

**AMENDMENT #2 TO THE
GATEWAY I-170 TAX INCREMENT FINANCING (TIF) REDEVELOPMENT PLAN
CITY OF OLIVETTE, MISSOURI**

Background: On April 18, 2017, the City of Olivette, Missouri City Council adopted Ordinance No. 2605 (a) approving the Gateway I-170 Tax Increment Financing (TIF) Redevelopment Plan (the “Original Redevelopment Plan”), (b) designating the “Redevelopment Area” described in the Redevelopment Plan as a redevelopment area pursuant to the TIF Act, (c) approving the “Original Redevelopment Project” described in the Original Redevelopment Plan, and (d) adopting tax increment financing within the Redevelopment Area. The Original Redevelopment Plan envisioned that the Original Redevelopment Project would consist of a modern development that included a grocery store anchor and other retail, dining and entertainment uses.

On February 12, 2019, the City Council adopted Ordinance No. 2653 approving Amendment #1 to the Gateway I-170 Tax Increment Financing (TIF) Redevelopment Plan (“Amendment #1”). The Original Redevelopment Plan, as revised by Amendment #1, is referred to herein as the “2019 Redevelopment Plan.” The 2019 Redevelopment Plan revised the scope of the Original Redevelopment Project to include added vertical density for office and other commercial uses (the “2019 Redevelopment Project”).

The Developer has completed property acquisition and begun demolition and clearance activities. However, the COVID-19 pandemic has depressed demand for office and retail uses, further hampering the City’s efforts to see redevelopment on the property consistent with the Strategic Plan. This Amendment #2 intends for office and other commercial components to remain part of the Redevelopment Project, but also adds multi-family residential uses as a component of the Redevelopment Project. Given current market demand, the addition of multi-family residential uses to the Redevelopment Project presents an opportunity to achieve and expand upon the level of density intended by the 2019 Redevelopment Project and enhance the viability of the overall Redevelopment Project.

The inclusion of the multi-family residential uses will require a greater investment in the Redevelopment Project to construct multi-family residential buildings, additional structured parking and other infrastructure. Overall the expected cost of the Redevelopment Project is expected to more than double, from \$73 million (for the scope of the 2019 Redevelopment Project) to \$151,400,000 (for the scope of the Redevelopment Project contemplated by this Amendment #2). Most of this increased investment is expected to be secured from private sources. However, an increase in tax increment financing assistance from the amount provided by the 2019 Redevelopment Plan will be necessary to make the Redevelopment Project, as revised by this Amendment #2, financially feasible.

Accordingly, the City wishes to amend the 2019 Redevelopment Plan and the 2019 Redevelopment Project to include multi-family residential uses within the scope of Redevelopment Project and to permit an additional \$5,420,000 of tax increment

financing assistance.

Revisions to Plan:

1. Section 6 of the 2019 Redevelopment Plan is hereby revised to read as follows:

The Redevelopment Project, as amended, will consist of a mixed-use development including retail, dining, entertainment, office and other commercial uses, multi-family residential uses, and surface and structured parking. A preliminary site plan of the Redevelopment Project is attached hereto as **Exhibit 1**. The attached site plan is not intended to limit the specific nature, size or layout of what may be constructed as part of the Redevelopment Project. The final layout of the Redevelopment Project may differ as a result of market conditions and tenant demands. However, the general nature of the land uses and buildings constructed as part of the Redevelopment Project must be conceptually consistent with the uses described above.

2. The reference in Section 7 of the 2019 Redevelopment Plan to \$73,000,000 of estimated Redevelopment Project Costs is hereby deleted and replaced with \$151,400,000.

3. The two tables in Section 7 of the Redevelopment Plan are hereby deleted and replaced with the following:

GATEWAY I-170 REDEVELOPMENT AREA ESTIMATED REDEVELOPMENT PROJECT COSTS¹	
Category	Total
Property Acquisition/Relocation	\$ 13,500,000
Building/Parking Garage Construction	114,900,000
Site Work/Road Improvements	8,000,000
Professional Services	8,000,000
Contingency	7,000,000
TOTAL	\$151,400,000

¹ The above estimate of Redevelopment Project Costs is based on certain assumptions that may not materialize. Accordingly, the cost of actually completing the Redevelopment Project or any aspect thereof may differ from the above estimate.

GATEWAY I-170 REDEVELOPMENT AREA REDEVELOPMENT PROJECT COSTS TO BE FUNDED BY TIF (ASSUMING CREATION OF CID)¹
\$ 23,320,000

¹ The total amount of TIF assistance shown above may be used to fund any Redevelopment Project Cost eligible for funding pursuant to the TIF Act and is not limited to any specific Phase or category of Redevelopment Project Costs.

4. The table in Section 9 of the Redevelopment Plan is hereby deleted and replaced with the following:

GATEWAY I-170 REDEVELOPMENT AREA ESTIMATED EAV AFTER REDEVELOPMENT		
2016 EAV	Estimated EAV after Redevelopment	Estimated Incremental EAV after Redevelopment
\$ 973,980	\$ 29,052,800	\$ 28,078,820

5. Appendix B of the 2019 Redevelopment Plan is hereby supplemented to include Appendix B attached hereto, which provides additional evidence of a commitment to finance Redevelopment Project Costs associated with the Redevelopment Project.

*Support
for findings:*

In Ordinance No. 2605, the City made several findings related to the Redevelopment Plan and the Redevelopment Project that were required by the TIF Act. The revisions to the Redevelopment Plan and the Redevelopment Project contained in this Amendment #2 do not invalidate any of the findings set forth in Ordinance No. 2605. Rather, those findings, when applied to the amended Redevelopment Plan and Redevelopment Project are still accurate because:

A. The revisions to the Redevelopment Plan and the Redevelopment Project do not affect the City’s prior finding that the Redevelopment Area is a “blighted area” under the TIF Act. Nor do these revisions affect the affidavit provided by Keat Properties, LLC included in Appendix C of the original Redevelopment Plan stating, among other things, that the Redevelopment Area qualifies as a blighted area and “has not been subject to growth and development through private enterprise by private investment, and would not reasonably be expected to be developed without the adoption and provision of tax increment financing assistance.” The fact that vertical construction in the Redevelopment Area has not yet begun even though the Redevelopment Plan was originally adopted in April 2017 is further evidence redevelopment of the Redevelopment Area will be difficult and tax increment financing, as contemplated by the amended Redevelopment Plan, is necessary.

B. The Redevelopment Plan, as amended, is still consistent with the City’s 2006 Strategic Plan, which identified the I-170/Olive Boulevard interchange area as a key redevelopment area.

C. The estimated dates of completion of the Redevelopment Project are not affected by this Amendment. The Redevelopment Project will be completed (and all TIF obligations used to finance the Redevelopment Project) will be retired no later than April 17, 2040, which is 23 years after the approval of Ordinance No. 2605.

D. The City’s relocation policy, codified in Section 430.340 of the City Code, remains in effect and applicable to the Redevelopment Plan.

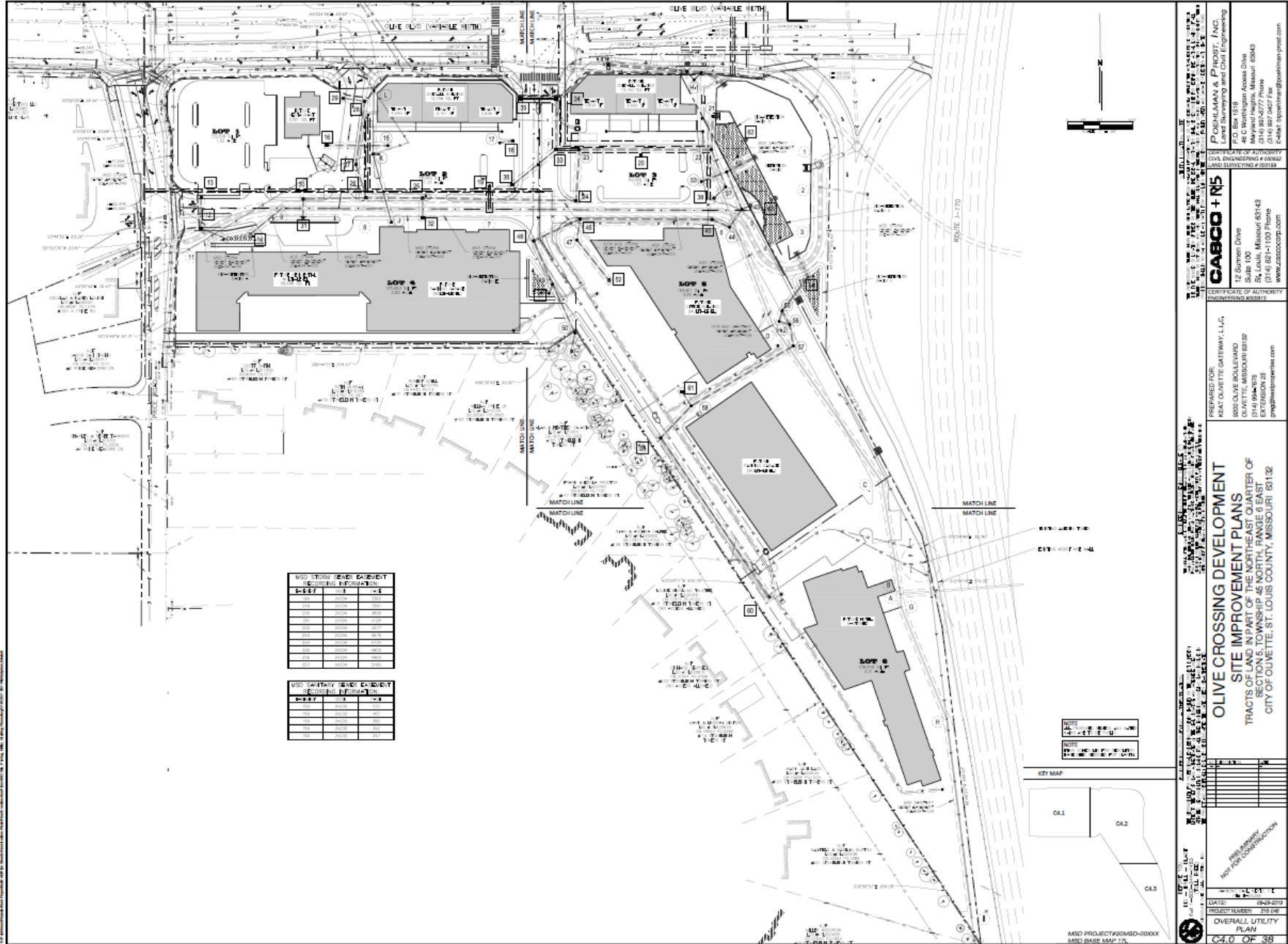
E. A new cost-benefit analysis showing the economic impact of the Redevelopment Plan, as amended, on each taxing district at least partially within the boundaries of the Redevelopment Area has been prepared under separate cover. This new Cost-Benefit Analysis shows the impact on the economy if the Redevelopment Project, as amended, is not built and is built pursuant to the Redevelopment Plan. The Cost-Benefit Analysis also includes a fiscal impact study on every affected political subdivision, and sufficient information from the proposed developer for the TIF Commission to evaluate whether the addition of Phase 2 to the Redevelopment Project, as proposed, is financially feasible.

F. The Redevelopment Plan, as amended, does not include the initial development or redevelopment of any gambling establishment.

* * *

EXHIBIT 1

Preliminary Site Plan for Redevelopment Project (2021)



MID STORY LEVEL CAPACITY		
LEVEL	AREA	AREA
100	1000	1000
200	1000	1000
300	1000	1000
400	1000	1000
500	1000	1000
600	1000	1000
700	1000	1000
800	1000	1000
900	1000	1000
1000	1000	1000
1100	1000	1000
1200	1000	1000
1300	1000	1000
1400	1000	1000
1500	1000	1000
1600	1000	1000
1700	1000	1000
1800	1000	1000
1900	1000	1000
2000	1000	1000

MID GALLERY LEVEL CAPACITY		
LEVEL	AREA	AREA
100	1000	1000
200	1000	1000
300	1000	1000
400	1000	1000
500	1000	1000
600	1000	1000
700	1000	1000
800	1000	1000
900	1000	1000
1000	1000	1000
1100	1000	1000
1200	1000	1000
1300	1000	1000
1400	1000	1000
1500	1000	1000
1600	1000	1000
1700	1000	1000
1800	1000	1000
1900	1000	1000
2000	1000	1000



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CERTIFICATE OF AUTHORITY
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OLIVE CROSSING DEVELOPMENT
 SITE IMPROVEMENT PLANS
 TRACTS OF LAND IN PART OF THE NORTHEAST QUARTER OF
 SECTIONS 5, TOWNSHIP 48 NORTH, RANGE 8 EAST
 CITY OF OLIVETTE, ST. LOUIS COUNTY, MISSOURI 63132

DATE: 09-29-2019
PROJECT NUMBER: 210-100
OVERALL UTILITY PLAN
C4.1 OF 38

PROPOSED
 NOT FOR CONSTRUCTION

NOTE:
 ALL DIMENSIONS ARE IN FEET AND INCHES.
 DIMENSIONS IN PARENTHESES ARE IN METERS.

NOTE:
 SEE SHEET C4.1 FOR UTILITY PLAN.

KEY MAP

MID PROJECT/AS-BUILT/AS-CONSTRUCTED
 (MSD BASE MAP 17)

APPENDIX B

Evidence of Commitment to Finance Phase 2 Redevelopment Project Costs



January 20, 2021

Mr. Greg Yawitz
Keat Olivette Gateway LLC
9200 Olive Blvd, Ste 200
St. Louis MO 63132

RE: Project Financing for a 500,000SF mixed use development at Olive Blvd and Interstate 170 in Olivette, Missouri 63132

Dear Mr. Yawitz:

I am pleased to provide the following loan proposal to Keat Olivette Gateway LLC. This credit proposal is for discussion purposes only and is subject to the due diligence and approval by our credit committee. Financial commitments resulting from this proposal may contain other terms and conditions in addition to those contained in this Term Sheet. The Bank is conditionally committed to financing this project, subject to due diligence, credit underwriting and formal committee approval. The financing of the project would not be feasible without the assistance and provision of public financing, including, but not limited to tax increment financing.

Borrower: Keat Olivette Gateway LLC

Guarantors: Mr. Greg Yawitz and Mr. Lawrence P. Keeley, Jr.

Amount: 75% of total project costs. The Bank also reserves the right to review any financial incentive (private and public) provided to the Borrower in order to validate the feasibility of the project.

Purpose: The acquisition, development and construction financing of the site located at Olive Blvd and Interstate 170, in Olivette MO.

Rate: TBD, market rate at the time of closing

Fee: TBD

Term: 36 months

Repayment: Monthly payments of interest, principal due at maturity.

Collateral: First Deed of Trust, Assignment of leases and incentives at the subject property

Please review and let me know if you have any questions. We look forward to working with you on this financing.

Sincerely,

A handwritten signature in blue ink that reads "Nancy A. Petersen".

Nancy A. Petersen
Senior Vice President
314 995-5668
314 707-4632 (Mobile)

enterprisebank.com

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