. The City's obligation to pay for the principal and interest on these Bonds or other financial obligations, in any year shall be payable solely from money legally available for such purpose in the City's Special Allocation Fund.

Alternately, and in addition to the obligations outlined above, the City may make an interim advance from its funds (if available) for purposes of paying the costs of implementation of any Redevelopment Plan or Project implementation cost to be financed by TIF revenues. Any such advance would be reimbursed with interest when there are sufficient monies in the Special

Allocation Fund. In addition to the obligations outlined above, the City may issue short-term obligations in the form of loans or bond anticipation notes. They may be issued for the purposes and uses as previously set forth in this Redevelopment Plan.

EVIDENCE OF THE COMMITMENT TO FINANCE PROJECT COSTS

Appendix E contains documentation of commitment to finance the Redevelopment Project.

EQUALIZED ASSESSED VALUATION

In accordance with the Act, the most recent equalized assessed valuation (EAV) and an estimate of the EAV after redevelopment is provided in **Table 4-4**, entitled **Estimated Equalized Assessed Valuation Before and After Redevelopment.**

Table 4-4

ESTIMATED EQUALIZED ASSESSED VALUATION (EAV)
BEFORE AND AFTER REDEVELOPMENT

Hadley Township Redevelopment Area

Assessment Item	Estimated Market Value	Estimated EAV
Total After Redevelopment	$104,000,000	$25,000,000
Initial EAV	13,787,000	3,304,150
Estimated Incremental Market and Assessed Values	**$90,213,000**	**$21,695,850**

Information on the individual properties within the Area is shown in **Appendix C, Parcel Identification**. The information for the Initial EAV was provided by the St. Louis County Assessor's office.

The estimate of market value for the building and site improvements comprising the Redevelopment Project are based on the market valuation estimates described earlier in this Section.

The parcels that comprise the Redevelopment Area currently have an assessed valuation basis for commercial and residential uses and will be assessed as commercial and residential uses after redevelopment. The basis for the market value after redevelopment is based on a combination of current St. Louis County Assessor's data for comparable uses.

During the course of implementation of the redevelopment program, some adjustment in assessed values will occur as certain site improvements are demolished. This will likely occur as portions of the existing buildings are demolished and new construction is not yet fully assessed. In such cases, these parcels may have an assessed value less than that which was attributed to them in the "base" year for the period of time until new construction occurs and a new assessment is derived. In addition, because the market value of this type of use is determined by the St. Louis County Assessor after construction and is adjusted over time based on the tenant/occupant and market conditions, this may, in some instances, affect the amount of incremental revenue from property taxes that are available in a given year. The estimate of the EAV before and after redevelopment is based on a "snapshot" in time as opposed to a more precise projection of what may actually happen on an annual basis as redevelopment occurs.

ESTIMATED DATES FOR COMPLETION OF THE REDEVELOPMENT PROJECT & RETIREMENT OF OBLIGATIONS

The estimated date for complete implementation of the Redevelopment Plan and the Redevelopment Project not later than July 16, 2029. Obligations incurred to finance the Redevelopment Plan and Redevelopment Project implementation costs will be retired on or prior to that date. The projected time schedule for full implementation of the Plan is displayed below:

Anticipated Program Schedule

1. Adopt Redevelopment Plan & Project Ordinance	8/17/2006
2. 2008 Amendment to Redevelopment Plan	8/2/2008
3. 2011 Amendment of Redevelopment Plan	[*9/1/2011*]
4. TIF Obligations Retired	Before 8/17/2029

RELOCATION PLAN

Section 99.810.1 (4) of the Act requires that a relocation plan be developed for the assistance of every resident and/or business which is to be displaced in conjunction with the implementation of the Redevelopment Plan and any Redevelopment Project. In addition, the provisions of Sections 523.200 through 523.215 of the Missouri Revised Statutes and its various subsections require that relocation plans have certain minimum requirements and policies as contained therein.

The City adopted Ordinance No. 4615 on December 4, 1995 adopting the required provisions of Section 523.200 through 523.215 as the Relocation Plan for the Area. Ordinance No. 4615 incorporates the required provisions of Sections 523.200 to 523.215 of the Missouri Revised Statutes as its relocation policy and the minimum requirements for relocation plans associated with any Redevelopment Plan approved by the City. The relocation policy contained in Ordinance No. 4615 is hereby incorporated by this reference and is hereby adopted as the relocation plan for the Area and the Project.

The Relocation Plan outlined in **Appendix F** accordingly includes, by reference, a program whereby the City Manager (or her designee) is directed to identify the special needs of displaced persons, with specific consideration given to income, age, size of family, nature of business, availability of suitable replacement facilities, and vacancy rates of affordable facilities. In addition, this Relocation Plan includes, by reference, a program for referrals of displaced persons. The referral program requires that a minimum of three decent, safe and sanitary housing referrals shall be provided for residential persons or suitable referral sites for displaced businesses. This program also requires a minimum of ninety days' notice of referral sites for handicapped displaced persons and sixty days' notice of referral sites for all other displaced persons prior to the date such displaced persons are required to vacate a premises. In addition, the referral program requires that arrangements for transportation to inspect referral sites shall be provided to all displaced persons.

APPENDIX A

SUPPORTING PLATES

APPENDIX B

LEGAL DESCRIPTION

APPENDIX C

TAXPAYER DATA & PARCEL IDENTIFICATION