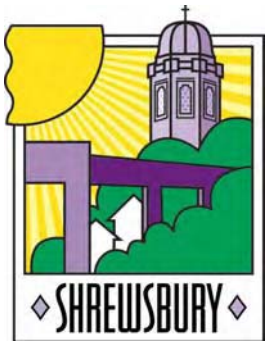
The Kenrick Plaza Tax Increment Financing Redevelopment Plan & Project

Prepared for:



The City of Shrewsbury, MO

November 1, 2012

PGAV PLANNERS
ST. LOUIS, MISSOURI

TABLE OF CONTENTS

SECTION/SUB-SECTION TITLE **PAGE NUMBER**

SECTION 1 INTRODUCTION 1

Concept Of Tax Increment Financing 1
The Redevelopment Area 2
Plan Purpose 4

SECTION 2 REDEVELOPMENT AREA BASIS FOR DESIGNATION & SUMMARY OF THE REDEVELOPMENT PROPOSAL 6

Basis For Redevelopment Area Designation – Blighted Area 6
Basis For Redevelopment Area Designation – "But For" 6
Compliance with the Comprehensive Plan 7
Summary Of The Redevelopment Project 8

SECTION 3 ANALYSIS OF BLIGHTED AREA FACTORS 10

Introduction 10
Existing Conditions 10
Defective and Inadequate Street Layout 10
Unsanitary and Unsafe Conditions 11
Deterioration of Site Improvements 13
Improper Subdivision or Obsolete Platting 14
Existence of Conditions Which Endanger Life or Property by Fire and Other Causes 14
Menace to the Public Health, Safety, Morals or Welfare 15
Economic Liability 15
Social Liability 18
Summary 18

SECTION 4 REDEVELOPMENT PLAN PROGRAM OBJECTIVES 20

Program Objectives 20
Redevelopment Project 21
General Land Uses to Apply 21
Estimated Redevelopment Project Costs 21
Anticipated Sources of Funds to Pay Costs 24
Anticipated Type And Term Of The Sources Of Funds And The Types And Terms Of The Obligations To Be Issued 27
Evidence Of The Commitment To Finance Project Costs And Developers Affidavit 27
Equalized Assessed Valuation 27
Estimated Dates For Completion Of The Redevelopment Project & Retirement Of Obligations 28
Relocation Plan And Assistance 28

SECTION 5 FINDINGS 30

A BLIGHTED ARE; BUT FOR 30
CONFORMANCE WITH THE COMPREHENSIVE PLAN 30
ESTIMATED DATES OF COMPLETION 30
RELOCATION ASSISTANCE 30
COST-BENEFIT ANALYSIS 31
GAMBLING ESTABLISHMENTS 31
DEPARTMENT OF ECONOMIC DEVELOPMENT REPORT 31

ATTACHMENT 1 – SUPPORTING MAPS & EXHIBITS

- PLATE 1 – REDEVELOPMENT AREA BOUNDARY MAP
- PLATE 2 – AERIAL PHOTO
- PLATE 3 – KDNL COMMUNICATIONS TOWER AND GUY WIRE ANCHOR LOCATIONS
- PLATE 4 – EXISTING LAND USE
- PLATE 5 – EXISTING ZONING
- PLATE 6 – BLIGHTING FACTORS
- PLATE 7 – GENERAL LAND USE PLAN
- EXHIBIT P-1 – PARCEL IDENTIFICATION LIST

ATTACHMENT 2 – BOUNDARY DESCRIPTION

ATTACHMENT 3 – COMMITMENT LETTER & AFFIDAVIT

ATTACHMENT 4 – PHOTO APPENDIX

ATTACHMENT 5 – RELOCATION POLICY

TABLES:

2-1 – PARCEL OWNERSHIP AND USE DATA 8
3-1 – REDEVELOPMENT AREA SALES TAX COLLECTIONS 15
3-2 – AREA PARCEL DATA 16
3-3 – BUILDING SIZE AND VACANCY RATE 17
4-1 – ESTIMATED REDEVELOPMENT PROJECT COSTS 24
4-2 – ANTICIPATED REDEVELOPMENT PROJECT COSTS AND FINANCING SOURCES (WITH SPECIAL TAXING DISTRICT(S)) 25
4-3 – ESTIMATED EQUALIZED ASSESSED VALUATION (EAV) BEFORE AND AFTER DEVELOPMENT 28

FIGURE:

3-1 – TOTAL ASSESSED VALUE 2001-2011 17

SECTION 1
INTRODUCTION

CONCEPT OF TAX INCREMENT FINANCING

In pursuit of the redevelopment of a declining area or to induce the development of an area that has been deficient in growth and development, the State of Missouri provides various statutory tools that a municipality may utilize in order to facilitate private and public development and/or redevelopment. One such tool is Tax Increment Financing ("TIF"), as provided for in the Real Property Tax Increment Allocation Redevelopment Act (R.S. MO. Sections 99.800 to 99.865, as amended) (the "TIF Act"). The TIF Act provides for approval of plans and projects for the redevelopment of designated "Redevelopment Areas." In order to establish a Redevelopment Area, the municipality must make a finding that such area, on the whole, is one of the following types of areas as defined by the TIF Act:

- Blighted Area;
- Conservation Area; or
- Economic Development Area.

A Redevelopment Area cannot be established without the adoption of a "Redevelopment Plan," which outlines the comprehensive program of redevelopment that will reduce or eliminate the conditions which cause the Redevelopment Area to qualify as one of the aforementioned areas. The purposes of establishing the Redevelopment Area are to reduce or eliminate those conditions which cause the Area to qualify as either a blighted, conservation, or economic development area, to foster economic development and physical improvements, and to enhance the tax base of the taxing districts that levy taxes within the Redevelopment Area.

Generally, TIF utilizes the incremental increase in tax revenues generated within the boundaries of the designated Redevelopment Area to assist in the financing of certain eligible costs of completing "Redevelopment Projects" in the implementation of the Redevelopment Plan. Bonds or other financial obligations can be issued to fund the redevelopment project costs, which are subsequently retired using the incremental revenue generated from the new development. Alternatively, a municipality may finance project costs on a "pay-as-you-go" basis, utilizing revenues as they are generated, to fund projects.

During the period in which TIF is in effect (up to 23 years from the date of adoption of the ordinance approving the Redevelopment Project, as provided by the TIF Act), all of the taxing districts that levy ad valorem real property taxes within the Redevelopment Area continue to receive all of the real property taxes that they had been receiving prior to the adoption of the TIF; such revenues are based upon the tax rate applied to the property assessment values in effect prior

to the adoption of TIF. In addition, these taxing districts receive one hundred percent (100%) of the new revenues generated by the Commercial Surcharge levied against commercial property and one hundred percent (100%) of new personal property tax revenues.

Local taxing districts which levy economic activity taxes (e.g. sales and utility taxes) continue to collect the amounts of these taxes that existed prior to the implementation of the TIF, and also collect fifty percent (50%) of the new economic activity taxes generated within the Redevelopment Area.

The TIF Act requires a city in St. Louis County seeking to create a redevelopment area to create a TIF Commission. The TIF Commission's role is to review and consider the area proposed to be designated as a Redevelopment Area and to make a recommendation to the governing body of the city regarding the establishment of the Redevelopment Area and the associated Redevelopment Plan and Redevelopment Project(s).

THE REDEVELOPMENT AREA

The Kenrick Plaza Redevelopment Area (hereinafter referred to as the "Redevelopment Area" or "Area") consists of seven parcels owned by three individual entities and contains approximately 24.4 acres of land. It is located roughly between Watson Road on the south, and Cardinal Glennon Court on the north, Cardinal Ritter Senior Apartments to the west and the Southwest Medical Center to the east, within the corporate limits of the City of Shrewsbury, Missouri (the "City"). The boundary of the Redevelopment Area is shown on Plate 1 – Redevelopment Area Boundary included in Attachment 1 and further described in the boundary description contained in Attachment 2.

Land uses within the Area include approximately 181,000 square feet of retail and office space within eight buildings. The Area includes the western portion of Kenrick Plaza, otherwise known as "Upper Kenrick Plaza", a vacant movie theater, a vacant restaurant, and a bank. "Lower Kenrick Plaza" is not included in the TIF Redevelopment Area and thus increment will not be captured from this property. Primary tenants at Upper Kenrick Plaza include First Bank, Value Village (thrift store), and Kenrick Antique Mall. Approximately 84,000 square feet (or nearly 50 percent) of the retail and office space is vacant. The majority of the remaining tenants are retailers of used merchandise or medical and other service providers. Kenrick Plaza has been in decline for a number of years. Major tenants Kenrick Cine, Drug Emporium, Frank's Nursery, Burger King, Gold's Gym, and Casey's Sporting Goods have all left. Watson Road has seen a decrease in vehicle traffic over the past few years. The decrease in traffic counts are likely due to a number of factors, including the decline of Crestwood Plaza, a regional shopping mall to the west of the Area along Watson Road. The decrease in traffic counts contributes to the inability of Kenrick Plaza to attract tenants. The combination of the lack of major tenants and increasing vacancies have led to an accumulation of deferred maintenance issues which have brought Kenrick Plaza to an overall state of disrepair and deterioration. An aerial photo of the prior configuration of the property is shown

on Plate 2 – Aerial Photo. Photos of the current condition of the Area are contained in the Photo Appendix included as Attachment 4.

Any potential redevelopment of the site is complicated by a number of topographic and site layout issues. Kenrick Plaza was designed to accommodate major stormwater drainage requirements, a relatively deep parcel vis-à-vis the length of frontage along Watson Road, and the presence of the KDNL Communications Tower and associated guy wire anchor locations on the site.

Topographically Kenrick Plaza is characterized by a significant rise in elevation at its center that tapers off to the east and west ends. On the western side the drop in elevation means storm water drains into the parking lot of the former theater and then passes into the drainage ditch along Watson. This situation has likely led to the deterioration of parking lot and retaining wall as well as contributed to the predominance of mildew and mold throughout the vacant theater. On the eastern side, the drop in elevation leads to a creek, lined with concrete and rip-rap. This creek acts as a significant barrier, dividing the site between "Upper" and "Lower" Kenrick Plaza. A pedestrian bridge over the ditch has become deteriorated to the point where it is now closed, forcing shoppers to drive, rather than walk, between the two portions of Kenrick Plaza. The creek has also not been consistently maintained and is now overgrown and contains refuse and debris. Due to the topography of the surrounding area, the creek carries significant amounts of water during rain events, flowing into the nearby River Des Peres.

The topographic and drainage challenges of the site led the designers of Kenrick Plaza to set the upper portion of the center back and away from Watson Road. Lower Kenrick Plaza is set at an angle almost perpendicular to Watson Road due to the creek. In addition, the multi-story First Bank building and a Burger King (now vacant) were allowed to be constructed directly in front of upper Kenrick Plaza. These layout decisions give extremely poor visibility of the plaza from the main commercial corridor of Watson Road. It is very likely that the high vacancies and lack of high-quality anchor tenants are directly related poor visibility and other site layout issues.

The highest point of the Area contains a 1,155 foot communications tower operated by the KDNL television station. The tower is supported by a series of guy wires anchored at three locations within the Area and at least two other locations outside of the Area. Plate 3 – KDNL Communications Tower and Guy Wire Anchor Locations attached hereto in Attachment 1 shows the locations of the guy wire anchor points in and around the Area. Two of these locations are on the vacant theater parcel, one is behind upper Kenrick Plaza and the fourth is on the lower Kenrick Plaza parcel. The anchor locations are surrounded by chain link fencing topped with barb wire. The presence of these anchor locations throughout the site and the required height clearance given to the wires has a significant influence on the configuration of development.

The above factors have contributed to a general lack of connectivity and cohesive layout on the site. As a pedestrian, it is difficult to get from the theater to upper Kenrick Plaza and from upper Kenrick Plaza to lower Kenrick Plaza due a change in elevation, parking lots, and lack of pedestrian

crossings or sidewalks. The divisions of the site by the elevation change from the theater to Trianon Parkway, the creek between upper and lower Kenrick Plaza, and the poor linkage between upper Kenrick Plaza and its out-parcels all contribute to make the site disconnected and difficult to use for motorists and pedestrians alike. In addition, the shopping center itself contains multiple levels of stairs, making it virtually inaccessible for many persons with physical disabilities. The lack of connectivity throughout the site makes it difficult to attract retail tenants when they know their customers will have difficulty frequenting their business.

Plate 4 – Existing Land Use in Attachment 1 shows the current commercial land use, which is a mixture of retail, office and vacant land. A map showing existing zoning is contained in Attachment 1 as Plate 5 – Existing Zoning. The Area is currently zoned C-2 Planned Commercial District. The permitted uses and requirements are outlined in Section 410.050 of the Shrewsbury City Code.

PLAN PURPOSE

The primary purpose of this Plan is to establish the process by which redevelopment for commercial land uses within the Area can occur. This process will enable the City to carry out the comprehensive redevelopment envisioned by this Plan. There has been interest from developers in redevelopment of the site; however without financial incentives the site will not be redeveloped.

Four years ago, the City engaged in a planning process whereby various redevelopment scenarios and solutions were analyzed for the redevelopment of Kenrick Plaza and the Watson Road corridor. As an outgrowth of this planning exercise, the City issued a request for proposals to the local development community, which request focused on the redevelopment of Kenrick Plaza. The City received and reviewed – via a thorough and public process – proposals from both the G.J. Grewe, Inc. (an affiliate of the Developer) and Dierbergs. Ultimately, the City chose the Developer's proposal and this Plan is a result of that process.

The site is hampered with significant additional costs associated with removing the remaining building and site infrastructure remnants and coping with the grading that will be necessary to accommodate new, modern retail buildings. Given the factors impacting the current economic environment, it seems clear that without the assistance provided through TIF, the Area is not likely to experience growth and development through investment by private enterprise.

In order to establish a Redevelopment Area, the overall Area in question must meet certain criteria set forth in the TIF Act. One of the purposes of this Plan is to document the qualifications of the Area with respect to designation under the terms and conditions of the TIF Act. In addition, this document serves as the basis for establishing the general redevelopment program and TIF financing parameters that will financially assist the City, the property owners, and prospective developers in implementing a redevelopment program that will ultimately succeed. This assistance is anticipated to:

- Facilitate the comprehensive and unified redevelopment of the Area; and
- Result in the construction of necessary improvements (public and private) within the Area.

SECTION 2
BASIS FOR DESIGNATION OF THE REDEVELOPMENT AREA & SUMMARY OF REDEVELOPMENT PROJECT

BASIS FOR REDEVELOPMENT AREA DESIGNATION – BLIGHTED AREA

In order to establish a Redevelopment Area, the area in question must meet the definition of one of three types of areas under the TIF Act:

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

As determined by field investigations and analyses undertaken for this Plan, the Area was found to exhibit the requirements necessary for designation under the TIF Act as a Blighted Area. The analysis of existing conditions and evidence of the factors present in the Area are described in detail in Section 3 – Analysis of Blighted Area Factors. The Blighted Area qualification factors present in the Area are summarized below:

- Defective and Inadequate Street Layout;
- Unsanitary and Unsafe Conditions;
- Deterioration of Site Improvements;
- Improper Subdivision and Obsolete Platting;
- Existence of Conditions Which Endanger Life or Property by Fire and Other Causes;
- Menace to the Public Health, Safety, Morals and Welfare;
- Economic Liability; and
- Social Liability.

BASIS FOR REDEVELOPMENT AREA DESIGNATION - "BUT FOR"

In order to establish a Redevelopment Area, the area in question must not have 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. Field investigations and analysis contained in Section 3 and the analysis of economic conditions discussed below, confirm that 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. Attached hereto as Attachment Three is an affidavit signed by the proposed developer attesting to the fact that the Redevelopment Area is a blighted

area and that 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.

Following are a number of factors that have led us to conclude that the Area likely will not be developed without the adoption of tax increment financing:

- The cost of demolition of existing site improvements;
- The cost of construction of various buildings and site improvements including site preparation (grading) and/or importing top soil to support landscaped areas;
- The cost of improvements to storm water management infrastructure; and
- The cost required to construct utilities and other public infrastructure capable of supporting redevelopment envisioned by this Plan.

In addition, commercial activity within the Redevelopment Area has decreased over time as the theater closed and restaurants and retailers left. The property continues to decline, with sales tax revenues and property taxes decreasing. Due to deferred maintenance and a predominance of vacancies, the center remains blighted and underutilized. The Area has not attracted tenants to replace those that have left.

Without TIF, revitalization of the Redevelopment Area will not occur due to its blighted condition and other challenges to redevelopment. Also, the Developer's Affidavit, included as Attachment 3 to the Appendix, attests to the Project's inability to proceed but for Tax Increment Financing.

COMPLIANCE WITH THE COMPREHENSIVE PLAN

The Comprehensive Plan for the City of Shrewsbury (the "Comprehensive Plan") dated March 1970, designates the land use for the Area to be commercial. The Comprehensive Plan, drafted as the Kenrick Seminary lands became open for development, envisioned the land uses immediately adjacent to Watson Road as a commercial corridor that would bring the City's percentage of commercial land up to 10.4% from a meager 3%. The City was heavily dominated by residential and institutional uses and lacked significant commercial acreage.

The Comprehensive Plan was followed in the original construction of Kenrick Plaza as a commercial district supporting the surrounding residential development that largely lacked retail, entertainment, and restaurant options within close proximity. Also accommodated in the Comprehensive Plan was the construction of one or more television towers. This redevelopment plan maintains the Area as commercial land use consistent with the Comprehensive Plan and accommodates the existing television tower. The map depicting future land use included in the Comprehensive Plan specifically and clearly designates the Area for commercial land use.

SUMMARY OF THE REDEVELOPMENT PROJECT

As noted in Section 1 of this Plan, the Kenrick Plaza Redevelopment Area consists of seven parcels containing approximately 24.4 acres of land. It is located roughly between Watson Road on the south, and Cardinal Glennon Court on the north within the corporate limits of the City of Shrewsbury, Missouri. The Redevelopment Area includes the following seven parcel identification numbers: 24J440122, 24J440133, 24J440144, 23J120102, 23J120120, 23J120032, and 23J120111.

Table 2-1 - Parcel Ownership and Use Data, below, lists each parcel within the Area, its owner and its current land use.

TABLE 2-1
PARCEL OWNERSHIP AND USE DATA
KENRICK PLAZA REDEVELOPMENT PROJECT
SHREWSBURY, MISSOURI

Locator #	Address	Owner	Use
24J440122	7505 Watson Rd., Unit A St. Louis, MO 63119	Lipton Kenrick Associates LP	Theater Parking Lot
24J440133	7505 Watson Rd. St. Louis, MO 63119	Lipton Kenrick Associates LP	Vacant Theater
24J440144	7435 Watson Rd. St. Louis, MO 63119	First Bank	First Bank (Multiple Tenants)
23J120102	126 Kenrick Plz St. Louis, MO 63119	Lipton Kenrick Associates LP	Vacant Burger King
23J120120	100 Kenrick Plz., Unit A St. Louis, MO 63119	Lipton Kenrick Associates LP	Kenrick Plaza - (Multiple Tenants)
23J120032	7501 Watson Rd. St. Louis, MO 63119	KDNL Inc	Transmission Building / Tower
23J120111	125 Kenrick Plz. St. Louis, MO 63119	Lipton Kenrick Associates LP	Stork Lady Consignment Events

The Redevelopment Project is intended to alleviate those conditions that qualify the Area as a "Blighted Area" in order to facilitate the economic revitalization of the Area. Redevelopment Project costs to be paid by TIF funds are anticipated to include (but are not limited to):

- Land acquisition;
- Utility, roadway, parking and other public improvements;
- Certain site preparation activities including demolition and removal of existing site improvements, removal and/or relocation of existing utilities, site grading, topsoil importation; and
- Other costs related to engineering, development, construction and financing of new retail facilities as may be permitted by the TIF Act.

In addition, a portion of the costs outlined above may be paid from sales tax revenues generated by special taxing districts (either a Transportation Development District ("TDD") established under the TDD Act (R.S. MO 238.200 – 238.280) or a Community Improvement District ("CID") established under the CID Act (R.S. MO 67.1401 – 67.1571), or both).

This Redevelopment Plan envisions a Redevelopment Project which would entail the removal of all existing site improvements within the Area, and the construction of approximately seven retail commercial buildings and related site improvements. The entire redeveloped area will contain approximately 172,000 square feet of gross floor building area. It should be noted that for the purposes of this Plan, the number and location of buildings and gross square footage is only an approximation based on a preliminary site plan. It is not the intention of this Plan to limit the number of buildings, the location of buildings, total square footage, or other details of the Redevelopment Project. Such details will ultimately be established by a redevelopment agreement between the Developer (defined below) and the City and any limitations on site and building design, total square footage of building area, or other such factors will be controlled by the standards set forth in the various sections of the Shrewsbury City Code governing development of property for commercial uses.

As noted previously in Section 1 of this Plan, the site currently contains approximately 181,000 square feet of retail and office space within eight buildings.

The "Developer" is Kenrick Developers, LLC, a Missouri limited liability company that will control, develop and manage the Redevelopment Project. Kenrick Developers, LLC is affiliated with G.J. Grewe, Inc., a well-known commercial developer in the St. Louis region. G.J. Grewe has developed more than 4,000,000 square feet of retail, office and warehouse space in fifteen shopping centers. Tenants that have chosen G.J. Grewe, Inc. developments include Walmart, Shop 'n Save, Walgreens, Toys R Us, Petco and Sears Paint and Hardware.

SECTION 3
ANALYSIS OF BLIGHTED AREA FACTORS

INTRODUCTION

This Section documents the conditions that were found to be present in the Area and contains the analysis of how such conditions cause the Area to be a "Blighted Area" according to Section 99.805 of the TIF Act. The TIF Act defines a "Blighted Area" as follows:

> *"Blighted area", an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of such conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use; (R.S. MO 99.805(1))*

As such, blight conditions may be physical, such as "unsanitary or unsafe conditions," "deterioration of site improvements" or "the existence of conditions which endanger life or property by fire and other causes," or functional, such as "defective or inadequate street layout" or "improper subdivision or obsolete platting."

This analysis is based upon on-site investigations of the Area conducted by PGAV Planners staff on July 21, 2011 and October 23, 2012 in addition to information provided by the staff of the City of Shrewsbury. PGAV Planners staff also relied upon its extensive experience, knowledge of the real estate market, and professional expertise in the preparation of the analysis. Photographs illustrating representative blighting conditions were taken during the site visit and are displayed in Attachment 4 – Photo Index. Blighting factors for each parcel in the Redevelopment Area are also identified in Plate 6 – Blighting Factors. This report will not reflect changes in conditions or events that have occurred subsequent to the date of the site visits or publication of this report.

EXISTING CONDITIONS

As indicated above, PGAV Planners staff conducted field investigations of observable conditions in the Area. During these field investigations, physical and functional conditions were observed.

DEFECTIVE OR INADEQUATE STREET LAYOUT

For a site to be served by a proper and adequate street layout, it should be easily accessible from nearby streets and, if large enough, have an adequate internal network of streets to serve all businesses or residences within the site. Access to the site should provide for automobiles, public transit, pedestrians and bicyclists. It should also adequately provide access for service and delivery vehicles.

For large commercial use parcels, such as Kenrick Plaza, the site should be readily accessible to a major collector street and contain an interior network of streets that provides for intuitive traffic flows serving each of the businesses within the commercial center. Planning for an intuitive flow of automobile traffic decreases the frequency and severity of accidents. In addition, a proper internal street layout allows for pedestrians to safely proceed from business to business. Designing effective and adequate street layouts considers both the automobile and the pedestrian and decreases the conflict points between each.

Summary of Findings Regarding Defective and Inadequate Street Layout:

- During the site visit PGAV Planners staff drove and walked around the Area and surroundings to determine if the street layout was defective or inadequate. The following are the defective and inadequate conditions observed:
- Access to Lower Kenrick Plaza from the Area is poor from the nearby major street (Watson Road) as well as the nearby minor collector street. Although Lower Kenrick Plaza is the most visible portion of the shopping center from Watson Road, customers wishing to patronize these businesses must enter the shopping center in a way that is not intuitive to the driver. For pedestrians or transit users, the only way to visit this portion of the shopping center involves walking in one of the Area's internal streets for a significant distance, risking being hit by a car. This odd entrance point is primarily due to the location a major creek running through the site. The lack of easy access has likely served as a contributing factor in the continued high vacancy rates in Kenrick Plaza.
- Pedestrian connections along and adjacent to internal streets in the shopping center are nonexistent, poorly maintained, or closed due to safety concerns. The pedestrian bridge connecting Upper and Lower Kenrick Plaza is closed due to the guardrail fence collapsing into the creek. Sidewalks are not all properly maintained and in many cases involve multiple sets of steps, making them inaccessible to persons with disabilities. Due to these conditions, persons with disabilities or the elderly are unlikely to be patrons of the businesses.
- The layout of the loop road connecting the shopping center with Watson Road (Trianon Parkway) was inadequately designed and serves as a significant barrier that separates the theater site from the main shopping area. If the street were properly designed, it would create a more pedestrian friendly environment and allow patrons to walk between the Area's various businesses.

UNSANITARY AND UNSAFE CONDITIONS

Unsafe conditions are evidenced by a lack of proper public infrastructure adequate for ensuring the public's safety and are contributed to by the deterioration of site improvements.

Summary of Findings Regarding Unsafe Conditions:

The Area has a number of considerable unsanitary and unsafe conditions as revealed during the site visit and through subsequent investigation of available information sources. Such conditions are evidenced by:

- The vacant Kenrick 8 Cine movie theater has been vacant for an extended period of time. Consequently, the building has been broken into on numerous occasions and has had significant portions of its electrical and plumbing systems damaged or stolen. The lack of properly functioning electrical systems throughout much of the building means there is no lighting save some emergency exit signage. It also means that if the building had fire suppression systems, these may no longer be functioning.
- The vacant movie theater has extensive water damage due to a heavily leaking roof and the lack of a working ventilation system. As such, the building is filled with mold and mildew. Nearly every surface inside is covered in a moldy film. The smell of mildew and black mold is overpowering upon entering the building. According to the Environmental Protection Agency (EPA), mold and mildew are known to cause respiratory issues and are a significant hazard to anyone with mold allergies and/or asthma. Molds produce mycotoxins which can be harmful to people, even causing illness. Some molds can also cause infections in people, particularly those with compromised immune systems. The building is clearly unsanitary and unsafe and may not be able to ever be occupied again.
- Water damage throughout the vacant theater has caused portions of the ceilings to collapse. Due to the collapsed ceilings and the theft of metal throughout the building, wires hang from the ceilings and debris litters the building.
- The rear stairwells, surrounding parking, and the vacant theater building itself have attracted a litany of illicit activities. The building is boarded, but has been broken into on a number of occasions by thieves. The parking lot is regularly frequented by persons loitering and hanging out in their cars. The outside stairwells to the rear of the building are filled with trash including couch cushions, alcohol containers and used condoms indicating illicit activities, vagrancy, and trespassing.
- The vacant, former Burger King building has attracted at least one break-in since its closure. It has never been properly cleaned since closing and there remain years old fryer oil, foodstuffs, and other unsanitary conditions throughout the building.
- The pedestrian bridge over the creek connecting Upper and Lower Kenrick Plaza is damaged to the point where it is marked off with caution tape. The bridge has a safety rail that is damaged, rendering the pedestrian bridge unsafe. Consequently, pedestrians must walk in the road to pass from one portion of the shopping center to the other.
- The Area, particularly Upper Kenrick Plaza, was not constructed to be accessible to persons with disabilities and is not ADA compliant. Both the lack of ramps or elevators and the

poor condition of some sidewalks makes Kenrick Plaza unsafe for persons with disabilities and the elderly.

- Deferred maintenance throughout the Area represents an unsafe condition by virtue of deteriorated infrastructure. The Area contains dangerous sidewalks and potholes. A portion of the creek is unfenced from the adjacent parking, giving the possibility of a car or baby stroller accidently driving off the edge and plunging into the cement-lined creek bed.

DETERIORATION OF SITE IMPROVEMENTS

In general, deterioration refers to the physical and economic deterioration of the improvements of the Area both in terms of buildings and other above-ground structures, below-grade supporting structures such as water, sewer, and electric utilities, and surface site improvements such as parking areas, access and circulation roadways and drives, and lighting fixtures, signage, etc.

Deterioration may be evident in basically sound buildings containing minor defects, such as a lack of painting, loose or missing roof tiles, floor or ceiling plates, or holes and cracks over limited areas. Deterioration that is not easily curable and that cannot be cured in the course of normal maintenance includes defects in the primary and secondary building components. Primary building components include the foundation, exterior walls, floors, roofs, wiring, plumbing, etc. Secondary building components include the doors, windows, frames, fire escapes, gutters, downspouts, siding, fascia materials, etc.

Summary of Findings Regarding Deterioration of Site Improvements:

- During the site visit, many instances of deterioration were observed to be affecting the majority of the site improvements in the Area. Such conditions were photographed and include the following:
- There are significant paved surfaces throughout the area which are deteriorated (as evidenced by alligator-cracking, which indicates deterioration of the pavement and its base). The asphalt parking appears to have been resealed multiple times, but has not been maintained and now has large potholes and crumbling surfaces throughout the Area. Sidewalks and stairs connecting the multiple levels of Upper Kenrick Plaza are deteriorated, with rebar showing in some places.
- Curbs and storm drains in the Area exhibit signs of deterioration.
- Lack of an adequate storm water management system in the parking lot is evident in damage to the parking area and the retaining wall.
- A lack of maintenance and the prolonged vacancies in many buildings have led to their deterioration. The vacant theater is deteriorated in the majority of both primary and secondary building components. The building's walls, floors, roof, wiring, and plumbing

are destroyed. The mold and mildew damage throughout make it unlikely the building will ever be used for any purpose.

- The former Burger King restaurant building and former flooring store building both have experienced significant deterioration ranging from mold damage to damaged walls, electrical systems, windows, bathrooms, flooring, siding, and fascia materials.
- The Upper Kenrick plaza building is deteriorated. The site visit revealed evidence of roof leaks throughout the building. The building's siding is in need of replacement as are other portions of the building's exterior, including tenant signs. An interview with one of the primary tenants revealed that only one of three air conditioning units serving her store was working. The site visit was conducted in summer conditions with a heat index of over 100 degrees Fahrenheit. The building's air conditioning units were clearly unable to keep some tenant spaces cool.

IMPROPER SUBDIVISION OR OBSOLETE PLATTING

Improper subdivision typically refers to the platting of irregularly shaped lots or lots so configured as to render construction of appropriate land uses difficult or impossible. Lots which violate the City's subdivision code or accepted principles of subdivision and lot configuration may also constitute improper subdivision. Obsolete platting represents situations where parcel subdivision or internal configurations for lease purposes are no longer suited for typical modern building development techniques.

Summary of Findings Regarding Improper Subdivision or Obsolete Platting:

- The current platting of the parcels is not appropriate for the commercial land uses as contemplated under this Plan or for its redevelopment for most new commercial or retail uses as outlined in the City's Comprehensive Plan. The Area will need to be replatted in order for future development to occur.
- As currently platted and subdivided, the site offers very poor visibility to the majority of retail and office spaces at the shopping center. The multi-story bank building and former Burger King block visibility from Watson Road. This has likely been a significant contributing factor to the stubbornly high levels of vacancy at Kenrick Plaza.
- As previously mentioned, the street layout, and thus its platting creates a barrier between the theater parcel and Upper Kenrick Plaza, requiring patrons to drive between portions of the shopping center.

EXISTENCE OF CONDITIONS WHICH ENDANGER LIFE OR PROPERTY BY FIRE AND OTHER CAUSES

The existence of conditions which endanger life or property by fire and other causes includes such circumstances as physical deficiencies which could cause harm or potential flooding conditions

which could threaten life or property. This list is not meant to be all inclusive, for such conditions may be unique to the circumstances of the Area.

Summary of Findings:

The aforedescribed deterioration and unsanitary and unsafe conditions within the Area give rise to conditions which endanger life or property by fire and other causes. The predominance of site deterioration, lack of maintenance, and presence of unsafe conditions such as mold, mildew, and lack of fire suppression systems in some buildings represent conditions which endanger life or property by fire and other causes. In addition, portions of the parking area back up to the creek and there is nothing to stop cars from accidently plunging off a steep embankment. Similarly, the pedestrian bridge which connects Lower and Upper Kenrick has deteriorated to the extent that there are not functioning guardrails to keep pedestrians or bicyclists from accidently falling into the creek. Collectively, these conditions endanger life or property.

MENACE TO THE PUBLIC HEALTH, SAFETY, MORALS OR WELFARE

The combination of the aforedescribed blighting conditions present within the Area constitute a menace to the public health, safety, morals or welfare as the Area is predominated by unsanitary or unsafe conditions, deterioration of site improvements, conditions which endanger life or property by fire and other causes, which, in combination, constitute a menace to the public health and safety, morals or welfare in its present condition and use.

ECONOMIC LIABILITY

The Area, by reason of both a predominance of each of, as well as a combination of, defective and inadequate street layout, unsanitary and unsafe conditions, deterioration of site improvements, improper subdivision and obsolete platting and the existence of conditions which endanger life or property by fire and other causes constitutes an economic liability. The Area, in its present condition and use, is underutilized. The Area has seen a steady decline in sales revenues over the past decade. As is clear from Table 3-1 – Redevelopment Area Sales Tax Collections, from 2000 to 2011 there has been a decrease in sales of almost 72 percent and a decrease in sales tax revenues of nearly 70 percent. The majority of retailers and restaurants have closed during this period. The primary retail anchors for the shopping center have left and smaller retailers have followed, leading to an extremely high vacancy rate and decreased tax revenues.

TABLE 3-1
REDEVELOPMENT AREA SALES TAX COLLECTIONS
KENRICK PLAZA REDEVELOPMENT PROJECT
SHREWSBURY, MISSOURI

Year	Taxable Sales	Total Sales Tax Revenues	Cumulative Change in Sales	Cumulative Change in Sales Taxes	Tax Rate
2000	$ 11,218,237	$ 866,609	n/a	n/a	7.725%
2001	$ 9,830,199	$ 769,213	-12.4%	-11.2%	7.825%
2002	$ 9,927,677	$ 776,841	-11.5%	-10.4%	7.825%
2003	$ 9,982,442	$ 781,126	-11.0%	-9.9%	7.825%
2004	$ 6,302,720	$ 493,188	-43.8%	-43.1%	7.825%
2005	$ 7,928,303	$ 620,390	-29.3%	-28.4%	7.825%
2006	$ 7,399,259	$ 578,992	-34.0%	-33.2%	7.825%
2007	$ 7,483,732	$ 585,602	-33.3%	-32.4%	7.825%
2008	$ 5,037,578	$ 394,190	-55.1%	-54.5%	7.825%
2009	$ 4,042,238	$ 336,516	-64.0%	-61.2%	8.325%
2010	$ 3,937,092	$ 331,700	-64.9%	-61.7%	8.425%
2011	$ 3,147,932	$ 265,213	-71.9%	-69.4%	8.425%

Source: St. Louis County.

The impact of decreased sales taxes at Kenrick Plaza is of particular hardship to the City of Shrewsbury. Shrewsbury is a relatively small, predominately residential community with very few commercial property locations. With the exception of a few scattered commercial properties, the only commercial property in the City, other than the neighboring MacKenzie Point, is Kenrick Plaza. MacKenzie Point contains a Dierbergs Grocery store and several smaller retailers. Kenrick Plaza originally contained multiple restaurants, a multi-screen theater, and a major retailer. As Kenrick Plaza has declined, so have sales tax revenues, having an adverse impact on the financial well-being of the City.

As detailed in Table 3-2 – Area Parcel Data, the Area has a total real property assessed value of $3,078,620. The assessed valuation for the shopping center has decreased over time with its decline and increased vacancies. Figure 3-1 – Total Assessed Value 2001-2012 illustrates the trend in total assessed valuation for the Area in each of the previous ten years and the current year.

TABLE 3-2
AREA PARCEL DATA
KENRICK PLAZA REDEVELOPMENT PROJECT
SHREWSBURY, MISSOURI

Locator #	Owner	Use	Appraised Value			Assessed Value		
			Land	Improve.	Total	Land	Improve.	Total
24J440122	Lipton Kenrick Associate LP	Theater Parking Lot	753,100	138,100	891,200	240,990	44,190	285,180
24J440133	Lipton Kenrick Associate LP	Vacant Theater	622,500	306,300	928,800	199,200	0	199,200
24J440144	First Bank Tax Dept Mc 019	Bank	449,800	965,600	1,415,400	143,940	308,990	452,930
23J120102	Lipton Kenrick Associate LP	Vacant	380,600	204,500	585,100	121,790	65,440	187,230
23J120120	Lipton Kenrick Associate LP	Upper Kenrick Plaza	3,571,000	2,029,000	5,600,000	1,142,720	363,360	1,506,080
23J120032	KDNL Inc C/o Sinclaire Broadcast Group Inc	Communications Tower	607,200	42,800	650,000	194,300	13,700	208,000
23J120111	Lipton Kenrick Associate LP	Consignment Events	568,900	181,100	750,000	182,050	57,950	240,000
		Total	**$ 6,953,100**	**$ 3,867,400**	**$ 10,820,500**	**$ 2,224,990**	**$ 853,630**	**$ 3,078,620**

Source: St. Louis County Assessor

As Figure 3-1 indicates, the total assessed valuation for the Redevelopment Area has declined from 2001 to 2012. The Redevelopment Area's current, 2012 value, is approximately 15 percent lower than its value in 2001. And the Redevelopment Area's current, 2012 value, is approximately 43 percent lower than the Redevelopment Area's peak in assessed value of $5,413,503, which occurred in 2005.

The Area's inability to generate reasonable and sustained revenues places the City and other taxing districts in a position where budgets for such services as police, fire, schools, parks, and other municipal services cannot be provided at preferred levels. A drop in revenues that support these or other municipal or district services translates into an economic liability for the residents of Shrewsbury and the beneficiaries of those districts funded by Area property sales and business taxes.

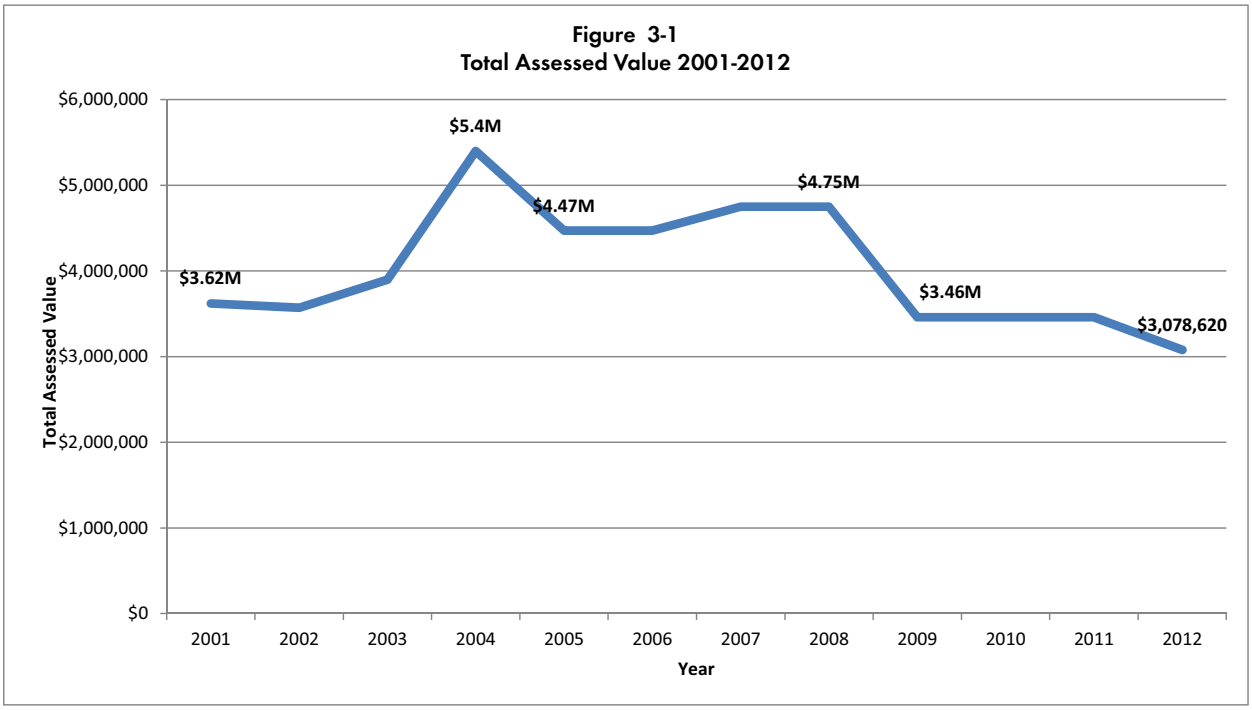


Table 3-3 – Building Size and Vacancy Rate, shows that the current vacancy rate for the Area is approximately 37 percent. One of the major tenant spaces, the 17,900 square foot former Michael's store is currently used once per month or less by an event-only consignment shop. The continued decline and dearth of regularly active business in the shopping center has a compounding negative effect on tax revenues for the City of Shrewsbury. Without viable businesses to attract customers to the Area, the probability of existing tenants leaving the Area is greatly increased. In fact, one of the largest tenants has negotiated a month-to-month lease, a situation that does not bode well for the Area's future tax revenue generation.

TABLE 3-3
BUILDING SIZE AND VACANCY RATE
KENRICK PLAZA REDEVELOPMENT PROJECT
SHREWSBURY, MISSOURI

Locator #	Owner	Use	Sq. Feet	Sq. Feet Vacant	% Vacant
24J440122	Lipton Kenrick Associates LP	Theater Parking Lot	NA	NA	NA
24J440133	Lipton Kenrick Associates LP	Vacant Theater	28,000	28,000	100.0%
24J440144	First Bank Tax Dept Mc 019	Bank	15,670	2,000	12.8%
23J120102	Lipton Kenrick Associates LP	Vacant Burger King	3,150	3,150	100.0%
23J120120	Lipton Kenrick Associates LP	Upper Kenrick Plaza	115,050	33,140	28.8%
23J120032	KDNL Inc c/o Sinclaire Broadcast Group Inc	Communications Tower	1,102	0	0.0%
23J120111	Lipton Kenrick Associates LP	Stork Lady*	17,900	0*	0.0%
		Total	**180,872**	**66,290**	**36.7%**

***Stork Lady is an event-only consignment business that rents the space on a monthly basis and uses the space periodically.**

SOCIAL LIABILITY

The Area is also a social liability in its present condition and use. The aforedescribed blighting factors, including dangers to the public health from deferred maintenance, deteriorated infrastructure, and unsanitary conditions give rise to this condition. Such physical and economic deterioration has made the Area an attractive target for those wishing to engage in illicit activities, vandalism, and burglary. Furthermore, with the flight of businesses from the Area, and resulting decline in tax revenues, the economic liability presented by the Area in its present condition and use contributes to social liability by placing the City and other taxing districts in a position where they have less tax revenues available for funding important social services such as police protection, fire protection, education and children's services.

SUMMARY

The Area meets, as a whole, the definition of a "Blighted Area," as such term is defined within the TIF Act, and is a portion of the City that by reason of the predominance of: defective or inadequate street layout; unsanitary or unsafe conditions; deterioration of site improvements; improper subdivision or obsolete platting; or the existence of such conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.

The Area meets the requirements for a Blighted Area, exhibiting factors including, but not limited to:

- Defective and Inadequate Street Layout;
- Unsanitary and Unsafe Conditions;

- Deterioration of Site Improvements;
- Improper Subdivision and Obsolete Platting;
- Existence of Conditions Which Endanger Life or Property by Fire and Other Causes;
- Menace to the Public Health, Safety, Morals and Welfare;
- Economic Liability; and
- Social Liability.

Factors contributing to the above listed requirements are outlined above and supported by the Photo Index in Attachment 4.

Based upon the foregoing analysis, the Area constitutes an economic liability, a social liability, and a menace to the public health, safety, morals and welfare in its present condition and use. In addition, in light of the definition of a "Blighted Area," as defined by the TIF Act, it is concluded that a predominance of the Area and the Area as a whole is blighted pursuant to Sections 99.805(1) and 99.810.1(1), R.S.Mo.

As the foregoing analysis indicates (and as shown graphically at Plate 6 – Blighting Conditions in Attachment 1) 100% of the parcels and 100% of the total Area (including right-of-way) is affected by one or more blighting factors, which indicates that the Area is a portion of the City which by reason of the predominance of: defective or inadequate street layout; unsanitary or unsafe conditions; deterioration of site improvements; improper subdivision or obsolete platting; or the existence of such conditions which endanger life or property by fire and other causes, or any combination of such factors, constitutes an economic liability, social liability or a menace to the public health, safety, morals, or welfare in its present condition and use. Pursuant to Section 523.274, R.S.Mo., it is concluded that a predominance and a preponderance of the Area is a "Blighted Area," as defined by the TIF Act.

SECTION 4
REDEVELOPMENT PLAN PROGRAM OBJECTIVES

This Redevelopment Plan sets forth below the general description of the program that the City proposes to undertake to accomplish the objectives for the Area:

The City's primary objectives for this Redevelopment Plan are:

- To facilitate redevelopment of the Area;
- To cure the economic underutilization of the Area and to restore it to its highest and best use;
- To alleviate those conditions that cause the Area to be a "Blighted Area;" and
- To encourage a consumer-friendly commercial environment that encourages activity within the Redevelopment Area and promotes the economic health and independence of the City and other taxing districts.

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

- To enhance the tax base by inducing development of the Area to its highest and best use, to the benefit of taxing districts, and to encourage private investment in surrounding areas;
- To promote health, safety, order, convenience, prosperity, and the general welfare, as well as efficiency of economy in the process of development;
- To increase property values in the Area;
- To stimulate employment opportunities and increased demand for services in the Area;
- To provide an implementation mechanism which will accelerate the achievement of these objectives and complement other community and economic development objectives and programs; and
- To further the objectives of the City's Comprehensive Plan.

REDEVELOPMENT PROJECT

This Redevelopment Plan envisions a Redevelopment Project consisting of commercial uses that would entail the construction of new buildings and site improvements on the property encompassing approximately 24.4 acres as described previously in Section 1 of this Plan. As presently conceived the Redevelopment Project program proposes:

- The demolition and removal of existing site improvements and utilities;
- Grading and preparation of the site, including mitigation of storm water drainage issues;
- The construction of approximately 170,000 square feet of gross floor building area for commercial uses; and
- The construction of appropriate utilities, parking lots, ingress and egress, and landscaping.

It should be noted that building sizes, site placement, the nature and type of tenants or end users, or other details of the Redevelopment Project as generally described above may be subject to modification as the Developer continues negotiations with tenants or end users, and as site and building designs are completed. However, it is the intent of this Redevelopment Plan that the Redevelopment Project will consist of commercial development that includes a major retailer. The entire development is estimated to be approximately 170,000 square feet of gross floor building area.

It should also be noted that the Cost/Benefit Analysis developed in conjunction with this Redevelopment Plan (presented under separate cover) is based on the Redevelopment Project as described above and the Cost/Benefit Analysis has been developed to show the potential fiscal impact of retail development occurring pursuant to the range of the total size of the retail development described above. If there are further modifications to the components of the Redevelopment Project, the projected revenues described in the Cost/Benefit Analysis will vary. However, it is not anticipated that any such modifications will result in projected revenues that are significantly greater or less than those as described therein.

GENERAL LAND USES TO APPLY

The land uses to apply to the Area are displayed on Plate 7, General Land Use Plan in Attachment 1. Plate 7 identifies the Area for commercial development. This Plan is consistent with the objectives of the City's Comprehensive Plan, which provides the official policy guiding land use and development for the City.

ESTIMATED REDEVELOPMENT PROJECT COSTS

Estimated Redevelopment Project Costs for the Redevelopment Area include the cost of all of the following:

- The acquisition of land and other property, real or personal, or rights or interests therein, necessary for redevelopment;
- Building construction, demolition, and rehabilitation of various types which could occur;
- The cost of removing existing improvements and grading;
- The cost of importing soil as fill for site preparation;
- The cost of required infrastructure improvements, such as street improvements; curbing and sidewalk improvements, storm and sanitary improvements, and upgrading utilities;
- 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., which have been and will be incurred in the future;
- All costs reasonably incurred by the City in furtherance of the issuance of bonds or other obligations including, but not limited to, the City's attorneys (including City Attorney, special TIF counsel, Bond counsel, and disclosure counsel), the City's administrative fees and expenses (including Planning Consultants and financial advisors), underwriters' discounts and fees, trustee fees, the costs of printing any obligations and any official statements relating thereto, the costs of credit enhancement, if any, capitalized interest, debt service reserves and the fees of any rating agency rating any obligations, all accrued and anticipated interest on the obligations (the foregoing collectively referred to henceforth as "Financing Costs"); and,
- Any other planning, legal, and financial advisory costs associated with the preparation of this Plan and implementation of the Redevelopment Project, which have been and will be incurred in the future.

The TIF Act allows the City and/or any entity designated by the City to incur redevelopment costs associated with implementation of an approved Redevelopment Plan and approved Redevelopment Project. These costs include all reasonable or necessary costs directly incurred, and any costs incidental to a Redevelopment Project, as further defined in the TIF Act as follows:

> "Redevelopment project costs" include 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. Such costs include, but are not limited to, the following:
>
> (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. Except the reasonable costs incurred by the commission established in section 99.820 for the administration of sections

99.800 to 99.865, such costs shall be allowed only as an initial expense which, to be recoverable, shall be included in the costs of a redevelopment plan or project;

(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) Initial costs for an economic development area;

(f) Costs of construction of public works or improvements;

(g) 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 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;

(h) 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;

(i) 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

(j) Payments in lieu of taxes.

Table 4-1 – Estimated Redevelopment Project Costs identifies the overall costs of implementing the Redevelopment Project, as described above, to include approximately 170,000 square feet of gross floor building area. These costs represent the total costs of the Redevelopment Project, regardless of the source of funding.

ANTICIPATED SOURCES OF FUNDS TO PAY COSTS

It is anticipated that three principal sources of funds will be used to pay the costs related to the implementation of this Redevelopment Plan and Redevelopment Project as described herein.

TABLE 4-1
ESTIMATED REDEVELOPMENT PROJECT COSTS
KENRICK PLAZA REDEVELOPMENT PROJECT
SHREWSBURY, MISSOURI

Redevelopment Project Cost Items	
Building Construction	
Site Prep/Site Improvement Work	$ 12,715,000
Off Site work	$ 1,990,000
New Building Construction	$ 15,000,000
Land Acquisition & Relocation	
Acquisition	$ 9,129,000
Relocation	$ 2,000,000
Professional Fees and Development Overhead) (May include project overhead, architecture, engineering, surveying, legal, planning, consulting, bond issuance costs and financing fees, and builder's risk insurance.)	$ 5,365,000
Total Project Costs	**$ 46,199,000**
Maximum TIF Reimbursement	**$ 15,000,000**
Percentage of Total Project Costs	**32.47%**

Source: Developer

These sources are:

- Funds available through TIF revenues or 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");
- Capital or equity that is available to the Developer through cash reserves, financing entities or investment partners.
- Other redevelopment mechanisms such as a Transportation Development District (TDD) and/or a Community Improvement District (CID).

This Plan provides for certain costs to be paid with TIF revenues or through the issuance of TIF Bonds or other obligations (issued by some combination of the City, TDD and/or CID, and/or other issuer acceptable to the City) to finance all or a portion of the demolition, rehabilitation, infrastructure and utility reconstruction, and other Redevelopment Project costs, as listed in Table

4-2, Anticipated Redevelopment Project Costs and Financing Sources (with Special Taxing District(s)), below.

TABLE 4-2
ANTICIPATED REDEVELOPMENT PROJECT COSTS
AND FINANCING SOURCES (WITH SPECIAL TAXING DISTRICT(S))
KENRICK PLAZA REDEVELOPMENT PROJECT
SHREWSBURY, MISSOURI

Total Redevelopment Plan & Project Costs	**$ 46,199,000**
Redevelopment Project Financing Sources	
Redevelopment Plan & Project Costs to be Reimbursed from **Tax Increment Financing** (including revenues captured from the implementation of a 1% special taxing district (TDD and/or CID) sales tax).[1]	$ 15,000,000
Total Redevelopment Plan & Project Implementation Costs to be **Privately Financed**	$ 31,199,000

Source: Developer

[1] The Community Improvement District Act, Sections 67.1401 – 67.1571, R.S.Mo., as amended, (the "CID Act") or the Missouri Transportation Development District Act, Sections 238.200 to 238.280, R.S.Mo., as amended, (the "TDD Act")

To be reimbursed for the amounts shown in Table 4-2, above, the Developer must create a Transportation Development District ("TDD") and/or a Community Improvement District ("CID") and cause these special taxing districts to collectively impose a retail sales tax of at least one percent (1%). As noted in more detail below, the amount of tax increment financing assistance is limited to $11,250,000 without the creation of the TDD and/or CID.

Once the Project is completed and is generating tax revenue, the City may issue TIF Bonds that would be sold to the public or privately placed with accredited investors. It is not the intent of this Plan to restrict the City or Developer to the use of TIF Bonds or other financial obligations to finance only those cost amounts or cost items as outlined in Table 4-1. However, such cost amounts and cost items shall be restricted as specified in Section 99.805(15) of the TIF Act.

If the Project proposal is approved by the City, the cost items to be paid for by TIF revenues or to be financed by TIF Bonds or other financial obligations may vary from those outlined in Table 4-1. However, the total of such costs reimbursed to the Developer from TIF (including TDD and/or CID) shall not exceed $15,000,000. If the City elects to finance or refinance with TIF Bonds or other financial obligations, the principal amount of the TIF Bonds or other financial obligations may exceed $15,000,000 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.

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

> "...those estimated revenues from real property in the area selected for a redevelopment project, which revenues according to the redevelopment project or plan are to be used for a private use, which taxing districts would have received had a municipality not adopted tax increment allocation financing, and which would result from levies made after the time of the adoption of tax increment allocation financing during the time the current equalized value of real property in the area selected for the redevelopment project exceeds the total initial equalized value of real property in such area until the designation is terminated pursuant to subsection 2 of section 99.850." *(R.S. MO 99.805(11))*

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

The second source of revenue is generated by incremental economic activity taxes ("EATs"):

> "... the total additional revenue from taxes which are imposed by a municipality and other taxing districts, and which are generated by economic activities within a redevelopment area over the amount of such taxes generated by economic activities within such redevelopment area in the calendar year prior to the adoption of the ordinance designating such a redevelopment area, 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, licenses, fees or special assessments. For redevelopment projects or redevelopment plans approved after December 23, 1997, if a retail establishment relocates within one year from one facility to another facility within the same county and the governing body of the municipality finds that the relocation is a direct beneficiary of tax increment financing, then for purposes of this definition, the economic activity taxes generated by the retail establishment shall equal the total additional revenues from economic activity taxes which are imposed by a municipality or other taxing district over the amount of economic activity taxes generated by the retail establishment in the calendar year prior to its relocation to the redevelopment area." *(R.S. MO 99.805(4))*

This source is anticipated to generate incremental revenue from sales and utility taxes levied by the City and other local taxing jurisdictions following redevelopment of the Area.

Please note that the "Maximum TIF Reimbursement" shown in Table 4-1 assumes repayment from the statutory payments in lieu of taxes and statutory incremental economic activity taxes described above, including both the 50% statutory portion and the 50% "bottom half" of the self-imposed CID and/or TDD taxes to be levied within the Redevelopment Area. The self-imposed special taxing district revenues are expected to account for approximately 25% of the Maximum TIF Reimbursement, or approximately $3,750,000, and accordingly, such amount will be subtracted from the Maximum TIF Reimbursement if no CID and/or TDD is created. When the TIF reimbursement (including CID and/or TDD) is compared against the Developer's $46.199 million overall investment in Kenrick Plaza the percentage is approximately 32%.

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. These advances would be reimbursed, with interest, as and when there are sufficient monies in the Special Allocation Fund. TIF Bonds or other financial obligations issued for a Project may be marketed through a program developed by the City's financial advisor or a bond underwriter, or they may be privately placed.

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

It is projected that TIF Bonds or other financial obligations will retire within 21 years of the opening of the major retailer, but in no event shall the TIF Bonds or other financial obligations have a term of greater than 23 years from the date of the City's adoption of the ordinance approving the Redevelopment Project as required by the TIF Act. The City will issue "TIF Bonds or other financial obligations" in a net amount not exceeding $15,000,000, exclusive of the costs of financing or refinancing costs as described above. The TIF Bonds or other financial obligations will be issued only to finance eligible costs as specified in Section 99.805(15) of the TIF 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. It is the City's intent to pay for the principal and interest on these TIF Bonds or other financial obligations solely with money legally available for such purpose within the City's Special Allocation Fund. The Developer will use other public and private financing sources (including assistance provided by a transportation development district), in addition to the TIF Bonds or other financial obligations, to finance the Redevelopment Project and the terms of that financing will be governed by legal requirements and the financial markets.

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 Redevelopment Project Costs, and the general land uses that apply to the Redevelopment Area. This Plan will be implemented through an agreement between the City and the Developer. This agreement shall contain provisions that are in greater detail than as set forth in this Plan and that expand upon the anticipated sources and uses of funds to implement this Plan. Nothing in any agreement shall be deemed an amendment of this Plan.

EVIDENCE OF THE COMMITMENT TO FINANCE PROJECT COSTS AND DEVELOPER'S AFFIDAVIT

Attachment Three in the Appendix contains a letter provided by the Developer regarding a commitment to finance project costs.

EQUALIZED ASSESSED VALUATION

In accordance with the TIF Act, the most recent equalized assessed valuation ("EAV") and an estimate of the EAV after redevelopment must be compiled for the Area and shown in this Plan. This data is provided in Table 4-3, titled Estimated Equalized Assessed Valuation (EAV) Before and

After Development. Table 4-3 shows the estimate of the EAV after redevelopment pursuant to the Redevelopment Project including approximately 170,000 square feet of retail.

TABLE 4-3
ESTIMATED EQUALIZED ASSESSED VALUATION (EAV)
BEFORE AND AFTER REDEVELOPMENT
KENRICK PLAZA REDEVELOPMENT PROJECT
SHREWSBURY, MISSOURI

Assessment Item	EAV ($)
Total Estimated EAV After Redevelopment	4,714,818
Most Recent EAV Amount	3,078,620
Total Estimated Incremental Value	1,636,198

The "Most Recent EAV Amount" for the Area was obtained by PGAV Planners from the St. Louis County Assessor in October 2012. The "Most Recent EAV Amount" represents the total value, for each taxable parcel of land located wholly within the Area, on which property taxes are currently paid. Each affected taxing district which levies an ad valorem property tax within the Area will continue to receive tax payments based on the "Most Recent EAV Amount" as described in detail in the Cost/Benefit Analysis submitted along with this document.

The "Total Estimated EAV After Redevelopment" represents an estimate of the St. Louis County Assessor's future assessment of the Project once complete for taxation purposes.

The "Total Estimated Incremental Value" represents the estimated new taxable value over and above the "Most Recent EAV Amount." The incremental property taxes or PILOTs will be paid based on the actual incremental value.

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

The TIF Act requires each redevelopment project to be adopted within 10 years after the approval of the Redevelopment Plan. The complete implementation of this Redevelopment Plan and the retirement of all obligations incurred to finance Redevelopment Project Costs is estimated to occur no later than 23 years from the date of anticipated adoption of the ordinance approving the Redevelopment Project, as required by the TIF Act (estimated to be 2036).

RELOCATION PLAN AND ASSISTANCE

Section 99.810.1(4) of the TIF Act requires that a relocation plan be developed for the assistance of every resident and/or business which is displaced in conjunction with the implementation of the Redevelopment Plan and any Redevelopment Project. A policy for relocation assistance for businesses and residences is included in this Plan. A copy of the relocation assistance plan is

provided in Attachment 5. This Plan anticipates the relocation of one or more businesses but does not anticipate the relocation of any residents.

The Developer will negotiate the acquisition of real property or other property interests, if applicable, within the Redevelopment Area individually with each owner or their chosen representative. Should eminent domain be utilized to acquire such property, real or personal, or rights or interests therein, as part of the Redevelopment Project program pursuant to this Plan, any eligible owner, business owners and residential occupants within the Redevelopment Area shall be provided relocation assistance in accordance with the aforedescribed relocation assistance plan.

SECTION 5
FINDINGS

Section 99.810 of the TIF Act requires that the City make various findings before the adoption of this Redevelopment Plan. The foregoing sections of this report provide supporting data for the findings.

A BLIGHTED AREA; BUT FOR

The Redevelopment Area on the whole is a blighted 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. As documented in Section 3 of this Plan, the Area meets the requirements for designation as a "Blighted Area." Documentation and analysis of the "but for" requirement is contained in Section 2 of this Plan.

CONFORMANCE WITH THE COMPREHENSIVE PLAN

The City of Shrewsbury Comprehensive Plan (the "Comprehensive Plan"), dated March 1970, designates the land use for the Area to be commercial. The map depicting future land use included in the Comprehensive Plan specifically and clearly designates the Area for commercial land use.

ESTIMATED DATES OF COMPLETION

The estimated date for completion of the Project and retirement of obligations to finance said Project does not exceed a period of more than 23 years from the date of anticipated adoption of the Ordinance that will approve a Redevelopment Project. The Ordinance approving the Redevelopment Project will be adopted within 10 years from the date of adoption of the Ordinance approving this Plan.

No property for the Redevelopment Project will be acquired by eminent domain later than 5 years from the date of adoption of the Ordinance approving the Redevelopment Project pursuant to this Plan.

RELOCATION ASSISTANCE

A copy of the City's relocation assistance plan is provided in Attachment 5 which applies to redevelopment projects pursued under the TIF Act.

Thus, this Plan complies with Section 99.810(4) of the TIF Act which requires that a relocation plan be developed for the assistance of businesses and residences.

COST-BENEFIT ANALYSIS

A cost-benefit analysis showing the economic impact of the Plan on each taxing district which is at least partially within the boundaries of the Area has been prepared. The analysis shows the impact on the economy if the project is not built, and is built pursuant to the Plan under consideration. The cost-benefit analysis includes a fiscal impact study on every affected political subdivision, as well as sufficient information for the TIF Commission to evaluate whether the Redevelopment Project as proposed is financially feasible.

GAMBLING ESTABLISHMENTS

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

DEPARTMENT OF ECONOMIC DEVELOPMENT REPORT

By the last day of February of each year, the TIF Commission shall report to the Director of Economic Development the name, address, phone number and primary line of business of any business that relocates to the Area.

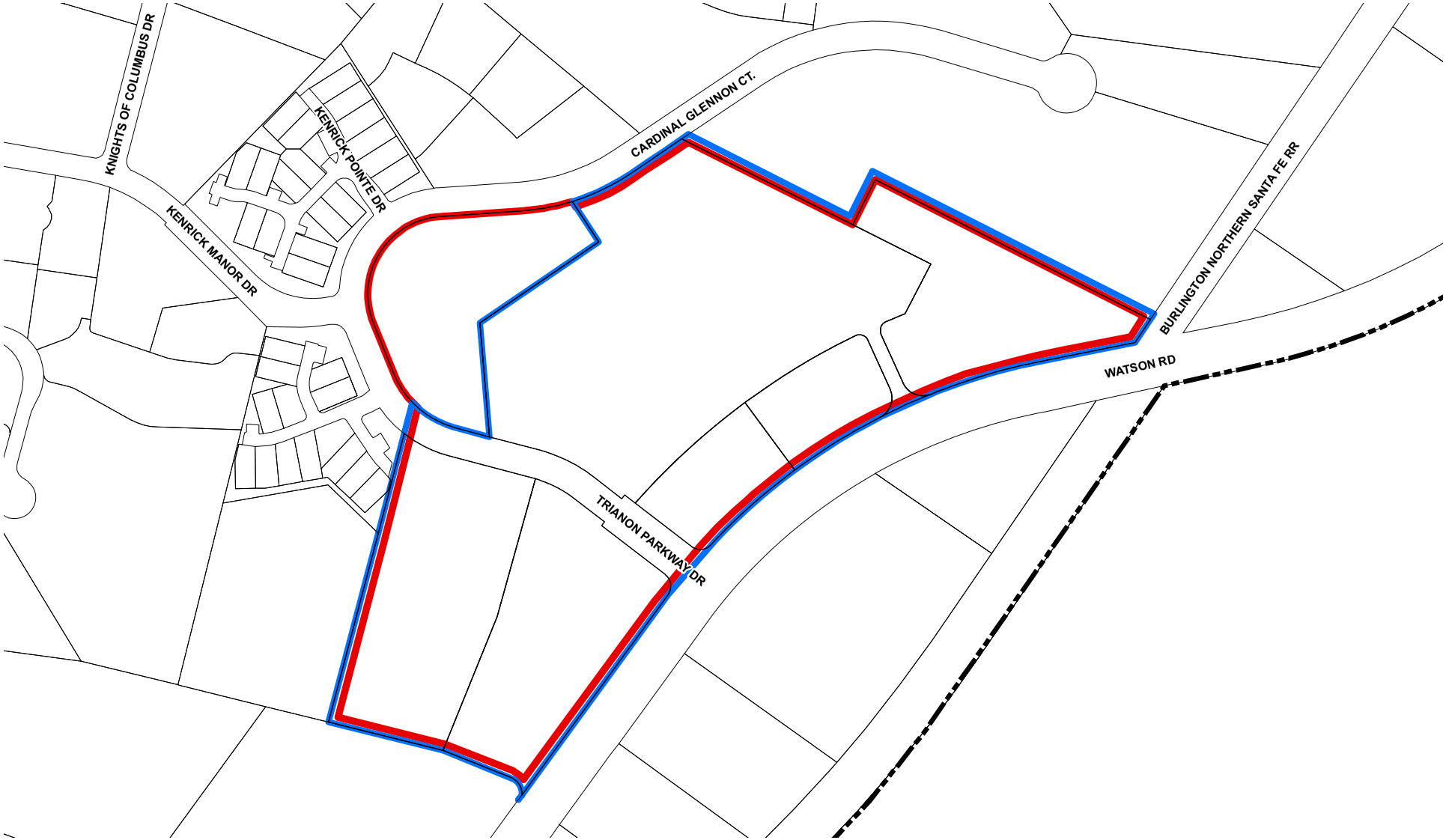
ATTACHMENT 1

SUPPORTING MAPS & EXHIBIT P-1

Exhibit P-1
Parcel Identification List
Kenrick Plaza Redevelopment Area
Shrewsbury, MO

Parcel ID#	Assessor Class	Property Address	Owner Name	2012 Improvement EAV	2011 Land EAV	2012 Total Assesed Valuation
23J120032	Commercial	7501 Watson Road	KDNL Inc	$ 13,700	$ 194,300	$208,000
23J120111	Commercial	125 Kenrick Plaza	Lipton Kenrick Associates LP	$ 57,950	$ 182,050	$240,000
23J120120	Commercial	100 Kenrick Plaza	Lipton Kenrick Associates LP	$ 363,360	$ 1,142,720	$1,506,080
24J440144	Commercial	7435 Watson Road	First Bank	$ 308,990	$ 143,940	$452,930
24J440122	Commercial	7505 Watson Road	Lipton Kenrick Associates LP	$ 44,190	$ 240,990	$285,180
24J440133	Commercial	7505 Watson Road	Lipton Kenrick Associates LP	$ -	$ 199,200	$199,200
23J120102	Commercial	126 Kenrick Plaza	Lipton Kenrick Associates LP	$ 65,440	$ 121,790	$187,230
Total Base EAV				**$ 853,630**	**$ 2,224,990**	**$3,078,620**

Source: St. Louis County Assessor



Legend

- Kenrick Plaza TIF Redevelopment Area
- Special Taxing District(s) Boundary
- Shrewsbury Municipal Limits

0 75 150 300
Feet

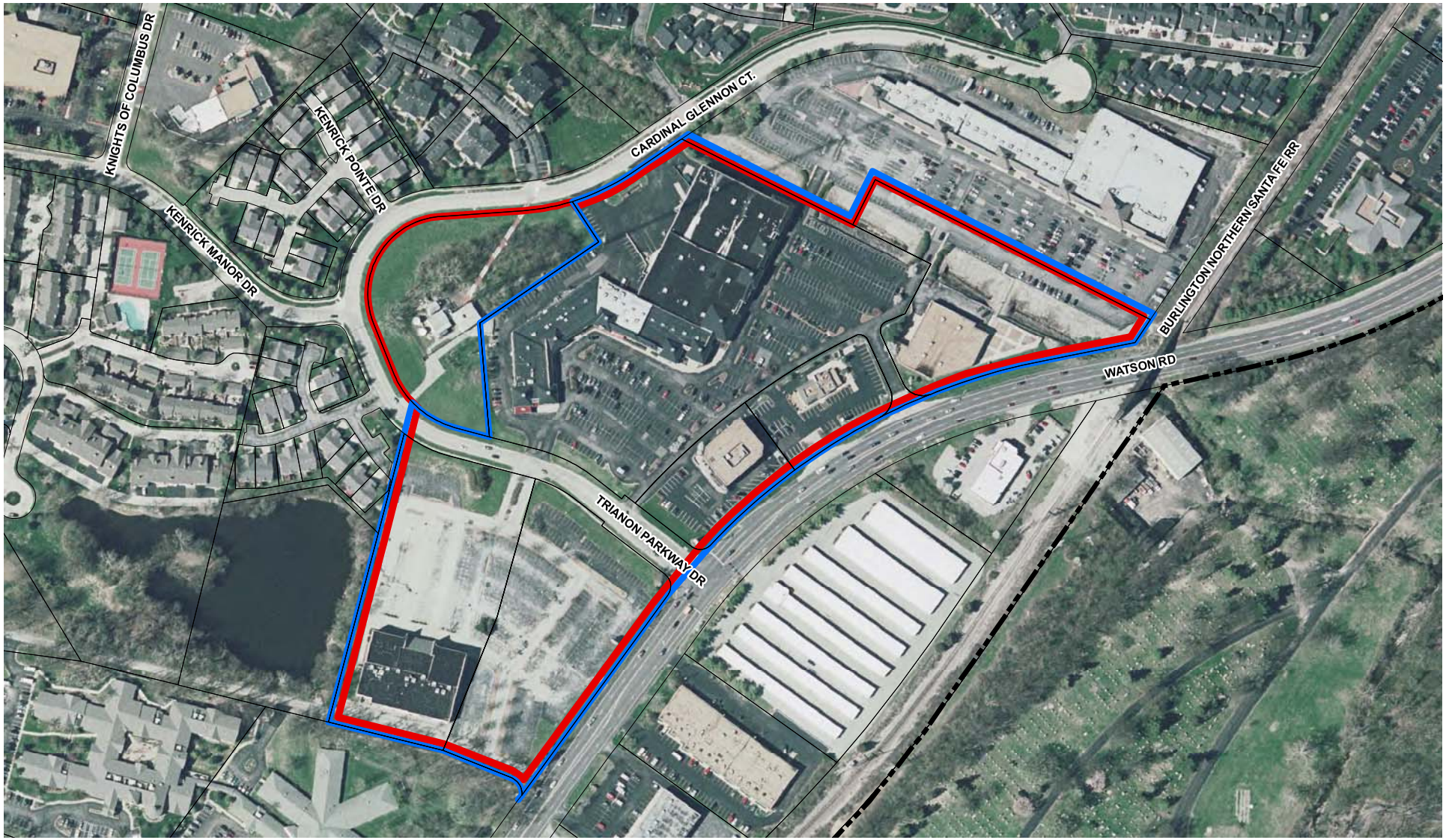
N

November 2012

PGAV PLANNERS

Plate 1
Redevelopment Area Boundary

Kenrick Plaza Redevelopment Area



Legend

- Kenrick Plaza TIF Redevelopment Area
- Special Taxing District(s) Boundary
- Shrewsbury Municipal Limits

0 75 150 300
Feet

N

November 2012

Plate 2
Aerial Photo

Kenrick Plaza Redevelopment Area

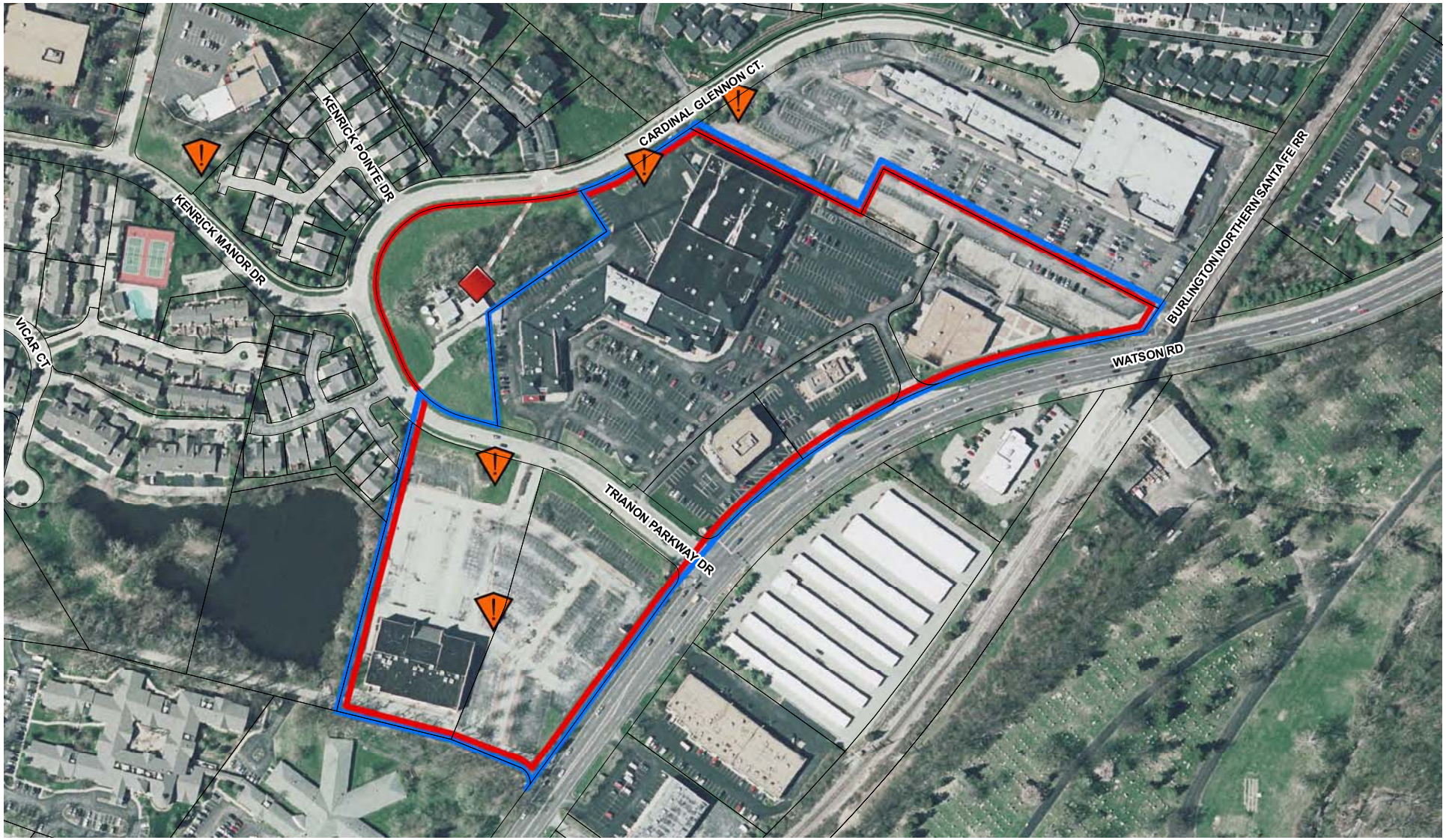


Plate 3
KDNL Communications Tower & Guy Wire Anchor Locations

Kenrick Plaza Redevelopment Area

Legend

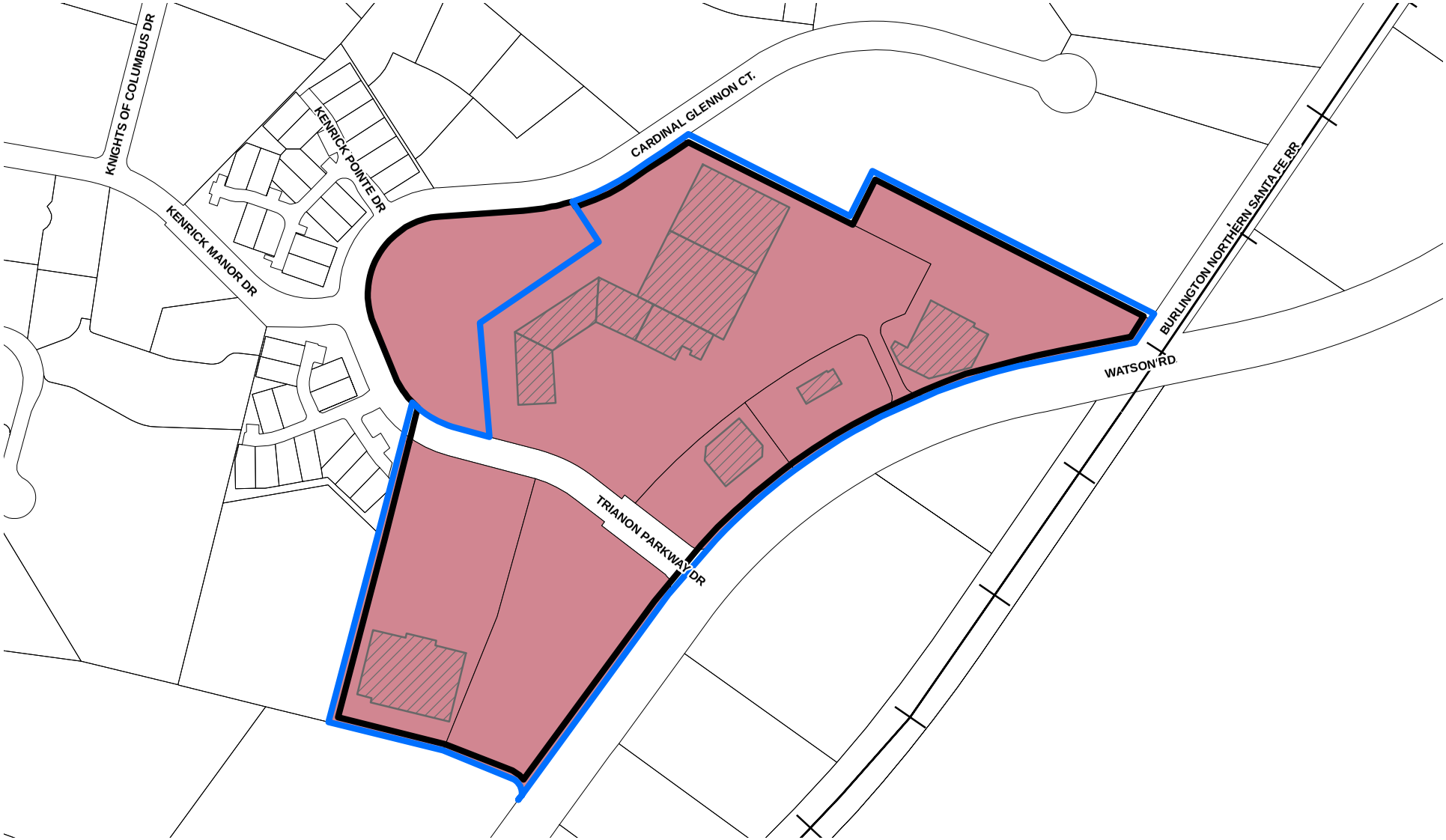
- Kenrick Plaza Redevelopment Area
- Special Taxing District(s) Boundary
- Anchor Locations
- Tower

0 75 150 300
Feet

N

November 2012

PGAV PLANNERS



Legend

- Kenrick Plaza TIF Redevelopment Area
- Special Taxing District(s) Boundary
- Commercial

0 75 150 300
Feet

N

November 2012

Plate 4
Existing Land Use

Kenrick Plaza Redevelopment Area

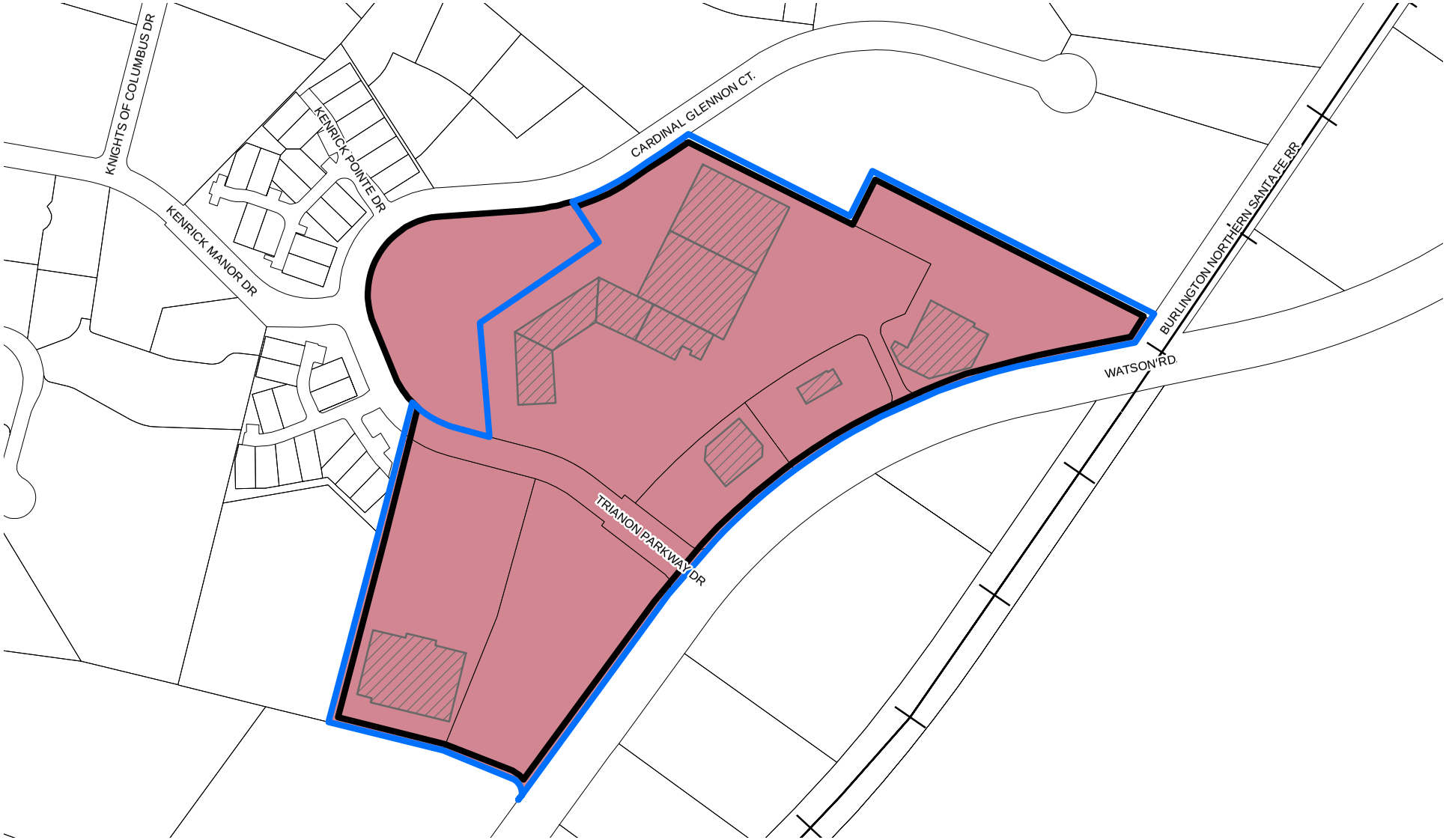


Plate 5
Existing Zoning

Kenrick Plaza Redevelopment Area

Legend

- Kenrick Plaza Redevelopment Area
- Special Taxing District(s) Boundary
- C-2 (Planned Commercial District)

0 75 150 300
Feet

N

November 2012

PGAV PLANNERS

Legend

- Kenrick Plaza TIF Redevelopment Area
- Special Taxing District(s) Boundary
- Deterioration of Site Improvements
- Defective or Inadequate Street Layout
- Economic Liability
- Unsanitary or Unsafe Conditions

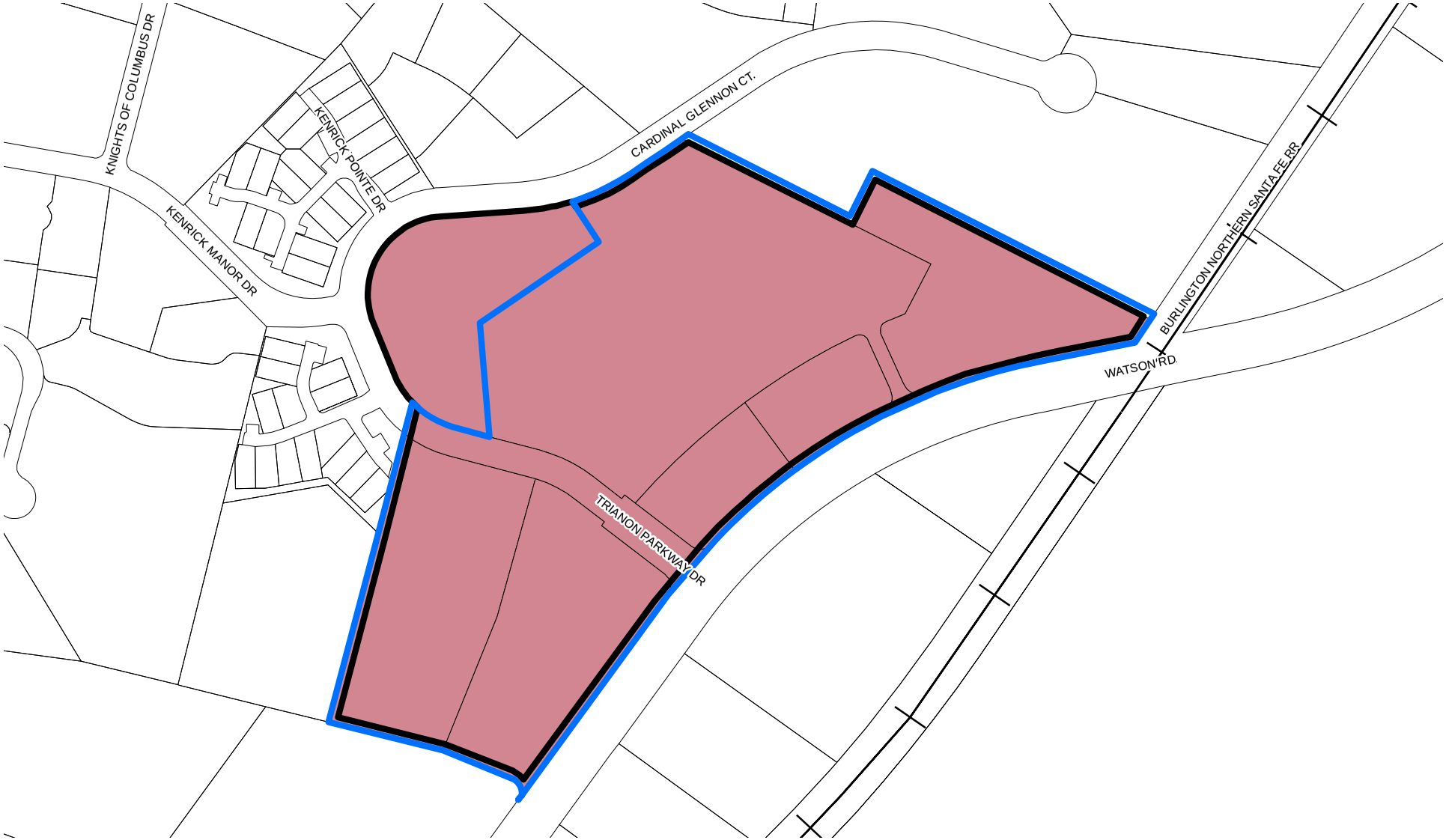
0 75 150 300
Feet

N

November 2012

Plate 6
Blighting Factors

Kenrick Plaza Redevelopment Area



Legend

- Kenrick Plaza Redevelopment Area
- Special Taxing District(s) Boundary
- Commercial

0 75 150 300
Feet

N

November 2012

Plate 7
General Land Use Plan

Kenrick Plaza Redevelopment Area

ATTACHMENT 2

BOUNDARY DESCRIPTION

Kenrick Plaza

Redevelopment Area Boundary Description

BEGINNING at the northeast corner of St Louis County tax parcel 23J120111 at its intersection with the western right-of-way line of the Burlington Northern Santa Fe Rail Road. Thence commencing in a southwesterly direction along the west right-of-way line of the Burlington Northern Santa Fe Rail Road to its intersection with the northern right-of-way line of Watson Road; thence southwesterly along the northern right-of-way line of Watson Road to its intersection with the southeast corner of St. Louis County tax parcel 24J440122; thence leaving the northern right-of way for Watson Road and continuing northwesterly along the southern boundary lines of St. Louis County tax parcels 24J440122 and 24J440133 to the terminus of the southern boundary line of St. Louis County tax parcel 24J440133; thence northeasterly along the western boundary line of St. Louis County tax parcel 24J440133 to its terminus at the western right-of-way line of Trianon Parkway and then extending directly northeast from the aforesaid point to a point of intersection with the southern boundary line of St. Louis County tax parcel 23J120032, thence continuing northeasterly to the terminus of said boundary line and thence continuing northeasterly along the northern boundary line of St. Louis County tax parcel 23J120120 thence easterly along the northern boundary line of the aforesaid parcel to a point of intersection with the western boundary line of St. Louis County tax parcel 23J120111 thence northerly along said boundary line, thence easterly along the northern boundary line of the aforesaid parcel to the POINT OF BEGINNING.

The Area includes the following parcels: 23J120111, 24J440144, 23J120032, 24J440133, 23J120120, 23J120102, 24J440122 and all intervening easements and rights-of-way including a portion of Trianon Parkway Drive.

ATTACHMENT 3

COMMITMENT LETTER
& AFFIDAVIT

Middle Market Real Estate
10 North Hanley Road
Saint Louis, MO 63105

August 25, 2011

Gary Grewe
G. J. Grewe, Inc.
9109 Watson Road, Suite 302
St. Louis, Missouri 63126

RE: Kenrick Plaza Redevelopment

Dear Gary:

We have reviewed and considered your proposed redevelopment of the Kenrick Plaza Redevelopment Area within the City of Shrewsbury, Missouri.

If the City of Shrewsbury, Missouri provides tax increment financing and authorizes utilization of such special districts as a Community Improvement District and/or Transportation Development District, and all other development issues are satisfactorily addressed, G. J. Grewe, Inc., has the financial ability to proceed with the development. Given these governmental approvals, we are committed to participating in the financing of this redevelopment project provided that such US Bank loan commitment for financing is contingent upon final loan committee approval and would be supported by loan documentation typical of a transaction of this size and nature.

We have previous experience working with other Missouri municipalities in developments involving tax increment financing and look forward to working with the City of Shrewsbury.

If you have any questions regarding this letter, please contact me at (314) 505-8035.

Thank you for including us on your development team,

Sincerely,

US BANK NATIONAL ASSOCIATION

Howard Goldberg
Vice President

STATE OF MISSOURI)
) SS
COUNTY OF ST. LOUIS)

AFFIDAVIT

1. I, the undersigned, am over the age of 18 years and have personal knowledge of the matters stated herein.

2. I am a duly authorized representative of Kenrick Developers, L.L.C., a Missouri limited liability company (the "Developer"), and am authorized by the Developer to attest to the matters set forth herein.

3. The Developer owns or is under contract to own approximately 21.41 acres of real property located on the northwest side of Watson Road and west of the Burlington Northern Santa Fe railroad tracks, wholly within the jurisdiction of the City of Shrewsbury, Missouri (the "Redevelopment Area").

4. I am familiar with "The Kenrick Plaza Tax Increment Financing Redevelopment Plan & Project" prepared by Peckham Guyton Albers & Viets, Inc. for the City of Shrewsbury, Missouri (the "Redevelopment Plan"), which includes a plan for redevelopment of the Redevelopment Area.

5. The Redevelopment Area suffers from considerable impediments to development, including, but not limited to, defective and inadequate street layout, unsanitary and unsafe conditions, deteriorated site improvements, improper subdivision and obsolete platting, and the costs of demolition, site work, site improvements, storm water management infrastructure, utility construction and relocation, land assemblage, land acquisition and relocation to remediate those impediments have prohibited new investment and redevelopment by the Developer. The Developer will not be able to redevelop the Redevelopment Area in the manner described in its proposal submitted to the City of Shrewsbury, Missouri, on or about July 9, 2010, without the tax increment financing described in the Redevelopment Plan.

6. To the best of my knowledge, based upon the information available to me, including the information in the Redevelopment Plan, the Redevelopment Area qualifies as a "blighted area" as defined in Section 99.805 of the Revised Statutes of Missouri, as amended, 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.

Further Affiant Sayeth Not.

By: _____
Gary J. Grewe
Authorized Officer

Subscribed and sworn to before me this 30th day of ~~November~~ October, 2012.

Angela Baer
Notary Public

My commission expires on: 4/17/16

NOTARY PUBLIC NOTARY SEAL STATE OF MISSOURI

ANGELA BAER
My Commission Expires
April 17, 2016
St. Louis County
Commission #12537451

ATTACHMENT 4

PHOTO APPENDIX

The lobby of the vacant Kenrick Movie theatre.

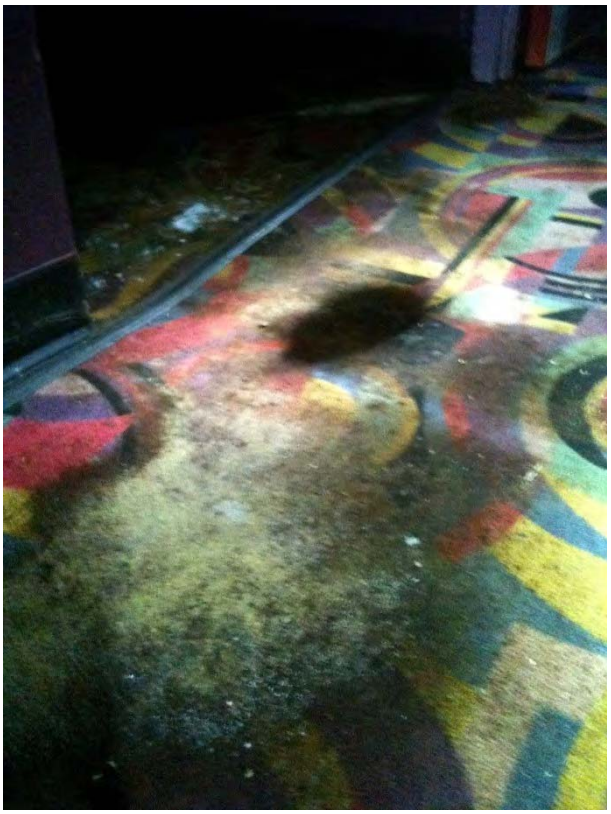
Damaged copper wiring litters the floors of the theater from repeated break-ins by thieves.

Broken glass on the floor from attempted break-ins.

The theater has extensive damage from water and removal of a majority of electrical systems.

View of former movie projector room shows extensive water damage.

Walls, ceilings and carpet in theater destroyed from years of unabated water damage.



Layers of mildew and mold cover carpets, ceilings, and walls throughout theater.

Collapsed ceilings and drywall throughout former theater.

Stains on the concrete from water running down the theatre floor.

The ceiling tiles in the theatres are collapsing due to extensive water damage.

The entire inside of the theater is covered in a layer of mildew and mold due to lack of ventilation and years of unfixed roof leaks.

The retaining wall in the theatre parking lot appears to failing.

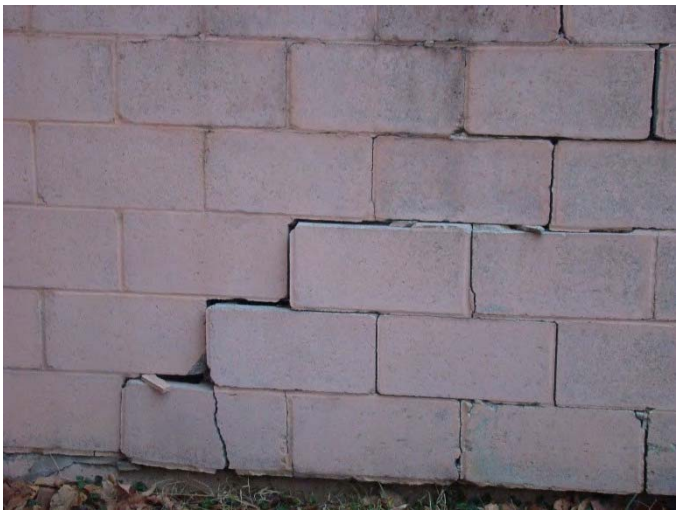
View of vacant theater and parking lot. Note depressed portions due to improper drainage.

Abandoned and severely deteriorated surface parking lot infrastructure attracts loitering and illicit activities.

The existing television tower guy wires located in theater parking lot are an impediment to redevelopment of the site.

Evidence of illicit activities behind former theater includes illegal dumping, used condoms, graffiti and alcohol containers.

Abandoned theater attracts vandalism through graffiti on walls and utility boxes.



Cracks in building masonry indicate structural issues.

Deteriorated sign and soffit on upper Kenrick Plaza building.

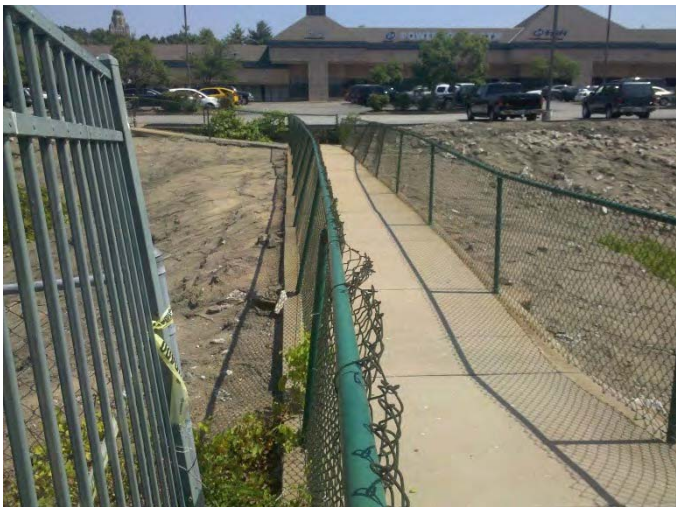
The awning on the front of Sands is torn and tattered.

Exposed wiring at the vacant Sands restaurant.

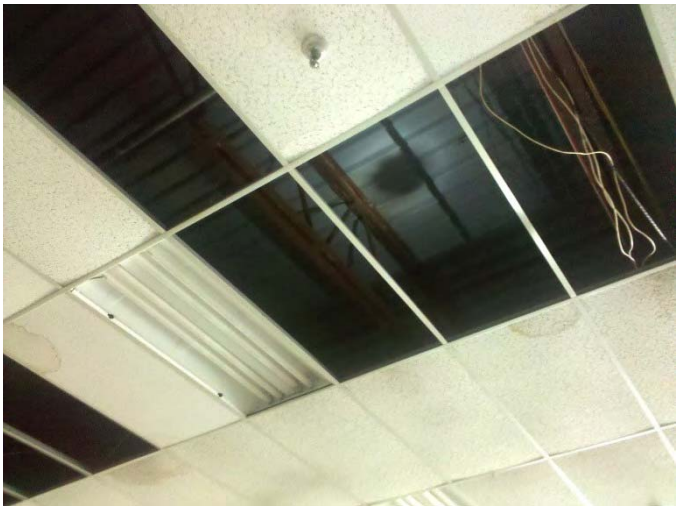
Unfenced creek adjacent to public parking represents an unsafe condition.

Deteriorated fences along creek represent an unsafe condition.

The illegally dumped items, such as this car battery, and the overgrown conditions in the creek that runs through Kenrick Plaza detract from the shopping experience.



Closed and deteriorated pedestrian causeway over creek between upper and lower Kenrick Plaza is an unsafe condition and prevents shoppers from walking to adjacent businesses.



Example of water damaged and missing ceiling tiles throughout Kenrick Plaza.

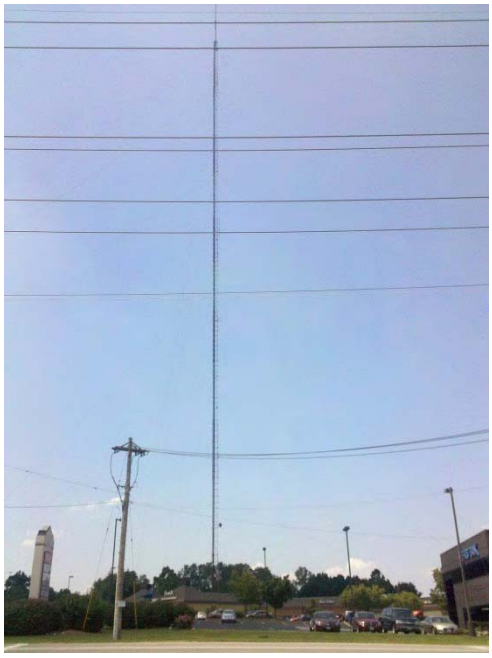
A majority of the wooden siding in Kenrick Plaza is in need of replacement.

Trash can in place to catch water from roof leaks, that evidently have not been attended to between June 2011—October 2012.

Kenrick Plaza has significant unfilled potholes throughout the parking surfaces and access roads.

Kenrick Plaza is not ADA compliant, with various barriers to access for persons with disabilities.

Deteriorated surface parking with potholes and loose asphalt is predominate on the site.



The television tower and associated guy wires located on the site present a significant challenge to redeveloping Kenrick Plaza.

Mold growing on the carpet of one of the vacant tenant spaces.

The fascia boards on Storke Lady are rotted and falling.

Deteriorated and unsanitary conditions exist in the abandoned Burger King.

Abandoned and deteriorated Burger King gives a very negative first impression of Kenrick Plaza.

Trash outside of the vacant Burger King.

A portion of the drive thru window has been broken out and the board moved in an attempted break-in at the former Burger King.

Wood trim on the outside of the vacant Burger King is rotted.

The curb going into Burger King is cracked and crumbling.

ATTACHMENT 5

RELOCATION POLICY

BILL NO. 2585 ORDINANCE NO. 2581

AN ORDINANCE ESTABLISHING A RELOCATION PLAN AND POLICY FOR THE CITY OF SHREWSBURY, MISSOURI, IN ACCORDANCE WITH CHAPTER 523 OF THE REVISED STATUTES OF MISSOURI

WHEREAS, the City of Shrewsbury, Missouri (the "City"), is authorized to undertake certain redevelopment projects pursuant to Chapters 99, 100, and 353, of the Revised Statutes of Missouri, as amended; and

WHEREAS, the City is required to develop a relocation assistance plan for businesses and residences that may be displaced as a result of such redevelopment projects; and

WHEREAS, the City desires to adopt a relocation policy in accordance with the requirements of Sections 523.200 and 523.205 of the Revised Statutes of Missouri, as amended (the "Relocation Act"), it being understood that the relocation policy establishes the minimum benefits to be provided to displaced persons and businesses, and that the Board of Aldermen may, upon approval of specific redevelopment projects, provide for additional benefits for displaced persons and businesses;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF SHREWSBURY, MISSOURI, AS FOLLOWS:

Section 1. The relocation policy, as set forth in this section, is hereby established, adopted and approved as the relocation policy of the City in accordance with the Relocation Act:

RELOCATION POLICY
CITY OF SHREWSBURY, MISSOURI

1. As used herein, the following terms shall mean:

(1) "*Business*" means any lawful activity that is conducted:

(a) Primarily for the purchase, sale or use of personal or real property or for the manufacture, processing or marketing of products or commodities;

(b) Primarily for the sale of services to the public; or

(c) On a not-for-profit basis by any organization that has obtained an exemption from the payment of federal income taxes as provided in Section 501(c)(3) of Title 26, U.S.C., as amended, and veterans organizations;

(2) "*Decent, safe and sanitary dwelling*" means a dwelling which meets applicable housing and occupancy codes. The dwelling shall:

(a) Be structurally sound, weathertight and in good repair;

(b) Contain a safe electrical wiring system;

(c) Contain an adequate heating system;

(d) Be adequate in size with respect to the number of rooms needed to accommodate the displaced person; and

(e) For a handicapped person, be free of any barriers which would preclude reasonable ingress, egress or use of the dwelling;

"*Displaced person*" means any person that moves from the real property or moves his personal property from the real property permanently and voluntarily as a direct result of the acquisition, rehabilitation or demolition of or the written notice of intent to acquire such real property, in whole or in part, for a public purpose;

"*Handicapped person*" means any person who is deaf, legally blind or orthopedically disabled to the extent that acquisition of another residence presents a greater burden than other persons would encounter or to the extent that modifications to the replacement residence would be necessary;

"*Initiation of negotiations*" means the delivery of the initial written offer of just compensation by the acquiring entity, to the owner of the real property, to purchase such real property for the project, or the notice to the person that he will be displaced by rehabilitation or demolition;

"*Person*" means any individual, family, partnership, corporation, or association that has a legal right to occupy the property, including but not limited to month-to-month tenants;

"*Public Agency*" means the state of Missouri or any political subdivision or any branch, bureau or department thereof, any public school district, and any quasi-public corporation created or existing by law which are authorized to acquire real property for public purpose and which acquire any such property either partly or wholly with aid or reimbursement from federal funds;

"*Urban redevelopment corporation*" means a corporation organized pursuant to Chapter 353, RSMo., as further defined in Section 353.020 RSMo.

2. Every urban redevelopment corporation acquiring property within a redevelopment area shall submit a relocation plan as part

of the redevelopment plan. The relocation plan shall comply with all applicable provisions of this Relocation Policy.

3. Unless the property acquisition under the operation of Chapter 99 RSMo., Chapter 100 RSMo., or Chapter 353 RSMo., is subject to federal relocation standards or subsection 1 of Section 523.205 RSMo., the relocation plan shall provide for the following:

(a) Payments to all eligible displaced persons who occupied the property to be acquired for not less than 90 days prior to the initiation of negotiations who are required to vacate the premises;

(b) A program for identifying 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;

(c) A program for providing proper and timely notice to all displaced persons, including a general description of their potential rights and benefits if they are displaced, their eligibility for relocation assistance, and the nature of that assistance. The notices required for compliance with this section are as follows:

(i) A general information notice that shall be issued at the approval and selection of a designated redeveloper and shall inform residential and nonresidential owners and occupants of a potential project, including the potential acquisition of the property; and

(ii) A notice of relocation eligibility that shall be issued as soon as feasible after the execution of the redevelopment agreement and shall inform residential and nonresidential occupants within the project area who will be displaced of their relocation assistance and nature of that assistance, including 90 days' advance notice of the date the occupants must vacate;

(d) A program for referrals of displaced persons with provisions for a minimum of three decent, safe and sanitary housing referrals for residential persons or suitable referral sites for displaced businesses, a minimum of 90 days' notice of referral sites for all displaced persons prior to the date such displaced persons are required to vacate the premises, and arrangements for transportation to inspect referral sites; and

(e) Every displaced person shall be given a 90-day notice to vacate, prior to the date such displaced person is required to vacate the premises.

4. All displaced residential persons eligible for payments shall be provided with relocation payments based upon one of the following, at the option of the person:

(a) A $1,000 fixed moving expense payment; or

(b) Actual reasonable costs of relocation including, but not limited to, actual moving costs, utility deposits, key deposits, storage of personal property up to one month, utility transfer and connection fees and other initial rehousing deposits including first and last month's rent and security deposit. Such costs of relocation shall not include the cost of a replacement property or any capital improvements thereto.

5. All displaced businesses eligible for payments shall be provided with relocation payments based upon the following, at the option of the business:

(a) A $3,000 fixed moving expense payment and up to an additional $10,000 for reestablishment expenses. Reestablishment expenses are limited to costs incurred for physical improvements to the replacement property to accommodate the particular business at issue; or

(b) Actual costs of moving including costs for packing, crating, disconnection, dismantling, reassembling and installing all personal equipment and costs for relettering similar signs and similar replacement stationery, and up to an additional $10,000 for reestablishment expenses. Reestablishment expenses are limited to actual costs incurred for physical improvements to the replacement property to accommodate the particular business at issue.

6. If a displaced person demonstrates the need for an advance relocation payment, in order to avoid or reduce a hardship, the developer or the City or other acquiring public agency shall issue the payment subject to such safeguards as are appropriate to ensure that the objective of the payment is accomplished. Payment for a satisfactory claim shall be made within 30 days following receipt of sufficient documentation to support the claim. All claims for relocation payment shall be filed with the displacing agency within six months after:

(a) For tenants, the date of displacement;

(b) For owners, the date of displacement or the final payment for the acquisition of the real property, whichever is later.

7. Any displaced person, who is also the owner of the premises, may waive relocation payments as part of the negotiations for acquisition of the interest held by such person. Such waiver shall be in writing, shall disclose the person's knowledge of the provisions of this Relocation Policy and his entitlement to payment and shall be filed with the City or other acquiring public agency. However, any such waiver shall not include a waiver of any notice provisions of this Relocation Policy, and a displaced person shall remain entitled to all of the provisions regarding programs which are contained in subparagraphs (b) and (c) of Paragraph 3 above.

8. All persons eligible for relocation benefits shall be notified in writing of the availability of such relocation payments and assistance, with such notice to be given concurrently with the notice of referral sites as required in subparagraph (d) of Paragraph 3 above.

9. Any urban redevelopment corporation, its assigns or transferees, which have been provided any assistance under the operation of Chapter 99 RSMo., Chapter 100 RSMo., Chapter 353 RSMo., or Chapter 523 RSMo., with land acquisition by the City, shall be required to make a report to the Board of Aldermen or appropriate public agency which shall include, but not be limited to, the addresses of all occupied residential buildings and structures within the redevelopment area and the names and addresses of persons displaced by the redeveloper and specific relocation benefits provided to each person, as well as a sample notice provided to each person.

10. An urban redevelopment corporation which fails to comply with the relocation requirements provided in this Relocation Policy shall not be eligible for tax abatement as provided for in Chapter 353 RSMo.

11. The requirements set out herein shall be considered minimum standards. In reviewing any proposed relocation plan under the operation of Chapter 99 RSMo., Chapter 100 RSMo., or Chapter 353 RSMo., the Board of Aldermen or appropriate public agency shall determine the adequacy of the proposal and may require additional elements to be provided.

12. Relocation assistance shall not be provided to any person who purposely resides or locates his business in a redevelopment area solely for the purpose of obtaining relocation benefits.

Section 2. The Relocation Policy shall apply to any plan, project, or area for redevelopment under the operation of Chapter 99, Chapter 100, or Chapter 353 of the Revised Statutes of Missouri, as amended, which is hereafter filed for approval, approved, or amended, and any other land acquisition by the City through condemnation proceedings initiated after December 31, 2006.

Section 3. 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 of this Ordinance are valid, unless the court finds the valid sections of this Ordinance are so essential and inseparably connected with and dependent upon the void section that it cannot be presumed that the Board of Aldermen would have enacted the valid sections without the invalid ones, or unless the court finds that the valid sections standing alone are incomplete and are incapable of being executed in accordance with the legislative intent.

Section 4. This Ordinance shall be in full force and effect from and after the date of its passage by the Board of Aldermen and approval by the Mayor.

ADOPTED by the Board of Aldermen and APPROVED by the Mayor of the City of Shrewsbury, Missouri, this 16th day of February, 2010.

Bert L. Gates, Mayor

ATTEST:

Jonathan Greever, City Clerk

ORDINANCE NO. 2581