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July 9, 2010

**VIA HAND DELIVERY TO SHREWSBURY, MISSOURI CITY HALL**  
**5200 SHREWSBURY AVENUE, SHREWSBURY, MISSOURI 63119**

Ms. Felicity Buckley  
Mayor  
City of Shrewsbury, Missouri

Mr. Sam Scherer  
Alderman-Ward One  
City of Shrewsbury, Missouri

Mr. Greg Lauter  
Alderman-Ward Two  
City of Shrewsbury, Missouri

Ms. Chris Gorman  
Alderman-Ward Three  
City of Shrewsbury, Missouri

Mr. Elmer Kauffmann  
Alderman-Ward One  
City of Shrewsbury, Missouri

Mr. Ed Kopff  
Alderman-Ward Two  
City of Shrewsbury, Missouri

Mr. Mike Travaglini  
Alderman-Ward Three  
City of Shrewsbury, Missouri

**Re: Dierbergs Markets, Inc. and Capitol Land Company-Request for Exclusive Development Rights for the Kenrick Plaza Site**

Dear Mayor Buckley and Honorable Members of the Board of Aldermen:

This correspondence is written on behalf of Dierbergs Markets, Inc. and Capitol Land Company ("Dierbergs/Capitol"). Dierbergs/Capitol developed and continues to own and operate the Dierbergs Mackenzie Pointe Shopping Center.

As a stakeholder in the community, Dierbergs/Capitol shares the City's goal to redevelop the above-referenced Kenrick Plaza Site (the "Site"). In doing so, we believe that there is a real opportunity to revitalize a deteriorating shopping center, to provide new and viable commercial and retail opportunities for the City and its residents, to make Watson Road a dynamic and viable retail corridor wherein the retailers complement rather than compete with one another, and to provide the City with a strong retail base that will provide consistent, reliable and long term sales tax revenues. We believe that it will be vitally important to attract retailers and retail businesses

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Telephone 636.532.8884

[www.dierbergs.com](http://www.dierbergs.com)

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to the Site that are not currently present in the City and the surrounding area. In doing so, the City can be assured that it will not adversely impact existing sources of sales tax revenue.

Dierbergs/Capitol has spent the past several months actively marketing the Site to a variety of national, regional and local retailers. A conceptual Site Plan that we used in marketing the Site which provides for several junior anchor tenant spaces is enclosed herewith for your review. Also enclosed is a list of prospective tenants that Dierbergs/Capitol and/or our brokers have spoken with. Many of the retailers that we have spoken with are excited about the population density, demographics, traffic counts and general prospects of the Site. However, due to extremely challenging economic conditions, retailers are reluctant to commit to the Site at this time.

With that being said, our experience in the development and operation of retail shopping centers coupled with the positive initial response to the Site that we have received from many retailers leads us to believe that the retail market will continue to improve and that there is a real opportunity to redevelop the Site in the not too distant future. Accordingly, Dierbergs/Capitol is asking the City to grant us exclusive development rights with respect to the Site for a period of eighteen (18) months with one (1) six (6) month extension to be exercised upon the mutual agreement of the City and Dierbergs/Capitol.

There are several mutual benefits and advantages that can be realized by granting Dierbergs/Capitol exclusive development rights: 1) It is an endorsement by the City that it is ready to take the next steps necessary to redevelop the Site; 2) it indicates to prospective tenants that Dierbergs/Capitol has the ability to make a deal and deliver the space; 3) it allows Dierbergs/Capitol and the City to work together to attract tenants that the City is interested in seeing located at the Site; and 4) it allows Dierbergs/Capitol to be in a position of strength in negotiating a fair purchase price with the owners of the Site.

In reviewing this request we ask you to consider several unique and strong qualifications that Dierbergs/Capitol brings to the table. Specifically:

- We have a proven track record of developing financial viable and successful retail centers. Collectively, Dierbergs/Capitol has developed, owns and operates 24 retail centers in the St. Louis Metropolitan Area.
- We are financially strong and a committed long-term owner-operator. Unlike many "merchant" developers who develop sites with the goal of selling in the short term, Dierbergs/Capitol develops shopping centers with the goal of owning and operating them for the foreseeable future. A prime example is the Dierbergs Mackenzie Pointe Shopping Center which we built in 1989 and continue to own and operate today.

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- Dierbergs/Capitol is committed to maintaining first class shopping centers. In the past 24 months we have completed a \$4.5 million renovation of the Dierbergs store at Mackenzie Pointe. In addition, we are currently in the process of leasing a portion of the center to Petco which will involve significant capital improvements to the center and bring to the City a national credit tenant which will generate significant sales tax revenue.
- Dierbergs/Capitol has established landlord/tenant relationships with many national tenants.

Ken Capps of Capitol Land and I would like to schedule a meeting with the City to further discuss the specifics of our proposal. In the interim please contact me with any questions or comments that you may have. Thank you for your time and consideration.

Very truly yours,



Jerry Ebest

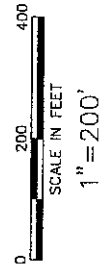
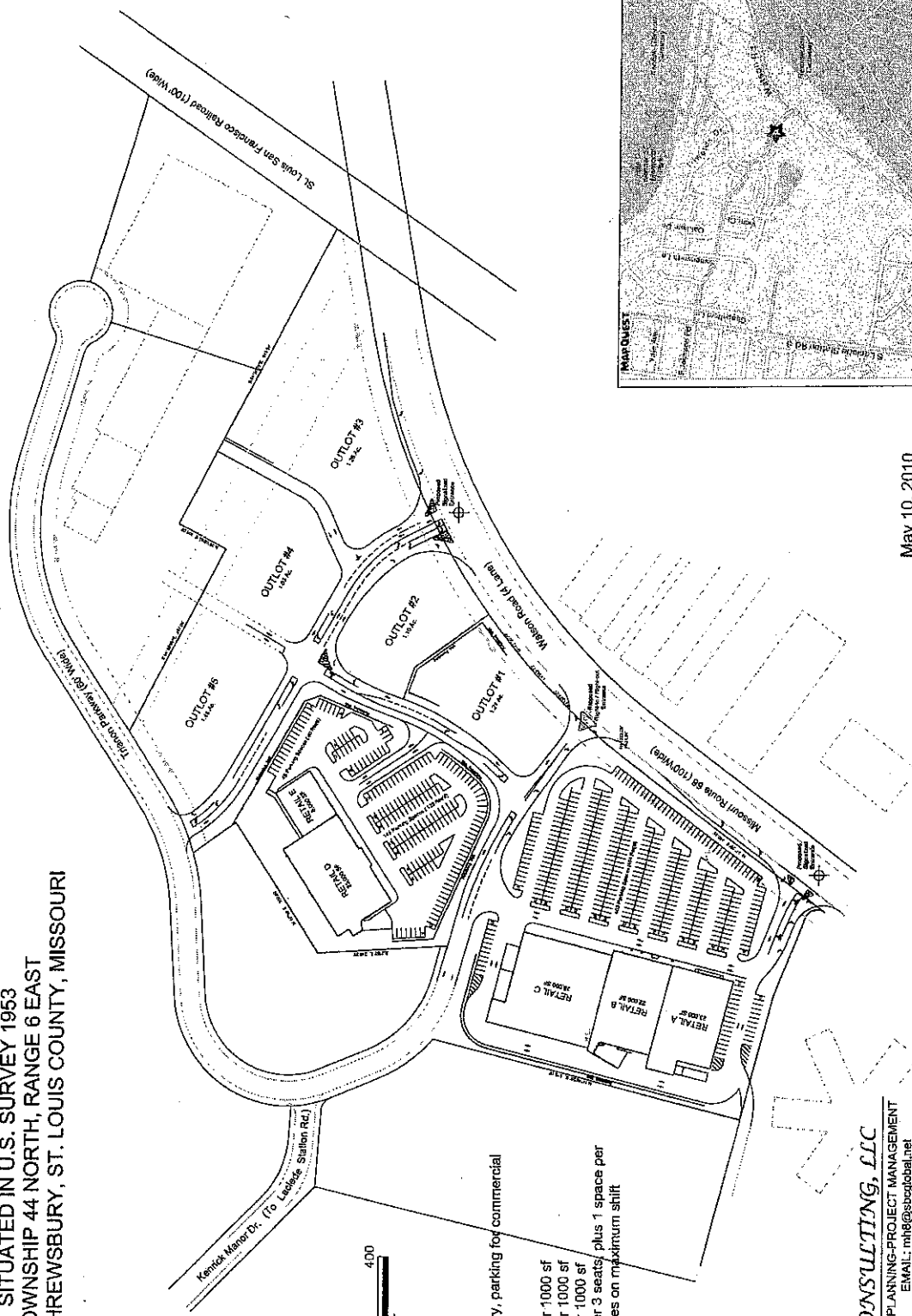
Vice President of Real Estate

JE/bcb

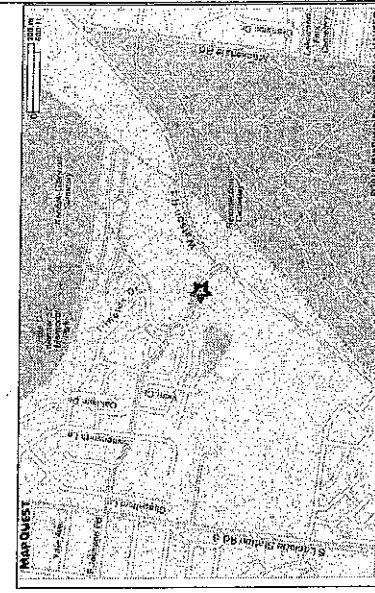
cc: Mr. Ken Capps, Capitol Land Company  
Mr. Robert J. Dierberg

# SHREWSBURY TRIANON & KENRICK PLAZA

SITUATED IN U.S. SURVEY 1953  
TOWNSHIP 44 NORTH, RANGE 6 EAST  
CITY OF SHREWSBURY, ST. LOUIS COUNTY, MISSOURI



In the City of Shrewsbury, parking for commercial uses are as follows:  
Retail - 5.0 spaces per 1000 sf  
Service - 5.0 spaces per 1000 sf  
Office - 4.0 spaces per 1000 sf  
Restaurant - 1 space per 3 seats, plus 1 space per 3 employees on maximum shift



**HENSON CONSULTING, LLC**  
CIVIL ENGINEERING-LAND PLANNING-PROJECT MANAGEMENT  
Office-636-456-4402 EMAIL: mh9@soglobal.net

May 10, 2010

## **Kenrick Plaza Prospective Tenant List**

Bed Bath & Beyond

Chick-fil-A

CVS

Dick's Sporting Goods

Dollar Tree

Hobby Lobby

McDonald's

Men's Warehouse

Office Max

PetsMart

Ross

Stein Mart

TJX Concepts

Ultimate Electronics