

**INTRODUCED BY:** Councilmember Tim Cusick

**DATE:** July 13, 2020

**BILL NO. 9410**

**ORDINANCE NO. 7131**

**AN ORDINANCE APPROVING AN AMENDED AND RESTATED PETITION TO ESTABLISH A COMMUNITY IMPROVEMENT DISTRICT; ESTABLISHING THE MARKETS AT OLIVE COMMUNITY IMPROVEMENT DISTRICT AS A POLITICAL SUBDIVISION OF THE STATE OF MISSOURI; DIRECTING THE CITY CLERK TO NOTIFY THE MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT OF THE CREATION OF THE DISTRICT; AND APPROVING A DISTRICT PROJECT AGREEMENT IN CONNECTION THEREWITH.**

**WHEREAS**, Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri (the “CID Act”) authorize the governing body of any municipality, upon a proper petition requesting the formation and after a public hearing, to adopt an ordinance establishing a community improvement district; and

**WHEREAS**, an “Amended and Restated Petition to Establish a Community Improvement District,” a copy of which is attached as **Exhibit A** hereto (the “CID Petition”), was filed with the City Clerk on July 8, 2020 in accordance with Section 67.1421.1 of the CID Act, requesting the formation of The Markets at Olive Community Improvement District (the “District”) on approximately 2.22 acres of property located northwest of the intersection of Olive Boulevard and McKnight Road/Woodson Road (and consisting of the property addresses of 8601, 8637 and 8643 Olive Boulevard); and

**WHEREAS**, the City Clerk verified that the CID Petition complied with the CID Act; and

**WHEREAS**, the City Council held a duly-noticed public hearing on August 10, 2020, at which all persons interested in the formation of the District were allowed an opportunity to speak and at which time the City Council heard all protests and received all endorsements; and

**WHEREAS**, the City Council finds that notice of the formation of the District has been duly given and the public hearing thereon has been held in which all reasonable protests, objections and endorsements have been heard, all in accordance with Section 67.1431 of the CID Act; and

**WHEREAS**, the City Council further finds that the petition to form the District is proper in that it meets all of the requirements of Section 67.1421 of the CID Act; and

**WHEREAS**, the Redevelopment Agreement dated as of June 13 ,2019 among the City, U. City, L.L.C. and U. City TIF Corporation (as amended, the “Redevelopment Agreement”) relating to the real property within the District contemplates the formation of the District and the execution of a District Project Agreement concerning the activities of the District; and

**WHEREAS**, the form of District Project Agreement among the City, the District, U. City, L.L.C. and U. City TIF Corporation, in substantially the form of **Exhibit B** hereto (the “District Project Agreement”), is intended to be the District Project Agreement contemplated by the Redevelopment Agreement;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF UNIVERSITY CITY, MISSOURI, AS FOLLOWS:**

**Section 1.** The Markets at Olive Community Improvement District is hereby created within the City as a political subdivision of the State of Missouri having the powers and purposes set forth in the CID Petition. The District shall include the contiguous tracts of real estate described in **Exhibit A** of the CID Petition. Subject to further approvals by the District and its qualified voters, the District is authorized to impose a sales tax, as described in the CID Petition.

**Section 2.** The term of the existence of the District shall begin on the effective date of this Ordinance. The District shall commence the procedures for terminating the District under the CID Act upon the earlier of (a) the redemption in full of all of the obligations issued to finance or refinance the CID Project described in the CID Petition in accordance with the CID Act or (b) fifty (50) years from the effective date of this Ordinance.

**Section 3.** The District shall be governed by a board of directors consisting of five (5) members hereafter appointed by the Mayor with the consent of the City Council in accordance with the CID Act, subject to the qualifications set forth in the CID Petition. The initial members of the District's board of directors are hereby appointed as follows:

<b>Name</b>	<b>Initial Term</b>
Gregory Rose	4 years
Jonathan Brown	4 years
Keith Cole	2 years
Michael Koch	2 years
Diana Schaefer	2 years

Successor members of the District's board of directors shall be appointed for four-year terms.

**Section 4.** The City Council, by adoption of Ordinance No. 7104, found and determined that the real property located in the District is a "blighted area" within the meaning of Section 99.805(1) of the Revised Statutes of Missouri. Accordingly, the District is also a "blighted area" under Section 67.1401.2(3)(b) of the CID Act.

**Section 5.** The City Clerk is hereby directed to prepare and file with the Missouri Department of Economic Development the report specified in Section 67.1421.6 of the CID Act.

**Section 6.** The City Council finds and determines that it is necessary and desirable to enter into the District Project Agreement. The City Manager is hereby authorized and directed to execute the District Project Agreement on behalf of the City. The City Clerk is hereby authorized and directed to attest to the District Project Agreement and to affix the seal of the City thereto. The District Project Agreement shall be in substantially the form attached as **Exhibit B** hereto, which District Project Agreement is hereby approved by the City Council, with such changes therein as shall be approved by the officers of the City executing the same. Notwithstanding anything to the contrary in the Redevelopment Agreement or Ordinance No. 7108, the form of District Project Agreement attached hereto as **Exhibit B** is intended to be the form of District Project Agreement contemplated by the Redevelopment Agreement.

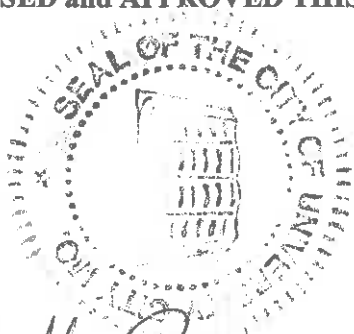
**Section 7.** The officers of the City are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable to carry out and perform the purposes of this

Ordinance and to make ministerial alterations, changes or additions to the documents herein approved, authorized and confirmed which they may approve, and the execution of such action shall be conclusive evidence of such necessity or advisability. All actions taken to date by the officers of the City with respect to the CID Petition and the District, including, without limitation, the provision of notices for the public hearing regarding the creation of the District, are hereby ratified.

**Section 8.** It is hereby declared to be the intention of the City Council that each and every part, section and subsection of this Ordinance shall be separate and severable from each and every other part, section and subsection hereof and that the City Council intends to adopt each said part, section and subsection separately and independently of any other part, section and subsection. In the event that any part, section or subsection of this Ordinance shall be determined to be or to have been unlawful or unconstitutional, the remaining parts, sections and subsections shall be and remain in full force and effect, unless the court making such finding shall determine that the valid portions standing alone are incomplete and are incapable of being executed in accord with the legislative intent.

**PASSED and APPROVED THIS 10<sup>th</sup> DAY OF AUGUST, 2020.**

(Seal)



ATTEST:

Loretta Greese  
CITY CLERK

[Signature]  
MAYOR

CERTIFIED TO BE CORRECT AS TO FORM:

John J. Milligan Jr.  
CITY ATTORNEY

**EXHIBIT A**

**CID PETITION**

[On file in the Office of the City Clerk]

**AMENDED AND RESTATED PETITION  
TO ESTABLISH A COMMUNITY IMPROVEMENT DISTRICT**

To the City of University City, Missouri:

The undersigned petitioner ("**Petitioner**") is the owner or representative of the owner of record of more than fifty percent (50%) (a) by assessed value of all real property within the hereinafter described community improvement district, and (b) per capita of all owners of real property within the hereinafter described community improvement district. Petitioner hereby petitions and requests that the City of University City, Missouri (the "**City**"), establish a community improvement district as described herein, to be known as the **THE MARKETS AT OLIVE COMMUNITY IMPROVEMENT DISTRICT** (the "**District**"), pursuant to the authority of the Community Improvement District Act, Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, as amended (the "**CID Act**").

1. The proposed District is contiguous and located entirely within the City.
2. A legal description of the proposed District is set forth in Exhibit A, attached hereto and incorporated herein by reference. Maps illustrating the boundaries of the proposed District are set forth in Exhibit B, attached hereto and incorporated herein by reference. The Petitioner anticipates expanding the boundaries of the District, in accordance with Section 67.1441 of the CID Act, to include all the property in RPA 1 (as defined in the Redevelopment Agreement (as defined below)) as and when the Petitioner acquires such property.
3. The name of the proposed District is "The Markets at Olive Community Improvement District."
4. The proposed District consists of approximately 2.22 acres and all real property located within the proposed District has a total current assessed value of approximately \$837,440.
5. Petitioner represents 100% per capita of all owners of the real property located within the boundaries of the proposed District, and 100% of all real property within the boundaries of the proposed District by assessed value, as more particularly described in the Petitioner's signature block to this Amended and Restated Petition to Establish a Community Improvement District (this "**Petition**") and as set forth in the table below.

<u>Owner</u>	<u>Situs Address</u>	<u>Locator No.</u>	<u>Acres</u>	<u>Assessed Value</u>
U City, L.L.C.	8601 Olive Blvd. St. Louis, MO 63132	17K430258	1.47	\$603,420
U City, L.L.C.	8637 Olive Blvd. St. Louis, MO 63132	17K430247	.32	\$92,320
U City, L.L.C.	8643 Olive Blvd. St. Louis, MO 63132	17K430236	.43	\$141,700
<b>Totals:</b>			<b>2.22 Acres</b>	<b>\$837,440</b>

6. The proposed District shall be formed as a political subdivision governed by a board of directors composed of five (5) directors appointed by the Mayor of the City, with the consent of the governing body of the City (the "**City Council**"). Each director shall, during his or her term, meet the qualifications of Section 67.1451.2(1)-(2) of the CID Act and shall be an owner of real

property in the proposed District or its authorized representative. The failure of the board to meet the preceding requirements shall not affect the board’s authority to hold meetings, exercise any of the District’s powers, or take any action otherwise lawful. In addition, from and after the date of creation of the District, two of the five directors on the proposed District’s board of directors shall be City representatives and the Petitioner hereby authorizes such City representatives to be deemed as its authorized representatives for purposes of meeting the qualifications of this Section. Successor directors shall be appointed in the same manner as the initial board of directors. Successor directors shall serve for a term of four years.

7. The Petitioner hereby requests that the Mayor, with the consent of the City Council, appoint the following initial directors to the District’s board of directors with the respective terms of office as set forth in the table below, or such other initial directors as determined by the Mayor and set forth in the City’s ordinance approving the establishment of the proposed District.

Name	Initial Term
Gregory Rose (City representative)	4 years
Jonathan Brown (Petitioner representative)	4 years
Keith Cole (City representative)	2 years
Michael Koch (Petitioner representative)	2 years
Diana Schaefer (Petitioner representative)	2 years

In the event, for any reason, a director is not able to serve his or her full term (“*Existing Director*”), any vacancy to the board of directors of the District shall be filled by the remaining directors, who shall elect an interim director (“*Interim Director*”) to fill the vacancy for the unexpired term. If applicable at the time of election, any Interim Director shall be of the same type and from the same category as the Existing Director.

8. Petitioner is seeking a determination that the proposed District is a “blighted area” pursuant to Section 67.1401.2(3)(b) of the CID Act, because the proposed District is located in an area qualifies as a “blighted area” pursuant to Missouri law sections 99.800 to 99.865, and the use of District revenues are reasonably anticipated to remediate the blighting conditions within the District and will serve a public purpose. The factors that support a blighting are described in the Redevelopment Plan attached as Exhibit A to Ordinance No. 7104 and incorporated herein by reference.
9. The proposed District shall not be permitted to issue any tax-exempt debt obligations without the prior written consent of the City. Petitioner does not seek any other limitations on the borrowing capacity of the proposed District.
10. The District shall have all powers and authority provided in the CID Act to borrow funds in order to complete the project and to provide services and complete such improvements as are necessary and desirable to the District, all as further set forth in and contemplated by that certain Redevelopment Agreement dated as of June 13, 2019 by and among the City, U. City, L.L.C., and U City TIF Corporation, as amended (the “*Redevelopment Agreement*”). The District shall have the authority, as set forth above, to levy the CID Sales Tax, the Hotel Special Assessment and Other Special Assessment, each as further described below, in order to generate revenue for the District. Petitioner does not seek limitations on the revenue generation or borrowing capacity of the proposed District, except as otherwise provided in this Petition.

11. The proposed District shall have all powers provided in the CID Act, except as otherwise provided in this Petition.
12. The proposed District shall be authorized, upon approval by the qualified voters of the proposed District, to impose a sales and use tax (the "*CID Sales Tax*") at a rate of up to one percent (1%) on all eligible retail sales made in the proposed District in accordance with Section 67.1545 of the CID Act, for a period not to exceed the life of the District.
13. Upon the proposed District's board of directors approving a proper special assessment petition submitted in accordance with the CID Act and only if a hotel is to be opened within the District, the proposed District shall be authorized to impose a special assessment on the real property located in the proposed District (the "*Hotel Special Assessment*") in accordance with Section 67.1521 of the CID Act, for a period not to exceed the life of the District, for the purpose of providing revenue for the District to provide certain services and assistance all within the purview of Section 67.1461 of the CID Act, which includes the demolition, construction, reconstruction, installation, repair, maintenance, and equipment of various public improvements all within the boundaries of the District and, within the blighted area of the District, various private improvements. Notwithstanding anything herein to the contrary, the Hotel Special Assessment, if any, shall in no event be levied for a period exceeding the life of the District. The Hotel Special Assessment, if any, will be based upon a formula determined by the proposed District's board of directors to be compliant with the requirements of the CID Act and other applicable law, and levied against applicable users of the District in an amount equal to, and not to exceed, \$5.00 per occupied hotel room per night. The method for allocating Hotel Special Assessment may be any reasonable method which results in imposing assessments upon real property benefitted in relation to the benefit conferred upon each applicable user and the cost to provide such benefit, all as permitted under the CID Act.
14. Upon the proposed District's board of directors approving a proper special assessment petition submitted in accordance with the CID Act, the proposed District shall be authorized to impose a special assessment on the real property located in the proposed District (the "*Other Special Assessment*") in accordance with Section 67.1521 of the CID Act, for a period to expire concurrently with the termination of any abatement of general ad valorem real property taxes approved by the City in the development agreement to be entered into pursuant to the Redevelopment Agreement and in accordance with The Urban Redevelopment Corporations Law, Chapter 353 of the Revised Statutes of Missouri, as amended, for the purpose of providing revenue for the District to provide certain services and assistance all within the purview of § 67.1461 of the CID Act, which includes the demolition, construction, reconstruction, installation, repair, maintenance, and equipment of various public improvements all within the boundaries of the District and, within the blighted area of the District, various private improvements; and, in connection therewith, the Board shall have the power to establish from time to time reasonable property classifications within the District that result in imposing assessments against real property benefitted in relation to the benefit conferred upon each respective parcel or platted lot and the cost to provide such benefit District. Notwithstanding anything herein to the contrary, the Other Special Assessment, if any, shall in no event be levied for a period exceeding the life of the District. The Other Special Assessment, if any, will be based upon a formula determined by the proposed District's board of directors to be compliant with the requirements of the CID Act and other applicable law, including, without limitation, a formula based upon per square foot of property, per square foot of improvement, or any other reasonable method determined unit of measure with the maximum amount not to exceed the aggregate assessments against the real property that would have been derived from such real property in the absence of approval of tax abatement. The method for allocating the Other Special Assessment may be any reasonable

method which results in imposing assessments upon real property benefitted in relation to the benefit conferred upon each respective tract, lot or parcel of real property and the cost to provide such benefit, all as permitted under the CID Act.

15. Notwithstanding anything in the CID Act or this Petition to the contrary, the proposed District shall have no power to levy real property taxes or business license taxes and, therefore, the maximum rates of real property taxes and business license taxes proposed in this Petition are zero.
16. A five-year plan stating a description of the purposes of the proposed District, the services it will provide, the improvements it will make and an estimate of costs of these services and improvements to be incurred (collectively, the "**CID Project**") is set forth on **Exhibit C**, attached hereto and incorporated herein by reference. It is anticipated that the proposed District will use the moneys received from the imposition of the CID Sales Tax, the Hotel Special Assessment and Other Special Assessment to finance and reimburse those eligible CID Project costs incurred on its behalf.
17. The estimated cost of the CID Project is \$42,051,103 (excluding Costs of Issuance<sup>1</sup>, if any, and the proposed District's administrative fees and expenses including, but not limited to, fees and costs related to the proposed District's formation, planning consultants, advisors, auditors and legal counsel), as more particularly described in **Exhibit C**, attached hereto and incorporated herein by reference.
18. The proposed District's board of directors shall commence the procedures provided in the CID Act for the termination of the proposed District upon the earlier to occur of (i) all of the proposed District's obligations used to finance and reimburse all of the eligible CID Project costs incurred within the boundaries of the proposed District having been fully redeemed in accordance with the terms of the CID Act, or (b) 50 years from the effective date of the City's ordinance approving the establishment of the proposed District. For the purposes of the CID Act, this paragraph constitutes the proposed length or time for the existence of the proposed District.
19. If any provision of this Petition shall be held or determined to be invalid, inoperative or unenforceable as applied in any particular case, or in all cases, because it conflicts with any other provision or provisions of this Petition or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision contained in this Petition invalid, inoperative or unenforceable to any extent whatsoever.
20. Each of the exhibits to this Petition are incorporated herein and made a part of this Petition by reference.

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<sup>1</sup> "**Costs of Issuance**" shall mean all costs reasonably incurred by the proposed District in furtherance of the issuance of any bonds or notes, singly or in series, issued by or on behalf of the proposed District pursuant to the CID Act, if any, including but not limited to the fees and expenses of financial advisors, municipal advisors and consultants, the proposed District's attorneys (including issuer's counsel and special tax counsel), underwriters' discounts and fees, the costs of printing any obligations of the proposed District and any official statements relating thereto, the costs, if any, of credit enhancement, capitalized interest, debt service reserves and the fees of any rating agency rating any obligations of the proposed District.



21. **Notice to Petitioner:**

**The signature of the signer of this Petition may not be withdrawn later than seven days after this Petition is filed with the City Clerk of the City.**

22. Petitioner respectfully requests that the City Council hold a public hearing in accordance with Section 67.1431 of the CID Act to consider this Petition and adopt an ordinance to establish the District as set forth in this petition and in accordance with the CID Act.

Dated this 8th day of July, 2020.

**PETITIONER:**

NAME OF OWNER: U. City, L.L.C.

TELEPHONE NUMBER: (314) 968-0842

MAILING ADDRESS: c/o Jonathan Browne  
20 Allen Avenue, Suite 400  
Webster Groves, MO 63119

NAME OF SIGNER AND BASIS OF  
LEGAL AUTHORITY TO SIGN: Jonathan Browne, as Manager

SIGNER'S TELEPHONE NUMBER: (314) 968-0842

SIGNER'S MAILING ADDRESS: 20 Allen Avenue, Suite 400  
Webster Groves, MO 63119

TYPE OF ENTITY: Missouri limited liability company

MAP: See Exhibit B

PARCEL IDENTIFICATION NUMBERS: 17K430258; 17K430247; 17K430236

ASSESSED VALUE: \$837,440

**[SIGNATURE PAGE OF PETITIONER FOLLOWS]**

By executing this Petition on this 8th day of July, 2020, the undersigned represents and warrants that he is authorized to execute this Petition on behalf of the property owner named immediately above. The undersigned also acknowledges that his signature may not be withdrawn later than seven (7) days after this Petition is filed with the City Clerk of the City.

U City, L.L.C. a Missouri limited liability company

By: [Signature]  
Jonathan Browne, Manager

STATE OF Missouri )  
COUNTY OF St. Louis ) SS.

On this 8th day of July in the year 2020 before me, Diana G. Schaefer, a Notary Public in and for said state, personally appeared Jonathan Browne, the Manager of U City, L.L.C., known to me to be the person who executed the within Petition in behalf of said limited liability company and acknowledged to me the limited liability company executed the same for the purposes therein stated.

Subscribed and affirmed before me this 8th day of July, 2020.

[Signature]  
Notary Public  
Printed Name: Diana G. Schaefer  
My Commission Expires: 12/28/20



DIANA G. SCHAEFER  
My Commission Expires  
December 28, 2020  
St. Louis County  
Commission #18779541

Exhibit A

**Legal Description of Proposed District**

A tract of land being part of Lots 1, 2 and 3 of the Subdivision of CHARLES H. GIERS ESTATE, Section 4 & 5, Township 45 North, Range 6 East, according to the plat thereof recorded in Plat Book 6 on page 3, of the St. Louis County records, St. Louis County, Missouri, said tract further described as follows: Beginning at a iron pipe in the West line of Woodson Road, (60 feet wide), at the Southeast corner of Lot 1 in Block 1 of St. Patrick Courts a subdivision being a re-subdivision of part of Lots 1, 2 & 3 of Charles H. Giers Estate, said subdivision is recorded in Plat Book 48 page 33, of the St. Louis County Records; thence South 00 degrees 49 minutes 00 seconds West, along the West line of Woodson Road, 169.77 feet to an iron spike; thence South 13 degrees 08 minutes 36 seconds West, 12.29 feet to an iron right of way marker in the North line of Olive Street Road; thence along the North line of Olive Street Road the following courses and distances, North 89 degrees 14 minutes 00 seconds West, 333.78 feet to an iron pipe; thence South 00 degrees 46 minutes 00 seconds West, 5.00 feet to an iron pipe; thence North 89 degrees 14 minutes 00 seconds West 189.52 feet to an iron pipe; thence leaving the North line of said Olive Street Road; North 00 degrees 47 minutes 30 seconds East, 187.00 feet to an iron pipe at the Southwest corner of Lot 8 of St. Patrick Courts; thence along the South line of said St. Patrick Courts Subdivision South 89 degrees 12 minutes 30 seconds East, 526.00 feet to the iron pipe at the point of beginning.

**Exhibit B**

**Boundary Map of the Proposed District**

The boundaries of the proposed District are outlined as shown on the maps below.

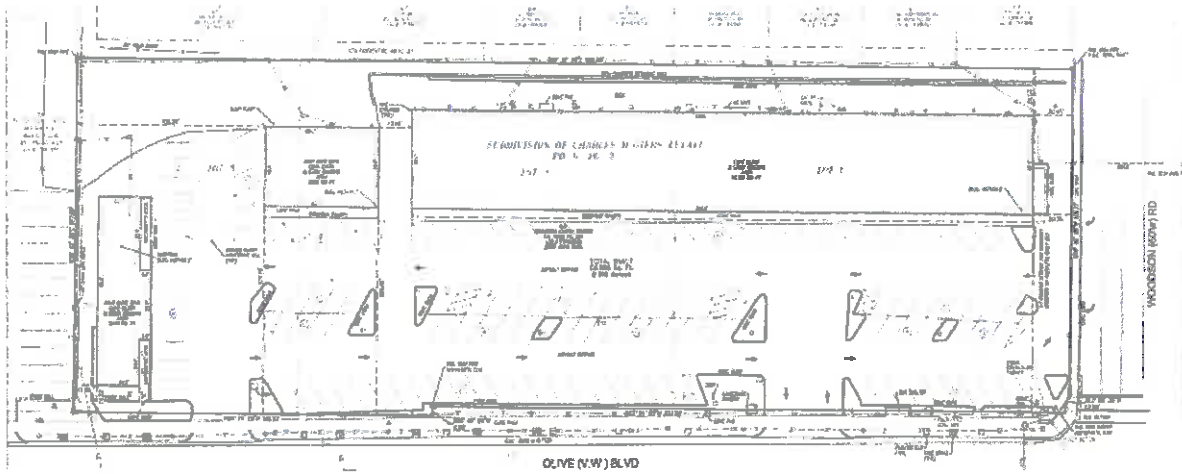


Exhibit C

**FIVE-YEAR PLAN**

**THE MARKETS AT OLIVE COMMUNITY IMPROVEMENT DISTRICT**

**DATED: June 18, 2020**

**Introduction**

U City, L.L.C. (the "*Petitioner*"), proposes to create The Markets at Olive Community Improvement District (the "*District*") pursuant to the Community Improvement District Act, Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, as amended, (the "*CID Act*"). Section 67.1421 of the CID Act requires that the petition for the creation of the proposed District be accompanied by a five-year plan, which includes a description of the purposes of the proposed District, the services it will provide, the improvements it will make and an estimate of the costs of these services and improvements to be incurred. This Five-Year Plan (the "*Plan*") is presented in order to comply with the statutory requirement referenced above.

Generally, a community improvement district is a statutory tool a municipality may implement in order to allow a specific area or section of the municipality to fund (either in part or in whole) certain improvements and services within certain defined boundaries by securing a portion of the area's own economic activity.

This Plan contains the following: (A) a description of the location and formation of the proposed District; (B) a description of the anticipated proposed District revenues over a five-year period; (C) a summary of the improvements and services to be provided by the proposed District over a five-year period; (D) an estimate of costs of the services and improvements to be incurred over a five-year period; and (E) an anticipated schedule for the proposed District's improvements, activities and services over a five-year period. This Plan is an integral and composite part of the Petition to Establish a Community Improvement District (the "*Petition*") to which it is attached and incorporated therein by reference.

**A. District Location and Formation**

The proposed District consists of three tax parcels totaling approximately 2.22 acres generally bounded by and adjacent to Olive Blvd. to the south and Woodson Road to the east in the City of University City, Missouri (the "*City*"). The proposed District is contiguous. The Petitioner anticipates expanding the boundaries of the District, in accordance with Section 67.1441 of the CID Act, to include all of the property in RPA 1 (as defined in the Redevelopment Agreement) as and when the Petitioner acquires such property.

The District is proposed to be a political subdivision of the State of Missouri. The proposed District, pursuant to the CID Act, is empowered to provide a variety of public services and to finance a number of different public and private improvements within its boundaries, which services and improvements will be paid for from revenues from taxes imposed within its boundaries.

**B. District Revenues**

The proposed District is being formed to raise revenues by imposing: (1) an additional sales and use tax (the "*CID Sales Tax*") at the rate of up to one percent (1%) on all taxable retail sales within its boundaries which are subject to taxation pursuant to Sections 144.010 to 144.525 of the Revised Statutes of Missouri, as amended, except sales of motor vehicles, trailers, boats or outboard motors and sales to or

by public utilities and providers of communications, cable or video services; and (2) one or more special assessments levied against the real property within the boundaries of the proposed District (collectively, the "*Special Assessments*") in accordance with Section 67.1521 of the CID Act. Because the proposed District will be located in a Redevelopment Area subject to Tax Increment Financing ("*TIF*"), fifty percent (50%) of the annual revenue will be captured by the TIF.

The imposition of the CID Sales Tax is subject to approval by the qualified voters within the proposed District. To the extent that there are no registered voters within the proposed District, the CID Act provides that the qualified voters are the owners of one or more parcels of real property located within the proposed District per the tax records of St. Louis County, Missouri ("*County*") as of the thirtieth day before the date of the applicable election. Once the proposed District is established by ordinance of the City, the proposed District's board of directors will submit the question of whether it shall be authorized to impose the CID Sales Tax to the qualified voters for approval.

Upon the City Council adopting an ordinance establishing the proposed District, the proposed District's board of directors may approve a proper special assessment petition submitted in accordance with the CID Act.

Notwithstanding anything in the CID Act or the Petition to the contrary, the proposed District shall have no power to levy real property taxes or business license taxes.

### **C. Summary of Improvements and Services to be Provided**

The purpose of the proposed District is to provide assistance to or to construct, reconstruct, install, repair, maintain, and equip certain public and private improvements within its boundaries, and to support business activity and economic development in the proposed District and to provide services and activities as allowed under Section 67.1461 of the CID Act. The proposed District will impose the CID Sales Tax and Special Assessments to finance and administer these improvements and services as provided under the CID Act.

In general, the proposed District may undertake any of the public improvements, private improvements or provide for any of the activities or services set forth in the CID Act. Further, pursuant to Section 67.1461.2 of the CID Act, the proposed District shall have the powers related to a district located in a blighted area. Pursuant to Section 67.1461 of the CID Act the proposed District may acquire by purchase, lease, gift, grant, bequest, devise or otherwise, any real property within its boundaries, personal property, or any interest in such property. The proposed District may also sell, lease, exchange, transfer, assign, mortgage, pledge, hypothecate, or otherwise encumber or dispose of any real or personal property or any interest in such property. The proposed District may dedicate to the City, with the City's consent, streets, sidewalks, parks, and other real property and improvements located within its boundaries for public use. In addition, the proposed District may enter into one or more agreements with the City or any private property owner within the District for the purpose of abating any public nuisance within the boundaries of the proposed District including, but not limited to, the stabilization, repair or maintenance or demolition and removal, renovation, reconstruction or rehabilitation of buildings or structures, provided that the City has declared the existence of a public nuisance.

To fund any or all of its activities in connection with the exercise of any of the above or any other powers of the proposed District under Section 67.1461 of the CID Act, the proposed District may borrow money from any public or private source and issue obligations and provide security for repayment of the same as provided in the CID Act.

Specifically, the District is proposed to provide funding for those powers of a district provided under Section 67.1461.2 of the CID Act and various public and private improvements (as further

described below) within the proposed District's boundaries (as may be expanded pursuant to Section 67.1441 of the CID Act), which such improvements are anticipated to be made to remove any blighted condition and in connection with the development, operation and maintenance of a commercial development within the proposed District (together with any related demolition, public improvements, activities or services outlined in this Section C, the "*CID Project*") as allowed under the CID Act. The estimated cost of the CID Project is \$42,051,103, as described in the below chart.

<b>EXPENSES</b>	
<b>Soft Costs</b>	\$17,251,092
<b>Demolition &amp; Site Work</b>	\$24,800,011
<i>TOTAL EXPENSES</i>	<i>\$42,051,103</i>

The amount in each budget category is an estimate. Savings in one budget category may be applied to additional costs incurred in other budget categories.

The "Total Budget" amount of \$42,051,103 excludes Costs of Issuance as defined in the Petition, if any, the proposed District's administrative fees and expenses including, but not limited to, fees and costs related to the proposed District's formation, planning consultants, advisors, auditors and legal counsel, and reimbursement to the City for the City's third-party professional costs directly related to the City's consideration of the proposed District including, without limitation, legal and planning expenses incurred in relation to the City's establishment of the proposed District, and the City's participation and responsibilities with regard to the ongoing operation, functions and administration of the proposed District.

The proposed District may fund any portion of the costs of acquisition, design, construction, operation and maintenance of the CID Project. CID Sales Tax revenues and Special Assessments revenues may be used to fund in part either direct costs of the CID Project or financing costs of the CID Project, or both.

On an annual basis, the CID Sales Tax revenues and Special Assessments revenues will be applied as follows: (a) first, to fund the on-going administrative costs of the proposed District, the amount of which will be determined by the proposed District's board of directors in connection with the adoption of the annual budget of the proposed District, and (b) second, to fund the costs of the CID Project or any obligations issued by or on behalf of the proposed District to finance the costs of the CID Project and other Redevelopment Project Costs (as defined in the Redevelopment Agreement). This formula will be applied throughout the term of the proposed District.

The CID Act mandates that existing City services will continue to be provided within a proposed district at the same level as before the proposed district was created (unless services are decreased throughout the City) and that any proposed district services shall be in addition to existing City services. The Petitioner anticipates that City services will continue to be provided within the proposed District at the same level as before the proposed District was created, and the proposed District will not cause the level of City services within the proposed District to diminish. Without the additional funding provided



by the proposed District, the Petitioner would not be able to adequately develop, operate and maintain the CID Project.

**D. Estimate of Costs of Services and Improvements to be Incurred**

The total estimated cost of the CID Project over the initial five-year period is approximately \$42,051,103. As stated above, CID Sales Tax revenues and Special Assessments revenues may be used to fund in part either direct costs of the CID Project or financing costs of the CID Project, or both.

**E. Anticipated Schedule**

On the next page is a summary of the improvements, activities and services anticipated to be provided by the proposed District over the initial five-year period.

*[The remainder of this page was intentionally left blank, see next page.]*

**Year**      **Improvements, Activities and Services**

- 2020**
- Establish District
  - District’s board of directors authorizes imposition of CID Sales Tax
  - District holds mail-in election to impose CID Sales Tax
  - CID Project commences
  - Provide financing for a portion of the costs of the CID Project
  - Provide for collection of CID Sales Tax
  - District provides for its on-going administration
- 2021**
- District’s board of directors authorizes initial levy of Special Assessments, if needed
  - CID Project continues
  - Provide financing for a portion of the costs of the CID Project
  - Provide for collection of CID Sales Tax and Special Assessments
  - District provides for its on-going administration
  - Expand the boundaries of the District
- 2022**
- Provide financing for a portion of the costs of the CID Project
  - Provide for collection of CID Sales Tax and Special Assessments
  - District provides for its on-going administration
- 2023**
- Provide financing for a portion of the costs of the CID Project
  - Provide for collection of CID Sales Tax and Special Assessments
  - District provides for its on-going administration
- 2024**
- Provide financing for a portion of the costs of the CID Project
  - Provide for collection of CID Sales Tax and Special Assessments
  - District provides for its on-going administration

**EXHIBIT B**

**DISTRICT PROJECT AGREEMENT**

[On file in the Office of the City Clerk]

## DISTRICT PROJECT AGREEMENT

**THIS DISTRICT PROJECT AGREEMENT** (this “Agreement”) is made and entered into as of \_\_\_\_\_, 2020, by and among the **CITY OF UNIVERSITY CITY, MISSOURI**, an incorporated political subdivision of the State of Missouri (the “City”), **THE MARKETS AT OLIVE COMMUNITY IMPROVEMENT DISTRICT**, a community improvement district and political subdivision of the State of Missouri (the “District”) and **U. CITY, L.L.C.**, a Missouri limited liability company (“Owner”), and **U. CITY TIF CORPORATION**, a Missouri corporation (“TIF Corp” and together with Owner, collectively, the “Developer” and together with the City and the District, the “Parties”). All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the hereinafter defined Redevelopment Agreement.

### RECITALS:

1. The District was established pursuant to Ordinance No. 7131 passed on July 13, 2020 (the “Formation Ordinance”) and the Community Improvement District Act, Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, as amended (the “CID Act”).

2. Pursuant to the Formation Ordinance and the CID Act, the District was created for the purpose of assisting in funding certain public improvements and certain activities and improvements related to the remediation of blight within the District (the “District Project”), as described in the Formation Ordinance and a Redevelopment Agreement dated as of June 13, 2019 (as amended, the “Redevelopment Agreement”) by and between the City and the Developer.

3. The City, the District and the Developer desire to enter into this Agreement, as contemplated by the Redevelopment Agreement, to set forth their respective rights and responsibilities regarding the construction and financing of the District Project.

### AGREEMENT:

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and agreements contained in this Agreement, the Parties agree as follows:

**Section 1. Authority of the City.** The City has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and the Agreement has been duly and validly authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, enforceable in accordance with its terms.

**Section 2. Authority of the District.** The District has the full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and the Agreement has been duly and validly authorized and approved by all necessary District proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the District, enforceable in accordance with its terms.

**Section 3. Authority of the Developer.** The Developer has full corporate and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and the Agreement has been duly and validly authorized and approved by all necessary corporate proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the Developer, enforceable in accordance with its terms.

[District Project Agreement]

**Section 4. District Sales Tax.** Promptly following the approval of this Agreement by the CID Board of Directors, the CID shall adopt a resolution to impose a community improvement district sales and use tax (the "District Sales Tax"). The Owner will promptly cause, through its representatives appointed to the District's Board of Directors and its capacity as a qualified voter, the CID Sales Tax to be levied by the Board of Directors and approved by the qualified voters at the rate of up to one percent (1.0%). The District Sales Tax shall be imposed as soon as possible pursuant to the terms of the CID Act and any other applicable laws and shall not be terminated so long as any Project Obligations (as defined in Section 9) remain outstanding.

**Section 5. District Special Assessments and District Hotel Assessments.**

(a) If the RPA 1 Redevelopment Project includes a hotel, promptly following the approval of this Agreement by the CID Board of Directors, the Owner will, in its capacity as a property owner within the District, cause a petition to be submitted to the CID Board of Directors for imposition of the below-described "District Hotel Assessments" and for the CID Board of Directors to approve such petition and duly impose the District Hotel Assessments.

(b) The CID Board of Directors may, at its sole option and in accordance with the CID Act, impose a District Special Assessment on such portions of the Property that are subject to tax abatement pursuant to Section 6.6 of the Redevelopment Agreement. The parties agree that the amount of the District Special Assessments, if imposed and when coupled with any portion of the Unabated Property Tax Payments deposited into the Special Allocation Fund pursuant to Section 6.6(e) of the Redevelopment Agreement, will not be less than the estimated amount of Payments in Lieu of Taxes that would have been derived from the Property in the absence of approval of tax abatement pursuant to Section 6.6 of the Redevelopment Agreement.

(c) The District Hotel Assessments shall be imposed on all tracts, lots or parcels within the District that are used for the purpose of renting sleeping rooms to transient guests at the rate of \$5.00 per occupied room or suite per night.

(d) If imposed, the District Special Assessments shall not be terminated prior to the expiration of the life of the District unless all Project Obligations have been paid before such date. The District Hotel Assessments shall be imposed as soon as possible pursuant to the terms of the CID Act and any other applicable laws and shall not be terminated so long as any Project Obligations remain outstanding.

(e) Notwithstanding anything to the contrary herein, the Developer and the District will not impose the District Special Assessments if the District is not granted real property tax abatement pursuant to The Urban Redevelopment Corporations Law, Chapter 353 of the Revised Statutes of Missouri, as contemplated by the Redevelopment Agreement.

**Section 6. Continuing Existence of the District.**

(a) Neither the District nor the Developer will take any action to dissolve the District or reduce the rate of the District Sales Tax, the District Special Assessments or the District Hotel Assessments until the funding and construction of the District Project are completed, including the retirement of the hereinafter-defined Project Obligations or any bonds, notes or other obligations issued to refund or refinance the Project Obligations.

(b) Notwithstanding any provision herein or in the Redevelopment Agreement to the contrary, if the Redevelopment Agreement is terminated before the issuance of Project Obligations, the

[District Project Agreement]

District will immediately take such steps as may be required to terminate the District Sales Tax, the District Special Assessments and the District Hotel Assessments and terminate the District.

**Section 7. Governance of the District.** The Parties acknowledge that under the terms of the Formation Ordinance and the CID Act, the District will be governed by a Board of Directors made up of five representatives of the owners of real property or businesses operating within the real property, who will be appointed by the Mayor with the consent of the City Council. The Owner, as an owner of real property in the District, will authorize the appointment to the CID Board of Directors of two persons designated by the City who meet all other qualifications to serve on the CID Board of Directors, by designating such persons as an authorized representative of the Owner with respect to the CID. The District shall employ or engage an administrator or legal counsel with experience managing special taxing districts to ensure that the District complies with this Agreement and all applicable laws and regulations.

**Section 8. Construction of the District Project.** The District Project shall be constructed and maintained pursuant to the terms of the Redevelopment Agreement. The Developer shall be reimbursed for the costs of constructing the District Project from the proceeds of the Project Obligations as described in Section 9.

**Section 9. Project Obligation Funding of the District Project.**

(a) Pursuant to Article V of the Redevelopment Agreement, the City will issue (or cooperate in the issuance by another issuer of) tax increment financing notes, bonds or other obligations (the "Project Obligations") to reimburse the Developer for eligible costs incurred or advanced toward the Work, as defined in the Redevelopment Agreement. The Parties agree that the District Project is part of such Work. Accordingly, the District shall, subject to annual appropriation, transfer all District Revenues collected by the District to the City (or, at the direction of the City, the Trustee) on the 15th day of each month (or if the 15th is not a business day for City offices, the next day that City offices are open) for deposit into the District Revenues Account of the Special Allocation Fund for application as described in such documents. The City will hold all District Revenues in the Special Allocation Fund until the Project Obligations are issued, at which point the City will transfer the District Revenues to the Trustee for application in accordance with the indenture relating to the Project Obligations. If the Redevelopment Agreement is terminated before the issuance of Project Obligations, the City shall, after reimbursing the City for any unreimbursed costs of the District Project paid by the City, return the District Revenues to the District for application in accordance with the CID Act. The City agrees that all ordinances or indentures entered into in connection with the Project Obligations will provide for the distribution of District Expenses prior to payment of debt service on the Project Obligations. If the applicable ordinance or indenture does not provide for the distribution of District Expenses to the District, the District may withhold District Expenses from the transfer of District Revenues to the City or the Trustee. "District Expenses" means, beginning with calendar year 2019, the actual costs and expenses incurred by the District to administer the District and necessary to comply with the CID Act, the Redevelopment Agreement, and this Agreement, which, for calendar year 2019 shall equal \$12,000 and, for each subsequent year, shall equal the preceding year's District Expenses increased by 3% (unless a lesser amount is requested by the District).

(b) Until the Project Obligations are paid in full, the District shall not issue any bonds or notes or incur any other obligations without the prior written consent of the City, which may be withheld in its sole and absolute discretion. After the Project Obligations are paid in full, the District may issue bonds, notes and other obligations as it determines appropriate; however, the District will not issue any tax-exempt bonds, notes or obligations without the City's prior written consent (which shall not be unreasonably withheld, conditioned or delayed).

[District Project Agreement]

**Section 10. Federal Work Authorization Program.** Simultaneously with the execution of this Agreement, the Developer shall provide the District and the City with an affidavit and documentation meeting the requirements of Section 285.530 of the Revised Statutes of Missouri, as amended.

**Section 11. Insurance.** The District will maintain reasonable levels of insurance throughout its existence, including but not limited to the procurement of a directors and officers liability or similar policy which includes coverage for all suits, claims, costs of defense, damages, injuries, liabilities, costs and/or expenses, including court costs and attorneys' fees and expenses, resulting from, arising out of, or in any way connected with the proceedings of the Board of Directors pursuant to the CID Act and Chapter 610 of the Revised Statutes of Missouri, as amended.

**Section 12. Successors and Assigns.** This Agreement may be assigned by the Developer in the same manner as allowed for the assignment of the Redevelopment Agreement.

**Section 13. Severability.** If any term or provision of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder shall continue in full force and effect, to the extent the remainder can be given effect without the invalid provision.

**Section 14. Waiver.** The City's failure at any time hereafter to require strict performance by the District or the Developer of any provision of this Agreement shall not waive, affect or diminish any right of the City thereafter to demand strict compliance and performance therewith.

**Section 15. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.

**Section 16. Cooperation of the City; Payment of City Fees.** The City will cooperate with and assist the Developer in all proceedings relating to the creation and certification of the District. Pursuant to Section 67.1461.3 of the CID Act, the District shall annually reimburse reasonable and actual costs incurred by the City in connection with the creation of the District, the negotiation and execution of this Agreement and review of annual budgets and reports required to be submitted by the District to the City, which shall not exceed one and one-half percent of the District Revenues collected by the District in such year less the amount paid by the District for a directors and officers liability policy.

*[Remainder of Page Intentionally Left Blank]*

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed in their respective names and attested as to the date first above written.

**CITY OF UNIVERSITY CITY, MISSOURI**

(SEAL)

Attest:

By:

  
City Manager

  
City Clerk



[District Project Agreement]


[District Project Agreement]



**THE MARKETS AT OLIVE COMMUNITY  
IMPROVEMENT DISTRICT**

(SEAL)

Attest:

By:   
Name: Jonathan Browne  
Title: Chairman

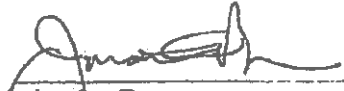
By:   
Name: Diana G. Schaefer  
Title: Secretary

[District Project Agreement]


[District Project Agreement]

{18381/40000/2883984.DOCX,4}

**U. CITY, L.L.C.**

By:   
Name: Johnathan Browne  
Title: Manager

**U. CITY TIF CORPORATION**

By:   
Name: Jonathan Browne  
Title: President