RESOLUTION #2020-05

SELECTING SG COLLABORATIVE LLC AS PREFERRED DEVELOPER FOR REDEVELOPMENT OF AN AREA GENERALLY BOUNDED BY NORTH ROCK HILL ROAD, WEST KIRKHAM AVENUE, GORE AVENUE AND WEST PACIFIC AVENUE; AUTHORIZING THE EXECUTION OF A PRELIMINARY FUNDING AGREEMENT; AND AUTHORIZING CITY STAFF TO NEGOTIATE A REDEVELOPMENT AGREEMENT FOR CONSIDERATION BY THE CITY COUNCIL

WHEREAS, pursuant to a Request for Proposals dated January 7, 2020 (the “RFP”), the City solicited proposals from developers for redevelopment of an area generally bounded by North Rock Hill Road on the west, West Kirkham Avenue on the north, Gore Avenue on the east and West Pacific Avenue on the south (the “Area”); and

WHEREAS, the City received proposals from SG Collaborative LLC (“SGC”) and Novus Development Company to redevelop all or portions of the Area; and

WHEREAS, the City Council has determined that the proposal submitted by SGC, as a whole, best achieves the objectives of the City as set forth in the RFP;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WEBSTER GROVES, MISSOURI:

Section 1. The City hereby selects SGC as the preferred developer with respect to the Area; provided, such selection shall terminate if the City and SGC do not enter into a mutually satisfactory redevelopment agreement with respect to the Area by December 31, 2020. The City Council hereby (a) finds that the RFP materially complied with the requirements of Resolution #2019-60 relating to bids and proposals and provided ample opportunity for alternative bidders to submit proposals to the City and (b) waives any technical non-compliance of the RFP with the terms of Resolution #2019-60 and any technical non-compliance of SGC with the terms of the RFP.

Section 2. The City Manager, the City Attorney and other representatives of the City, with regular and periodic consultations with the City Council, are hereby authorized to negotiate a redevelopment agreement between the City and SGC that provides for the redevelopment of the Area, including the application of any economic development incentives approved by the Council, and to present such redevelopment agreement to the Council for consideration.

Section 3. The City and SGC are authorized to enter into the Preliminary Funding Agreement attached as Exhibit A hereto (the “Funding Agreement”), whereby SGC will fund certain costs expected to be incurred by the City relating to the potential development of the Area. The Finance Director is hereby directed and authorized to deposit any and all funds received pursuant to the Funding Agreement into a special escrow account and to disburse such funds in accordance with the Funding Agreement.

Section 4. The City shall, and the representatives, agents and employees of the City are hereby authorized and directed to, take such further action, and execute and deliver such other documents and instruments as may be necessary or desirable to carry out and comply with
the intent of this Resolution, and to carry out, comply with and perform the duties of the City with
respect to the Resolution.

Section 5. The sections, paragraphs, sentences, clauses and phrases of this
Resolution shall be severable. In the event that any such section, paragraph, sentence, clause
or phrase of this Resolution is found by a court of competent jurisdiction to be invalid, the
remaining portions of this Resolution are valid, unless the court finds the valid portions of this
Resolution are so essential to and inseparably connected with and dependent upon the void
portion that it cannot be presumed that the City has enacted the valid portions without the void
ones, or unless the court finds that the valid portions, standing alone, are incomplete and are
incapable of being executed in accordance with the legislative intent.

Section 6. This Resolution shall be in full force and effect from and after its adoption
by the City Council.

ADOPTED this _____ day of February, 2020.

(SEAL)

______________________________
MAYOR

ATTEST:

______________________________
CITY CLERK
PRELIMINARY FUNDING AGREEMENT

THIS PRELIMINARY FUNDING AGREEMENT (the “Agreement”) is made and entered into as of the ______ day of February, 2020, by and between the CITY OF WEBSTER GROVES, MISSOURI (the “City”) and SG COLLABORATIVE, LLC (the “Company”).

RECITALS

1. The Company has submitted a proposal to the City for the redevelopment of an area generally bounded by North Rock Hill Road on the west, West Kirkham Avenue on the north, Gore Avenue on the east and West Pacific Avenue on the south (the “Area”); and

2. The City is willing to explore the feasibility of financing a portion of the costs of redeveloping the Area through the use of economic development incentives, if the Company advances funds to pay the City’s costs of exploring such incentives.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Advance of Funds. (a) The Company shall advance to the City the following sums at the times specified below: (i) $25,000 within 2 business days after the full execution of this Agreement, and (ii) if this Agreement is still in full force and effect, $25,000 on or prior to April 30, 2020 (collectively, the “Preliminary Funds”) to be used in accordance with this Agreement. The City shall, subject to the terms hereof, use the Preliminary Funds to pay or reimburse the City for payment of actual out-of-pocket costs incurred by the City for services provided by such consultants and advisors (including, but not limited to, attorneys, planners and financial consultants) as the City reasonably deems advisable regarding the City’s review of plans and related documents and negotiation of a redevelopment agreement, and for expenses incurred by the City (such as mailing, publication and similar costs) in connection with the foregoing (collectively, the “Work Program”). The parties acknowledge that such amount is a substantial sum and agree to use their best efforts to work together to reduce the total costs to be paid out of the Preliminary Funds. Except for information subject to attorney-client privilege, the City will provide the Company with copies of the work product from any of the consultants engaged by the City in connection with the Work Program.

(b) The City has engaged the following consultants and attorneys to work with the City and perform the Work Program: Gilmore & Bell, P.C. (special counsel), Neil Bruntrager, Esq. (City Attorney) and Convy Group, L.L.C. (development consultant). The City will provide reasonable prior notice to the Company of any additional consultants to be engaged to perform the Work Program.

(c) If the City and the Company enter into a redevelopment agreement, the redevelopment agreement shall provide for the disbursement of any remaining Preliminary Funds in the manner specified in the redevelopment agreement.

2. Disbursement. Before disbursing funds to any third-party consultant or advisor (excluding the City Attorney) under this Agreement, the City shall provide copies of such consultant or advisor contracts to the Company. Subject to the remaining provisions of this Agreement, the City may disburse Preliminary Funds for fees and expenses incurred in connection with the Work Program or to reimburse the City for fees and expenses previously paid by the City in connection with the Work Program.
upon receipt of (a) invoices for work reasonably and actually performed by the selected consultants and advisors in accordance with the Work Program, (b) invoices and/or receipts for out-of-pocket expenses incurred by such parties or the City for the planning, legal and financial work in connection with the work Program, and (c) such other supporting documentation as may be requested by the City (collectively, a “Disbursement Request”). The City shall use reasonable care in ascertaining that all fees and expenses charged to the City pursuant to each Disbursement Request are fair and reasonable amounts for the work represented in each Disbursement Request.

3. **Copies of Disbursement Requests.** The Company may request copies of all Disbursement Requests (as maintained pursuant to Section 2 above) detailing costs paid from the Preliminary Funds. Upon receipt of such request, the City shall promptly deliver to the Company copies of its disbursement records for the Disbursement Request so requested.

4. **Consideration of Incentives.** Nothing herein shall obligate the City to approve any financial incentives for the Company’s proposed project.

5. **Company’s Right of Termination.** The Company may terminate this Agreement at any time in its sole discretion upon giving the City 10 days’ written notice; whereupon 10 days following the Company’s delivery of said notice, this Agreement shall be deemed terminated. Upon receipt of such notice, the City will cease incurring expenditures under this Agreement as soon as reasonably possible. The City shall pay to the Company, within 60 days after the Company delivers notice of its termination under this Section, all Preliminary Funds remaining after the City’s payment of any Disbursement Requests submitted pursuant to this Agreement for work performed through the date of termination.

6. **City’s Right of Termination.** The City may terminate this Agreement upon giving the Company 10 days’ written notice if (a) a redevelopment agreement is not executed by December 31, 2020 or (b) the balance from the Preliminary Funds or subsequent funds advanced hereunder falls below $5,000 and the Company does not provide additional Preliminary Funds to the City within 15 days after written request from the City. Upon giving such notice under this Section, the City shall cease incurring expenditures under this Agreement. The City shall pay to the Company, within 60 days after the City delivers notice of its termination under this Section, all Preliminary Funds remaining after the City’s payment of any Disbursement Requests submitted pursuant to this Agreement for work performed by the City or its consultants, as specified in Section 1 hereof, through the date of termination.

7. **Excess Preliminary Funds.** If the City does not expend all the Preliminary Funds as provided herein, the City shall immediately return the remainder to the Company.

8. **No Third-Party Beneficiaries.** This Agreement constitutes a contract solely between the City and the Company. No third party has any beneficial interest in or derived from this Agreement.

9. **Notices.** All notices and correspondence hereunder shall be in writing and shall be delivered by hand delivery, e-mail, or first-class mail, postage prepaid, to the parties as set forth below:

   **If to the City:**

   City of Webster Groves  
   4 E. Lockwood Avenue  
   Webster Groves, Missouri 63119  
   Attention: Steven J. Wylie  
   wylies@webstergroves.org
with a copy to:

Bruntrager & Billings, P.C.
225 S. Meramec Avenue, Suite 1200
St. Louis, Missouri 63105
Attention: Neil J. Bruntrager
njb@law-stl.com

If to the Company:

SG Collaborative LLC
c/o Seneca CRE, LLC
1401 S. Brentwood Blvd., Suite 625
Brentwood, Missouri 63144
Attention: Larry Chapman
lchapman@seneca-cre.com

SG Collaborative LLC
c/o Greet Street St. Louis
8451 Maryland Avenue
Clayton, Missouri 63105
Attention: Phil Hulse
phil@greenstreetstl.com

with a copy to:

Schott & Hamilton, LLC
1610 Des Peres Road, Suite 385
St. Louis, Missouri 63131
Attention: Stephen M. Schott
stephen@schotthamilton.com

10. Miscellaneous.

a. **Severability.** If any provision of this Agreement is unenforceable, the remainder of this Agreement shall be enforced as if such provision were not contained herein.

b. **No Waiver.** Failure of any party hereto to enforce its rights hereunder at any time shall not be deemed a waiver of any such rights.

c. **Representations and Warranties.** The Company and the City each represent and warrant that (i) this Agreement has been duly executed by them or on their behalf, as the case may be, pursuant to due authorization, and is not in violation of any such party’s governing documents, charter or ordinances, as the case may be, (ii) no consents are necessary for the execution, delivery, and performance of this Agreement by such party, and (iii) this Agreement is valid, binding and enforceable against such party in accordance with its terms.
d. **Assignment.** This Agreement may not be assigned by either party without the written consent of the other.

e. **Survival.** Notwithstanding the expiration or termination or breach of this Agreement by either party, the City’s obligation with respect to repayment of unexpended Preliminary Funds and copies of Disbursement Requests shall survive expiration, termination or breach of this Agreement by either party.

f. **Counterparts.** This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

11. **Limitation of Liability.** Notwithstanding any provision hereof to the contrary, the City and its officials, agents, employees and representatives shall not be liable to the Company for damages or otherwise if this Agreement, any prospective adoption of any incentive plan or agreement related thereto, is declared invalid or unconstitutional in whole or in part by the final (as to which all rights of appeal have expired or have been exhausted) judgment of any court of competent jurisdiction, and by reason thereof either the City is prevent from performing any of the covenants and agreements herein or the Company is prevented from enjoying the rights and privileges contemplated hereunder.
IN WITNESS WHEREOF, the parties hereto have caused this Preliminary Funding Agreement to be duly executed as of the date first above written.

CITY OF WEBSTER GROVES, MISSOURI

By: ________________________________
   City Manager

SG COLLABORATIVE LLC

By: ________________________________
   Authorized Signatory
February 4, 2020

City of Webster Groves
City Hall
4 E. Lockwood Ave.
Webster Groves, MO 63119
Attn: Mara Perry, Director of Planning

Re: Response to Old Webster North Redevelopment RFP

Dear Ms. Perry and Members of the RFP Review Committee:

Thank you for the opportunity to respond to this Request for Proposals. The Seneca-Green Street Collaborative (SG Collaborative) brings our two firms together, combining our complementary professional skills and track records of success to assist the City of Webster Groves to explore the redevelopment site's potential. The team's senior leadership includes three long term residents of Webster Groves – Larry Chapman (26 years), Joel Oliver (16 years) and Liz Austin (23 years). The prospect of working in our own community is especially exciting. We will bring special expertise, understanding, and sensitivity to this challenge. While our firms have helped create vibrant and award-winning communities throughout the St. Louis Region and beyond, it would indeed be a distinct honor to work together in Webster Groves.

Green Street, as you know, is the Developer currently guiding the much-beloved local restaurant, Olive and Oak, with its expansion to and renovation of the former Auto Beauty Specialist building. Green Street is also nearing completion on the iconic St. Louis Armory by implementing the adaptive re-use of that historic building and creating a mixed-use development in Mid-town St. Louis. Its most recent residential development, Chroma, is a state of the art apartment development in The Grove within the City of St. Louis, offering an array of indoor and outdoor amenities, shops, restaurants, and upscale apartments. It attracts a broad demographic including young professionals, empty nesters and more.

Seneca’s current local projects include the innovative agricultural technology headquarters for Benson Hill, a cutting edge plant DNA-focused firm located at the Danforth Plant Science campus, along with 9 Mile Garden, Missouri’s first Food Truck Garden, to open this Spring, under construction at Affton Plaza.

Building on our shared ethics and style, our approach to the proposed redevelopment area in Webster Groves would involve three fundamental elements:

1. **Principles:** Any successful development needs to:
    - Be worthy of community support
    - Be environmentally sustainable
    - Be socially and economically additive to the City of Webster Groves
    - Be inclusive and set a high bar for MBE/WBE participation
    - Be economically viable – for the long term
2. **Process:** Any successful development needs to incorporate a robust community engagement process before any plan is drafted or adopted. Our response recommends, in detail, a variety of ideas for outreach including surveys, meetings, social and print media, charrettes, etc. along with an adequate timeline (outlined in this response) to ensure that all stakeholders are involved and heard.

The guidance and ideas of the City’s elected officials and professional staff, cultural, arts and business community, school district, and all residents and property owners must be thoroughly and thoughtfully contemplated.

3. **Possibilities:** All possibilities should be considered. Through the process of community engagement, many potential outcomes will likely emerge as we collectively explore options that will improve our community. We will look for ways in which to create better connectivity from North Webster and this proposed site to Old Webster, supporting a more walkable community.

We will seek to preserve and enhance environmentally sensitive land. We may discover the need to create new housing options that could include workforce to luxury alternatives, providing an array of types from single-family, townhomes, and apartment homes.

This development process can look at how we might better serve the arts community and the benefit of creating outdoor gathering spaces for community events, music, food and farmer’s market activities. We may hear that there is a need for a small boutique hotel, additional office, and retail space. We will also explore the preservation of parts of the area to remain exactly the way they are today. Certainly, the wishes of the Old Community Missionary Baptist Church will be paramount, and their property shall be protected and respected.

When it comes to financing and economic development tools, we will explore options that do not cause harm to our school district while at the same time improving the City’s share of the pooled tax revenue. All of this and more is possible if we work in a collaborative, transparent and inclusive manner. If chosen, that is what Seneca Green Street Collaborative’s commitment will be to Webster Groves.

All change is challenging, and we believe the property being identified offers a remarkable opportunity to evolve Webster Groves in a very positive way. We will both enhance what will be preserved and create new assets and amenities. This redevelopment program must blend into the fabric of the community in a comfortable and aesthetically pleasing way.

There is no one right way. There will be many options – most with positive aspects. It is only together through an open and thoughtful process that the best plan can emerge. It will not be a plan from one perspective. The entire Community will have contributed.
We have attached some background on our firms separately. We look forward to the opportunity to further discuss this proposal. Thank you very much for this opportunity.

Sincerely,

SG Collaborative

Seneca CRE, LLC

[Signature]

Lawrence R. Chapman, Jr.
President & CEO

Greenstreet St. Louis

[Signature]

Philip G. Hulse
Managing Principal & CEO
TABLE OF CONTENTS

SG COLLABORATIVE: RFP RESPONSE FOR THE CITY OF WEBSTER GROVES

Executive Summary 1
Response to Request for Conceptual Site Plan 2
Project Area 3
Proposed Uses 4
Public Incentives & Economic Feasibility 5
Closing Thoughts 6
Addendum 7
EXECUTIVE SUMMARY

While the Seneca-Greenstreet Collaborative, or SG Collaborative, has many ideas and thoughts about how to approach redevelopment of the area described in the RFP, you will see in this response, we believe the best approach is to have an open and transparent public process first, before proposing any specific plan. This development will have a significant effect on Webster Groves for decades to come. To create a really great plan, the SG Collaborative proposes to reach out to the community and its stakeholders, collect information, and then make a definitive proposal for redevelopment. We hope the City of Webster Groves agrees with this approach and chooses the SG Collaborative as its designated developer.
RESPONSE TO REQUEST FOR CONCEPTUAL SITE PLAN

SG Collaborative believes creating a Conceptual Site Plan in connection with a public engagement process will produce the best results. We have outlined a proposed process by which the development concepts are investigated with input from the stakeholders in the community and that input is married with the considerations needed to allow this project to become a reality. We offer the following process and rough timeline for implementation, development and ultimate creation of an appropriate, thoughtful and realistic Development Plan for the Old Webster North Redevelopment area.
TIMELINE

2020 FEB  MAR  APR  MAY  JUN  JUL  AUG

PLANNING PROCESS

STEP 01
IDENTIFY STAKEHOLDERS AND PUBLIC OUTREACH
1. Establish social media access
2. Advertise in Webster/Kirkwood Times
3. City of Webster Groves webpage presence
4. Encourage word of mouth
5. Provide contact information for interested parties

STEP 02
KICK-OFF MEETING/PUBLIC INPUT
1. Invite all interested parties to the kick-off meeting
2. Solicit thoughts and ideas
3. Begin to understand development potential
4. Listen to potential concerns
5. Describe the planning process moving forward

STEP 03
FOLLOW-UP
1. Continued outreach to Stakeholders and the public
2. Continue discussions with City and Staff
3. Advanced discussions with the property owners
4. Begin formulating concepts and ideas

STEP 04
PUBLIC ALL HANDS MEETING
1. Introduce some preliminary ideas
2. Hold a charrette to think about attendees' ideas
3. Offer preliminary economic impact
4. Continue follow-up with Stakeholders, including the school district, other taxing jurisdictions
5. City and Staff Input

STEP 05
FORMAL DEVELOPER PLAN SUBMISSION
1. Economic feasibility study
2. The developer submits its proposed plan
3. City, Stakeholder and public input
4. Plan adjustments as necessary

STEP 06
COMMENCE THE FORMAL CITY APPROVAL PROCESS
1. Planning and Zoning
2. Public hearings and plan approval
3. Plan specific Redevelopment Agreement

POST PLANNING

PROPERTY OWNER ENGAGEMENT

STEP 01
INTRODUCTION AND FIRST STEPS
1. Identify property owners
2. Identify affected parties
3. Make contacts and begin meetings
4. Solicit property owner input
5. Encourage property owner engagement and planning process

STEP 02
NEXT STEP AND FUTURE ONGOING ENGAGEMENT
1. One-on-one meetings
2. Property negotiations where appropriate
3. Prepare for future acquisitions and closing
4. Work with property owners to structure transactions in the most beneficial way

FINAL STEP

1. Acquire property needed for the approved redevelopment plan

NOTE: ALL ACTIVITY COORDINATED WITH CITY COUNCIL AND CITY STAFF, WITH IMPACTED TAXING JURISDICTIONS AT THE TABLE.
PROJECT AREA

The exact boundaries for the project will be established through the site development planning process described in the proposal. All of the property within the boundaries of Gore Ave, Union Pacific Railroad, Rock Hill Road, and Kirkham Road will be considered. However, certain parcels such as the Old Community Missionary Baptist Church are assumed to not be included due to their historic, cultural, faith-based mission or other factors. Also, other properties such as the Union Electric (Ameren) substation will likely need to be excluded, since relocation is expensive and not practical.

Careful consideration for matters relating to Shady Creek and the flood plain will become important considerations in the planning process. It is important to recognize that the larger the area to be developed, the greater positive results for Webster Groves can be achieved.
PROPOSED USES

The investigation and planning process will generate many thoughts on uses that will be investigated for appropriateness, financial feasibility and with priorities for what fits best into the community. It is important to create diverse and inclusive uses so that Webster Groves can continue to evolve in a positive and beneficial way, keeping in mind not only the uses and aesthetics but the economic cost and benefit as well.

There will likely be a mixture of uses considered such as those below:

- Inclusive residential development encompassing workforce, senior and luxury homes and apartments.
- Creation of public spaces for community, arts and recreational enjoyment.
- Walking trails, bike accommodations, and connectivity elements.
- Small boutique hotel and/or office space.
- New retail and commercial spaces.
- Preservation of important structures and institutions such as Old Community Missionary Baptist Church.
- Smaller amenities that contribute to our quality of life, such as dog parks, pocket parks, and outdoor chess venues, public art, etc.

The SG Collaborative has the capacity to develop any and all of the possibilities listed above and more.
PUBLIC INCENTIVES + ECONOMIC FEASIBILITY
It is impossible to say, at this point, exactly which economic development tools may be used or would be appropriate for this Redevelopment Plan at this time. The use of economic development tools or public incentives is appropriate to support development activities that could not otherwise be supported on their own but that would if completed, benefit the community. Also, the advantages of these tools must be balanced against the broader interests of other taxing jurisdictions, including the City of Webster Groves and the school district. We will create a scenario where all stakeholders’ positions are improved from their condition prior to redevelopment, without overburdening any of them along the way.

What SG Collaborative can say is that each has a long history of using incentive programs, when and where it is appropriate to allow redevelopment programs to occur in cases where they otherwise could not—and doing so in a balanced way.

The use of economic incentive programs will be done on an open book basis, so exactly how, why, where, and when any such program is used will be reviewed and approved by the City of Webster Groves and will be done in a collaborative environment where the school district and other taxing jurisdictions will have a seat at the table. Particular emphasis will be made on using programs that capture non-local revenues so as to minimize the impact on Webster Groves and its stakeholders where possible.

It is impossible at this time to generate any kind of estimate of sales, property tax or impact to Webster Groves on the County Sales Tax pool, however, sharing that information as the Redevelopment Plan is adopted will be key to the review and approval process.
CLOSING THOUGHTS

A redevelopment program of this scale and magnitude and potential influence on the community cannot be understated, so getting it right is paramount. The process of getting there is every bit as important as the ultimate result. We believe by choosing the SG Collaborative, the City of Webster Groves and all affected Stakeholders can benefit from the planning and development process we have proposed. If the SG Collaborative is chosen, we have great confidence that the process we propose will lead to the very best outcome for Webster Groves.
THANK YOU FOR THE OPPORTUNITY!

WE LOOK FORWARD TO HEARING FROM YOU.

SG COLLABORATIVE

ADDRESS
1401 S. BRENTWOOD BLVD.
SUITE 625
ST. LOUIS, MO 63144

TEAM
SENECA CRE, LLC
GREENSTREET ST. LOUIS
SENECA
ADDENDUM
About Larry Chapman & Seneca

Larry Chapman values his reputation above all things. Finding ways to create relationships that are beneficial to all the parties involved and making sure that every one of his real estate development transactions are based upon a win/win strategy is paramount. He tries hard to walk around in the shoes of his partners and stakeholders. Being thoughtful and balanced, being honest and forthright in all dealings has served him well.

After 40 years of real estate development all over America, Larry has decided to get off the road and focus his efforts back in St. Louis. He will use what he has learned from the four corners of our great country to create development opportunities that improve the community in which he lives. Using a platform he started in 1985, known as Chapman Ventures, LLC, he has now assembled a team of people and formed Seneca to pursue these new St. Louis based redevelopment and development activities.

Seneca is a small team that will focus on a handful of developments at any one time. Seneca has enjoyed some early successes, such as breaking ground on the Edge @ BRDG, the 160,000 SF high tech office and lab facility for Benson Hill on the Donald Danforth Plant Science Center campus. Benson Hill moved its headquarters from North Carolina to St. Louis and is one of the most exciting, high tech agri-business companies in America. A second “Edge” office development in Creve Coeur is also under construction (see Case Studies).

Chapman recently acquired and reinvented the Affton Plaza Shopping Center in Affton and has now assembled 8 parcels of land in what will become Phase 2 of the Center. Just announced, Seneca will be creating the area’s first full time food truck park, to be known as 9 Mile Garden. Food trucks will rotate, always being available in an environment focused on the community, with a stage for live music, a large outdoor screen for movie night and other TV events, cool outdoor seating, and a place that can easily accommodate farmers markets, art shows, and other events. An adjoining Canteen serving draft beers and spirits will complement the Food Truck Park.
About Phil Hulse & Green Street St. Louis

In 2008, Phil Hulse founded Green Street to challenge the way the traditional real estate industry works. With a focus on sustainable redevelopment of underutilized properties in the urban core, Phil is changing the St. Louis landscape. For more than 30 years, Phil has been a leading visionary in building up St. Louis’ urban core and paving the way business activity and commerce in the area.

Since then, the Green Street team has grown to include a group of professionals with diverse industry backgrounds. From site selection and land assemblage to construction management and community development, we handle it all. Where normal real estate companies would have to hire out services to get an expert opinion, we simply walk down the hall.

Phil leads the Green Street team in creating dynamic real estate projects within the St. Louis region. Phil is active in all aspects of the company including brokerage, design/construction, finance, investor relations, and asset management.

During his years of experience, Phil has raised more than $125 million in private equity and has leveraged more than $300 million in private and public financing to support local real estate projects across retail, office, industrial, and special use asset classes.

As the sixth largest commercial developer in St. Louis, Green Street currently owns over 3 million square feet of commercial property valued at over $250 million. Phil has also developed and sold over $225 million in real estate.

A sampling of current projects includes The Armory District ($156 million), River City Business Park ($70 million), CHROMA ($59 million), St. Louis Business Center ($25 million), Jefferson Commons Retail ($7 million), and Rockwell Beer Company ($5.2 million).
Lawrence R. Chapman

Larry Chapman is President and Chief Executive Officer of Seneca CRE, LLC and Chapman Ventures LLC. A licensed Missouri Real Estate Broker, Larry has devoted his entire 40+ year career to real estate development, both in his adopted hometown of St. Louis, Missouri and throughout the United States.

Born in Brooklyn, New York, Larry’s family eventually settled in St. Louis where Larry graduated from high school before attending the University of Missouri-Columbia where he earned a B.S.B.A. in Finance and Economics. Upon graduation, he accepted a position in St. Louis with Linclay Corporation and helped lead that organization to significant achievements where, as Director of Development for St. Louis operations, he developed over 900,000 SF of commercial, office, retail and business park projects exceeding $100,000,000 in value. Later, with his own firm, Chapman Ventures he independently engaged in the development of a Business Park and five design build and speculative buildings.

After rejoining Dale Perkinson in 1989 to create Perkinson Realty Group, they worked together until his retirement. Larry went on to join TRISTAR Business Communities in 1998, which quickly became one of St. Louis’ most successful development companies. In 2004, he left TRISTAR to pursue independent ventures, while continuing to partner with TRISTAR to this day.

In 2005 he formed Clayco Realty Group, now CRG, with Bob Clark and Tom Schroyer to expand the full-service development capabilities of Clayco. In his 5 years with Clayco, development projects included more than $1Billion in value and over 12 Million SF of buildings.

Since then, using strategic partnerships, he continues to develop commercial real estate, including recent projects like the 19 story Gateway Plaza in Richmond Virginia and the 780,000 SF North American HQ for Zurich American Insurance Company, the Centene Plaza and North Park Distribution Center 1, long with numerous industrial logistic centers for e-commerce.

His Chapman Ventures, LLC holds and manages a portfolio of commercial real estate properties and provides real estate brokerage services related to new development. In 2019 he formed Seneca, a new company that will focus on new commercial and mixed-use developments largely in the St. Louis region.

Larry is the Past President of the Missouri Growth Association, the founding President of the Earth City and Riverport Levee Districts. He contributes time to the Webster Groves and Bridgeton TIF Commissions, is on the Advisory Board of several banks and the Development Council of Habitat for Humanity St. Louis.
Kathy Sorkin is Chief Operating Officer of Seneca and has helped launch the organization in its inaugural year. Prior to joining Seneca, Kathy most recently served as Vice President and Business Development Manager of Rosemann & Associates, P.C., focusing on business development, client relations, civic and government affairs, and community engagement and planning. Rosemann focuses on historic preservation, new innovative residential, neighborhood revitalization and mixed-use developments.

A native of St. Louis, Kathy began her career in New York City as a VISTA Volunteer. She later served as Coordinator of the Mayor’s Urban Action Task Force in New York City and Director of Operations for New York’s Association of Neighborhood Housing Developers underwritten by the Ford Foundation.

She returned to St. Louis after attending City University of New York and continued to work on housing development initiatives with non-profit community based developers and served on the St. Louis Community Development Agency’s Board of Commissioners. Later, she led two successful construction disbursing departments at St. Louis title companies, which dominated the market under her leadership for over 15 years.

Her appointment as Vice President of the St. Louis Equity Fund, where she served for 8 years, afforded her the opportunity to work with corporate investors, non-profit and for-profit developers, architects, attorneys, and general contractors throughout the region on complex affordable housing and mixed income developments, utilizing an array of tax credit and public financing programs. Later as Chief Operating Officer of E.M. Harris Construction Company and Chief Executive Officer of Capital Consultants, Kathy worked on some of the region’s most challenging projects and interacted with all of the financial partners, community residents and elected officials.

Kathy has served as President, Board member and Development Council Member for Habitat for Humanity, St. Louis for over 20 years. She is a former Executive Board Member of the Missouri Growth Association. She has been recognized for her work with numerous awards, including most recently MOWHA’s (Missouri Workforce Housing Association) Vision Award in 2016 and the Community Builders Network’s 2017 award for Outstanding Achievement. She currently serves as Chair of the EDRST Board and is a Member of the Economic Development Task Force in University City. She holds a Missouri Real Estate Broker’s License.
PHILIP G. HULSE
MANAGING PRINCIPAL, CEO

Since founding Green Street in 2008, Phil has taken a hands-on approach to lead our team and all our clients. He remains an active force in leading development, coordinating lender and investor relations, overseeing property management and selecting assets for acquisition.

For more than 30 years, Phil has been a leading visionary in building up St. Louis’ urban core and paving the way for business activity and commerce in our area. After starting his career as a broker and working his way up through the real estate field, Phil co-founded two successful real estate firms, Summit Development Corporation and Gateway Commercial.

During his years of experience, Phil has raised more than $75 million in private equity, and has leveraged more than $250 million in private and public financing to support local real estate projects. As he works to leave a legacy in St. Louis, he started Green Street to challenge the way the real estate industry works.

Our business is built to continue Phil’s commitment to sustainable development, building strong businesses and redeveloping underutilized property. He’s proudly built our reputation by transforming locations that have been overlooked or underestimated into thriving centers for business in St. Louis.
BRIAN PRATT

PRESIDENT

Brian Pratt oversees Green Street’s organizational operations and coordinates the development process across the development, finance and construction teams. He also serves as project executive on select projects balancing his analytical skills with effectively planning for complex projects.

He comes from a background in senior roles within the Credit and Incentives practices at Deloitte and KPMG, where he built his career negotiating discretionary tax incentives and applying traditional tax credit programs across multiple businesses and industries. His national experience in corporate site selection and incentives helps Brian make a positive influence in the program management of our clients’ incentive and tax credit programs. There are plenty of ins and outs of obtaining approvals from the public sector.

Before narrowing his focus at Deloitte, Brian spent more than six years as a senior manager, then director at Peckham, Guyton, Albers and Viets Urban Consulting practice. There, he worked to analyze and evaluate numerous real estate development and business investment projects for 150 organizations at the municipal, county and state organizations. This built an extensive knowledge of how to develop and execute private-public financing to complete projects. For Green Street, and our clients, Brian applies his project management expertise to make more possible with zoning, incentive and public support for all our projects.
JOEL OLIVER
VICE PRESIDENT, DEVELOPMENT

Joel Oliver joined Green Street as Vice President of Development in September 2017. With over fifteen (15) years of experience in LIHTC investment and development, real estate management, modeling and acquisition, Joel elevates Green Street’s community outreach and portfolio with his ability to identify opportunities and partners, structure complex deals and manage construction projects.

Joel comes to Green Street from Gardner Capital Development where he served as a Senior Development Manager. His primary responsibilities involved coordinating with internal deal originators and external partners on major developments from site identification through completed construction. Joel held management positions in both community development and commercial real estate entities focused on deal execution and finance including US Bancorp Community Development Corporation, ARCO and THF Realty. Joel in active in his community serving as President of the Webster Groves School District Foundation. He received an undergraduate degree from the University of Missouri-Columbia in Business Administration and a Masters in Urban Planning and Real Estate Development from St. Louis University.
LIZ AUSTIN
VICE PRESIDENT, MARKETING

Liz Austin manages and coordinates our ongoing relationships with investors, working to both keep our current partners in the loop and reach the investor community for specific Green Street projects. Liz also works with our team to execute marketing efforts for Green Street real estate properties and supports our clients through the design and implementation of economic incentive programs. She’s able to pull from her experience in real estate and economic development to seamlessly keep everyone connected, internally and externally.

Before joining the Green Street team, Liz successfully maintained investor relations for Yurbuds headphones, now a division of Harman International. Her background goes deeper than investors, having worked as the first Economic Developer for the City of Hazelwood, a suburb of St. Louis. Liz also pulls from her work as a leading member of brokerage team at Colliers Turley Martin Tucker and a consultant to Peckham, Albers and Viets Urban Consulting practice. All of her experience means that she can not only relate to investors, but she’s gone through the process of building economic success from the ground up.
Case Study

LAB

EDGE@BRDG
1001 North Warson Rd,
St. Louis, MO 63132

Seneca has focused on creating the next evolution of office and business environments through its EDGE Series of office and lab buildings. In today’s market employers are in a battle to find and retain the best and brightest employees. Creating working environments that speak to the needs of companies employees has largely fallen by the wayside over the last 20-30 years with private offices, and ample working space going by the wayside. Employers don’t want to invest in amenities that address these issues because it is not their core business, yet can easily embrace a Seneca building that does this work for them.

This is the first EDGE building and will be the home of Benson Hill, which will relocate its headquarters here from North Carolina. This office and lab building will not only meet the high tech needs of an agriscience leader like Benson Hill but offers lab adaptable space for other, smaller companies wishing to engage with and be part of the Danforth Plant Science Center. In addition to the collaboration and private spaces for the many employees that will occupy the building, a complete fitness center with men’s and women’s showers, a multi-purpose room that offers yoga, training, and meeting/seminar space, is also available. In addition, ample bike storage, and WiFi will be offered.

This 4 story 160,000 SF state of the art office and lab building will be completed in May of 2020.
Case Study

OFFICE + LAB

EDGE@WEST

12645 Olive Blvd.
Creve Coeur, Missouri 63114

Seneca has focused on creating the next evolution of office and business environments through its EDGE Series of office and lab buildings. In today’s market employers are in a battle to find and retain the best and brightest employees. Creating working environments that speak to the needs of companies employees has largely fallen by the wayside over the last 20-30 years with private offices, and ample working space going by the wayside. Employers don’t want to invest in amenities that address these issues because it is not their core business, yet can easily embrace a Seneca building that does this work for them.

This 125,000 SF 4 story office building while not on a sprawling campus like the Danforth site, makes up for it by including many added amenities. The EDGE@WEST location is not only convenient to many restaurants within a 5 to 10-minute walk but, our large living room type settings, a fully staffed coffee bar is included, plus a mini-mart, seating around fireplaces, quiet niches, breakout rooms, phone booths and more. The first floor will also include, a fitness center and multi-purpose yoga, meditation and meeting room, and will feature rolling glass garage doors to allow the outside in and the inside out, on wonderfully pleasant days. Once outside, there will be half-court basketball, a putting green, bocce ball courts, and outdoor seating.

Like all EDGE buildings, the technology in the common areas will be leading edge with WiFi, charging stations and screens that can access the internet or be used for presentations.

EDGE@WEST is under construction and will be completed in November of 2020 with FM Global as its lead tenant.
Case Study

OUTDOOR VENUE

9 MILE GARDEN

9375 Gravois Road
St. Louis, Missouri 63123

Project Size: 1.5 acres

Investment: $2.5MM

9 Mile Garden is a collaboration between local chef and restaurateur Brian Hardesty and Seneca Commercial Real Estate. Their shared vision is to create a destination where people from around St. Louis and beyond come together to enjoy food, entertainment, and community in a family-friendly environment. An emphasis on supporting the community brings local businesses such as food trucks, entertainers, farmers and more to daily events, and works with local organizations and charities to offer regular opportunities to give back.

The food truck garden is the focal point of the park’s attractions, offering lunch and dinner service six days a week from some of St. Louis’ most beloved food trucks. By creating a daily food truck destination, we are also investing in the economic stability of our local food truck scene, delivering crowds of hungry diners to the doors of the chefs and food makers who continue to drive innovation and opportunity in our local culinary scene, as well as, supporting nearby retail establishments.

The Canteen @ 9 Mile Garden is a modern drafthouse that will serve as an anchor for the outdoor entertainment district, offering a wide selection of draft beer from the best of local and national breweries alongside a rotating selection of draft wines and cocktails, and cold brew by Blueprint Coffee on tap.

The bar will feature large communal tables to accommodate large groups and making new friends with neighbors. To encourage family-friendly fun, there will be a huge selection of free games to play, live music, and theme nights. Patrons will be able to purchase drinks at the bar and then visit any part of the garden that they would like.

The 3,500-square-foot Canteen space will feature four 16-foot garage doors that retract to transform it into an open-air bar, and guests can walk out to a large patio with plenty of seating overlooking the grounds at 9 Mile Garden.

We’re fascinated with St. Louis history, and especially our local food history. Back when Soulard Market began growing in popularity, you would see community gatherings cropping up throughout the region where farmers would drive their harvests to an open space and back up their trucks into a formation that allowed people to walk along and choose what items interested them most. These were called “truck gardens,” and Affton was known for having a high concentration of them. Today’s fascination with food trucks lends itself to creating a community gathering place where people can peruse the offerings of local chefs and choose what most delights them and their fellow diners.

The “9 Mile” name comes from the days before streets had names or road markers, where landmarks were named for their distance from the courthouse or city center. Our food truck garden is situated approximately nine miles from St. Louis’ Old Courthouse.
Case Study

ADAPTIVE REUSE

Old Webster Development

216 West Lockwood Avenue
St. Louis, Missouri 63119

Project Size: 26,000 SF

After opening to wide critical acclaim in 2016, the co-founders of Olive + Oak realized there was an unmet need for event space within the central suburban market of St. Louis. As luck would have it, the 26,000 SF former Auto Beauty Specialist building down the block from their flagship went up for sale. After placing the building under contract, Olive + Oak co-founders soon partnered with Green Street St. Louis to help them purchase and redevelop the property.

Expanding upon their successful restaurant platform, the co-founders of Olive + Oak plan to create a 200+ person flexible event space, a new 4,000 SF onsite restaurant and are partnering with a well-known craft brewery to establish a small batch brewery and brew-pub. Each will benefit from exterior patio space and a shared kitchen.

From co-sponsoring the project and investor relations to initial design review and value engineering, Green Street is guiding the Old Webster Development team through construction of the finished project. Completion is expected by Spring 2020.

MAKE MORE POSSIBLE.
Case Study

MULTI FAMILY + MIXED USE

CHROMA
4001 Chouteau Avenue
St. Louis, Missouri 63110

Project Size: 4 acres
Investment: $59,000,000

In partnership with the Koman Group, Green Street St. Louis constructed a 235 multifamily unit, 17,000 SF commercial, ground-up development in The Grove neighborhood within St. Louis.

CHROMA provides a rare opportunity to develop 4 acres in one of St. Louis’ most dynamic neighborhoods. Urban authenticity is the neighborhood’s chief draw. The Grove is a gem on a number of levels. Its business district features everything from fine dining to tattoo parlors. Architecture firms, nightlife, breweries and eclectic shops dot its main drag. Surrounded by the Barnes Jewish Campus, Cortex, SLU/SSM Hospitals and the Missouri Botanical Gardens. Newly constructed single family homes mix with century-old rehabs to provide anything but suburban track architecture. The area is diverse, hip and artistic-as livable for young families as it is entertaining on a night out.

CHROMA anchors The Grove’s eastern edge with the conveniences and amenities that only come from new, smartly designed multifamily housing. The project features resort-quality pool, fitness and clubroom amenities, as well as 17,000 SF of adjacent retail. Multiple courtyards and mini-parks buffer the project from street activity, and allow for outdoor dining and pet care.
Case Study

ADAPTIVE REUSE

The Armory District

3660 Market Street
St. Louis, Missouri 63110

Project Size: 743,000 SF
Investment: $156,000,000

Built in 1938, the historic St. Louis Armory was initially constructed to serve the 138th Infantry. Over its lifespan, the Armory has been home to war veterans, tennis greats, rock stars, and amateur soccer and softball fans. Green Street purchased the abandoned building in late 2016 as part of a larger redevelopment plan, the Armory District.

The $156M Armory District stretches three city blocks and consists of over 700,000 SF of new construction and redevelopment. Adjacent to the planned Chouteau Greenway, development will extend from the Cortex Innovation District, St. Louis University’s main and medical campuses, and City Foundry STL into the new Armory District. At completion, the Armory District will create 750 to 1,000 jobs.

Phase I will include the adaptive reuse of the historic Armory building into approximately 280,000 SF of next generation office space. Construction is underway to remove contamination in the building, provide a new roof, new highly efficient building systems, new circulation (including elevators), make the building ADA accessible throughout, construct new office / retail space / common areas / restrooms, reconfigure parking areas, and make other tenant improvements as required, for a total project cost of $75M.

Phase II will add approximately 300 new residential units and a 3-level parking structure to support district demand totaling approximately $81M.

MAKE MORE POSSIBLE.
Webster Heights
A Public-Private Partnership

Proposed Development:  Webster Heights
Intersection of W. Kirkham Avenue & N. Gore Avenue
Webster Groves, MO

Developer:  NOVUS

20 Allen Avenue | Suite 400 | Webster Groves, MO 63119 | 314.968.0842
Who We Are
St. Louis-based Novus Companies is a locally owned real estate firm that develops and transforms ordinary locations into unique, exceptional places. Our real estate portfolio includes class-A retail shopping centers, luxury residential properties and office buildings located throughout St. Louis and the surrounding area. Having developed, owned and managed more than a million square feet of commercial space in the region, Novus completes challenging commercial and residential projects in communities where potential is often difficult to achieve.

Our ability to accomplish the entire development process under one roof - from land acquisition to building layout, construction, lease-up and management, enables us to evaluate opportunities and move quickly in an environment where timing is of critical importance.

History
Novus has owned commercial property in the St. Louis region since the 1960s. Novus' origin is traced back to the need for real estate management in the Brown & Sons Foodliner chain of IGA grocery stores in the 1950s. Later, several of the grocery stores were converted to multi-tenant commercial properties. In 1988, Novus Development was established to undertake larger projects. Today, Novus consists of several companies which provide various services within the commercial real estate field. These companies are comprised of talented professionals with decades of experience and expertise in the areas of site selection, land assemblage, project development/management, fiscal projection, leasing and property maintenance.

Mission & Philosophy
Always respecting the architecture and unique culture of the communities in which we develop, our projects revitalize areas, create valuable experiences, and strengthen neighborhoods for the future. We strive to create memorable destinations that define the character of each community. These communities are where we live, work and play ourselves, thus a high degree of community involvement is essential.

Unlike developers who complete a project, sell and move to the next, we are committed to the creation of permanent assets for our portfolio. Our pride of ownership is manifest in the high level of project delivery, property maintenance, tenant and resident service that we deliver on a daily basis.
<table>
<thead>
<tr>
<th>Section</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Developer Contact Information</td>
<td>p. 4</td>
</tr>
<tr>
<td>B. Site Plan &amp; Renderings</td>
<td>pp. 5-10</td>
</tr>
<tr>
<td>C. Description of Parcels</td>
<td>p. 11</td>
</tr>
<tr>
<td>D. Description of Uses</td>
<td>p. 12</td>
</tr>
<tr>
<td>E. Financial Feasibility</td>
<td>p. 13</td>
</tr>
<tr>
<td>F. Tax Generation from Project</td>
<td>p. 14</td>
</tr>
<tr>
<td>B. Building Prototypes</td>
<td>pp. 15-19</td>
</tr>
</tbody>
</table>
Developer Contact Information

Jonathan Browne  
President & CEO, Novus Development  
20 Allen Avenue, Suite 400  
Webster Groves, MO 63119  
(314) 968-0842  
jpbowne@novusdev.com

Diana Schaefer  
Development Associate  
20 Allen Avenue, Suite 400  
Webster Groves, MO 63119  
(314) 968-0842  
dschaef@novusdev.com

Michael Koch  
VP Leasing & Acquisitions  
20 Allen Avenue, Suite 400  
Webster Groves, MO 63119  
(314) 968-0842  
mkoch@novusdev.com
Site Plan of Proposed Project

- 5-Story Luxury Multifamily Bldg.
- 2-Story 28,800 SF Office Bldg.
- 5-Level Parking Garage 376 spaces
- Access to Subsurface Pedestrian Walkway
- Pool
- Cell Tower

Locations:
- W. Kirkham Avenue
- N. Gore Avenue
- W. Pacific Avenue
# Description of Parcels

<table>
<thead>
<tr>
<th>No.</th>
<th>Address</th>
<th>Locator #</th>
<th>Owner</th>
<th>STL Co. Appraised $</th>
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<tbody>
<tr>
<td>1</td>
<td>209 W. Pacific Ave</td>
<td>22L321111</td>
<td>Webster Groves School District</td>
<td>$294,300</td>
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<tr>
<td>2</td>
<td>207 W. Pacific Ave</td>
<td>22L321102</td>
<td>City of Webster Groves</td>
<td>$28,700</td>
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<td>3</td>
<td>147 W. Pacific Ave</td>
<td>22L321441</td>
<td>Alcotek Inc.</td>
<td>$59,900</td>
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<td>4</td>
<td>62 Lincoln Ave</td>
<td>22L321065</td>
<td>Kenneth W. Menke Jr. Trustee</td>
<td>$260,000</td>
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<tr>
<td>5</td>
<td>200 Sherman Place</td>
<td>22L321450</td>
<td>Red LaMore Body Co.</td>
<td>$29,200</td>
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<td>6</td>
<td>201 Sherman Place</td>
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<td>7</td>
<td>203 Sherman Place</td>
<td>22L320424</td>
<td>Red LaMore Body Co.</td>
<td>$400</td>
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<td>8</td>
<td>205 Sherman Place</td>
<td>22L320406</td>
<td>Kenneth W. Menke Jr. Trustee</td>
<td>$125,400</td>
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<td>9</td>
<td>206 Sherman Place</td>
<td>22L320415</td>
<td>Kenneth W. Menke Jr. Trustee</td>
<td>$31,000</td>
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<td>10</td>
<td>200 W. Kirkham Ave</td>
<td>22L321872</td>
<td>Red LaMore Body Co.</td>
<td>$4,600</td>
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<tr>
<td>11</td>
<td>79 N. Gore Ave</td>
<td>22L320471</td>
<td>Robert J. &amp; Jenny Lind Lamore</td>
<td>$452,400</td>
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<tr>
<td>12</td>
<td>69 N. Gore Ave</td>
<td>22L320394</td>
<td>Midwest Medical Properties, LLC</td>
<td>$316,800</td>
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<td>13</td>
<td>65 N. Gore Ave</td>
<td>22L320372</td>
<td>McMillan Development, LLC</td>
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<td>14</td>
<td>61 N. Gore Ave</td>
<td>22L320332</td>
<td>McMillan Development, LLC</td>
<td>$50,600</td>
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<td>115 W. Pacific Ave</td>
<td>22L321744</td>
<td>McMillan Development, LLC</td>
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<td>*16</td>
<td>109 W. Pacific Ave</td>
<td>22L321919</td>
<td>Chase &amp; Company, LLC</td>
<td>$113,100</td>
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</tbody>
</table>

*A portion of this parcel is to be subdivided and included in the project area. The "Chase Building" will remain.
Description of Uses

The project will consist of the following uses:

- A five-story 220-unit luxury multifamily building

- A five-story, 126,000 square-foot, 376-space parking garage, a portion of which will serve as parking for the residents of the multifamily building, and a portion of which will serve as public parking for the Old Webster business district.

- A subsurface pedestrian walkway, which will go underneath the railroad tracks, connecting the parking garage and buildings to Allen Avenue.

- A two-story 28,800 square-foot Class-A office building
February 4, 2020
Mrs. Mara Perry
Director of Planning & Development
4 E. Lockwood Avenue
Webster Groves, MO 63119

RE: Old Webster North Redevelopment RFP - Financial Feasibility

Dear Mrs. Perry,

Thank you for the opportunity to reply to the RFP issued for North Webster. We are proposing a project similar to past discussions for this area with a few added components. We feel well qualified to respond as we have developed, and currently occupy, space adjoining the RFP area. We are happy to say our project has been a success and we are pleased to see development continuing in the area with the announcement of the Auto Beauty Redevelopment.

While we welcome that project, which will be operated by a successful and high-quality operator, it will put an added strain on limited parking in the Old Webster business district. I believe the inclusion of a structured parking deck, in our proposal for the North-of-the-Railroad district, can service our proposed project and alleviate parking issues south of the railroad as well. Past discussions with owners in the RFP area revealed Ben Hilliker’s unwillingness to sell. Therefore, our proposal does not include his property. This has resulted in a reduced footprint for the apartment component of our project, which now leaves the Hilliker property as-is and adds an office building in the footprint of the school district and City-owned properties west of Lincoln Avenue.

Servicing the parking needs of the office building and apartments is a multi-story parking structure. This structure will be oversized to offer additional public parking for the South-of-Railroad business district. The ideal connection, between the two sides of the railroad, would be a subsurface pedestrian walkway, from Pacific Avenue, under the Railroad track and ascending to Allen Avenue on the south side of the railroad tracks. It is my understanding that this concept is of interest to the railroad, as it would be an alternative to dangerous at-grade pedestrian traffic at Gore Avenue or Rock Hill Avenue.

In regards to the City’s request for proposals for the Old Webster North Redevelopment area published on January 10, 2020, outlined below is a preliminary financial feasibility analysis, which substantiates the need for the project to receive public assistance. Assistance to fund the demolition of existing buildings, site work and construction of the garage and pedestrian walkway would provide the economic incentive to move forward with redevelopment. This cost could be covered by a redevelopment tool such as TIF (including the larger district which it would serve) or by providing tax abatement for the redevelopment area only.

The below preliminary projections are based on the site plan shown on page 5 of the development proposal. The site comprises approximately 4.25 acres at the southwestern intersection of W.
Kirkham Avenue and N. Gore Avenue. While the plan is subject to change, we believe the below financial projections are an accurate reflection of the future project. Thus, in assessing the financial feasibility of the project, outlined below are the estimated project costs:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soft Costs:</td>
<td>$6,429,717</td>
</tr>
<tr>
<td>Land Acquisition:</td>
<td>$3,366,430</td>
</tr>
<tr>
<td>Demolition/Cleanup/Site Work:</td>
<td>$2,237,000*</td>
</tr>
<tr>
<td>Cost of Parking Garage:</td>
<td>$5,670,000*</td>
</tr>
<tr>
<td>Cost of Subsurface Pedestrian Walkway:</td>
<td>$1,733,000*</td>
</tr>
<tr>
<td>Building Construction:</td>
<td>$42,691,595</td>
</tr>
<tr>
<td>Contingency:</td>
<td>$2,000,000</td>
</tr>
<tr>
<td><strong>Total Estimated Project Costs:</strong></td>
<td><strong>$64,127,742</strong></td>
</tr>
</tbody>
</table>

*assistance items total $9,640,000

Regarding public assistance for the project, the developer is requesting that the parking garage and pedestrian walkway be funded by a combination of local and/or state/federal public assistance programs sufficient to cover such costs.

**Income Analysis at Project Stabilization** (third year after breaking ground)

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Scheduled Gross Annual Income:</td>
<td>$5,877,987</td>
</tr>
<tr>
<td>less Annual Operating Expenses:</td>
<td>($1,893,456)</td>
</tr>
<tr>
<td><strong>Net Operating Income:</strong></td>
<td><strong>$3,984,531</strong></td>
</tr>
</tbody>
</table>

Rents are estimated to be 1.95 per square foot monthly for the multifamily apartment building and $24.00 full-service for the office building. These lease rates are commensurate with other luxury newer-built multifamily apartments and office buildings in the metro-St. Louis area, which have similar intrinsic features as the proposed project.

Outlined below is further economic analysis, which incorporates the public assistance component:

**Cost/Return Feasibility Analysis**

<table>
<thead>
<tr>
<th>Item</th>
<th>With Assistance</th>
<th>Without Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Estimated Project Costs:</td>
<td>$64,127,742</td>
<td>$64,127,742</td>
</tr>
<tr>
<td>less Public Assistance:</td>
<td>($9,640,000)</td>
<td>($0)</td>
</tr>
<tr>
<td><strong>Developer’s Net Project Costs (NPC):</strong></td>
<td><strong>$54,487,742</strong></td>
<td><strong>$64,127,742</strong></td>
</tr>
<tr>
<td>Net Operating Income (NOI):</td>
<td>$3,984,531</td>
<td>$3,984,531</td>
</tr>
<tr>
<td>Developer’s Rate of Return (NOI÷NPC):</td>
<td>7.31%</td>
<td>6.21%</td>
</tr>
</tbody>
</table>
Generally, as a minimum threshold, an acceptable rate of return for a project of this size and scale would be in the 9-10% range. As you can see from the above analysis, even with public assistance, the projected return falls well below this threshold. That said, we consider it a fair return, and still worth pursuing, due to the tremendous benefit it stands to be for the community and strong investor demand for apartment buildings at this time.

Given the above-mentioned items, as well as the risk and complexity associated with a project of this nature, we firmly believe that "but for" a public assistance component, an acceptable rate of return cannot be achieved, and thus the project would not be financially feasible. Additionally, we believe the assumptions put forth in our analysis to be practical and realistic for this market.

Accordingly, with the information provided in this letter and development assistance as requested, we look forward to working with the City to see this project come to fruition.

Respectfully,

Jonathan P. Browne
Novus Development
20 Allen Avenue, Suite 400
Webster Groves, MO 63119
Tax Generation from Project

It’s estimated that the existing properties located in the redevelopment area currently have an appraised value of approximately $2,205,000 in total, and are generating approximately $74,000 in annual property taxes.

The future project at stabilization is projected to have a total appraised value of approximately $50,000,000 and will generate approximately $850,000 in annual property taxes, resulting in a considerable revenue stream to fund an economic incentive by either capture or abatement.

In addition to the visual improvement realized by redevelopment of the site, as well as an increased property tax basis, the Old Webster business district will benefit from additional permanent residents. Those additional residents will likewise benefit the City’s pool-tax calculation, which is based on a per-capita share of other pool city revenue.
Multifamily Prototypes
Multifamily Prototypes (cont'd)
Multifamily Prototypes (cont'd)
Office Building Prototypes