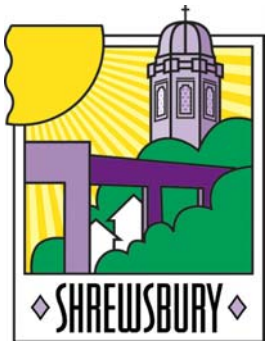
The Kenrick Plaza Tax Increment Financing Redevelopment Plan & Project

Prepared for:



The City of Shrewsbury, MO

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PGAVPLANNERS

ST. LOUIS, MISSOURI

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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 which has been deficient in growth and development, the State of Missouri provides various statutory tools that a municipality may utilize in order to initiate private and public development and/or redevelopment. One such tool is Tax Increment Financing ("TIF"), as defined by the Real Property Tax Increment Allocation Redevelopment Act (R.S. MO. Sections 99.800 to 99.865, as amended), hereinafter referred to as the TIF Act. The TIF Act provides for the establishment of tax increment financing districts referred to herein as "Redevelopment Areas." 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.

Prior to the establishment of a Redevelopment Area, a Redevelopment Plan (the "Plan") must be prepared which identifies specific Redevelopment Projects within the Redevelopment Area. The Plan must outline the objectives which it intends to accomplish, identify how the Redevelopment Projects accomplish those objectives, and provide a program by which the objectives and the Redevelopment Projects will be accomplished. The purpose of establishing the Redevelopment Area is to reduce or eliminate those conditions which cause the Area to qualify as either a blighted conservation, or economic development area, to foster economic and physical improvements, and to enhance the tax base of the taxing districts that levy taxes within the Redevelopment Area.

The initial step in establishing the Redevelopment Area is to analyze the area being contemplated for designation. This is necessary to determine whether the area meets the criteria specified in the TIF Act for designation as a Blighted, Conservation, or an Economic Development Area. Once the governing body of a city has determined that the area qualifies, it may approve a Redevelopment Plan. The Redevelopment Plan identifies objectives, policies, Redevelopment Projects, activities and costs necessary to accomplish the redevelopment of the Area. Funding and financing aspects of the Plan are also outlined, as well as Plan schedules and dates for implementation.

The concept of TIF is relatively simple. Incremental revenue is created when there is an increase in tax revenues within the boundaries of the designated Redevelopment Area above the annual revenue that the Redevelopment Area generated in the year prior to its establishment. New development is "induced" to occur through the ability to use the incremental revenue created by the new development to finance certain costs of redeveloping an Area. Bonds or other financial obligations can be issued to pay eligible redevelopment project costs.

Bonds or other financial obligations are issued to finance the redevelopment project costs and are retired on an annual basis using the incremental revenue generated from the new development. This revenue is set aside in a special fund known as the "special allocation fund." A municipality or county may also finance project costs on a "pay-as-you-go" basis using revenues deposited to the "special allocation fund."

During the up-to 23-year period in which the incremental revenue is dedicated to the purposes specified in the Plan, all taxing districts that levy ad valorem taxes in the Redevelopment Area continue to receive the taxes based upon the property values which existed prior to the adoption of TIF. Those local jurisdictions that levy economic activity taxes (e.g. sales and utility taxes) also continue to collect the amounts of these taxes that existed prior to the implementation of a TIF district, and fifty percent (50%) of the new economic activity taxes generated within the Redevelopment Area. In addition, local jurisdictions 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.

The TIF Act requires a city in St. Louis County seeking to create a redevelopment area to create a TIF Commission of twelve members. Six members are appointed by the St. Louis County Executive. Three members are appointed by the cities, towns, or villages in St. Louis County which have tax increment financing districts. Two members are appointed by the school boards whose districts are included in St. Louis County and one member is appointed by all other districts levying ad valorem taxes in the proposed redevelopment area.

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 Project(s). Members of the TIF Commission serve as long as the redevelopment project is considered for approval, with the exception of the six members appointed by the St. Louis County Executive. These six members serve until replaced by the St. Louis County Executive.

There are several advantages in choosing TIF over other redevelopment programs. Because the TIF Act authorizes the TIF revenues to be pledged to bonds or other financial obligations, the developer and the city have funds available at the beginning of the development process when they are typically needed the most. Another advantage is that TIF requires all the taxing entities to share in foregoing the receipt of new revenue during the period in which the obligations are being retired. The city, and other taxing districts, must dedicate 50% of their local economic activity tax revenue (e.g. sales and utility taxes) generated by the new development to the special allocation fund, not just their property tax increment. Additionally, in the TIF process the city is vested with control over where and how the increment will be used.

THE 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 land use to be 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.

Three 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 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

REDEVELOPMENT AREA BASIS FOR DESIGNATION & SUMMARY OF THE REDEVELOPMENT PROJECT

BASIS FOR REDEVELOPMENT AREA DESIGNATION - BLIGHT

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"

Certain factors found in the Redevelopment Area lead to the conclusion that without the use of TIF, as envisioned in this Plan, the Area would not be subject to growth and development by private enterprise in a manner consistent with the development goals and objectives for the Area. These factors are:

- 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.

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	Vacant Flooring Store

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 removal of existing site improvements, removal and/or relocation of existing utilities, site grading, topsoil importation; and
- Other costs related to 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 190,000 square feet of gross floor building area. It should be noted that for the purposes of this Plan, the number 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, 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.

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.

SECTION 3

ANALYSIS OF BLIGHTED AREA FACTORS

INTRODUCTION

This Section sets forth the factors that were found to be present in the Area which meet the definition of a "Blighted Area" according to Section 99.805 of the TIF Act. The TIF Act defines a "Blighted Area" as follows:

> *…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))

This analysis is based upon on-site investigations of the Area conducted by PGAV PLANNERS staff on July 21, 2011 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 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. This analysis does not include Lower Kenrick Plaza, which is outside of the Area. Should the Developer choose to pursue the establishment of a CID to remediate blight at Lower Kenrick Plaza, a separate blight analysis will be prepared.

BLIGHTED AREA FACTORS

As indicated above, PGAV PLANNERS staff conducted field investigations of observable conditions in the Area. During these field investigations, conditions were noted for pavement, buildings, retaining walls and other site improvements within the Area, which site improvements are predominated by deteriorated pavement surfaces, buildings lacking working systems, high levels of tenant vacancy, unsafe conditions and evidence of illicit activities.

Area factors, as defined by the TIF Act, include: defective or inadequate street layout; unsanitary or unsafe conditions; deterioration of site improvements; improper subdivision or obsolete platting; and existence of conditions which endanger life or property.

DEFECTIVE AND 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 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 UNDERUTILIZATION/ECONOMIC LIABILITY

The physical condition of the Area's site improvements contributes to vacancy and economic underutilization found in the Area. In addition, when combined with the decline in tax revenues and job losses that have resulted in the Area, this economic underutilization constitutes an economic liability in its present condition and use.

The courts of Missouri have recognized economic underutilization as a blighting condition or one that contributes to blight. This premise was explicitly stated by the Missouri Supreme Court in the case of Tierney v. Planned Industrial Expansion Authority of Kansas City, Missouri, 742 S.W. 2d 146, 151 (Mo.1987).

In Tierney at 151, the Missouri Supreme Court stated:

> *(10) The owners, finally, attack the concept of "economic underutilization" as a basis... They suggest that almost all land could be put to a higher and better use, and argue that the concept of economic under-utilization is so broad as to confer upon the legislative authority and PIEA the unlimited discretion to take one person's property for the benefit of another, contrary to Mo. Const. Art. I, Sec. 28.*
>
> *We do not find the fault or the danger perceived. The concept of urban redevelopment has gone far beyond "slum clearance" and the concept of economic underutilization is a valid one. This is explicit in State ex rel. Atkinson v. Planned Industrial Expansion Authority of St. Louis, 517 S.W.2d 36 (Mo. Banc 1975), sustaining the statutes governing this case. Centrally located urban land is scarce. The problems of assembling tracts of sufficient size to attract developers, and of clearing uneconomic structures, are substantial and serious... We need not repeat all of the evidence which was before the city council tending to show that redevelopment of this area would promote a higher level of economic activity, increased employment, and greater services to the public...*

In other words, the performance of a use below its economic potential is a symptom of a blighted area when examining uses that generate economic activity, (i.e., commercial uses). As the court stated in Tierney, urban redevelopment is far more than mere slum clearance and includes the concept that economic under-utilization may be used as evidence of blight. The economic underutilization of the Area is further evidence that the Area exhibits those factors that qualify it as a Blighted Area.

There are multiple indicators that the Area in its current condition and use is an economic liability to the City of Shrewsbury and other taxing districts. The Area has seen a steady decline in sales revenues in Upper Kenrick Plaza over the past decade. Sales taxes have not fallen as steeply, mainly due to multiple increases in the tax rate over the same period. As is clear from

Table 3-1 – Redevelopment Area Sales Tax Collections, from 2000 to 2010 there was a cumulative decrease in sales of 65 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	Gross Receipts	Total Sales Tax Revenues	Annual Change in Sales	Cumulative Change in Sales	Tax Rate
2000	$ 11,218,237	$ 224,365	-		2.00%
2001	$ 9,830,199	$ 201,510	-12.4%	-12.4%	2.05%
2002	$ 9,927,677	$ 208,475	1.0%	-11.5%	2.10%
2003	$ 9,982,442	$ 209,637	0.6%	-11.0%	2.10%
2004	$ 6,302,720	$ 132,375	-36.9%	-43.8%	2.10%
2005	$ 7,928,303	$ 166,507	25.8%	-29.3%	2.10%
2006	$ 7,399,259	$ 155,401	-6.7%	-34.0%	2.10%
2007	$ 7,483,732	$ 157,170	1.1%	-33.3%	2.10%
2008	$ 5,037,578	$ 105,806	-32.7%	-55.1%	2.10%
2009	$ 4,042,238	$ 90,352	-19.8%	-64.0%	2.25%
2010	$ 3,937,567	$ 112,221	-2.6%	-64.9%	2.85%

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 a few 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.

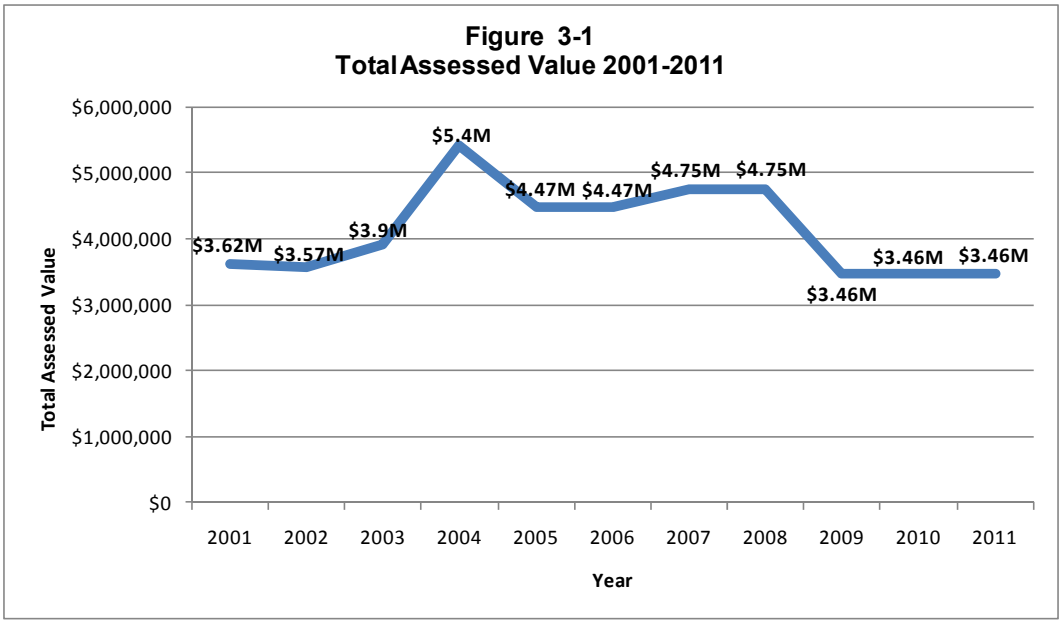
As detailed in **Table 3-2 – Area Parcel Data**, the Area has a total real property assessed value of $3,462,560. The assessed valuation for the shopping center has decreased over time with its decline and increased vacancies. **Figure 3-1 – Total Assessed Value 2001-2011** illustrates the trend in total 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	98,020	297,220
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	649,280	1,792,000
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	Vacant	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**	**$1,237,570**	**$3,462,560**

Source: St. Louis County Assessor

As **Figure 3-1** indicates, the total assessed valuation for the Redevelopment Area has changed only negligibly from 2001 to 2011 as its value has decreased from its high in 2004 of $5,413,503 to $3,462,560 in 2011, which value is approximately 4.3 percent less than its 2001 assessed valuation of $3,618,000.



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 approaching nearly 50 percent. The continued decline and closing of businesses 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	115,030	33,445	29.1%
23J120032	KDNL Inc c/o Sinclaire Broadcast Group Inc	Communications Tower	1,102	0	0.0%
23J120111	Lipton Kenrick Associates LP	Vacant Flooring Store	17,900	17,900	100.0%
		Total	**180,852**	**84,495**	**46.7%**

Table 3-3 shows the overall negative trend toward vacancy, depressing the total assessed valuation of real property in the Area. As tenants continue to leave, maintenance is deferred, and the shopping center declines, it is likely that this downward direction will increase. A complete redevelopment of the Area is necessary to alleviate the economic liability of the Area to the City and affected taxing districts.

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 is blighted pursuant to Sections 99.805(1) and 99.810(1), R.S.Mo.

SECTION 4

REDEVELOPMENT PLAN

PROGRAM OBJECTIVES

This Redevelopment Plan outlines the program that the City proposes to undertake to accomplish the objectives for the Area. The objectives forming the basis for the Redevelopment Plan for the Kenrick Plaza Redevelopment Area are outlined in the following paragraphs.

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

1. To facilitate redevelopment of the Area;
2. To cure the economic underutilization of the Area and to restore it to its highest and best use;
3. To alleviate those conditions that cause the Area to be a "Blighted Area;" and
4. 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.

This Redevelopment Plan reinforces the Comprehensive Plan's goals for the Area.

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

- To relocate upgrade and/or refurbish utilities and other infrastructure facilities serving the Redevelopment Area;
- 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 seven or more commercial buildings; 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 190,000 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 larger 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 following:

- The acquisition of land 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.;

- 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. This Redevelopment Plan provides for the TIF revenues to be used, in accordance with Section 99.805(15) of the TIF Act, for the Redevelopment Project, within the Redevelopment Project Area, including, but not limited to:

- Costs of studies, surveys, plans and specifications;
- Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services;
- Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
- Costs of construction of public works or improvements;
- Reasonable financing loan origination fees and expenses not to exceed 2% of the principal amount of the loan and interest payable to banks, similar financing institutions and other entities that loan money;
- Relocation costs; and,
- 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 190,000 square feet of gross floor building area. These costs represent the total costs of the Redevelopment Project, regardless of the source of funding.

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

Redevelopment Project Cost Items	
Building Construction	
Site Improvement Work	$ 4,168,325
Off Site work	$ 1,609,317
On Site Prep Work	$ 11,893,500
New Construction	$ 14,615,510
Land Acquisition & Relocation	
Acquisition	$ 9,650,000
Relocation	$ 1,250,000
Professional Fees and Development Overhead (May include project overhead, architecture, engineering, surveying, legal, planning, consulting, bond issuance costs and financing costs, and builder's risk insurance.)	$ 5,715,000
Total Project Costs	**$ 48,901,652**

Source: Developer

The information contained in **Table 4-1** relates only to TIF-eligible improvements made to the Redevelopment Area for purposes of this Plan. Please note that the Developer intends to undertake the redevelopment of an additional 7.9 acres of adjacent real property known as "Lower Kenrick Plaza" to create a cohesive and unified retail complex. The lower Kenrick Plaza project are estimated to cost an additional $7.9 million, bringing the total costs of revitalizing the shopping center to approximately $56.7 million. While the additional project will not benefit from TIF financing, its redevelopment will stimulate retail activity in the Redevelopment Area. Collectively, both portions of the renovated Kenrick Plaza are anticipated to generate significant new property and sales tax revenue, and will create an energetic commercial center for the City. Because Lower Kenrick Plaza is not included in the Redevelopment Area, one hundred percent (100%) of new tax revenues will flow directly to the taxing districts.

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.

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	**$**	**48,901,652**
Redevelopment Project Financing Sources		
Redevelopment Plan & Project Costs to be Reimbursed from **Tax Increment Financing** (including revenues captured from the implementation of a Special Taxing District (TDD and/or CID) sales tax at a total rate of 1%).	$	20,000,000
Total Redevelopment Plan & Project Implementation Costs to be **Privately Financed**	$	28,901,652

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 one percent (1%). As noted in more detail below, the amount of tax increment financing assistance would be approximately $13 million without the creation of a TDD and/or a 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 shall not exceed $20,000,000.** 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 $20,000,000 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. As stated in the Act, these sources are:

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

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

Please note that the "Maximum TIF Reimbursement" shown in **Table 4-2** 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 taxes to be levied by one or more special taxing districts on the Redevelopment Area. The self-imposed special taxing district revenues are expected to account for approximately 35% of the Maximum TIF Reimbursement, or approximately $6,900,000. EATS are expected to make up approximately 88% of the anticipated TIF revenues, approximately 39% of which is attributable to the special taxing district sales tax(es). If the special taxing district portion of the Maximum TIF Reimbursement were removed from the calculation, the proportion of TIF reimbursement to total Redevelopment Project costs would be reduced to approximately 27%. Further, when the adjusted TIF reimbursement is compared against the Developer's $56.7 million overall investment in Kenrick Plaza (upper and lower), that percentage drops to approximately 23%.

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

> *…50% of the total additional revenue from taxes, penalties and interest imposed by the municipality or other taxing districts which are generated by economic activities within the area of the redevelopment project over the amount of such taxes generated by economic activities within the area of the redevelopment project in the calendar year prior to the adoption of the redevelopment project by ordinance…but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied for the purpose of public transportation pursuant to Section 94.660 RSMo, licenses, fees or special assessments…*

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

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 Plan approval by the City. The City will issue "TIF Bonds or other financial obligations" in a net amount not exceeding $20,000,000, 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 Bonds or other financial obligations solely with money legally available for such purpose within the City's Special Allocation Fund.

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 3 contains a letter provided by the Developer regarding a commitment to finance project costs and an affidavit indicating that the Redevelopment Area would not reasonably be anticipated to be developed without the adoption of tax increment financing.

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 190,000 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	5,673,640
Most Recent EAV Amount	3,462,560
Total Estimated Incremental Value	2,211,080

The "Most Recent EAV Amount" for the Area was obtained by PGAV PLANNERS from the St. Louis County Assessor in July 2011. The "Most Recent EAV Amount" represents the total value, for each taxable parcel of land within the Area, on which property taxes are paid

currently. 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 assessment of the Project once complete for taxation purposes and is based on estimated per-square-foot bricks-and-mortar construction costs and estimated net-operating income. An estimate based on construction costs is used for those elements of the Redevelopment Project which are expected to be owned by their tenants. These are expected to be First Bank and Retail G, the "Big Box" retailer. Projected assessed values in this case are based on assessed values of comparable properties in St. Louis County. The projected assessed values for the remaining elements of the Redevelopment Project have been estimated based on projected net-operating income based on information provided by the Developer.

The "Total Estimated Incremental Value" represents the new taxable value over and above the "Most Recent EAV Amount." The incremental property taxes or PILOTs will be paid based on this 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 2034).

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.

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

As documented in Section 3 of this Plan, the Area meets the requirements for designation as a "Blighted Area" by virtue of the predominance of the following factors:

- 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.

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.

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

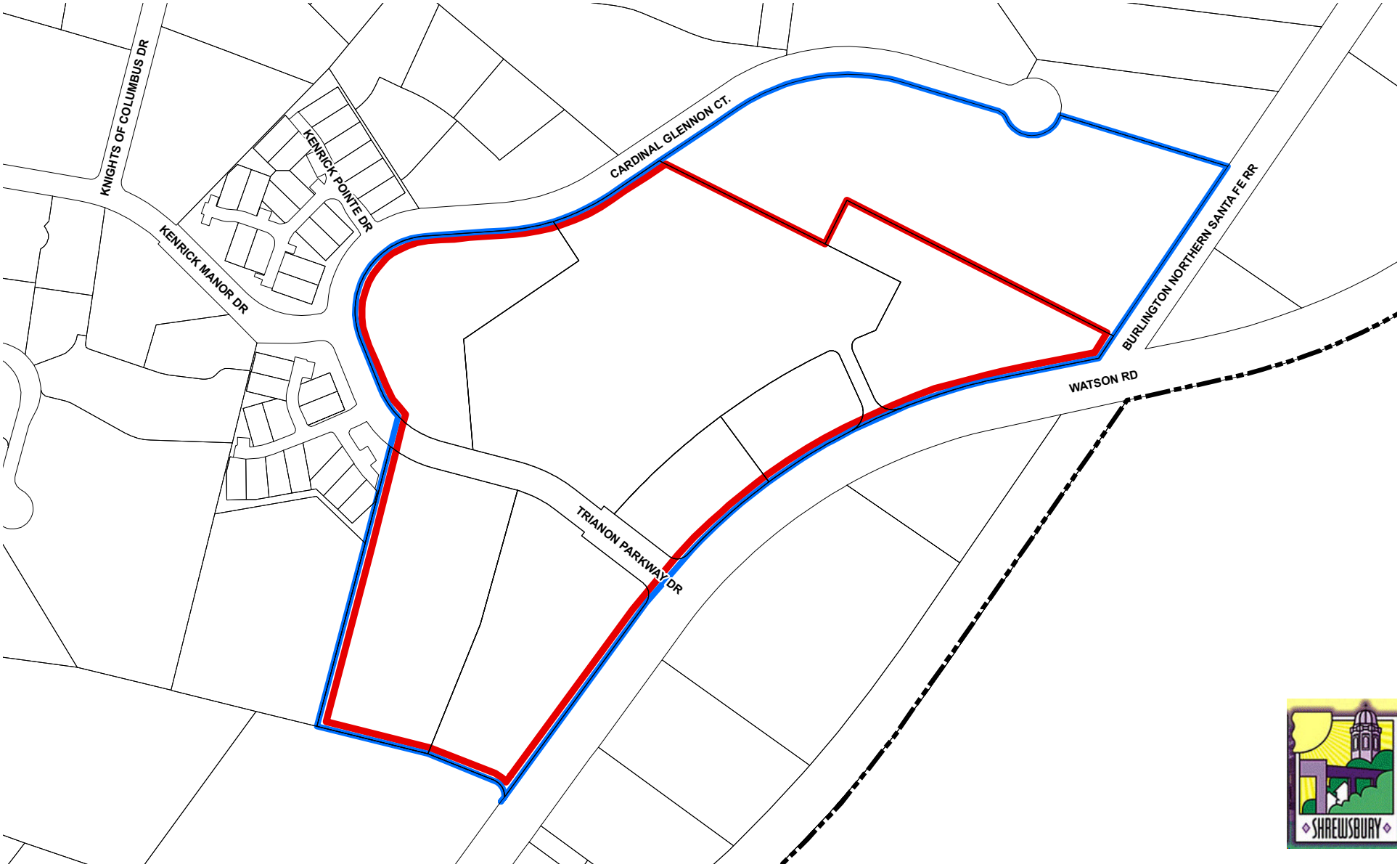


Plate 1
Redevelopment Area Boundary

Kenrick Plaza Redevelopment Area

Legend

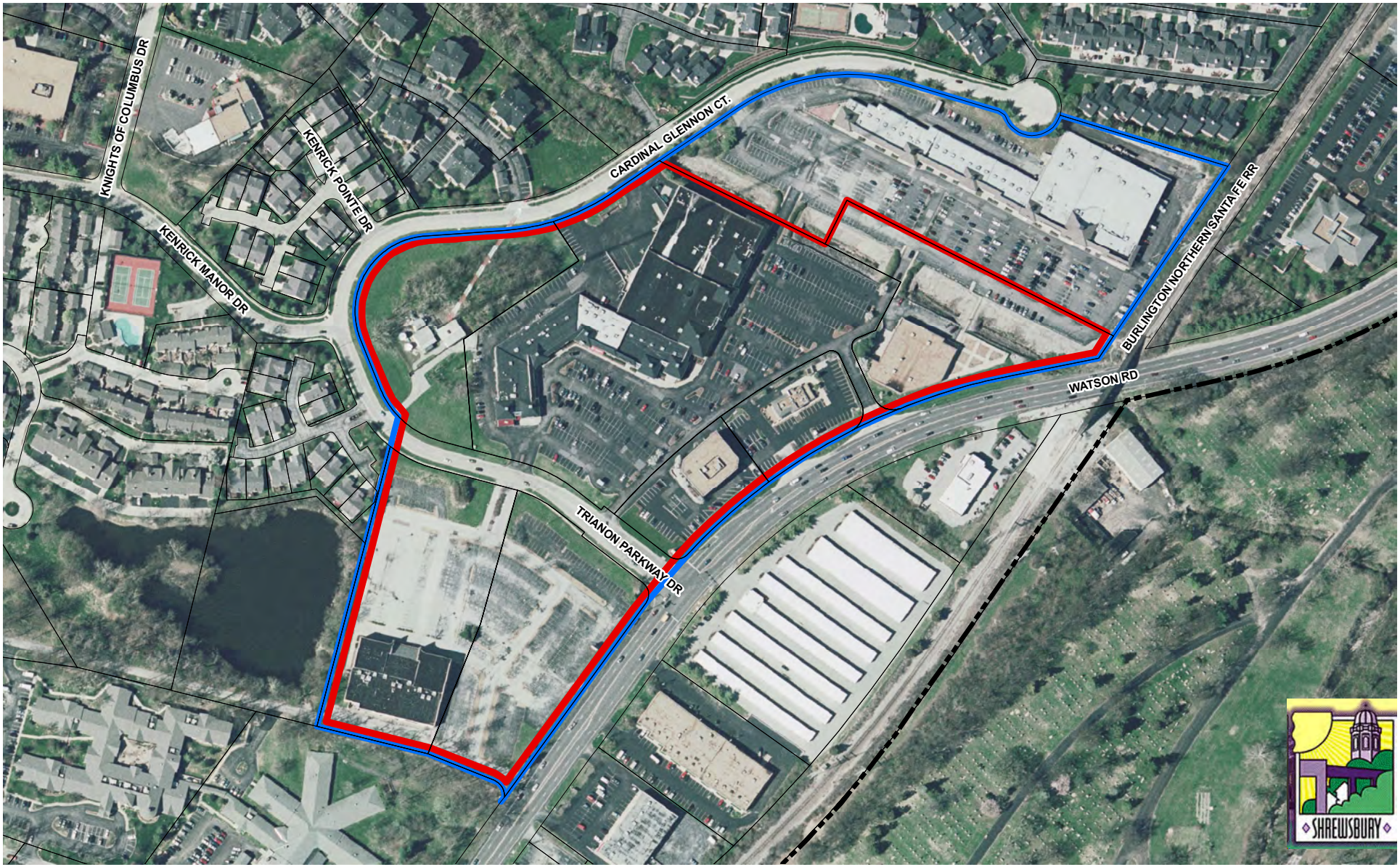
- Kenrick Plaza TIF Redevelopment Area
- Special Taxing District(s) Boundary
- Shrewsbury Municipal Limits

AUGUST 2011

N

0 75 150 300
Feet

PGAVPLANNERS



Legend

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

AUGUST 2011

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Feet

PGAVPLANNERS

Plate 2
Aerial Photo

Kenrick Plaza Redevelopment Area

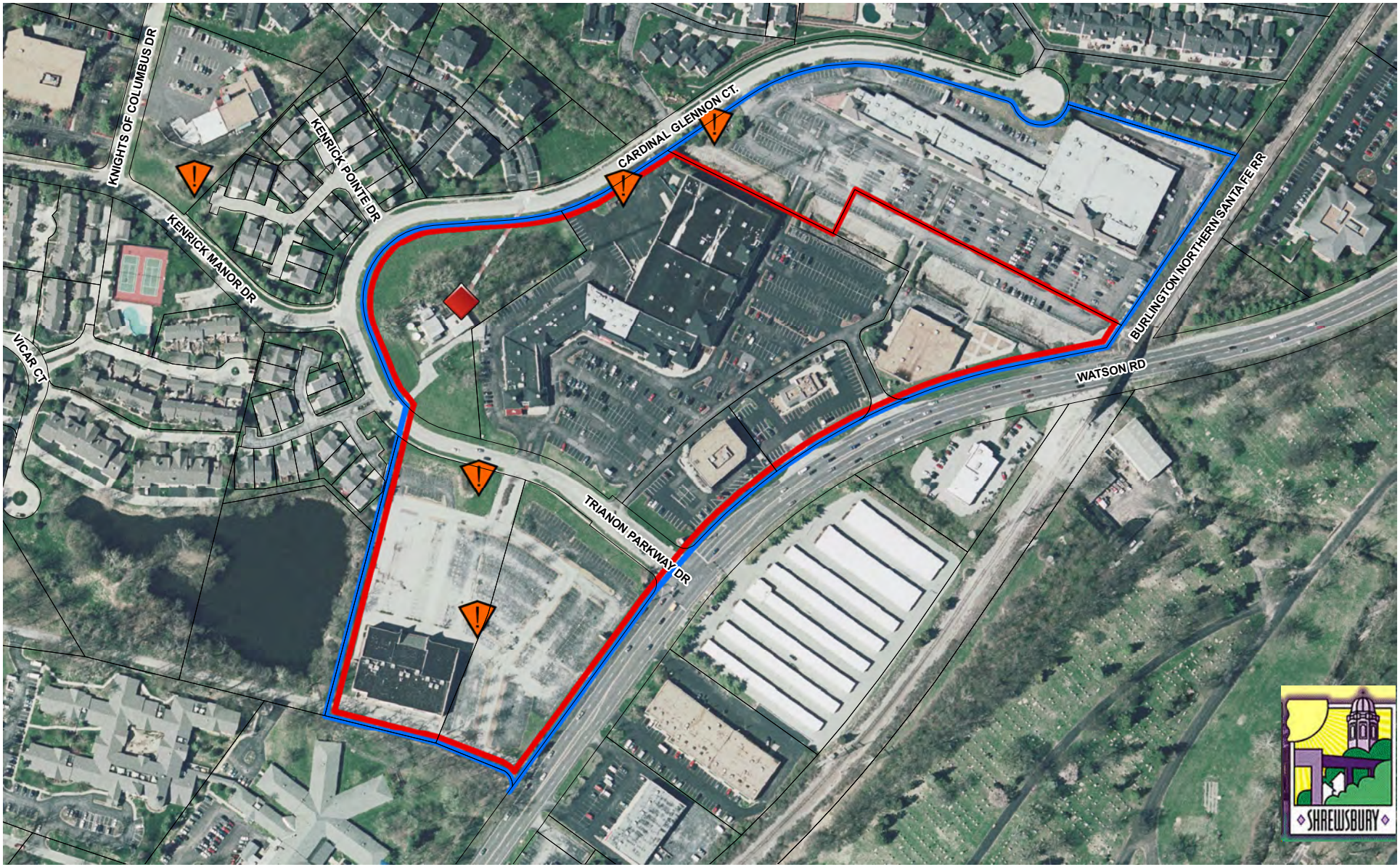

Plate 3
KDNL Communications Tower & Guy Wire Anchor Locations

Kenrick Plaza Redevelopment Area

Legend

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

AUGUST 2011

N

0 75 150 300
Feet

PGAV PLANNERS

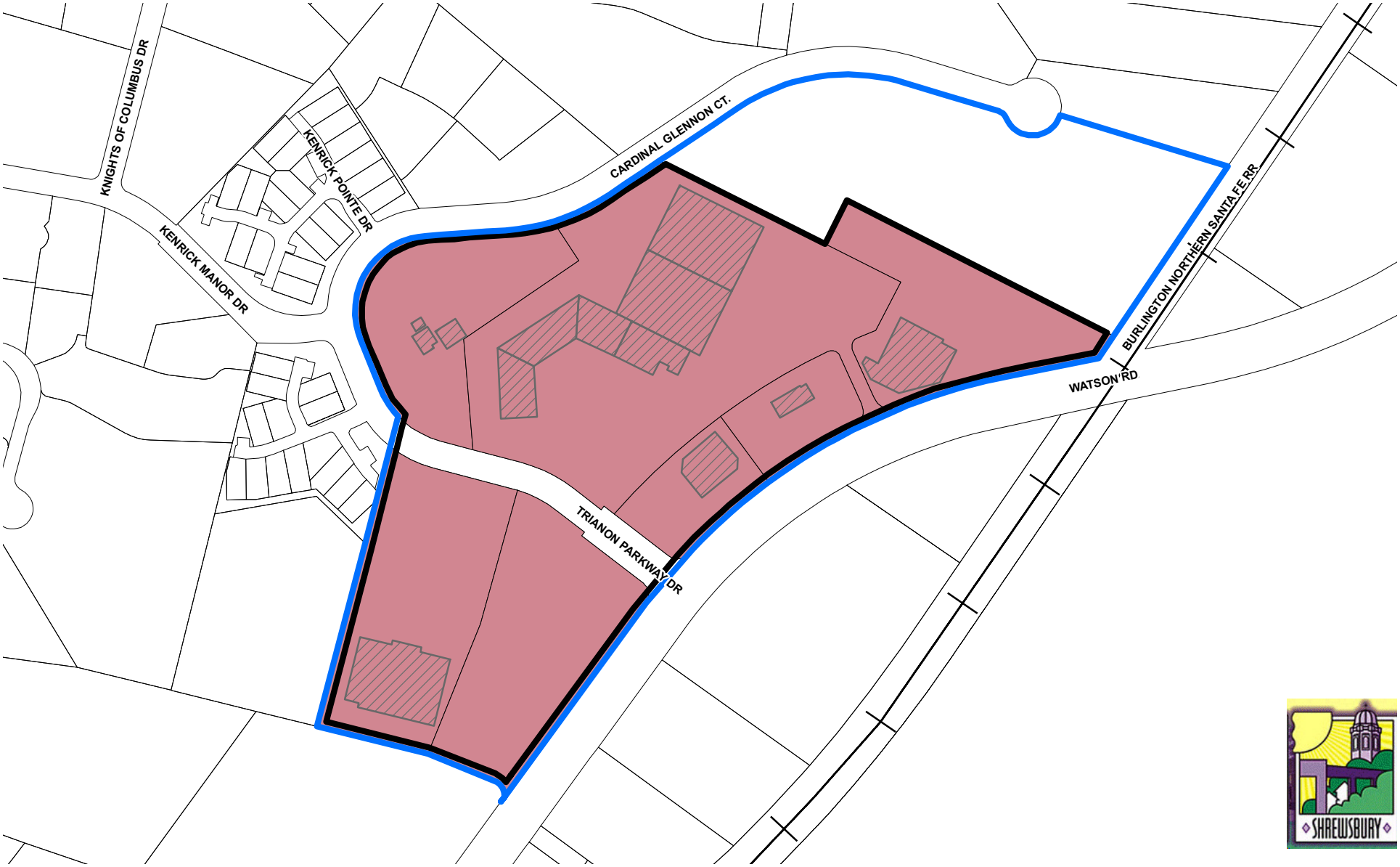

Plate 4
Existing Land Use

Kenrick Plaza Redevelopment Area

Legend

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

AUGUST 2011

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Feet

PGAVPLANNERS

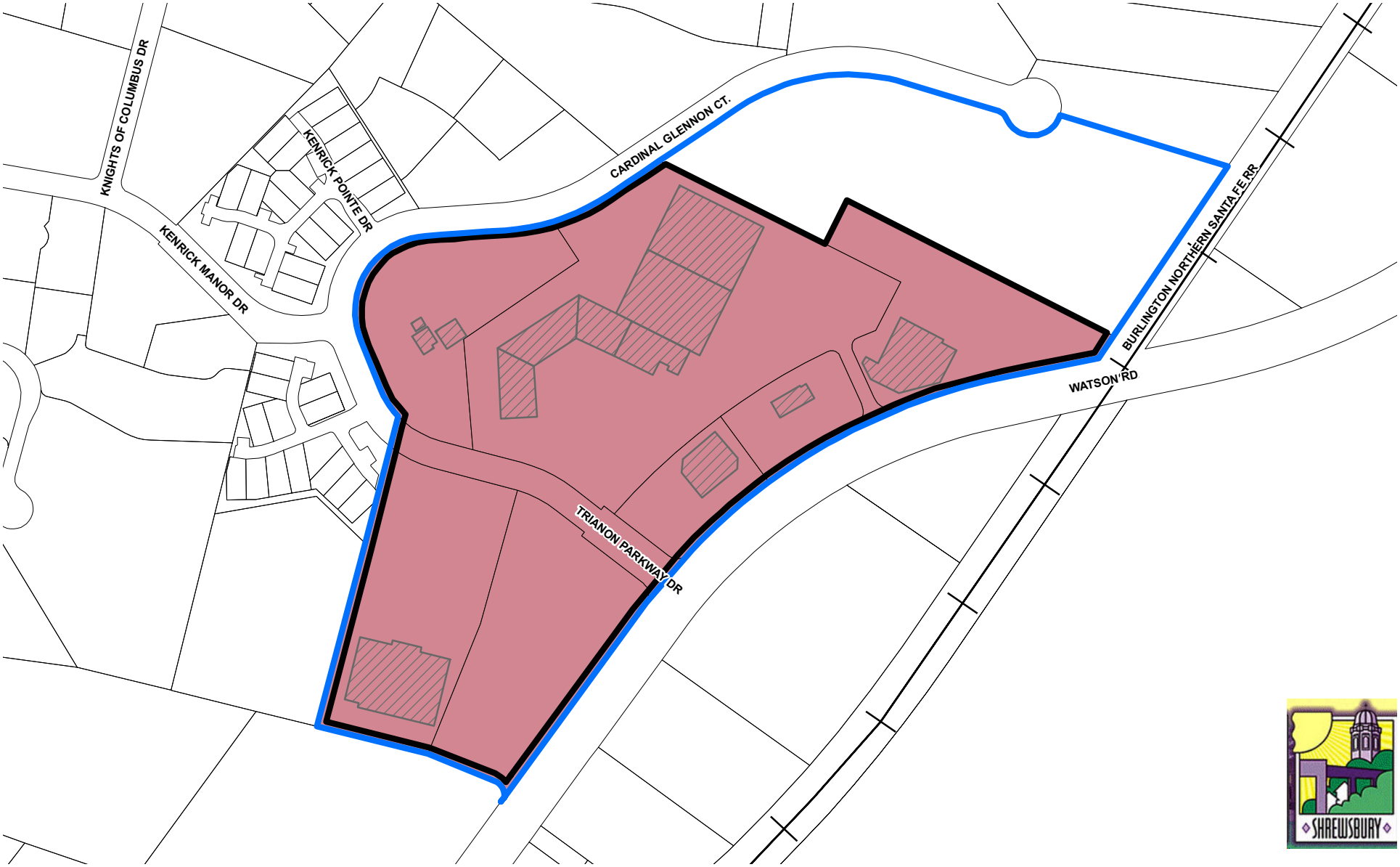

Plate 5
Existing Zoning

Kenrick Plaza Redevelopment Area

Legend

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

AUGUST 2011

N

0 75 150 300
Feet

PGAVPLANNERS

Plate 6
Blighting Factors

Kenrick Plaza Redevelopment Area

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

AUGUST 2011

N

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PGAVPLANNERS

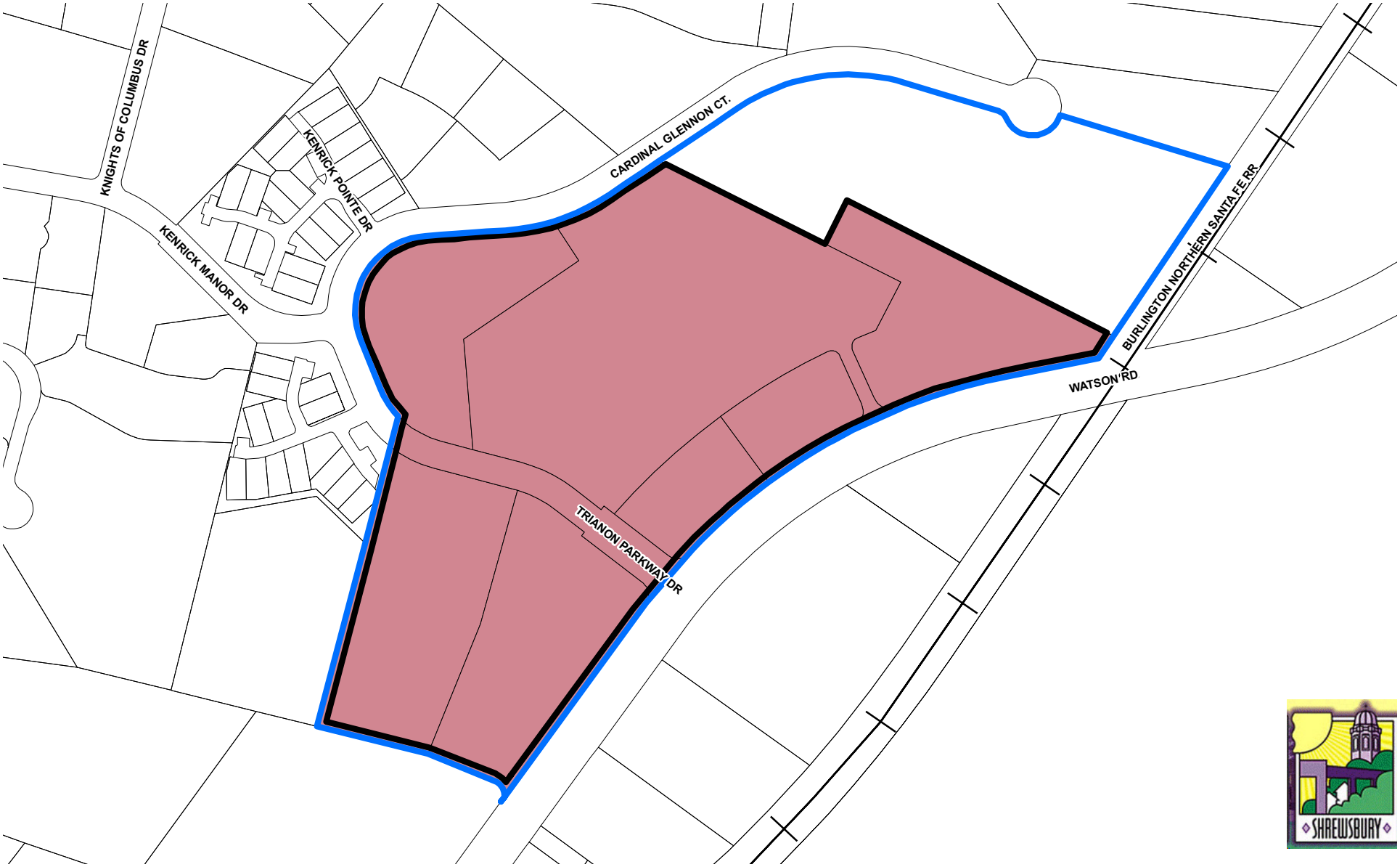


Plate 7
General Land Use Plan

Kenrick Plaza Redevelopment Area

Legend

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

AUGUST 2011

N

0 75 150 300
Feet

PGAVPLANNERS

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

Parcel ID#	Assessor Class	Taxing Code	Property Address	Owner Name	2011 Total Assesed Valuation[1]
23J120032	Commercial	101F	7501 Watson Road	KDNL Inc	$208,000
23J120111	Commercial	101F	125 Kenrick Plaza	Lipton Kenrick Associates LP	$240,000
23J120120	Commercial	101F	100 Kenrick Plaza	Lipton Kenrick Associates LP	$1,792,000
24J440144	Commercial	101F	7435 Watson Road	First Bank	$452,930
24J440122	Commercial	101F	7505 Watson Road	Lipton Kenrick Associates LP	$285,180
24J440133	Commercial	101F	7505 Watson Road	Lipton Kenrick Associates LP	$297,220
23J120102	Commercial	101F	126 Kenrick Plaza	Lipton Kenrick Associates LP	$187,230
Total Base EAV					**$3,462,560**

[1] Source: St. Louis County Assessor

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 G. J. Grewe, Inc., a Missouri corporation (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 24.4 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 City's jurisdiction (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 on or about June __, 2011, 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
_____

Subscribed and sworn to before me this 25th day of August, 2011.

Angela Baer
Notary Public

My commission expires on: 4/17/2012

NOTARY PUBLIC NOTARY SEAL STATE OF MISSOURI

ANGELA BAER
My Commission Expires
April 17, 2012
St. Louis County
Commission #08537451

ATTACHMENT 4

PHOTO APPENDIX

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.

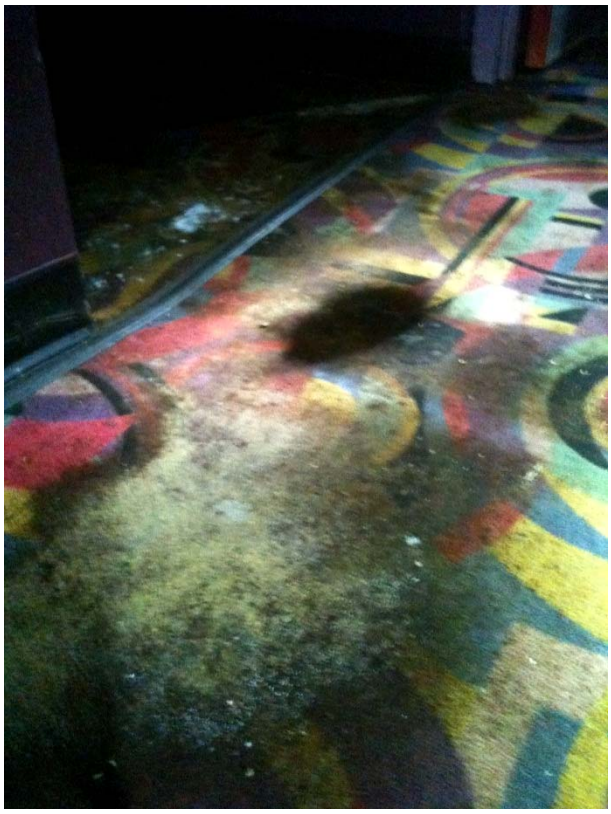
Damaged copper wiring litters the floors of the theater from repeated break-ins by thieves.

Wiring throughout theater has been destroyed and removed by copper thieves.

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

View of former movie projector room shows extensive water damage.

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



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

Collapsed ceilings and drywall are throughout former theater.

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.

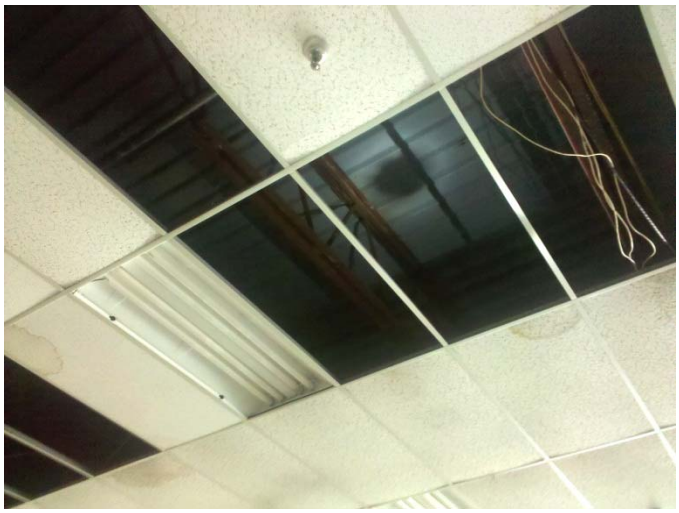
Evidence of illicit activities behind former theater includes illegal dumping, used condoms, graffiti and alcohol containers.

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

Cracks in building masonry can indicate structural issues and/or deferred maintenance.

A majority of the wooden siding in both upper and lower Kenrick Plaza is in need of replacement.

Deteriorated sign and soffit on upper Kenrick Plaza building.

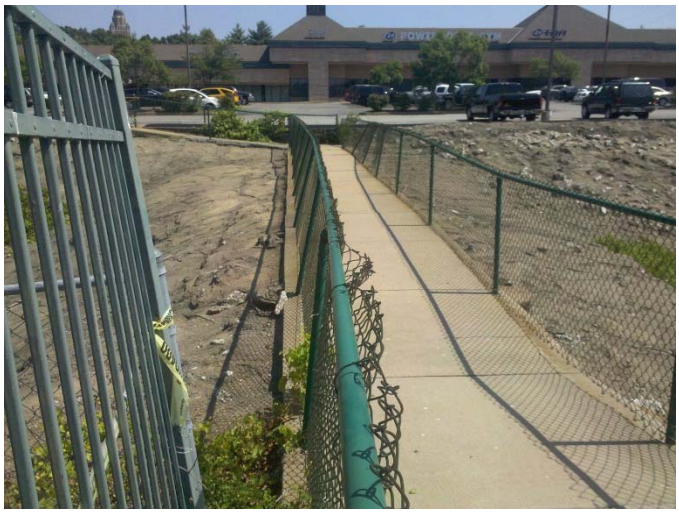


Example of water damaged and missing ceiling tiles throughout Kenrick Plaza.

Unfenced creek adjacent to public parking represents an unsafe condition.

Deteriorated fences along creek represent an unsafe condition and are a barrier to redevelopment as they physically separate upper and lower Kenrick Plaza.

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.

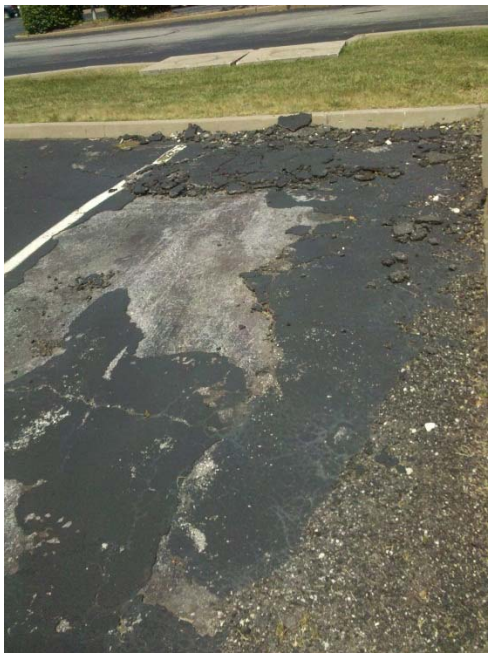
Deteriorated and unsanitary conditions exist in abandoned Burger King.

Evidence of break-in of abandoned Burger King by copper thieves.

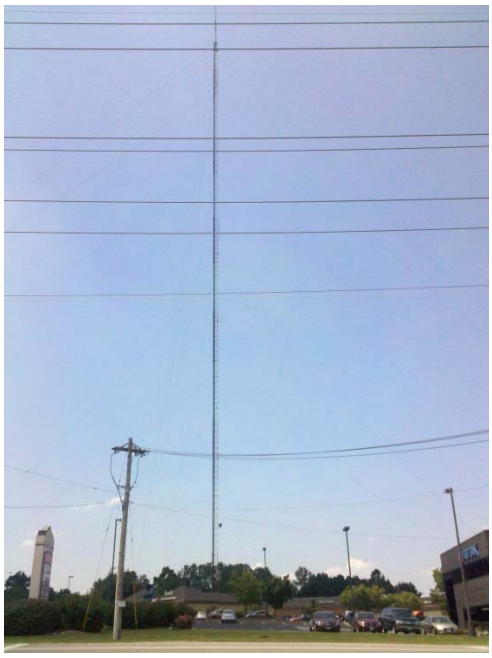
Abandoned and deteriorated Burger King gives a very negative first impression of Kenrick Plaza.

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

Upper 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.

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