

PROPOSAL FOR

SOUTHSIDE TAX INCREMENT FINANCING DISTRICT

AND

E. DUNKLIN STREET REDEVELOPMENT PROJECT

BY

OLD TOWN REVITALIZATION COMPANY
320 E McCarty Street
Jefferson City, MO 65101

&

DUNKLIN STREET PROPERTIES, LLC
214 Prodo Drive, Suite 101
Jefferson City, MO 65109

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PROPOSAL SUMMARY

This is a two-part proposal: Part 1 describes the Southside and the five block area requested for designation as a Tax Increment Finance District; and Part 2 outlines a specific, one-block redevelopment project within that area for funding approval.

(Part I) SOUTHSIDE TIF DISTRICT – presents background information about the Southside and identifies a specific commercial area for designation as a tax increment financing district under Section 99.800 et seq., RSMO, 1997 as a blighted area. To provide the justification for this designation, the “Analysis of Conditions Representing Blight” is included. This report was prepared by a professional, independent planning firm; it thoroughly reviews and documents the conditions on the Southside. The five-block commercial section, as identified in the Analysis Report, is presented as the TIF District to be designated under the TIF Act. On April 2, 2009, the Jefferson City TIF Commission supported the completion of this proposal for a Tax Increment Financing District on the Southside by the Old Town Revitalization Company. It is requested that this TIF District remain in place for 23 years, the maximum time period allowed by law.

(Part II) E. DUNKLIN PROJECT– details the specific redevelopment project in the 100 block of E. Dunklin which is within the TIF DISTRICT described in Part I. It will be shown that it is thereby eligible to receive incremental tax revenue for necessary public improvements. Part II presents the Dunklin Historic Commercial Redevelopment Project as proposed by developers, Larry Kolb and Steve Rollins. In addition to private funds, historic tax credits and city façade incentives are being used to renovate several buildings in the 100 block of E. Dunklin. The developers are requesting the use of tax increment financing for public improvements and parking for the redevelopment of the entire block. Without TIF funding, this project cannot go forward. In February 2009, the Jefferson City TIF Commission requested the developers to present a specific redevelopment plan.

PART I-A:

SOUTHSIDE TIF DISTRICT - BACKGROUND

Analysis of Conditions Representing Blight Report

Analysis of Conditions Representing Blight

Southside Redevelopment Plan



"Blighted Area"

an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of 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;

JUNE 19, 2009

TO WHOM IT MAY CONCERN:

Based upon the results of the study, it has been recommended that the area described in the study is a "blighted area" as such term is defined in Section 99 of the Missouri Revised Statutes, and other amendments as applicable.

This report (chapter 5) describes and documents those conditions that, without TIF or other economic redevelopment tools or incentives, the area will further erode the economic viability of the neighboring areas and continue its economic and social liability for the City of Jefferson City, its residents, and the taxing districts that depend upon it as a revenue source.

In summary, the Southside Neighborhood Area suffers from a multitude of physical and economic deficiencies including, but not limited to:

- defective or inadequate street layout,
- unsanitary or unsafe conditions,
- deterioration of site improvements,
- improper subdivision or obsolete platting,
- excessive vacant land and buildings,
- conditions which endanger life or property by fire or other causes,
- and economic obsolescence.

These conditions which endanger life and or property as described in Section 99 of the State Statute meet the definition and of a blighted area.

Arcturis
Planning, Urban Design and Architecture
by:

Bill Burke, ASLA, APA, RLA
Principal



FIELDWORK AND DATA GATHERING

This study has been assembled to comply with the scope of work and address State Statute, specifically Section 99. The fieldwork and data gathering were conducted during site visits and interviews occurring during the fall of 2007 with subsequent site follow-ups conducted during the spring of 2009. In accordance with the scope of work for this project, a cursory windshield survey was conducted of each block, parcel and building and significant portions of the site were walked. A general visual inspection was made of all streets, curbs and sidewalks in the area.

STUDY AREA

The subject study area is approximately four blocks south of the State Capitol Building, located immediately south of State Route 50/63 and east of State Route 54. There are approximately 190 acres of land within the triangular shaped area.

The area is positioned immediately adjacent to the downtown district in the City of Jefferson and the study area boundaries provide an opportunity to expand and enhance economic growth within the shadow of the State Capitol Building.

Study Area Boundaries include:

- State Route 50/63 on the north (Rex Whitton Expressway)
- Adams Street on the east
- State Route 54 on the west
- Stadium Boulevard on the south

Contextual characteristics impacting the study area include:

- Close proximity to the Missouri State Capitol Building.
- State of Missouri government buildings and the business of government conducted within those buildings.
- Established downtown district.
- Lincoln University.
- Two regional hospitals within the study area.
- Established businesses within the study area that attract local and transient customers.
- Potential redevelopment of an historic penitentiary property in excess of 100 acres adding market mass and variety to the City.
- Potential development of a convention center complex immediately adjacent to the study area.
- Existing floodplain around Wears Creek suitable for recreational development, or if piped, new development sites.

Overall characteristics of the study area include its close proximity to the Missouri State Capitol Building and other State of Missouri government buildings, all located approximately four blocks to the north of the Southside Redevelopment area. The Capital and government center adds an important commercial and institutional element to the study area and enhances opportunities for redevelopment within the study area.



Map 5.1: Boundaries of the Study Area



Source: Arcturis, Google Maps



SOCIO-ECONOMIC PROFILE

Cole County is located in the heart of the State of Missouri. The City of Jefferson is the capital of the State of Missouri and is the County Seat for Cole County. The study area is a part of census tract 105 in Cole County. Block Groups 1 and 2 of census tract 105 roughly cover the entire study area (see adjacent map). Table 5.1 shows a comparison of various socio-economic factors in Cole County, Jefferson City and the study area.

Map 5.2: Census Blocks



Source: US Census

Table 5.1: Comparison Table— Socio-Economic Factors

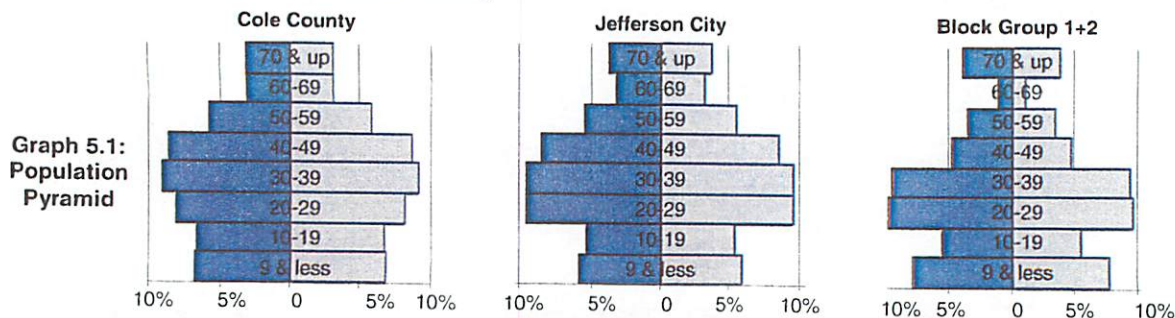
	Cole County	Jefferson City	Block Group 1+2*
Total Population	71,397	39,521	2463
Total Households	27,064	15,870	1140
Total Non-family Households	33.5%	41.9%	55.4%
1-person household	28.7%	36.2%	47.5%
Higher education** (25 years and up)	27.4%	30.8%	19.1%
Median household income in 1999	\$42,924	\$39,628	\$22,359
Households with public assistance income	2.7%	3.1%	5.1%
Vacancy rate***	6.5%	7.0%	14.8%
Renter occupied housing	32.2%	41.2%	69.1%
Housing units built before 1940	12.4%	14.9%	39.6%
Housing units built between 1990 and 2000	18.5%	14.3%	1.5%
Median year structure built	1974	1968	1948
Median rent asked	\$313	\$311	\$307
Median value of owner occupied housing	\$96,800	\$97,700	\$51,150

Source: U S Census

* Block group 1 + 2 roughly align with the study area

** Higher education would mean associate/ bachelor's/ master/ professional/ doctorate degrees

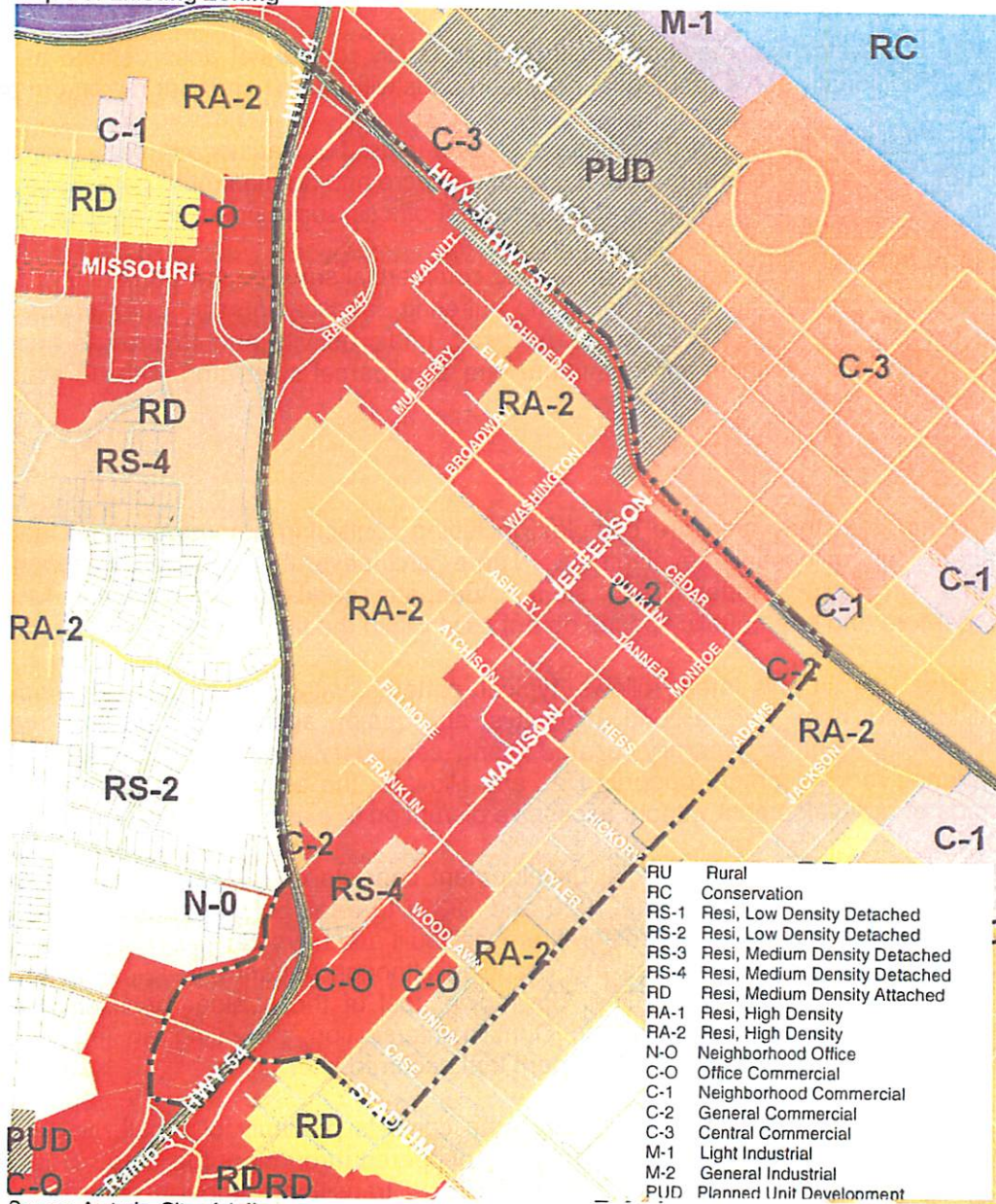
***Vacancy rate of 5.0% is considered healthy



EXISTING ZONING

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Map 5.3: Existing Zoning



Source: Arcturis, City of Jefferson

The Redevelopment Area has a wide variety of zoning designations, as discussed in more detail to follow. The majority of the area is comprised of either RA-2 (high density residential) or C-2 (general commercial). Other forms of residential and commercial zoning exist but generally follow specific land use entities, i.e. hospitals or residential housing types.

GLOSSARY OF ZONING DESIGNATIONS

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RS-4: Intended for detached, medium density, single family residential units defined as living and uses that traditionally serve residential neighborhoods with no minimum or maximum parcel size.

RA-2: Various dwelling types and densities as well as uses that traditionally serve residential neighborhoods, including a minimum district size of one acre and no maximum parcel size.

C-O: Public, semi-public, institutional and professional offices surrounded by landscaping and open space with no minimum or maximum parcel size.

C-2: Intended to accommodate general trades and commercial services not permitted in central and neighborhood commercial districts including buffering, landscaping and open space areas required to mitigate the impact of denser land uses, traffic activity and to provide adequate access and traffic improvements with minimum one acre parcel sizes and with no maximum parcel size stipulated.

EXISTING LAND USE

Land uses within the study area are complex, including conflicting commercial and industrial uses adjacent to residential development. There are several low density commercial developments on large, underutilized sites. Adequate parkland, recreational facilities, community centers and open public spaces do not exist within the study area.

Generally, land use in this area follows typical patterns with commercial and industrial investment located near and around highways and major secondary corridor frontage. Residential development is generally located along secondary and tertiary streets. These patterns enhance redevelopment opportunities and allow for the establishment of districts and other methods of redevelopment without excessive disruption to existing conditions.

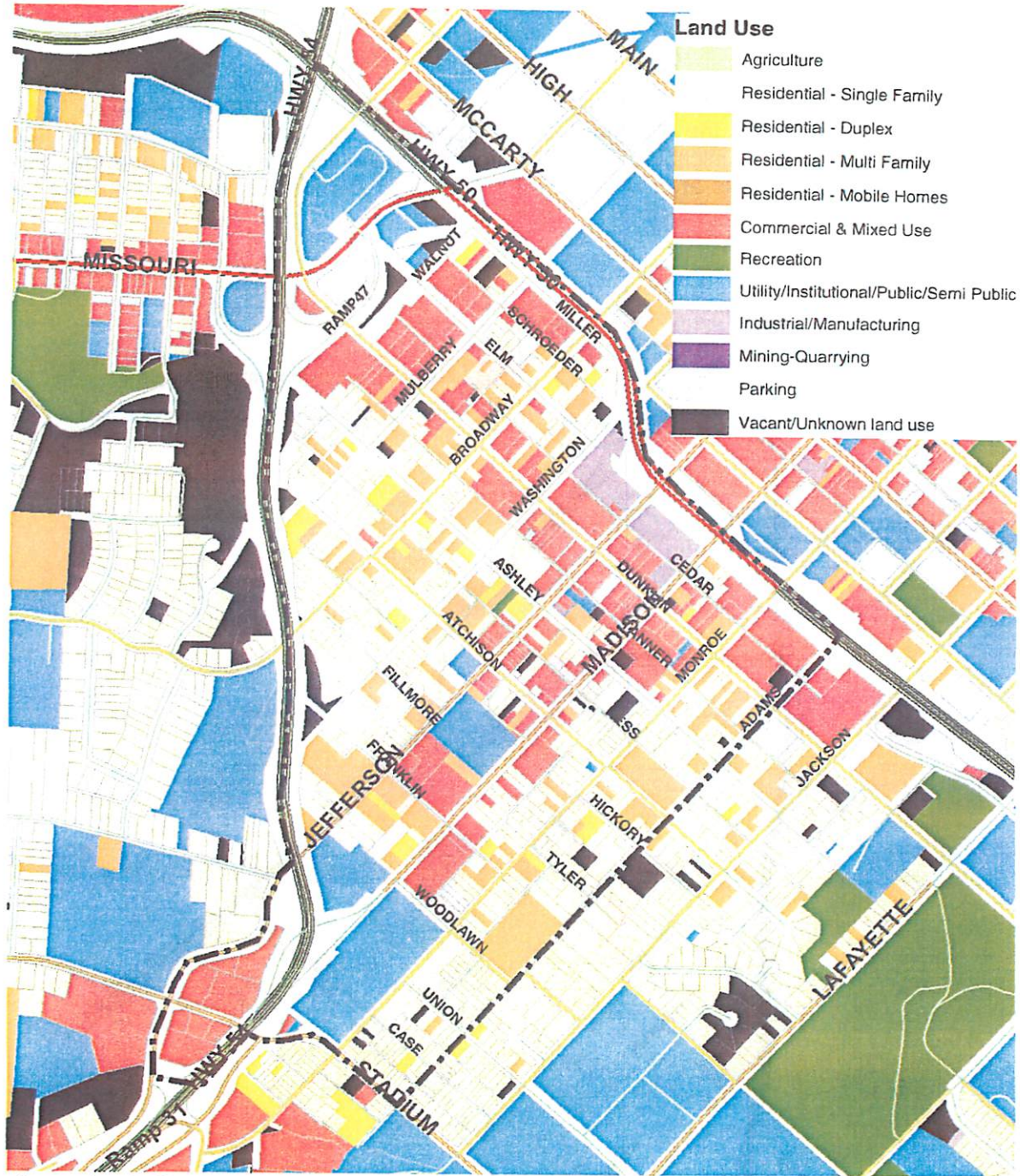
Commercial Development: Commercial development consists of low rise buildings ranging from brick structures constructed in the 1920 and 1930s to retail buildings constructed in the 1970s. These low-rise, commercial structures are well built and have zero set back lines for the most part. Presently, these structures are occupied although vacancy is apparent in some locations south of Dunklin Avenue. The "downtown" feel of these older brick structures is primarily located around the Madison and Dunklin intersection, providing an image of the commercial neighborhood prior to redevelopment that occurred later.

Residential: Residential housing in the study area consists primarily of small, single family homes although there are larger, historic structures peppered throughout the area. Residential structures west of Jefferson Avenue tend to be in more transition, although homes south of Ashley on the east side of the study area are in need of an upgrade and in some cases redevelopment.

Homes are aging and appear to be design obsolete based on discussions during public meetings. Two bedrooms, one bath homes with small yards are prevalent. There are some open, unimproved lots, however, for the most part; the area is populated with structures. Some multi-family housing exists, such as apartments located on Mulberry Street. However, the study area, as stated above, is predominately single family housing in transition.



Map 5.4: Existing Land Use



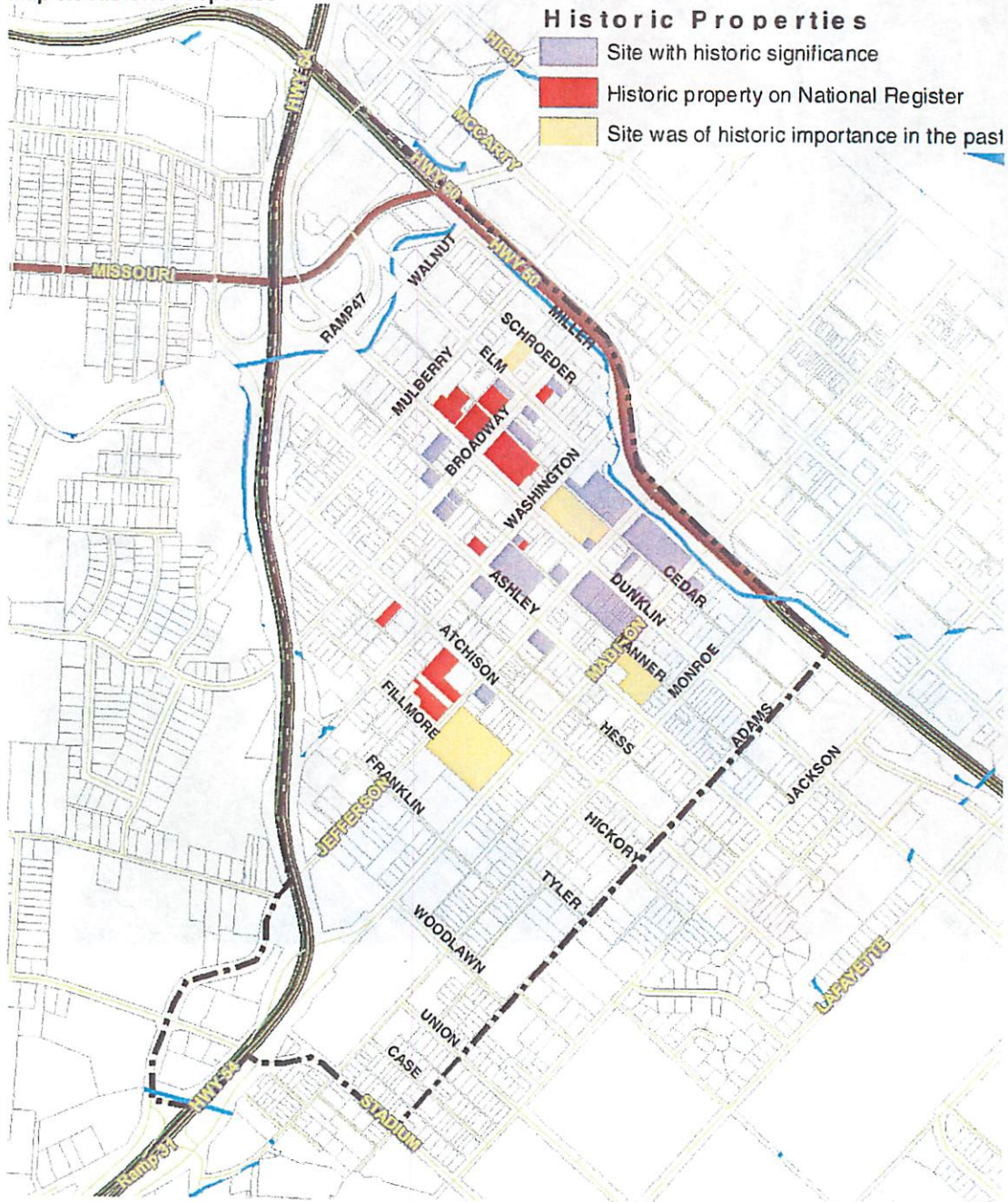
Source: Arcturis, City of Jefferson



HISTORIC PROPERTIES

There are several historically significant properties in the study area. However, not all of these properties are registered in the National Historic Register. In the year 1999 merchants and residents formed the Old Munichburg District to promote economic development and preserve distinctive architecture in this area. Appendix 1.1 "Guide to Old Munichburg" is available for reference.

Map 5.5 Historic Properties



Source: Arcturis, City of Jefferson

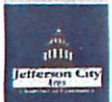
ROAD INFRASTRUCTURE

The "Functional Classification System" is a category designation system used to identify the design and operational standards of roadways according to their purpose and the movement of vehicles. A higher functional classification implies higher traffic capacity, higher speeds and typically longer traveling distances. The hierarchy of street types in descending order includes:

- Primary Corridors (Freeways): provide the highest level of mobility and direct access to property is limited
- Secondary Corridors (Arterials and Collectors): represent an intermediate functional category. They serve to provide both mobility and access
- Tertiary Corridors (Local Roads): are the lowest of functional categories and have limited mobility while providing primary access to small commercial and residential areas.

Overall, the condition of infrastructure within the study area is poor and consists of outdated systems in need of upgrade. Secondary corridor alignment such as Monroe and Madison Avenues narrow south of Ashley just as the topography becomes hilly. As the alignment narrows, the condition of structures and overall market conditions begin to decline. The decline in value is directly related to access, traffic flow, and topography combined with the age and condition of structures.

Street Conditions: Overall street conditions within the study area are in need of upgrades and improvements. Curbs, gutters, sidewalks and lighting are all older and in need of repair. No consideration has been given to the relationship between the infrastructure and possible commercial use of sidewalks. For instance, parking along the curb on narrow residential streets is allowed, making maintenance and cleaning difficult if not impossible.



NEIGHBORHOOD COMPOSITION

The makeup of the study area is complex and includes neighborhoods in decline as well as high investment locations such as the two hospitals that dominate the study area's market strength.

Commercial development is generally located along the northern boundary of the study area and is composed of one, two and three story commercial buildings with retail at street level and office/residential above. Most buildings are around fifty years of age or older, and for the most part, although dated and in some cases design obsolete.

An important focal point of existing commercial development within the area is the intersection of Madison and Dunklin Avenues. The existing investment and market activity at this location makes this intersection an opportunity location for immediate redevelopment.

Residential structures range from dilapidated and boarded up structures to attractive brick, multi-story homes along tree lined streets. Several historic homes exist within the boundaries of the area. There are a few multi-family structures, all in need of redevelopment and building upgrades.



SWOT ANALYSIS

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STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Location - Close proximity to State Capitol Building, governmental businesses and a viable downtown • Southside Redevelopment District, composed of committed business owners interested in improving the area • Bounded by State Route 54 and served by two interchanges • Bounded by State Route 50/63 (Whitton Parkway) on the north • Two regional hospitals • Presence of major businesses (Central Dairy, Coca-Cola, etc.) • Existence off Wears Creek as a recreational amenity • Presence of historic architecture • Existing trail • Affordable land values • On-street parking • Mix of uses • Streets laid out as a grid • Aged, low density commercial sites as prime redevelopment locations 	<ul style="list-style-type: none"> • State Route 50/63 poses a physical and psychological barrier between study area including defective street grid • Only three north/south thoroughfares within the study area, inadequate street layout • Lack of residential density to support retail • Aging and deteriorating condition of structures, boarded homes, deterioration of site improvements • Lack of parks and other recreation activities and open space • Topography • Spotty land use patterns • Dated zoning ordinance may limit development • Poor sidewalk and curb conditions • Electrical lines cause aesthetic devaluation • Lack of traffic calming measures • Lack of code enforcement • Low ratio of owner to renter occupied housing
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • St. Mary's Hospital - May be a possible redevelopment site if the hospital relocates • Opportunity for potential assembly of properties for redevelopment • Wears Creek available for development of a recreational amenity or piping • Street widths of most major streets provide opportunity for inclusion of wider landscaped sidewalks and medians • Urban grid pattern • Redevelopment and highest and best use of properties along Madison and Dunklin can spur investment in the area • Political will and support of business community for redevelopment • Federal, State and private funding sources may be available • Establishing special districts pursuant to state statutes • Planned convention center adjacent to study area 	<ul style="list-style-type: none"> • St. Mary's Hospital - Could possibly relocate • Flooding due to Wears Creek • Conversion of State Route 50/63 to limited access highway from 54 to Lafayette as proposed by Environmental Impact Study being prepared by HNTB for MoDOT. • Potential for isolation and abandonment of study area as development and investment moves away from the downtown area • Lack of interest does not facilitate the planning and negotiations necessary to solicit and receive funds to implement this plan • Economic obsolescence



INVENTORY AND ANALYSIS OVERVIEW

The Southside Area suffers from a multitude of physical and economic deficiencies including defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, excessive vacant land and buildings, conditions which endanger life and/or property by fire or other causes, and economic obsolescence.

Existing conditions within the study area are impacted by physical conditions that influence the location of investment, future land assembly, and costs associated with redevelopment in the area. The existing conditions that exert influence on market conditions and improvements include:

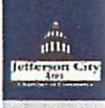
- Topography
- Floodplains
- Two state highways located on the west and north perimeters of the study area
- Aging infrastructure
- Under-utilized property

Topography, as discussed above, impacts costs, alignment placement, land assembly, soil conditions, permitting and aesthetics.

The Wears Creek floodplain area will impact redevelopment and force the decision to keep the floodplain and create a park environment or pipe the creek to add developable land to the study area by doing so. The vulnerability of this area relates to St. Mary's Health Center and its location at a much higher elevation than the remaining area. Connecting this site to other investment is critical to its long term sustainability. The Wears Creek floodplain lies between the hospital site and the other investment opportunities in the study area. The decision to pipe the creek or leave it open will impact future planning and investment options for the entire Southside Redevelopment District.

The highway system creates the potential for the isolation of the study area. Bounded by limited access State Highway 54 on the west and State Highway 50/63 on the north, these two alignments create physical and psychological barriers that may limit development opportunities if access is cut off or drastically modified in any way. The isolation extends beyond the highway configurations due to the east bound termination of many interior streets due to topographic conditions. Should access be limited from the State Highways 54 and 50/63 interchange to Lafayette for instance, little or no access would be available to the study area and redevelopment opportunities would be greatly reduced.

Existing land use follows typical development patterns with commercial investment occurring along main infrastructure corridors and multi-family and single-family housing located off main corridors. New investment will demand upgraded and enhanced infrastructure. Therefore, in the planning for new development, consideration to off site as well as on site infrastructure configuration, financing, and maintenance will need to be included in designated and separately funded districts and in private development as well.



BLIGHT ANALYSIS SUMMARY

Conditions exist within the Southside Redevelopment Area that meet the blighted area definition as outlined in Section 99 of the State Statute.

"Blighted Area" – an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of 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;

Utilizing this definition, the Redevelopment Area is negatively contributing to the public health, safety, morals and welfare and is a blighted area. Specifically, the area possesses unsanitary or unsafe conditions, deteriorated site improvements, existence of conditions which endanger life or property by fire or other causes.

Relevant examples include:

1. Street Layout: interrupted street grid pattern and deterioration of streets, curbs and gutters.
2. Unsanitary conditions: lack of accessible sidewalks, trash dumping and overgrown vegetation, environmental concerns and lack of accessible entries to buildings.
3. Site Improvements: deteriorated and inadequate streets, curbs, gutters and sidewalks, poor conditions of structures, age of structures, deteriorated site improvements including storm drains and retaining walls.
4. Improper Subdivision & Obsolete Platting: narrow sized lots lacking sufficient depth, irregular and inconsistent adjacent parcels and the existence of multiple ownerships that are in-adequate for modern development.
5. Unsafe conditions: vacant and unsecured properties, potential fire hazards, and the potential for hazardous building materials.

The result is an economically and functionally defective area that possesses area of physical deterioration. In its current state the area will not regenerate and the problems, issues and exceptions will remain or increase.

The analysis in the report discusses the conditions and illustrates the examples of a blighted area from both physical and economic angles. The absence of new investment and or redevelopment initiatives clearly indicates a continual negative decline.



SPECIFIC BLIGHTING FACTORS

The Southside Redevelopment Area suffers from a series of factors resulting in blight. These factors include defective or inadequate street layout, unsanitary and unsafe conditions, deteriorated or inadequate site improvements, improper subdivision or obsolete platting, and conditions that endanger life or property.

Street Layout

At the edge of the development area, adjacent to State Route 54 on the west are streets that are representative of an interrupted grid pattern, specifically at Mulberry/Atchison and Washington. In addition the street grid is further interrupted along state Route 50/63 on the east as Walnut, Mulberry and Washington connect to 50/63.

Several areas within the Redevelopment Area illustrate deterioration of streets, curbs and gutters. Examples of these include sections of Dunklin, Jefferson and Adams where normal maintenance has left the street condition in a deteriorated state. Several streets within the study area have incomplete sidewalks with missing sections or lack sidewalks altogether.



Unsanitary or Unsafe Conditions

Trash dumping and overgrown vegetation is prevalent throughout both the residential and commercial areas. These areas create potential hazards for residents, workers and visitors of the area. Rodents and associated diseases can be fostered by such unsanitary conditions resulting in unsafe neighborhoods.

Lack of accessible walkways and building entries exist within the study area. This is not in compliance with the ADA and creates a hazardous condition of the public.



Overgrown vegetation



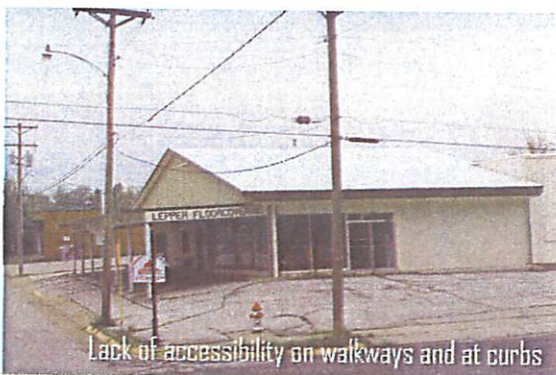
Debris



Overgrown vegetation & trash dumping



Overgrown vegetation & trash dumping



Lack of accessibility on walkways and at curbs



Lack of accessible entries



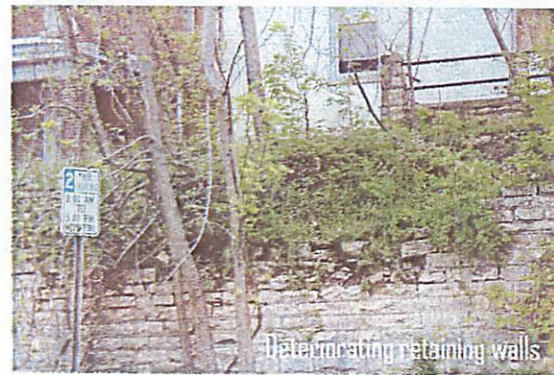
Lack of accessible ramps at curbs

Inadequate or Deteriorated Site Improvements

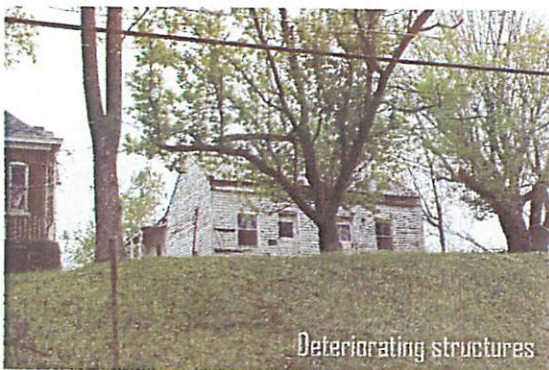
Based on a visual survey of structures in the Area, some structures are classified as being dilapidated or in poor condition. These structures exhibit primary elements that are necessary components of structures, i.e. foundations, roofs, and walls that are in a deteriorated state. In addition secondary building components on some structures were also noted as being in a dilapidated or poor condition. These components might include windows, doors, trim, porches, gutters, etc.



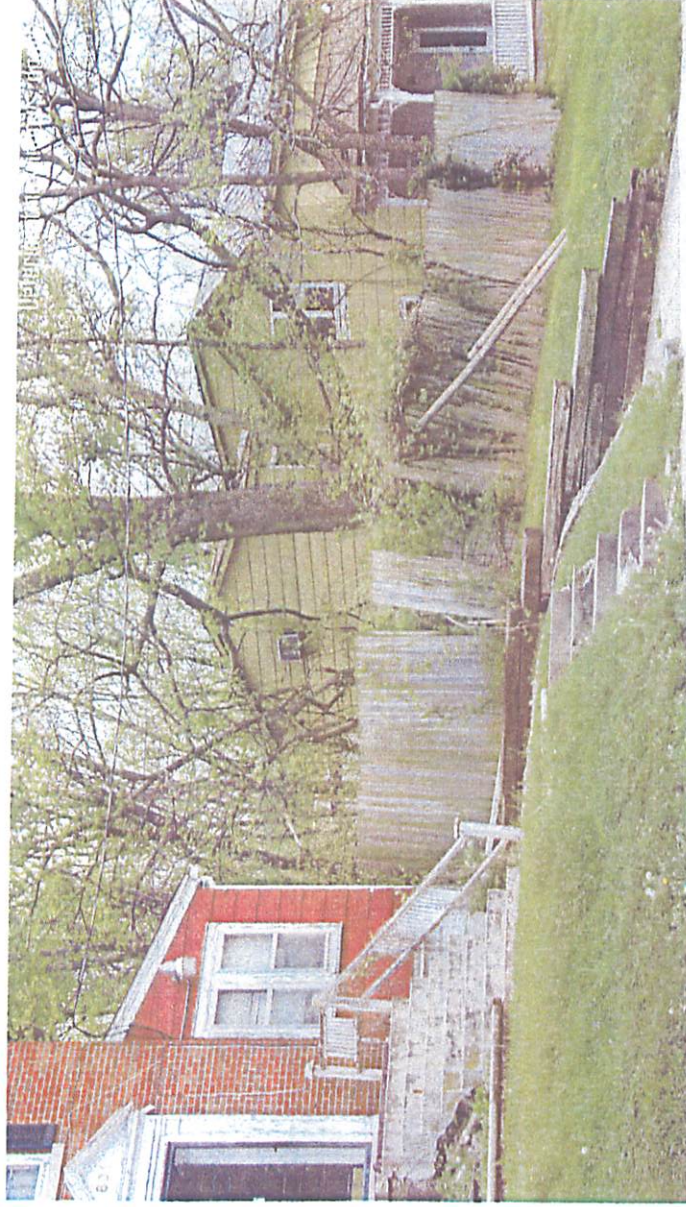
Deteriorating retaining walls



Deteriorating retaining walls



Deteriorating structures

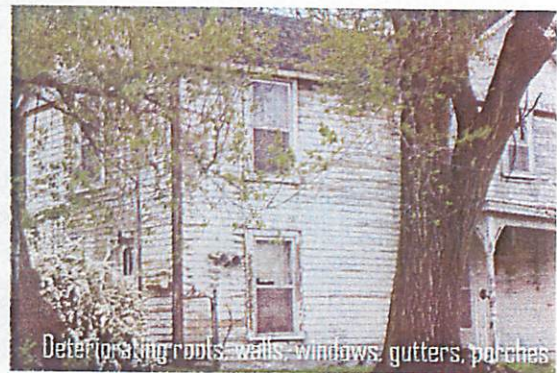
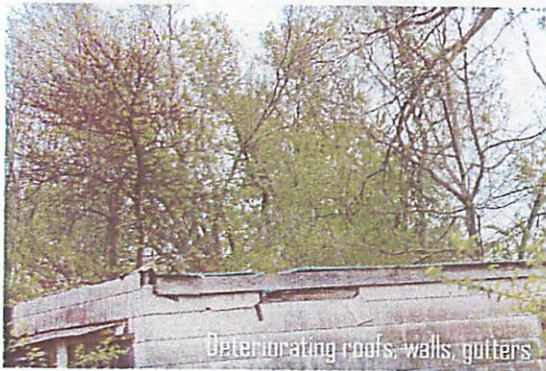


Deteriorating roofs, gutters, walls, windows, doors, porches, site improvements



Deteriorating roofs, gutters, walls, windows, doors, porches, site improvements







Age of Structures

As mentioned, the Redevelopment Area was predominantly subdivided more than 100 years ago. The residential structures within the area are very old which is reflected in their condition. Although the age of a building does not necessarily reflect a blighted situation, the general condition and combination of issues reflected in the structures does. Older structures require consistent maintenance and many of the structures reflect a number of areas of neglect including roofs, walls, foundations, windows, doors, etc.

Improper Subdivision or Obsolete Platting

The Redevelopment Area was predominantly subdivided more than 70 years ago as a residential neighborhood and hilly terrain. The lots are narrow and long. Typically these lots are very small that would not meet modern zoning requirements. With many of these lots converting over to multifamily or commercial usage, the lots size and lack of sufficient depth does not allow for modern commercial development, parking adequacies for multi-family housing and adequate green space.

Vacant and Unsecured Property

There are numerous scattered vacant lots throughout the Redevelopment Area. Most are scattered along Dunklin Street between Mulberry and Jefferson. Another grouping of vacant lots exists along W. Ashley Street between Washington and Monroe. Others exist throughout the area randomly. As noted in previous photographs, overgrown vegetation on some vacant and unsecured properties which are not maintained and are subject to debris collection and potential hazards.



Presences of Hazardous Building Materials

While a recently completed study is not available, it would be within reason considering the age of the neighborhood and visual observation that hazardous materials may exist. Typical of structures constructed over the last 70 years, these hazardous materials might include asbestos containing materials and lead base paint which if found would require rehabilitation or demolition of such structures.

Economic Liability

While Jefferson City is a prosperous city with a vibrant economy, the Southside Neighborhood is clearly in a state of economic decline. The lack of investment in the area combined with the deterioration of infrastructure points to an opportunity for redevelopment. Given the close proximity of the Redevelopment Area to the Capital Complex and the employment center that it is, the underutilization of the area is significant.

The Socio-Economic profile of the area contrasted against both Cole County and the City of Jefferson as a whole illustrates economic hardship. The number of 1 person households is nearly twice the Counties average, the median household income is nearly half of the Counties, the vacancy rate is more than double the counties, and the renter occupied housing is also twice the county rate.

Other factors also illustrate the lack of prosperity in the neighborhood, structures on average are 30 years older, and in general 40% of the structures were built prior to 1940.

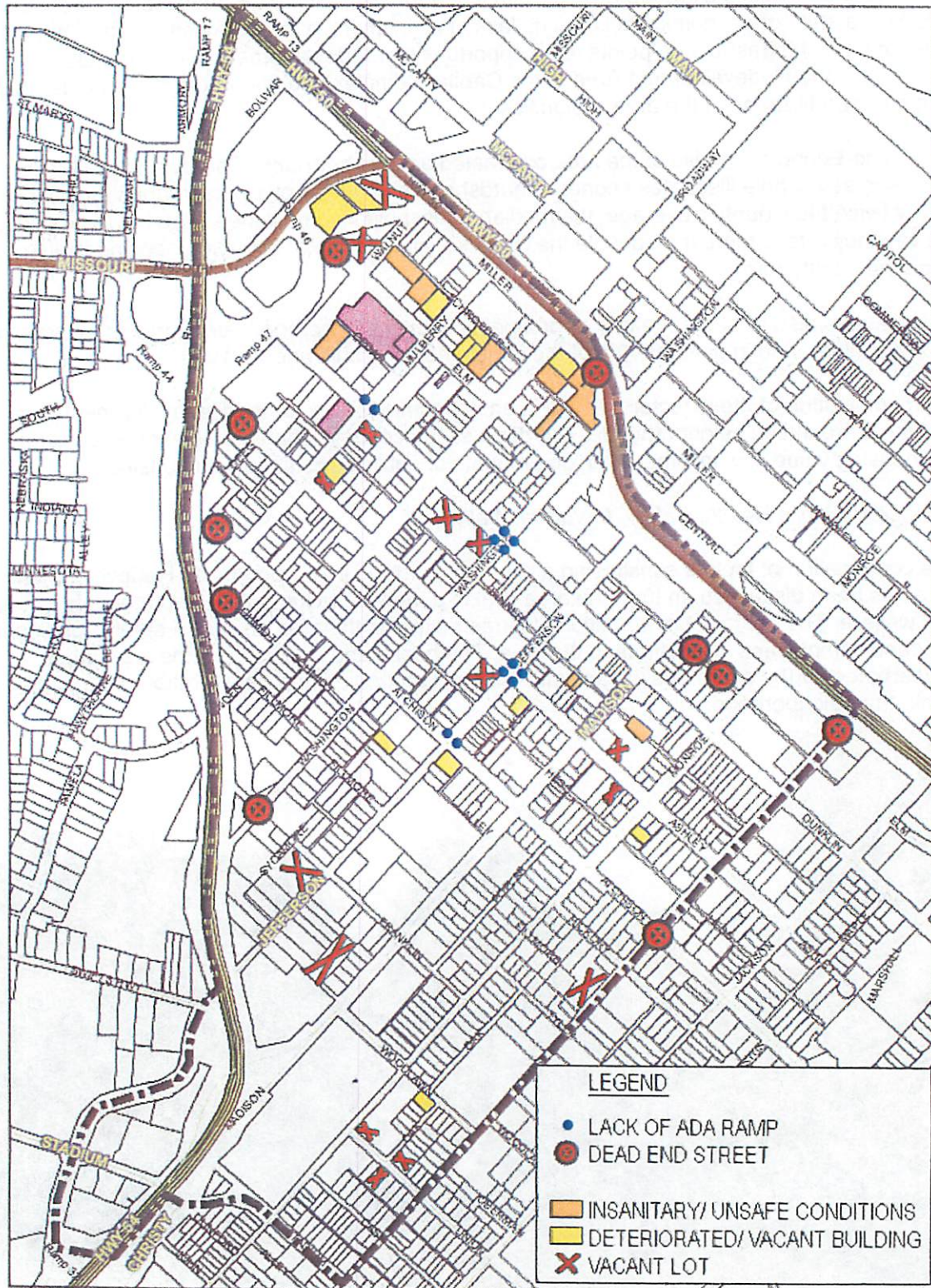
The combination of these factors results in an economic liability for the Redevelopment Area and the surrounding neighborhoods. The depressed economic character is expressed by the low housing value, low income and high amounts of public assistance with housing.

Menace to Public Health, Safety, Morals or Welfare

The combination of factors constituting a blighted condition in the Southside Redevelopment area has been discussed. In turn, the area is also a menace to the public health, safety, morals and welfare. The overall poor condition of infrastructure in the area creates a safety condition for residents, employees and visitors to the area. The health and safety concerns are further exacerbated by the numerous vacant lots, unkempt properties and deterioration of structures within the neighborhood.



Map 5.6 Blight Conditions Analysis

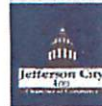


CONCLUSIONS OF BLIGHT ANALYSIS AND RECOMMENDATIONS

- The Area is "blighted" per the factors established under Missouri State statute.
- The City and its residents would benefit if the Redevelopment Area were to improve its public infrastructure.
- The Area is an excellent location for the City to promote redevelopment.
- The existing zoning could be utilized to initiate an Urban Renewal District.
- The addition of new public and or private investment in the area will increase the local tax base in an area already serviced by city services and occupying a prominent location near the state capital.
- Historic properties are more likely to be preserved or rehabilitated if a new URD is created.

Based on the findings contained in this report, a recommendation that a resolution of necessity be adopted finding that areas of blight exist within the Southside Redevelopment Area, and that the existence of these areas substantially impairs or arrests the growth of the city or its neighborhoods, constitutes an economic or social liability and /or is detrimental or constitutes a menace to the public health, safety, welfare, and morals in its present condition and use, by reason of:

- Defective or inadequate street layout identified within the study area,
- Instances of known deterioration, inadequate provisions and/or age obsolescence of the following public improvements within the study area: streets, sidewalks and curbs and gutters,
- Instances of age obsolescence of buildings within the study area,
- Instances of unsanitary or unsafe condition,
- Inadequate or interrupted street grid,
- & obsolete or improper subdivision.



PART I-B

SOUTHSIDE TIF DISTRICT - DESIGNATION

PART I-B: SOUTHSIDE TIF DISTRICT - DESIGNATION

TIF District Analysis

Arcturis evaluated the entire Southside study area to determine a logical “focal point” to begin redevelopment. Keys to the evaluation were street connectivity and major employment generators such as St. Marys Hospital, Capitol Complex, Lincoln University, Capital Regional Hospital. The focal point area includes the commercial area surrounding the intersection of Jefferson and Madison Streets with Dunklin and Ashley Streets. This area denotes the pulse center of the Southside from which all market demand may be served.

PART I-B: SOUTHSIDE TIF DISTRICT - DESIGNATION

TIF District Analysis

In addition, *Arcturis* indentified nine important areas for redevelopment within the Study Area. These redevelopment areas (street intersections) were prioritized based on funding opportunities, availability and commercial viability. The highest two priority locations (intersections) were Dunklin & Madison Streets (A-1) and Dunklin & Jefferson Streets (A-2).

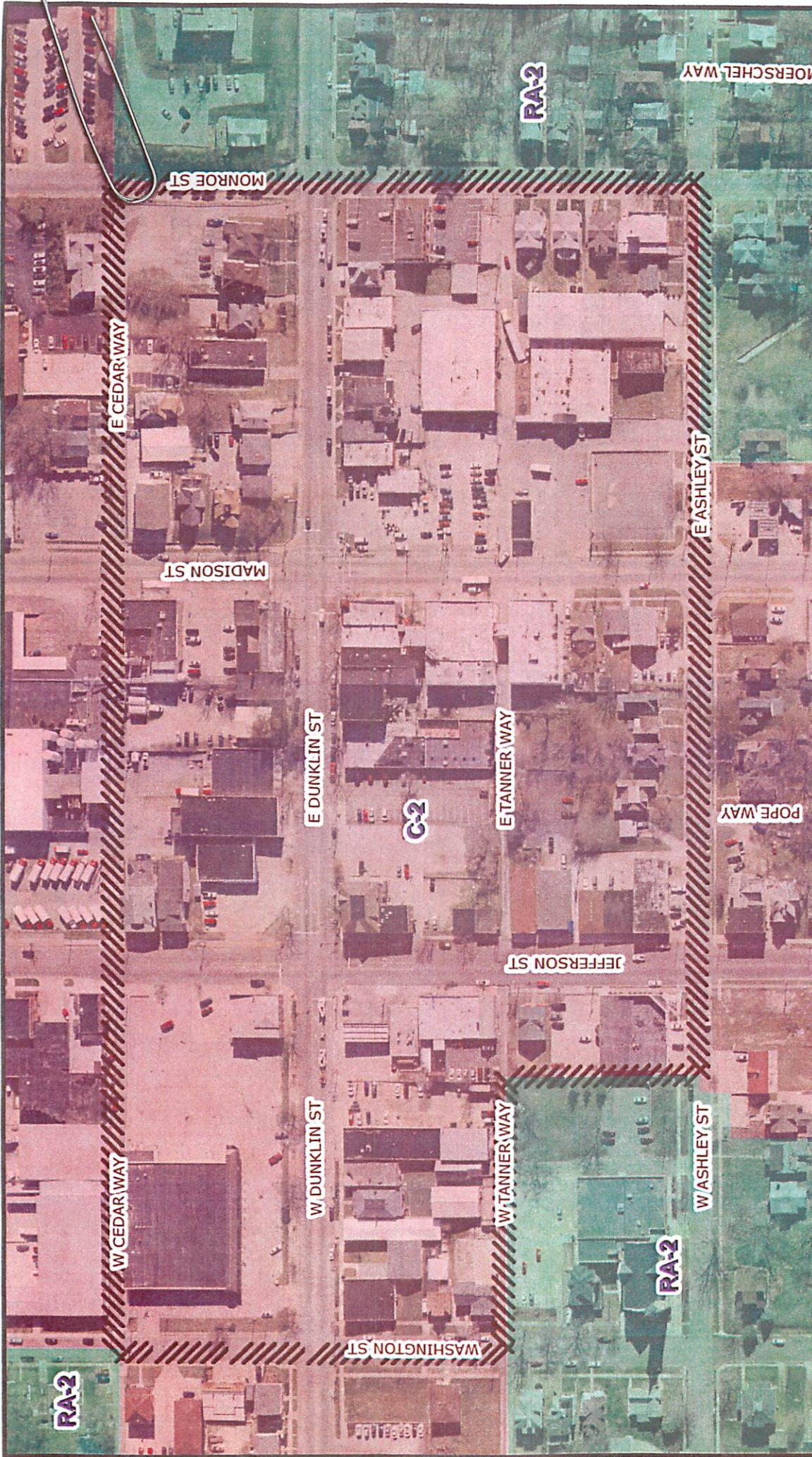
Redevelopment Area A-1 is the existing commercial development located at Dunklin and Madison Streets. It is characterized by vacant buildings and declining market access. The prevalent existing conditions:

- 1960/1970 style retail development
- Inefficient building layouts
- Design obsolescence
- Lack of pedestrian access/parking
- Random signage and wayfinding
- Dated infrastructure
- Inefficient land use
- Declining land values

Redevelopment Area A-2 is the aging commercial development located at Dunklin and Jefferson Streets is characterized as follows:

- Vacancy
- Design Obsolescence
- Inadequate infrastructure
- Inefficient land use
- Limited access and visibility

The properties close to the intersections of Dunklin/Jefferson and Dunklin/Madison have been identified as an important redevelopment area. Existing businesses establish important commercial identity and provide market upon which to build. Constraints in the area are related to the street configurations including the width, parking, vehicular speed and lack of convenient pedestrian traffic at the intersections.



The data on this map is provided as "AS IS" - "AS AVAILABLE".
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City of Jefferson
South Side TIF Area



PART I-B: SOUTHSIDE TIF DISTRICT - DESIGNATION

TIF District Legal Description

All of the real property in the City of Jefferson, County of Cole, Missouri described as follows:

Inlots 807,808,809,810 and 905,906,907,908 (*100 block W Dunklin-both sides*)

Inlots 815, 816,817,818 and 913,914,915,916(*100 block E Dunklin-both sides*)

Inlots 823,824,825,826 and 921,922,923,924 (*200 block E Dunklin-both sides*)

Inlots 917, 918, 919, 920,925, 926, 927, 928(*100-200 blocks E Ashley-north side*)

Inlots 908, 815 (*600 block Jefferson from Cedar Way*)

Inlots 912 & 810, 913, 917(*700 block Jefferson-both sides*)

PART I-B: SOUTHSIDE TIF DISTRICT - DESIGNATION

TIF District Zoning

Based on the above analysis of the South Side Area, the Old Town Revitalization Company requests the following five blocks for TIF designation.:

100 Block W. Dunklin Street;
100-200 Blocks E. Dunklin Streets;
100 Block E Ashley; and
600 -700 Jefferson Street (mid-blocks)
600-700 Madison Street (mid-blocks)

This area is zoned C-2; the definition of C-2 states "intended to accommodate general trades and commercial services not permitted in central and neighborhood commercial districts including buffering, landscaping and open space areas required to mitigate the impact of denser land uses, traffic activity and to provide adequate access and traffic improvement with minimum one acre parcel sizes and with no maximum parcel size stipulated."

The "ripeness of the area" is based on the potential for redevelopment identified by professional analysis. All of the conditions that impact market access and connectivity are present in this proposed Southside TIF District. It is most critical as a "starting point" to designate and promote this district due to its important central location and major highway linkages also described on page 7 as a focal point for redevelopment.

PART I-B: SOUTHSIDE TIF DISTRICT - DESIGNATION

TIF District Unsafe Conditions

Over the past five years this six block area has experienced further deterioration. This has resulted in increased calls for service in the area by city departments. The Police, Fire and Code Enforcement departments have been called to respond in various situations as follows:

Police Department Calls – Frequent calls for service at various retail stores, theft, vandalism and vagrancy.

Fire Department Calls – Two significant fires due to vacancy and non-compliance with current codes.

Code Enforcement Calls – Thirteen commercial buildings are vacant and 4 are condemned for occupancy due to significant code violations making these structures unsafe and unfit for public/private use.

PART I-B: SOUTHSIDE TIF DISTRICT - DESIGNATION

TIF District Parcel Summary

There is a total of 74 individual parcels; the current breakout according to the County Assessor:

- 39 Commercial parcels (C)
- 19 Residential parcels (R)
- 11 Mixed-use parcels (C/R)
- 5 Exempt parcels (E)

According to a windshield survey and review of current public records, there are thirty-two (32) vacant and under-utilized properties in this area. Two of these properties have been cited by the City Code Enforcement as uninhabitable.

- 13 Vacant properties
- 19 Underutilized properties

A complete listing of the individual properties is attached as Exhibit 1

PART I-B: SOUTHSIDE TIF DISTRICT - DESIGNATION

TIF District Tax Summary

The current tax levy for each of the political subdivisions based on \$100 of assessed valuation is \$5.2245 or commercial surcharge (+58) is \$5.8045

1) County of Cole General Fund	=	\$0.3347
2) Cole County Road & Bridge	=	\$0.27
3) City of Jefferson General Fund	=	\$0.6353
4) Jefferson City School District	=	\$3.6770
5) Library Fund	=	\$0.1913
6) Handicapped	=	\$0.0862
7) State of Missouri	=	\$0.03

With the increase of property values there will be an increase in property tax to each political subdivision after the TIF has expired. In the intervening years the property tax will hold steady at its existing level and will not decline. Without the TIF, there is no incentive or mechanism for property owners and developers to make the necessary public improvements to ensure a successful redevelopment and the private property will not be revitalized.

Total county assessed valuation	=	\$2,656,920.00
Commercial valuation:		
Residential valuation:		

Total county appraised valuation	=	\$9,020,700.00
Commercial valuation:		
Residential valuation:		

Total Property Tax –January 2009	=	\$ 161,225.55
Total 2008 City & County Sales Tax	=	\$ 112,388.00

PART I-B: SOUTHSIDE TIF DISTRICT - DESIGNATION

TIF District Conclusion

This five block area has been identified as the location capable of immediate redevelopment success with the assistance of good planning and financial incentives for redevelopment. Key to redevelopment is tax increment financing as a tool for public improvements – sidewalks, curbs, gutters, lighting and parking.

The proposed Southside Tax Increment Financing Area fits the statutory definition of blighted area. It has a predominance of inadequate and unsafe conditions (public improvements), deteriorated site improvements and the existence of conditions which endanger life and property by fire and other causes. These factors retard the provision of desirable housing accommodations and constitute an economic and social liability in its present condition and use.

The conditions within this area are not conducive to redevelopment unless public assistance through tax increment financing and other incentives are utilized. Although some businesses in the Southside are thriving, there is a need to serve these businesses to prevent future deterioration beyond their control. It is necessary to re-establish retail stores and restaurants into the commercial district to compliment the existing business development.

Although it is apparent that a larger TIF district could be requested on the Southside, the Old Town Revitalization Company has been mindful of the concerns of the taxing entities when very large areas are requested. This five-block district has been selected as the “pilot” project to demonstrate to the community the wisdom and long term community benefit of using incentives to revitalize Old Town.

It is necessary to re-establish retail stores and restaurants into the commercial district to compliment the existing business development. There are core businesses that have long been established on the Southside and need to supplement their business environment with new businesses to prevent the spread of vacancies and the blight.

It is projected that the property values and sales tax revenues will not increase and, in fact, may decrease over the next twenty-three years if a TIF redevelopment is not pursued. Conversely, if redevelopment occurs the area will improve and property values and retail sales tax collections are projected to increase dramatically.

PART II

**DUNKLIN STREET REDEVELOPMENT
PROJECT**

2009 TIF PROPOSAL

PART II: EAST DUNKLIN PROJECT – 2009 TIF PROPOSAL

E. Dunklin Project Introduction

Dunklin Street Properties, LLC is requesting approval of a proposal that provides for the comprehensive redevelopment of the properties on the 100 Block of East Dunklin Street as part of the South Side TIF Area described in Part I. The developers, Larry Kolb and Steve Rollins, are requesting \$525,000 in TIF funding to make the necessary public improvements. Without TIF funding, these developers are not willing to make the investment of private capital necessary for the project to be completed.

This block represents an example of ideal downtown-type redevelopment potential. Multi-story brick buildings with typical storefront space face Dunklin Street. Redevelopment and new construction can occur to create a dense population of buildings that provide and compliment retail and restaurant space needs with residential space in the upper stories. The proposed redevelopment plan for this block includes utilizing existing buildings that face the street with access to surface parking.

The area is significantly blighted with vacant-(10) and underutilized-(7) residential, commercial mixed use space as well as deteriorated infrastructure and streetscape. There are thirteen (13) parcels in this block that include eleven buildings – eight properties of which seventeen units are vacant or underutilized.

Without the Dunklin Redevelopment Project there would not be an increase in revenue to the political subdivisions over time. In the current situation a reduction is likely as the property or values will continue to decline and the existing successful business may be forced to relocate and find that they cannot continue to survive without supplemental economic activity.

PART II: EAST DUNKLIN PROJECT – 2009 TIF PROPOSAL

E. Dunklin Project Aerial Map

PART II: EAST DUNKLIN PROJECT – 2009 TIF PROPOSAL

E. Dunklin Project Legal Description

All real property 100 Block East Dunklin Street, Jefferson City, Cole County Missouri, including:

Inlots 815, 816, 817, 818 and 913, 914, 915, 916
(100 block E Dunklin-both sides)

PART II: EAST DUNKLIN PROJECT – 2009 TIF PROPOSAL

E. Dunklin Project Historic District

A significant portion of the 100 Block of East Dunklin, seven (7) properties, is part of the "Munichburg Commercial Historic District. These properties are included on the National Register for Historic Places and qualify for state and federal tax credits to enhance a complete renovation prospect.

These properties on the "Munichburg Commercial Historic District are:

<u>Address</u>	<u>original use</u>	<u>current use</u>
114-118 E. Dunklin	barbershop/retail	barbershop/vacant
120-122 E. Dunklin	hotel/residence	vacant
124 E. Dunklin	shoe store/residence	vacant
126 E. Dunklin	dry goods./residence	vacant
128 E. Dunklin	furniture/office	furniture storage
130 E. Dunklin	grocery/residence	liquor/vacant
620 Madison	florist	florist
*610 Madison	dairy store	dairy store

The period of significance corresponds to the construction dates of the nine buildings which is 1892-1951. These buildings are intact representing the European architecture characteristics of German Americans on the Southside.

According to the consultant who prepared the national register application: ""A growing interest in historic preservation bodes well for the future of the buildings in the Munichburg Commercial Historic District. Rehabilitation work has begun on 124 E. Dunklin where modern brick facing has been removed from the ground floor. Plans for full rehabilitation are underway for the rest of that building along with the largest building in the District at 120-122 E, Dunklin." The national register designation will enable the owners to take advantage of the federal and state historic tax credits when restoring three of these structures. The remaining buildings on the block are current doing an exterior façade renovation to enhance their appearance.

PART II: EAST DUNKLIN PROJECT – 2009 TIF PROPOSAL

E. Dunklin Project Details

The planned use for the Dunklin Project area is consistent with the Jefferson City Comprehensive Plan. The area will be redeveloped for commercial and residential use that compliments the existing businesses. It is contemplated that restaurants, hair salons, antique stores and other specialty shops will be attracted to the area. The second and third floors will be utilized for residential space in a mixed use environment.

Many structures within this Redevelopment Project are in an extreme state of disrepair and have been neglected for many years. Currently the buildings are vacant, deteriorated and potentially hazardous to public health. Accumulated trash and debris contribute to unsanitary and unsafe conditions where vermin and vector may spread disease.

Also the public parking is marginal; it is not well lit and does not provide adequate facilities for disabled patrons. It is necessary to upgrade the existing facilities and increase the parking spaces for future patrons and residents of the redevelopment area. Federal stimulus funds granted to the City will be used to renovate this space to include energy efficient lighting, resurfacing with water permeable concrete, improved disabled parking and better erosion control from the rear alley.

Specifically vacant and underutilized space has been identified and will be redeveloped to active use as described below:

<u>Address</u>	<u>type</u>	<u>square footage</u>
701-703 Jefferson	retail*/residential	3800/4500
701-703 Jefferson	pkg lot	55 x 199
112 E. Dunklin	parking lot	70 x 199
114 E. Dunklin	retail	700
116 E. Dunklin	office	700
116R(1)E. Dunklin	retail	1400
116R(2)E. Dunklin	retail	1500
116R(3)E. Dunklin	retail	3700
118 E Dunklin	retail	1475
120 E. Dunklin	retail/residential	1000/2000
122 E. Dunklin	retail/residential	1000/2000
124 E. Dunklin	retail/residential	1800/1800
126 E. Dunklin	retail/residential	1700/1700
128 E. Dunklin	retail/office	façade
130 E. Dunklin	retail/residential	facade

PART II: EAST DUNKLIN PROJECT – 2009 TIF PROPOSAL

E. Dunklin Project Details

The properties and owners included in this proposal are:

701-703 Jefferson Street	Farmers Home LLC (ECCO)
112 E. Dunklin Street	Housing Authority of Jefferson City(Pkg Lot) U
114-118 E. Dunklin Street	Dunklin Street Properties (Kolb & Rollins) U
120-122 E. Dunklin Street	Dunklin St Properties (Kolb & Rollins) V
124 E. Dunklin Street	Dunklin St Properties (Kolb & Rollins) V
126E Dunklin Street	Mason Place LLC V
128 E Dunklin Street	Walz, Milo H. Inc (Blattners)
130 E Dunklin Street	Dallmeyer Trust (Wel-com-Inn) U
629 Jefferson Street	Steve & Nancy Rollins
113 E Dunklin Street	Steve & Nancy Rollins
117 E Dunklin Street	Central Dairy Company U
620 Madison Street	Madison Street Mgt LLC (Busch's Florists)

The proposed uses contemplated for the development area are consistent and appropriate with the City of Jefferson's Comprehensive Plan. The Comprehensive Plan emphasizes that redevelopment should preserve the historically and architecturally significant buildings. More recently the Southside Redevelopment Plan was completed that reinforced the Comprehensive Plan and indicated that the 100 Block of E Dunklin was the key to the revitalization of the Southside.

PART II: EAST DUNKLIN PROJECT – 2009 TIF PROPOSAL

E. Dunklin Project Costs

The redevelopment includes the complete historic renovation of three properties on the block – 114-116 E Dunklin, 118-122 E Dunklin, 124 E Dunklin. State and federal historic tax credits will be utilized. The total restoration of these properties is estimated to cost the owners **\$1,100,000.**

The properties at 117 E Dunklin and the remainder of the southside of the block- 126 E Dunklin, 128 E Dunklin, 130 E Dunklin are planning to complete an exterior façade upgrade estimated to cost the owners **\$200,000.**

Adequate off-street and available parking has been included in this project to accommodate retail and residential use. Within the block there are three parking lots that yield 72 parking spaces and 12 on-street parking spaces. 32 more parking will be developed on private property to accommodate customer, residential and employee parking. Federal stimulus funds will be used to renovate the parking lot owned by the Housing Authority at 112 E Dunklin; the parking lot dimensions are 70' x 199'. Upgrades will include energy efficient lighting, landscaping, resurfacing with water permeable concrete, improved disabled parking and better erosion control from the rear alley. The cost is estimated to be **\$89,000.**

Tax Increment Financing dollars are needed to upgrade the parking lot at the rear of 701-703 Jefferson Street in the same manner as described for the Housing Authority lot at 112 E Dunklin. Also public improvements including sidewalks, curbs, gutters, streetscape lighting/furniture and alley improvements are necessary. The improvements are estimated to cost **\$525,000.**
(Project costs= \$505,000 + Interest costs = \$20,000)

The breakout of the public improvement costs are outlined on the following page.

PART II: EAST DUNKLIN PROJECT – 2009 TIF PROPOSAL

E. Dunklin Project Cost Breakdown

The project area included in these estimates is the 100 Block E Dunklin and the ancillary space identified as the ECCO parking lot and Tanner Way improvements.

Curbs, Gutters Sidewalks	\$125,000
North side: <i>removal and replacement – 320 linear feet</i>	
South side: <i>removal, raise, replacement- 295 linear feet</i>	
Lighting	\$140,000
Both sides: <i>base, standard, luminare, wiring – 13 units</i>	
Landscaping	\$ 45,000
North side: <i>tree wells & trees-7 units; green strip- 2800 sq ft; decorative fence-65 ft</i>	
Southside: <i>tree wells & trees-7 units</i>	
Parking Lot-ECCO	\$ 65,000
Rehabilitate & Expand (55 x 199): <i>Paving, landscaping, lighting; 24 existing spaces, 14 new spaces</i>	
Rear paving & Stormwater	\$ 74,000
114-122 E Dunklin Rear: <i>paving, structures, street cut, repairs</i>	
Engineering/Legal Fees	\$ 56,000
<i>Professional services for project</i>	
TOTAL	\$505,000

PART II: DUNKLIN PROJECT - 2009 TIF PROPOSAL

E. Dunklin Project Sales Tax Increment

TAX BASIS TIF AREA = \$ 112,388.00
Total 2008 City & County Sales Tax (collected Jan-Dec)

The amount of funding available for the TIF Area will equal half of the increased sales tax revenue collected in the TIF area over the basis year 2008. The Act defines these revenues as Economic Activity Taxes or EATS. The EATS is projected below using the following assumptions for increases in the five block TIF Area.

- * The economy has strengthened after a weak year in 2008 and two new retail stores have opened in TIF Area-auto sales and boutique. Therefore total sales are projected to increase 10% in 2009.
- * The redevelopment will be completed in 2010; retail/food activity will be established; projected increase is 25%,
- * 100 block of E Dunklin becomes a destination and generates at least \$1.4 mil in additional sales annually starting in 2011; projected increase is 49%.
- * TIF Area continues to improve; annual sales increase 5% each year beginning in 2012.

10 Year Sales Tax Projections

Year	Increase% (calculation)	Increment(inc/half)
2009	+10% (\$112,388 x .10=\$11238)	= \$ 5,615
2010	+25% (\$166,062 x .25=\$30907)	= \$ 15,453
2011	+49% (\$196,969 x .49=\$96515)	= \$ 48,257
2012	+5% (\$293,484 x .05=\$14674)	= \$ 55,594
2013	+5% (\$308,358 x .05=\$15417)	= \$ 63,303
2014	+5% (\$323,775 x .05=\$16189)	= \$ 71,397
2015	+5% (\$339,964 x .05=\$16998)	= \$ 79,896
2016	+5% (\$356,962 x .05=\$17848)	= \$ 88,820
2017	+5% (\$463,630 x .05=\$23182)	= \$ 97,744
2018	+5% (\$486,812 x .05=\$24341)	= \$109,914

PART II: EAST DUNKLIN PROJECT - 2009 TIF PROPOSAL

E. Dunklin Project Property Tax Increment

TAX BASIS TIF AREA = \$ 161,225.55
Total Property Tax due December 2008

Cole County Property Tax Levy, based on \$100 of assessed valuation:
1) County of Cole General Fund-\$.34; 2) Cole County Road & Bridge-\$.27;
3) City of Jefferson -\$.64; 4) Jefferson City School District-\$3.68;
5) Library-\$.20; 6) Handicapped-\$.09; 7) State of MO-\$.03 for a total of \$5.25.
There is an additional \$.28 surcharge on commercial for a total of \$5.53.

The amount available for the TIF Area is the increase or increment from the basis year or January 2009. This is known as Payment in Lieu of Taxes or PILOTS. The PILOTS are projected below using the following assumptions:

- * Economic conditions on the Southside are poised to absorb the retail and services offered in the redevelopment;
- * Mayor employers, Central Dairy, Coca-Cola, Capital Region Hospital, are situated near the redevelopment area; employees will patronize new business;
- * Dunklin Street Project will have significant impact in 2011 for tax year beginning January 2012; 11% TIF District impact predicted; then 7% & 3% overall property tax increases in successive years;
- * Starting in 2014 property tax will increase at a typical rate (2%).

10 Year Property Tax Projections

Year	Increase%(calculation)		Increment
2010	+3% (\$161,225 x .03=\$4837)	=	\$4,837
2011	+11% (\$166,062 x .11=\$18266)	=	\$23,104
2012	+7% (\$189,347 x .07=\$13242)	=	\$36,346
2013	+3% (\$225,512 x .03=\$6765)	=	\$43,111
2014	+2% (\$268,623 x .02=\$5372)	=	\$48,483
2015	+2% (\$317,106 x .02=\$6342)	=	\$54,825
2016	+2% (\$371,193 x .02=\$7439)	=	\$62,264
2017	+2% (\$433,457 x .02=\$8669)	=	\$70,933
2018	+2% (\$504,390 x .02=\$10087)	=	\$81,021
2019	+2% (\$585,411 x .02=\$11708)	=	\$92,729

PART II: EAST DUNKLIN PROJECT - 2009 TIF PROPOSAL

E. Dunklin Project Property Tax Increment - detail

MAJOR REHABILITATION PROPERTIES

Projected income and expense for three Dunklin St. properties:

PROPERTY #1 - 116-118 E. Dunklin St.

Barber shop \$500 x 12 =	\$6,000 + NNN
Retail \$6.00 x 1,000 sf =	\$6,000 + NNN
Retail \$6.00 x 1,800 sf =	\$8,400 + NNN
Retail \$6.00 x 7,000 sf =	\$42,000 + NNN
Total projected gross rent =	\$62,400 + NNN

Less expenses and vacancies – 10% - \$ 6,240

Net Operating Income \$56,160

Cap Rate of 9% = \$624,000 value

PROPERTY #2 – 120-122 E. Dunklin St.

Retail - \$8.00 x 1,062 sf =	\$8,500 + NNN
Retail - \$8.00 x 900 sf =	\$7,200 + NNN
Large apt. 2 nd floor - \$600 x 12 =	\$7,200
Small apt. 2 nd floor - \$500 x 12 =	\$6,000
Large apt. 3 rd floor - \$600 x 12 =	\$7,200
Small apt. 3 rd floor - \$500 x 12 =	\$6,000

Total projected gross rent \$42,100

Less expenses and vacancies 15% = \$ 6,315

Net Operating Income \$35,785

Cap Rate of 9% = \$398,000 value

PROPERTY #3 -124 E. Dunklin St.

Retail - \$8.00 x 1840 sf =	\$14,720 + NNN
Apt. 2 nd floor – 1,840 sf - \$770 x 12 =	\$ 8,400

Total projected income \$23,120

Less expenses and vacancies 15% = -\$ 3,468

Net Operating Income \$19,652

Cap Rate of 9% = \$218,000

PART II: EAST DUNKLIN PROJECT - 2009 TIF PROPOSAL

E. Dunklin Project Property Tax Increment - detail

MINOR REHABILITATION PROPERTIES

Projected re-assessment for five Dunklin St properties based on assumptions:

PROPERTY #1 -701-703 Jefferson St (ECCO Restaurant, Hair Salon, Resale Shop- approx 3800 sq ft ,Upper level residential space – 6 units, Parking lot

Current appraised value = \$307,900 Projected value = \$369,480
20% increase based on area redevelopment and new operation of ECCO & improved attractive parking.

PROPERTY # 2 - 126 E. Dunklin St (currently vacant, previously Mo & Waldos/retail space – est. 2100 sq ft & upper level 2100 sq ft residential space – 2 units)

Current appraised value = \$110,000 Projected value = \$132,000
20% increase based on area redevelopment and renovation /occupancy of retail space

PROPERTY #3 – 128 E. Dunklin St storefront/704 Madison Street address (currently Blattner's Furniture retail/passive storage & office space second floor)

Current appraised value = \$ 340,000 Projected value = \$408,000
20% increase based on area redevelopment and renovation of retail space

PROPERTY #4 – 130 E. Dunklin (currently lower level Wel-Com-Inn & upper residential units)

Current appraised value = \$88,000 Projected value = \$105,600
20% increase based on area redevelopment & façade removal of storefront

PROPERTY #5 – 118 E Cedar Way (currently warehouse space)

Current appraised value = \$109,600 Projected value = \$121,440
15% increase based on area redevelopment and significant façade improvement on E. Dunklin Street side

PART II: EAST DUNKLIN PROJECT - 2009 TIF PROPOSAL

E. Dunklin Project Property Tax Increment - detail

BENEFITTING PROPERTIES

The remaining four properties in the redevelopment area on 100 Block of E. Dunklin are projected to increase less significantly.

PROPERTY #1 - 629 Jefferson St
PROPERTY #2 - 113 E Dunklin St
PROPERTY #3 - 117 E Dunklin St
PROPERTY #4 - 620 Madison St

These properties are generally in good repair. They are currently fully occupied and utilized as retail or storage space. Therefore the market value is projected to increase 10% initially, then at the typical 2% growth rate.

PART II: DUNKLIN PROJECT – 2009 TIF PROPOSAL

E. Dunklin Project TIF Payback

Based on the sales tax and property tax projections, it is anticipated that the project will be paid off within 10 years or by 2019.

DUNKLIN STREET Project	=	\$505,000
Interest over 10 years(est) (assuming 5% interest rate)	=	<u>\$ 20,000</u>
TOTAL	=	\$525,000

PART II: DUNKLIN PROJECT – 2009 TIF PROPOSAL

E. Dunklin Project Cost-Benefit Analysis

The State of Missouri, Cole County, Jefferson City, Jefferson City School District and other special districts will benefit from the redevelopment project. The developer anticipates that upon completion, the development will generate new annual sales tax revenue in 2009 in the amount of \$11,238 (increment = \$5,615) then increasing significantly each year to \$219,828 (increment = \$109,914) in 2018. After the TIF is paid off, the entire sales tax will go to the taxing districts.

Currently the properties on the 100 Block of E. Dunklin are assessed at \$1,442,380.00 with a 2008 tax payment of \$43,302.45. It is anticipated by a real estate expert that the property values will increase by 2011; the estimates are as follows:

	<u>Current market value</u>	<u>2011 market value</u>
703 Jefferson	\$307,900	\$369,480
116-118 E Dunklin	\$226,000	\$624,000
120-122 E Dunklin	\$ 77,400	\$398,000
124 E Dunklin	\$ 60,000	\$218,000
126 E Dunklin	\$110,000	\$132,000
704 Madison	\$340,000	\$408,000
130 E Dunklin	\$ 88,000	\$ 105,600
113 E Dunklin	\$275,900	\$303,490
118 E Cedar Way	\$109,600	\$121,440
117 E Dunklin	\$180,000	\$198,000
629 Jefferson	\$201,300	\$221,430
620 Madison	\$166,000	\$182,600

No taxing district in Jefferson City, Cole County would be adversely affected by creating a TIF District. All districts would receive a windfall when the TIF is paid in full. In 2009, before redevelopment, the following districts received a total of \$43,302.45 in property taxes. That amount was disbursed among the taxing entities as follows: School = \$30,697.95; County = \$4,852.29; City = \$5,221.29; Library = \$1,652.49; Handicapped = \$668.84; State = 209.59. During the period that the TIF District is being paid off, the revenue would continue. Thus, the other taxing districts would receive the same tax revenues for subsequent years until the TIF is dissolved and thereafter they would receive not only the base but for the supplemental increased assessed valuation. When the TIF is paid off, the twelve properties on the 100 block of E Dunklin would provide an increase in tax revenue by 2019 in the amount of \$54,127.

PART II: DUNKLIN PROJECT – 2009 TIF PROPOSAL

E. Dunklin Project Cost-Benefit Analysis

If property values increase from \$1,442,380 to \$3,324,040 as a result of this redevelopment, the taxing entities would receive a windfall after the TIF is paid off – nearly triple the current amount. Conversely, without this development there would not be an increase in revenue to the political subdivisions over time and in the current situation a reduction is likely as the property values would continue to decline.

Other benefits of the redevelopment include increased employment with the development of new jobs. It is anticipated that 25 short term new jobs will be created by the public improvements included in the TIF proposal. Then after the redevelopment is complete at least 40 new jobs will be created by the new retail opportunities on the block. Another benefit is the return of tenants to the area living in quality upper level living space-six-to-eight units initially will be rehabbed.

Another important benefit is the replacement and rehabilitation of the existing streets, gutters, sidewalks and parking lots. These improvements would probably be delayed indefinitely without private investors having this opportunity to re-direct tax dollars into this project. Without the TIF dollars, this project would not be possible.