Appendix B

to the Petition for Establishment

of the

Downtown St. Louis Community Improvement District, Inc.

St. Louis, Missouri

MANAGEMENT PLAN

Prepared Pursuant to the State of Missouri
Community Improvement District Act
to Create, Extend, Renew, and Establish
a Community Improvement District
in Downtown St. Louis

The information and details outlined in the following pages represents the strategies, activities, and budgets that will be undertaken during the seven-year duration of a Community Improvement District in Downtown St. Louis. It is an integral and composite part of the petition to create, extend, renew, and establish the Downtown St. Louis Community Improvement District, Inc.

DECEMBER 2003

MANAGEMENT PLAN

for the
Downtown St. Louis Community Improvement District, Inc.

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Section 1
Why the Downtown St. Louis Community Improvement District, Inc. Was Established

Downtowns must compete to survive. Downtowns compete for residents, businesses, visitors and investors - not only with suburban shopping malls and office parks and the individual communities in the region, but also with managed downtown areas in other states throughout the country.

In 1999, Downtown St. Louis property owners recognized the need to protect and maintain existing investments, support anticipated new investment, and be proactive in determining the future of downtown. As a result, they petitioned the Board of Aldermen to establish a private sector, self-help, management district known as the Downtown St. Louis Community Improvement District ("District") under the Missouri Community Improvement District Act.

The District, funded through self-assessment of properties within the District, provides the financial resources to develop and implement a pro-active, focused strategy that works to improve the physical environment and attract and retain business and investment in the downtown area.

The District was established to:

- provide consistent funding to improve both reality and perception within the District.
- spread the cost equitably among all property owners within the District.
- strengthen private sector management and accountability within the District.

By agreeing to establish the District, downtown St. Louis property owners joined with their peers in cities such as Atlanta, Denver, Nashville, Portland, Phoenix and New Orleans, among hundreds of other cities, large and small, throughout the country, who have become partners in creating successful downtowns through strong community improvement districts.

The District is a non-profit, private-sector corporation. Working closely with the property owners, stakeholders, and constituents within the District, the original five-year management plan was created and approved in 1999.

Since then, District work plans and budgets have been refined annually by its Board of Directors with direct accountability to the property owners who are paying the assessments. Services provided by the District have been reviewed annually and are subject to private sector performance standards and controls.

Since its inception, the District has been highly successful, working in cooperation with local government, businesses, residents and other stakeholders to create a more vibrant, safe and inviting downtown.

Section 2
Renewal

Under the Missouri Community Improvement District Act, a district may only be created for a specified term of years. In order to continue beyond the specified term, the Missouri Community Improvement District Act requires that a district must be re-established. This assures that management of a district remains accountable to the property owners who authorized its establishment.

Renewal of the Downtown St. Louis Community District will ensure the continuation of District services, programs, and improvements and implementation of a proactive strategy to support and attract investment in the District. Based on four years of District operations with ongoing participation from property owners and downtown stakeholders, as well as feedback obtained from stakeholder groups and individual meetings and surveys, the major categories of services and programs to be provided in the renewed District are: Security; Maintenance and Beautification; Economic and Housing Development; Marketing (Image & Communication); and Special Events. All services and programs provided by the District are over and above those currently provided by the City of St. Louis.

Section 3
What is a Community Improvement District?

A property-based Community Improvement District is based upon the "benefit assessment district" concept, which provides for an assessment on real property and improvements within a specific geographic district with the proceeds allocated to provide enhanced services to benefit the district and the properties located within the district.

The International Downtown Association estimates that more than 1,200 property-based community improvement districts or business improvement districts currently operate throughout the United States and Canada. In either case, a district provides enhanced services, programs and improvements, such as security, maintenance, marketing and economic development, in addition to those provided by local government.

The structure of such a district is different from a special taxing district and offers some distinct advantages. Under the special business taxing district law, properties that receive property tax abatement also receive tax abatement of their special business district taxes. At the time the Downtown St. Louis Community Improvement District ("District") was established in 1999, approximately 25% of downtown properties were under some form of abatement and thus paid reduced or no assessment, but still received the benefit of special business district services. Under the special business taxing district law, a special business taxing district was governed by commissioners selected by the governing body of the municipality and not by the property owners paying the special business taxes.

Unlike a special business taxing district, a benefit assessment district:

- is established, designed, and created by those who will pay the proposed property assessments.

- is governed by those who pay through a property and business owner dominated board that supervises operations and submits a yearly management plan.

- is implemented by those who pay through a non-profit, private sector, development and management organization.

- allows a wide range of service options, including security, maintenance, marketing, economic and housing development, and special events, determined by those who will pay.

- provides for a pre-determined term with a sunset clause that requires a new petition process by those who pay to renew the district.

Section 4
Management Plan Summary

Developed by and for property owners in downtown St. Louis, the District was first established in 1999 to convey special benefits to properties located within the District. Those benefits were designed to create a more vibrant, safe and inviting downtown. Since its inception, the District has successfully provided new and enhanced services, programs and improvements that have significantly improved both the reality and perception of downtown.

Major Services Projects and Improvements in the Renewed District:
Detailed descriptions of these programs are set forth in Section 6 of this Management Plan.

Enhanced Security Programs:

- Supplemental Metropolitan St. Louis Police Patrols (Bike, Scooter, Mounted and Foot Patrols)
- Private Foot and Bike Patrol (CID Guides)
- Community Court
- Communication Exchange Network

Enhanced Maintenance/Beautification Programs:

- Trash Removal (The Clean Team)
- Graffiti Removal, Poster & Handbill Removal
- Landscaping (Planting & Maintenance of Street Trees, Flower Baskets/Planters)
- Purchase & Maintenance of Tree Grates, Trash Receptacles & Benches
- Sidewalk Cleaning (Power Washing) & Repair (Matching Grants)

Economic and Housing Development:

- Office Recruitment & Retention
- Retail/Restaurant/Services Recruitment & Retention
- Residential Marketing
- Developer & Investor Recruitment
- Market Research
- Data Collection & Distribution (Space Profile/Inventory, Office Worker/Residential Census etc.)
- Manage & Market Financial Incentive Programs

Marketing:

- Regional Marketing Campaign
- Public Relations Services
- Publications (Visitor, Dining & Parking Guides, Clean & Safe Brochures)
- District Communications (Newsletter, Events Calendar, Annual Reports, Updates)
- Consumer Research

Special Events:

- Coordination (operations and marketing) of all downtown events
- Solicitation and development of additional/new downtown events

City Services:
Missouri State law mandates that existing City services will continue to be provided within the District at the same level as before the District was created (unless the services are decreased throughout the City) and that District services shall be in addition to existing City services.

Contracting Of Services:
The District may contract to provide these services, projects and improvements to property owners not within the District only under the following criteria:

- Properties to receive services must be adjacent to the District
- Properties to receive services must include whole blocks or multiples of blocks
- There is no subsidy by the District for any portion of the services.

Section 5
Management

District Renewal:
District renewal requires the submission to the Board of Aldermen of the City of St. Louis of a petition signed by property owners whom both:

- Collectively own more than fifty percent by assessed value of the real property within the District, and
- Represent more than fifty percent per capita of all owners of real property within the District.

Board of Aldermen
Following the submission of the petition, the Board of Aldermen will conduct a public hearing and then adopt an ordinance to establish the District.

Duration:
The District will have a seven-year term beginning January 1, 2005 and ending December 31, 2011. The first assessment bill will be sent to property owners in the late Fall of 2004 and the last assessment bill will be sent in the late Fall of 2010. The petition process must be repeated for the District to continue beyond the seventh year.

Governance:
The District, a private non-profit development and management organization, will implement the services, programs and improvements described by this Management Plan. Budgets and work plans will be submitted annually to District property owners for review and comment; reviewed and approved annually by the Board of Directors; and filed with the City of St. Louis.

All reasonable efforts will be made to ensure that the Board of Directors includes a balanced representation of property owners to reflect the diverse size and purpose of property ownership within the District.

The District will hold two "town-hall" meetings of property owners during each fiscal year. The first will occur in the late winter/early spring period to review proposed budgets and consider comments from property owners. The second will occur approximately six months later to review and critique the success and application of enhanced services, programs and improvements.

Specific services, programs and improvements may be reduced, expanded or eliminated based on a change in priorities or new challenges and opportunities that develop during the term of the District. New services or programs may also be added. All changes are subject to review by property owners and approval by the Board of Directors.

Location:
The current District, authorized and created in 1999, consists of approximately 250 blocks, divided into four sub-districts. Each of these sub-districts is somewhat different in character and includes properties that are widely diverse in size and use. Property owners within each sub-district of the current District authorized different services and programs and assessment rates best suited to the individual sub-district. The term of the current District ends December 31, 2004.

To improve effectiveness and efficiency, the renewed District will consist of a single district comprising approximately 165 blocks within downtown St. Louis as defined in Appendix A of the Petition and Section 7 of this Management Plan. District services, programs and improvements, and assessment rates will be standardized and implemented throughout the entire District.

Section 6
Assessments

Special assessments will be levied in advance for each of seven years beginning January 1, 2005, by the District's Board of Directors. The District assessments will appear as a separate line item on annual City property tax bills. District assessments will be paid in advance at the same time as property taxes beginning in the late Fall of 2004. Funds for use by the renewed District will first be available on January 1, 2005.

Assessment Methodology:
Calculation of annual District assessments is based upon two property variables - gross square footage of real property and gross square footage of building above the first floor. No assessments will be charged against the first floor space of any building unless the first floor has been converted to a condominium for commercial or residential use. A standard per square foot rate is established for all properties.

Additions and Deletions of Assessable Property:
If new buildings have been constructed or additions made to existing buildings, such new buildings or additions will be assessed using the same methodology and rates as existing buildings within the District. If buildings have been razed or reduced in size, a corresponding reduction will be made. New or expanded buildings will be assessed when the City of St. Louis has issued an occupancy permit, or the building or expansion is placed into active use.

Cost:
The anticipated cost for the services, programs, and improvements for the 2005 year of operation is $2,489,623.00. Annual assessments are based upon an allocation of specific program costs and a calculation of assessable square footage. The first year assessments will not exceed:

Lot Square Foot	$0.0825
Each Upper Floor Square Foot	$0.0452
First Floor Condominium Units	$0.0452

This first year assessment and each assessment thereafter may be increased by an amount not to exceed 3% annually. Based on a 3% annual assessment increase, the maximum annual assessment rate during the full term of the District would be as follows:

	2005	2006	2007	2008	2009	2010	2011
Land Sq. Footage	$0.0825	0.0850	0.0875	0.0901	0.0929	0.0957	0.0986
Building Sq. Footage	$0.0452	0.0466	0.0480	0.0494	0.0509	0.0524	0.0540

The assessment may only be increased if it becomes necessary to secure funds for increased expenses or the expansion of services, programs or improvements authorized by the Management Plan and approved by the Board of Directors.

Section 7
District Map

Section 8
Services, Programs & Improvements To Be Provided

The Major Components of the Services, Programs and Improvements to be provided are:

1. Security Program

The mission of the District Security Program is to support the St. Louis Metropolitan Police Department, building owners, residents and businesses in reducing crime and improving perception of safety while offering a customer service orientation to office workers, residents and visitors to the downtown area. Since the establishment of the District, crimes against persons have decreased over 25% and property crime has decreased 11 % for a total decrease of over 12%. Downtown intercept surveys show the perception of downtown safety is up 83%! Major security programs and services include:

Supplemental Police Patrols

District assessments fund a cooperative agreement with the St. Louis Metropolitan Police Department that provides supplemental bike, foot, scooter and mounted police patrols. These highly visible patrols help to deter crime, and address public nuisance issues such as aggressive panhandling, public drinking or urination, prostitution and trespassing. Officers also assist with traffic and crowd control during special events or emergencies. The fund supports the cost of supplemental patrols, equipment and supplies, uniforms and training.

Community Court

Based on successful programs developed in major cities throughout the U.S., the Community Court was established in downtown St. Louis in November 2002. The object of the Community Court is to provide swift and predictable justice for violations of public nuisance ordinances. The Community Court addresses these "quality of life" violations by emphasizing accountability, rehabilitation and community service. Nationally, Community Courts have resulted in a substantial reduction in graffiti, drinking in public, urinating in public, aggressive panhandling, prostitution, illegal vending and loitering in public areas. Since June 2003, the Community Court has processed nearly 200 individual cases resulting in over 30 individuals ordered to receive alcohol, drug or mental health counseling and over 2,000 hours of community service work assigned within the District.

Communication Exchange Network (ComEx Net)

A 24/7 dispatch and two-way radio network was established as an information exchange between the St. Louis Metropolitan Police Department, District organizations and security personnel throughout the downtown area. The ComEx Net can be effective in reducing the incidences of crimes such as shoplifting, bad check passing, aggressive panhandling, illegal vending, burglary, and car break-ins as well as serving as in integral part of a downtown emergency response system. Currently there are 21 businesses participating in the network.

Community Improvement District (CID) Guides

The CID Guides program was launched in November 2002. Dressed in bright gold and black uniforms, CID Guides are full-time, professional, assertive and friendly individuals who patrol the District seven days a week on bikes and on foot, serving both a public safety and hospitality role. After completing a program of customized classroom and field training, CID Guides work directly with the St. Louis Metropolitan Police Department serving as additional "eyes and ears" and working to reduce public nuisance violations. CID Guides also perform courtesy services such as visiting businesses, giving directions, helping lost persons, providing visitor information and escorting employees to cars. The CID Guides are highly visible and have been very well received by residents, businesses and visitor, alike. Downtown intercept surveys show 74% awareness of the CID Guides. To date, CID Guides have reported over 4,000 personal interactions.

2. Maintenance & Beautification

The mission of the District Maintenance and Beautification Program is to improve the physical environment and aesthetics of the District through enhanced cleaning, maintenance and landscaping. Downtown intercept surveys show 91% of respondents giving downtown a "good" to "excellent" cleanliness rating. Major maintenance and beautification programs and services include:

"The Clean Team" Trash and Litter Removal

The District provides a seven day a week, full-time patrol to remove trash and other foreign objects from curbs, gutters and other public areas throughout the District. Dressed in bright purple uniforms, "The Clean Team" includes broom and pan foot patrols and two street/sidewalk sweeper machines. Since its inception in 2000,
"The Clean Team" has responded to over 400 hotline calls and removed over 65,000 bags of trash.

Graffiti Removal

Crewmembers remove street level graffiti and other physical defacement visible from the sidewalk by painting, using solvent or pressure washing. All "tags" are removed within 24 hours. Paper signs and handbills are considered another form of public graffiti. Paper signs and handbills scotch taped or glued on buildings, public property, utility boxes, poles and telephones are removed by hand or when necessary by high-pressure hoses. Since the start of the District, the graffiti crew has removed 4,338 graffiti tags and posters.

Other Services

- Landscaping - Planting & Maintenance of Street Trees, Flower Baskets & Planters. Over 380 trees, 275 planters and 42 baskets purchased since 2000.
- Purchase & Maintenance of Tree Grates, Trash Receptacles & Benches - Since 2000, 220 new trashcans purchased/ 400 maintained; 17 benches purchased and maintained.
- Sidewalk Cleaning (pressure washing on an "as needed" basis)
- Sidewalk Repair (a 50% matching grant program – up to $5,000 per project)

3. **Economic and Housing Development**

The mission of the District Economic and Housing Development Program is to improve the vitality of downtown by attracting and retaining office and retail businesses and expanding the residential population within the District. The District staff works closely with city and state government, property owners, businesses, banks, brokers and other downtown stakeholders to promote investment and development in downtown. Major economic and housing development programs and services include:

- Office Recruitment & Retention
- Retail/Restaurant/Services Recruitment & Retention
- Residential Marketing (including house tours, brochures etc)
- Developer & Investor Recruitment
- Market Research and Analysis
- Data Collection & Distribution (housing/commercial space inventory, office worker/residential census etc.)
- Manage & Market Financial Incentive Programs

4. **Marketing (Image and Communications):**

The mission of the District Marketing Program is to improve public awareness of downtown offerings and shape the public image of downtown through marketing and public relations initiatives. Major marketing programs and services include:

- Regional Marketing Campaign (Image and Co-op Advertising)
- Public Relations Services (Economic & Housing Development, Events, Grand Openings, etc.)
- Publications (Visitor, Dining & Parking Guides, Clean & Safe Brochures)
- District Communications (Newsletter, Website, Events Calendar, Annual Reports and Updates)
- Consumer Research

5. **Special Events**

The mission of the District Special Events Program is to improve and expand events programming within the District to encourage new and additional visits to downtown, support businesses and enhances the image and awareness of what downtown has to offer. Major services include:

- Coordination of all downtown events (operations and marketing)
- Solicitation and development of additional/new downtown events

Section 9
Operating Budget

2005 Operating Budget Summary
The budget for the services, programs and improvements during the first year of operation in the renewed District is projected at $2,489,623.00. This is made up of the following major components:

- **Security Programs**
  To improve both the reality and perception of safety in the District, the budget for enhanced Security services and programs is $995,849.00 or 40% of the total District budget.

- **Maintenance & Beautification Programs**
  To improve the physical environment and aesthetics of the District through additional cleaning, maintenance and landscaping, the budget for enhanced Maintenance and Beautification services and programs is $721,991.00 or 29% of the total District budget.

- **Economic and Housing Development**
  To retain and attract office, commercial and residential development in the District, the budget for enhanced Economic and Housing Development services and programs is $348,547.00 or 14% of the total District Budget.

- **Marketing (Image and Communications)**
  To tell the story of Downtown St. Louis and continue to build upon the positive changes in both perception and reality that have been developed, the budget for enhanced Marketing services and programs is $149,377.00 or 6% of the total District budget.

- **Special Events**
  To expand and improve special events programming within the District and encourage new and additional visits to downtown, the budget for enhanced Special Events services and programs is $99,585.00 or 4% of the total District budget.

- **Administration/Contingency/Reserve**
  To manage the day-to-day activities of the District and provide for a professional staff, office rent, insurance, utilities, supplies, etc., as well as to provide a reserve fund to offset delinquent and/or slow payment, the District Administration/Contingency budget is $174,274.00 or 7% of the total District budget.

Section 10
Budget Adjustments

In the renewed District's first year of operation (2005), the Board of Directors is authorized to appropriate and pay over any remaining sums from the levy of special assessments on properties located within the 165 block District (as defined in Appendix A of the Petition and Section 7 of this Management Plan) as authorized by the Board pursuant to the Petition approved by the City of St. Louis in 1999. During the term of the renewed District, any annual surplus or deficit will be carried forward into the following year's budget.

All line item expenses or specific services are subject to annual review by property owners and the Board of Directors, and may be reduced, expanded or eliminated based on a change in priorities or new challenges or opportunities that may arise during the term of the District. All changes are subject to approval by the Board of Directors. However, while line item expenses or specific services, programs and improvements may be reduced, expanded or eliminated, the budget for each of the Major Expense Categories (see Sections 8 and 9) may not be reduced by more than 10% from year to year.

Section 11
Government Property

The City of St. Louis, the State of Missouri, and the Federal Government are excluded from the provisions of the Missouri Community Improvement District Act and will not be assessed for property owned within the boundaries of the District. The District anticipates that it may enter into contracts or cooperative agreements with one or more of these agencies for specific services concerning their respective properties within the District. The District will not subsidize the delivery of these services to these agencies.

Section 12
Continuation of City Services

All services provided by the District are above and beyond those currently provided by the City of St. Louis. The Missouri Community Improvement District Act states that:

> *The governing body of the municipality establishing the district shall not decrease the level of publicly funded services in the district existing prior to the creation of the district or transfer the financial burden of providing the services to the district unless the services at the same time are decreased throughout the municipality, nor shall the governing body discriminate in the provision of the publicly funded services between areas included in such district and areas not so included.*