

BOARD BILL #219

**INTRODUCED BY ALDERWOMAN GRIFFIN,
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ALDERWOMAN YOUNG AND ALDERWOMAN
DAVIS**

1 An Ordinance designating a portion of the City of St. Louis, Missouri as a
2 redevelopment area known as the NorthSide Regeneration Redevelopment Area pursuant
3 to the Real Property Tax Increment Allocation Redevelopment Act; approving a
4 redevelopment plan and Redevelopment Project Area A and Redevelopment Project Area
5 B with respect thereto; adopting tax increment financing within Redevelopment Project
6 Area A and Redevelopment Project Area B; making findings with respect thereto;
7 establishing the Northside Regeneration Special Allocation Fund; authorizing certain
8 actions by City officials; and containing a severability clause.

9 **WHEREAS**, the City of St. Louis, Missouri (the “City”), is a body corporate and
10 a political subdivision of the State of Missouri, duly created, organized and existing
11 under and by virtue of its charter, the Constitution and laws of the State of Missouri; and

12 **WHEREAS**, on December 20, 1991, pursuant to Ordinance No. 62477, the Board
13 of Aldermen of the City created the Tax Increment Financing Commission of the City of
14 St. Louis (the “TIF Commission”); and

15 **WHEREAS**, the TIF Commission is duly constituted according to the Real
16 Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the
17 Revised Statutes of Missouri (2000), as amended (the “TIF Act”), and is authorized to
18 hold public hearings with respect to proposed redevelopment areas and redevelopment
19 plans and to make recommendations thereon to the City; and

1 **WHEREAS**, Northside Regeneration, LLC, a Missouri limited liability company,
2 (the “Developer”), prepared a plan for redevelopment titled the “NorthSide Regeneration
3 Tax Increment Financing (TIF) Redevelopment Plan” dated September 8, 2009, as
4 amended September 16, 2009 (the “Redevelopment Plan”), for the area described in the
5 Redevelopment Plan, attached hereto and incorporated herein as **Exhibit A**; and

6 **WHEREAS**, the Redevelopment Plan proposes to redevelop the Redevelopment
7 Area into a mix of uses and to complete public infrastructure improvements, as set forth
8 in the Redevelopment Plan; and

9 **WHEREAS**, on September 23, 2009, after all proper notice was given, the TIF
10 Commission held a public hearing in conformance with the TIF Act and solicited
11 comments from all interested persons and taxing districts relative to the Redevelopment
12 Area, the Redevelopment Plan, and Redevelopment Project Area A (as legally described
13 in the Redevelopment Plan) and Redevelopment Project Area B (as legally described in
14 the Redevelopment Plan) (Redevelopment Project Area A and Redevelopment Project
15 Area B are collectively referred to as the “Redevelopment Project”); and

16 **WHEREAS**, on September 23, 2009, the TIF Commission found that completion
17 of the Redevelopment Project would provide a substantial and significant public benefit
18 through the elimination of blight, the creation of new jobs in the City, the strengthening
19 of the employment and economic base of the City, increased property values and tax
20 revenues, stabilization of the Redevelopment Area, facilitation of the economic stability
21 of the City as a whole, and further found that without the assistance of tax increment
22 financing in accordance with the TIF Act, the Redevelopment Project is not financially
23 feasible and would not otherwise be completed; and

1 **WHEREAS**, on September 23, 2009, the TIF Commission voted to recommend
2 that the Board of Aldermen adopt an ordinance in the form required by the Act (i)
3 adopting tax increment financing with respect to the Redevelopment Project, (ii)
4 approving the Redevelopment Plan, (iii) designating the Redevelopment Area as a
5 “redevelopment area” as provided in the Act, (iv) approving the Redevelopment Project
6 as described within the Redevelopment Plan, and (v) approving the issuance of one or
7 more tax increment financing revenue notes in the amount as specified in the
8 Redevelopment Plan; and

9 **WHEREAS**, the Developer has demonstrated that the Redevelopment Area
10 would not reasonably be anticipated to be developed without the adoption of the
11 Redevelopment Plan and, therefore, without the assistance of tax increment financing, the
12 Redevelopment Project is not feasible and would not otherwise be completed; and

13 **WHEREAS**, the Board of Aldermen has received the recommendations of the
14 TIF Commission regarding the Redevelopment Area, the Redevelopment Project, and the
15 Redevelopment Plan and finds that it is desirable and in the best interests of the City to
16 designate the Redevelopment Area as a “redevelopment area” as provided in the TIF Act,
17 and adopt and approve the Redevelopment Plan and Redevelopment Project in order to
18 encourage and facilitate the redevelopment of the Redevelopment Area; and

19 **WHEREAS**, the Redevelopment Area qualifies for the use of tax increment
20 financing to alleviate the conditions that qualify it as a “blighted area” as provided in the
21 TIF Act and as set forth herein; and

1 **WHEREAS**, the property constituting the Redevelopment Area is underutilized,
2 thus discouraging investment, and the Redevelopment Area represents a social and
3 economic liability to the City; and

4 **WHEREAS**, it is necessary and desirable and in the best interest of the City to
5 approve the Redevelopment Project to allow the redevelopment of the Redevelopment
6 Area in accordance with the Redevelopment Plan; and

7 **WHEREAS**, it is necessary and desirable and in the best interest of the City to
8 adopt tax increment allocation financing within the Redevelopment Project and to
9 establish a special allocation fund for the Redevelopment Area in order to provide for the
10 promotion of the general welfare through redevelopment of the Redevelopment Area in
11 accordance with the Redevelopment Plan which redevelopment includes, but is not
12 limited to, enhancement of the tax base, promotion of health, safety, order, convenience,
13 prosperity and general welfare, stimulation of employment opportunities, [assistance in
14 the physical, economic, and social development of the City, assistance in the physical,
15 economic, and social development of the City of St. Louis, providing for a stabilized
16 population and plan for the optimal growth of the City, encouragement of a sense of
17 community identity, safety and civic pride, and the elimination of impediments to land
18 disposition and development in the City of St. Louis.

19 **BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:**

20 **SECTION ONE.** The Board of Aldermen hereby makes the following
21 findings:

22 A. The Redevelopment Area on the whole is a “blighted area”, as defined in
23 Section 99.805 of the TIF Act, and has not been subject to growth and development

1 through investment by private enterprise and would not reasonably be anticipated to be
2 developed without the adoption of tax increment financing. This finding includes, the
3 Redevelopment Plan sets forth, and the Board of Aldermen hereby finds and adopts by
4 reference: (i) a detailed description of the factors that qualify the Redevelopment Area as
5 a “blighted area” and (ii) an affidavit, signed by the Developer and submitted with the
6 Redevelopment Plan, attesting that the provisions of Section 99.810.1(1) of the TIF Act
7 have been met, which description and affidavit are incorporated herein as if set forth
8 herein.

9 B. The Redevelopment Plan conforms to the comprehensive plan for the
10 development of the City as a whole.

11 C. In accordance with the TIF Act, the Redevelopment Plan states the
12 estimated dates of completion of the Redevelopment Project and retirement of the
13 financial obligations issued to pay for certain redevelopment project costs and these dates
14 are twenty three (23) years or less from the date of approval of the Redevelopment
15 Project.

16 D. A plan has been developed for relocation assistance for businesses and
17 residences as set forth in the Redevelopment Plan.

18 E. A cost-benefit analysis showing the economic impact of the
19 Redevelopment Plan on each taxing district which is at least partially within the
20 boundaries of the Redevelopment Area is on file with the St. Louis Development
21 Corporation, which cost-benefit analysis shows the impact on the economy if the
22 Redevelopment Project is not built, and if the Redevelopment Project is built pursuant to
23 the Redevelopment Plan as well as a fiscal impact study on every affected political

1 **SECTION FOUR.** There is hereby created and ordered to be established within
2 the treasury of the City a separate fund to be known as the “Northside Regeneration
3 Special Allocation Fund” and such sub-accounts as are necessary to administer the
4 Redevelopment Project. To the extent permitted by law and except as otherwise provided
5 in the Redevelopment Plan and in agreements to be executed by the City in furtherance
6 thereof, the City hereby pledges funds in the Northside Regeneration Special Allocation
7 Fund for the payment of redevelopment project costs and obligations incurred in the
8 payment thereof.

9 **SECTION FIVE.** Tax increment allocation financing is hereby adopted within
10 Redevelopment Project Area A and Redevelopment Project Area B. After the total
11 equalized assessed valuation of the taxable real property in Redevelopment Project Area
12 A exceeds the certified total initial equalized assessed valuation of the taxable real
13 property in Redevelopment Project Area A, and the total equalized assessed valuation of
14 the taxable real property in Redevelopment Project Area B exceeds the certified total
15 initial equalized assessed valuation of the taxable real property in Redevelopment Project
16 Area B, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the
17 levies upon taxable real property in Redevelopment Project Area A or Redevelopment
18 Project Area B, as applicable, by taxing districts and tax rates determined in the manner
19 provided in Section 99.855.2 of the TIF Act each year after the effective date of this
20 Ordinance until redevelopment costs have been paid shall be divided as follows:

21 A. That portion of taxes, penalties and interest levied upon each taxable lot,
22 block, tract, or parcel of real property which is attributable to the initial equalized
23 assessed value of each such taxable lot, block, tract, or parcel of real property in the area

1 selected for Redevelopment Project Area A and Redevelopment Project Area B shall be
2 allocated to and, when collected, shall be paid by the City Collector to the respective
3 affected taxing districts in the manner required by law in the absence of the adoption of
4 tax increment allocation financing;

5 B. Payments in lieu of taxes attributable to the increase in the current
6 equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in
7 Redevelopment Project Area A and/or Redevelopment Project Area B, as applicable and
8 any applicable penalty and interest over and above the initial equalized assessed value of
9 each such unit of property in the Redevelopment Project Area A and/or Redevelopment
10 Project Area B, as applicable, shall be allocated to and, when collected, shall be paid to
11 the City Treasurer, who shall deposit such payments in lieu of taxes into the Northside
12 Regeneration Special Allocation Fund, or any subaccounts thereof, for the purpose of
13 paying redevelopment costs and obligations incurred in the payment thereof and for the
14 purpose of making other payments as may be specified in agreements to be executed by
15 the City in furtherance of the Redevelopment Plan. Payments in lieu of taxes which are
16 due and owing shall constitute a lien against the real estate of Redevelopment Project
17 Area A and Redevelopment Project Area B from which they are derived and shall be
18 collected in the same manner as the real property tax, including the assessment of
19 penalties and interest where applicable.

20 **SECTION SIX.** In addition to the payments in lieu of taxes described in Section
21 Five of this Ordinance, fifty percent (50%) of the total additional revenue from taxes,
22 penalties and interest which are imposed by the City or other taxing districts, and which
23 are generated by economic activities within Redevelopment Project Area A and/or

1 Redevelopment Project Area B, as applicable, over the amount of such taxes generated
2 by economic activities within the area of Redevelopment Project Area A and/or
3 Redevelopment Project Area B, as applicable, in the calendar year prior to the adoption
4 of the Redevelopment Project by ordinance, while tax increment financing remains in
5 effect, but excluding personal property taxes, taxes imposed on sales or charges for
6 sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to
7 Section 70.500 of the Revised Statutes of Missouri (2000), as amended, or taxes levied
8 for the purpose of public transportation pursuant to Section 94.660 of the Revised
9 Statutes of Missouri (2000), as amended, licenses, fees or special assessments other than
10 payments in lieu of taxes and penalties and interest thereon, shall be allocated to, and
11 paid by the collecting officer to the City Treasurer or other designated financial officer of
12 the City, who shall deposit such funds in a separate segregated account within the
13 Northside Regeneration Special Allocation Fund and any subaccounts thereof.

14 **SECTION SEVEN.** The Comptroller of the City is hereby authorized to enter
15 into agreements or contracts with other taxing districts as necessary to ensure the
16 allocation and collection of the taxes and payments in lieu of taxes described in Sections
17 Five and Six of this Ordinance and the deposit of the said taxes or payments in lieu of
18 taxes into the Northside Regeneration Special Allocation Fund and any subaccounts
19 thereof for the payment of redevelopment project costs and obligations incurred in the
20 payment thereof and for the purpose of making other payments as may be specified in
21 agreements to be executed by the City in furtherance of the Redevelopment Plan, all in
22 accordance with the TIF Act.

1 **SECTION EIGHT.** The City Register is hereby directed to submit a certified
2 copy of this Ordinance to the City Assessor, who is directed to determine the total
3 equalized assessed value of all taxable real property within Redevelopment Project Area
4 A and Redevelopment Project Area B as of the date of this Ordinance, by adding together
5 the most recently ascertained equalized assessed value of each taxable lot, block, tract or
6 parcel of real property within such Redevelopment Project Area A and Redevelopment
7 Project Area B, and shall certify such amount as the total initial equalized assessed value
8 of the taxable real property within Redevelopment Project Area A and Redevelopment
9 Project Area B.

10 **SECTION NINE.** The Mayor and Comptroller of the City or their designated
11 representatives are hereby authorized and directed to take any and all actions as may be
12 necessary and appropriate in order to carry out the matters herein authorized, with no
13 such further action of the Board of Aldermen necessary to authorize such action by the
14 Mayor and the Comptroller or their designated representatives.

15 **SECTION TEN.** The Mayor and the Comptroller or their designated
16 representatives, with the advice and concurrence of the City Counselor and after approval
17 by the Board of Estimate and Apportionment, are hereby further authorized and directed
18 to make any changes to the documents, agreements and instruments approved and
19 authorized by this Ordinance as may be consistent with the intent of this Ordinance and
20 applicable law and necessary and appropriate in order to carry out the matters herein
21 authorized, with no such further action of the Board of Aldermen necessary to authorize
22 such changes by the Mayor and the Comptroller or their designated representatives.

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

11 **SECTION TWELVE.** The use of eminent domain will not be allowed pursuant
12 to the Redevelopment Plan. However, the use of eminent domain may be allowed (a) for
13 a public use, as such term is used in Article XXI of the City's Charter in accordance with
14 additional legislation of the Board of Aldermen; or (b) pursuant to existing or additional
15 legislation of the Board of Aldermen, if the Developer has pursued and exhausted efforts
16 to voluntarily acquire property the Board of Aldermen deems necessary to implement one
17 or more portions of the Redevelopment Plan and deems critical to the Redevelopment
18 Plan's success. The Board of Aldermen may approve such use of eminent domain under
19 clause (b) above pursuant to other statutes, such as The Land Clearance for
20 Redevelopment Authority Act, Sections 99.300 to 99.660 of the Revised Statutes of
21 Missouri (2000), as amended, or The Planned Industrial Expansion Law, Sections
22 100.300 to 100.620 of the Revised Statutes of Missouri (2000), as amended. The Board
23 of Aldermen may also authorize the Mayor or the Comptroller to enter into one ore more

1 intergovernmental cooperation agreements with the Land Clearance for Redevelopment
2 Authority of the City of St. Louis, Missouri or the Planned Industrial Expansion
3 Authority of the City of St. Louis to carry out the use of eminent domain as approved in
4 accordance with this section.

5 **SECTION THIRTEEN.** In adopting this Ordinance, including the approval of
6 the Redevelopment Plan and the adoption of tax increment financing with respect to
7 Redevelopment Project Area A and Redevelopment Project Area B, and in measuring the
8 reasonableness of the rate of return to be achieved by the Developer in implementing the
9 Redevelopment Plan with said adoption of tax increment financing, the City has
10 considered the amount of tax credits expected to be requested by the Developer pursuant
11 to the Distressed Areas Land Assemblage Tax Credit Act, Section 99.1205 of the Revised
12 Statutes of Missouri (2000), as amended.

13 **SECTION FOURTEEN.** After adoption of this Ordinance by the Board of
14 Aldermen, this Ordinance shall become effective on the 30th day after its approval by the
15 Mayor or adoption over his veto; *provided that* if, within ninety (90) days after the
16 effective date of an ordinance authorizing the City to enter into a redevelopment
17 agreement pertaining to the Redevelopment Project, the Developer or its affiliate or
18 designee, has not (i) executed such redevelopment agreement and (ii) paid all fees due to
19 the City in accordance with the terms of the redevelopment agreement, the provisions of
20 this Ordinance shall be deemed null and void and of no effect and all rights conferred by
21 this Ordinance on Developer, shall terminate, *provided further*, however, that prior to any
22 such termination the Developer may seek an extension of time in which to execute the

- 1 Redevelopment Agreement, which extension ~~is~~ granted in the sole discretion of the
- 2 Board of Estimate and Apportionment of the City of St. Louis.

EXHIBIT A

**NORTHSIDE REGENERATION TAX INCREMENT FINANCING (TIF)
REDEVELOPMENT PLAN**