

ORDINANCE #69389
Board Bill No. 280
Committee Substitute

AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI AS A REDEVELOPMENT AREA KNOWN AS THE ST. LOUIS INNOVATION DISTRICT REDEVELOPMENT AREA PURSUANT TO THE REAL PROPERTY TAX INCREMENT ALLOCATION REDEVELOPMENT ACT; ADOPTING AND APPROVING A REDEVELOPMENT PLAN; ADOPTING AND APPROVING REDEVELOPMENT PROJECTS FOR REDEVELOPMENT PROJECT AREA 1A(I) AND REDEVELOPMENT PROJECT AREA 1B, AS DESCRIBED IN THE REDEVELOPMENT PLAN; ADOPTING TAX INCREMENT FINANCING WITHIN REDEVELOPMENT PROJECT AREA 1A(I) AND REDEVELOPMENT PROJECT AREA 1B; MAKING FINDINGS WITH RESPECT THERETO; ESTABLISHING THE ST. LOUIS INNOVATION DISTRICT SPECIAL ALLOCATION FUND; AUTHORIZING CERTAIN ACTIONS BY CITY OFFICIALS; AND CONTAINING A SEVERABILITY CLAUSE.

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

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

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

WHEREAS, staff and consultants of the City and St. Louis Innovation District, LLC (the “Developer”), prepared a plan for redevelopment titled the “St. Louis Innovation District Tax Increment Financing (TIF) Redevelopment Plan” dated October 15, 2012, and revised as of December 4, 2012, and January 11, 2013 (the “Redevelopment Plan”) for an area consisting of City Blocks 3971.13, 3970, 3968.13, 4589, 3904, 3917, 3966.13, 3967.13, 3962, 3961, 4586, 3918.04, 3919.04, 3953, 3960 and 3959, which area is more fully described in the Redevelopment Plan, attached hereto and incorporated herein as **Exhibit A** (the “Redevelopment Area” or “Area”); and

WHEREAS, the Redevelopment Plan proposes to redevelop the Redevelopment Area through the rehabilitation and redevelopment of all or a portion of the Redevelopment Area into commercial, residential, retail, and related space, together with related improvements, as set forth in the Redevelopment Plan; and

WHEREAS, on October 30, 2012, and December 12, 2012, after all proper notice was given, the TIF Commission held a public hearing in conformance with the TIF Act and received comments from all interested persons and taxing districts relative to the Redevelopment Area, the Redevelopment Plan (as it existed on December 12, 2012, referred to herein as the “2012 Redevelopment Plan”), a redevelopment project for the portion of the Redevelopment Area described in the 2012 Redevelopment Plan as “RPA 1A” (the “2012 RPA 1A Redevelopment Project”), and a redevelopment project for the portion of the Redevelopment Area described in the 2012 Redevelopment Plan as “RPA 1B” (the “RPA 1B Redevelopment Project”); and

WHEREAS, on December 12, 2012, the TIF Commission found that implementation of the 2012 Redevelopment Plan, including the 2012 RPA 1A Redevelopment Project and the RPA 1B Redevelopment Project, would provide a substantial and significant public benefit through the elimination of blighting conditions, the creation of new jobs in the City, the strengthening of the employment and economic base of the City, increased property values and tax revenues, stabilization of the Redevelopment Area, and facilitation of the economic stability of the City as a whole, and further found that without the assistance of tax increment financing in accordance with the TIF Act, the 2012 RPA 1A Redevelopment Project and the RPA 1B Redevelopment Project are not financially feasible and would not otherwise be completed; and

WHEREAS, on December 12, 2012, the TIF Commission voted to recommend that the Board of Aldermen adopt an ordinance in the form required by the TIF Act (i) approving and designating the Redevelopment Area as a “redevelopment area” as provided in the TIF Act, (ii) approving the 2012 Redevelopment Plan, (iii) approving the 2012 RPA 1A Redevelopment Project and the RPA 1B Redevelopment Project, and (iv) adopting tax increment financing within RPA 1A and RPA 1B; and

WHEREAS, the Redevelopment Plan's January 11, 2013, revision divided RPA 1A into two redevelopment project areas known as "RPA 1A(I)" and "RPA 1A(II)" and correspondingly divided the 2012 RPA 1A Redevelopment Project into the "RPA 1A(I) Redevelopment Project" and the "RPA 1A(II) Redevelopment Project"; and

WHEREAS, notice of the January 11, 2013 revision to the Redevelopment Plan has been given in the manner required by the TIF Act; and

WHEREAS, on December 5, 2012, the City's Planning Commission amended the City's Comprehensive Plan and found that the Redevelopment Plan is consistent the Comprehensive Plan, as amended; and

WHEREAS, the Developer has demonstrated that the Redevelopment Area has not been subject to growth and development by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing and, therefore, redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan is not feasible and would not otherwise be completed; and

WHEREAS, the Board of Aldermen has received the recommendations of the TIF Commission regarding the Redevelopment Area, the Redevelopment Plan, the RPA 1A(I) Redevelopment Project and the RPA 1B Redevelopment Project and finds that it is desirable and in the best interests of the City to designate the Redevelopment Area as a "redevelopment area" as provided in the TIF Act, adopt the Redevelopment Plan, and approve the RPA 1A(I) Redevelopment Project and the RPA 1B Redevelopment Project in order to encourage and facilitate the redevelopment of the Redevelopment Area; and

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

WHEREAS, the property constituting the Redevelopment Area is underutilized, thus discouraging investment and encouraging crime and vagrancy, and the Redevelopment Area represents a social and economic liability to the City; and

WHEREAS, it is necessary and desirable and in the best interest of the City to approve the RPA 1A(I) Redevelopment Project and the RPA 1B Redevelopment Project to allow for the redevelopment of RPA 1A(I) and RPA 1B as described in the Redevelopment Plan; and

WHEREAS, it is necessary and desirable and in the best interest of the City to adopt tax increment allocation financing within RPA 1A(I) and RPA 1B and to establish a special allocation fund for RPA 1A(I) and RPA 1B in order to provide for the promotion of the general welfare through redevelopment of such areas in accordance with the Redevelopment Plan, which redevelopment includes, but is not limited to, enhancement of the tax base, promotion of health, safety, order, convenience, prosperity and general welfare, stimulation of employment opportunities, providing for a stabilized population and plan for the optimal growth of the City, encouragement of a sense of community identity, safety and civic pride, and the elimination of impediments to land disposition and development in the City.

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

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

A. The Redevelopment Area on the whole is a "blighted area", as defined in Section 99.805 of the TIF Act, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. This finding includes, the Redevelopment Plan sets forth, and the Board of Aldermen hereby finds and adopts by reference: (i) a detailed description of the factors that qualify the Redevelopment Area as a "blighted area"; and (ii) an affidavit, signed by the Developer and submitted with the Redevelopment Plan, attesting that the provisions of Section 99.810.1(1) of the TIF Act have been met, which description and affidavit are incorporated herein as if set forth herein.

B. The Redevelopment Plan conforms to the comprehensive plan for the development of the City as a whole as amended on December 5, 2012.

C. In accordance with the TIF Act, the Redevelopment Plan states the estimated dates of completion of the

redevelopment projects described therein, including, but not limited to the RPA 1A(I) Redevelopment Project and the RPA 1B Redevelopment Project, and retirement of the financial obligations issued to pay for certain redevelopment project costs and these dates are twenty three (23) years or less from the date of approval by Ordinance of each redevelopment project.

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

E. A cost-benefit analysis showing the economic impact of the Redevelopment Plan on each taxing district which is at least partially within the boundaries of the Redevelopment Area is on file with the St. Louis Development Corporation, which cost-benefit analysis shows the impact on the economy if the RPA 1A(I) Redevelopment Project and the RPA 1B Redevelopment Project are not built, and if the RPA 1A(I) Redevelopment Project and the RPA 1B Redevelopment Project are built pursuant to the Redevelopment Plan as well as a fiscal impact study on every affected political subdivision. The cost-benefit analysis also includes sufficient information for the TIF Commission to evaluate whether the RPA 1A(I) Redevelopment Project and the RPA 1B Redevelopment Project are financially feasible and the TIF Commission has found that the RPA 1A(I) Redevelopment Project and the RPA 1B Redevelopment Project are financially feasible.

F. Redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan is not financially feasible without the assistance of tax increment financing and would not otherwise be completed.

G. The Redevelopment Plan does not include the initial development or redevelopment of any “gambling establishment” as that term is defined in Section 99.805(6) of the TIF Act.

H. The Redevelopment Area includes only those parcels of real property and improvements thereon directly and substantially benefitted by the proposed redevelopment projects as set forth in the Redevelopment Plan within the redevelopment project areas delineated therein.

SECTION TWO. The Redevelopment Area described in the Redevelopment Plan is hereby designated as a “redevelopment area” as defined in Section 99.805(12) of the TIF Act.

SECTION THREE. The Redevelopment Plan as reviewed and recommended by the TIF Commission on December 12, 2012, including amendments thereto, if any, and the RPA 1A(I) Redevelopment Project and the RPA 1B Redevelopment Project, are hereby adopted and approved. A copy of the Redevelopment Plan is attached hereto as **Exhibit A** and incorporated herein by reference.

SECTION FOUR. There is hereby created and ordered to be established within the treasury of the City a separate fund to be known as the “St. Louis Innovation District Special Allocation Fund.” To the extent permitted by law and except as otherwise provided in the Redevelopment Plan, the City hereby pledges funds in the St. Louis Innovation District Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof.

SECTION FIVE. Tax increment allocation financing is hereby adopted within RPA 1A(I) and RPA 1B. After the total equalized assessed valuation of the taxable real property in either RPA 1A(I) or RPA 1B exceeds the certified total initial equalized assessed valuation of the taxable real property in the applicable redevelopment project area, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in the applicable redevelopment project area by taxing districts and tax rates determined in the manner provided in Section 99.855.2 of the TIF Act each year after the effective date of this Ordinance until redevelopment costs have been paid shall be divided as follows:

A. That portion of taxes, penalties and interest levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in each of RPA 1A(I) and RPA 1B shall be allocated to and, when collected, shall be paid by the City Collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing;

B. Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in RPA 1A(I) and RPA 1B, as applicable, and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the applicable redevelopment project area shall be allocated to and, when collected, shall be paid to the City Treasurer, who shall deposit such payments in lieu of taxes into the St. Louis Innovation District Special Allocation Fund or any subaccount thereof, for the purpose of paying redevelopment costs and obligations incurred in the payment thereof and for the purpose of making other payments as may be further specified in agreements to be

executed by the City in furtherance of the Redevelopment Plan. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the applicable redevelopment project area from which they are derived and shall be collected in the same manner as the real property tax, including the assessment of penalties and interest where applicable.

SECTION SIX. In addition to the payments in lieu of taxes described in Section Five of this Ordinance, fifty percent (50%) of the total additional revenue from taxes, penalties and interest which are imposed by the City or other taxing districts, and which are generated by economic activities within RPA 1A(I) and RPA 1B, as applicable, over the amount of such taxes generated by economic activities within RPA 1A(I) or RPA 1B, as applicable, in the calendar year prior to the adoption of the RPA 1A(I) Redevelopment Project and the RPA 1B Redevelopment Project by ordinance, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri (2000) as amended, taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri (2000) as amended, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon and any other taxes excluded from tax increment financing by Missouri law, shall be allocated to, and paid by the collecting officer to the City Treasurer or other designated financial officer of the City, who shall deposit such funds in a separate segregated account within the St. Louis Innovation District Special Allocation Fund and any subaccount thereof.

SECTION SEVEN. The Comptroller of the City is hereby authorized to enter into agreements or contracts with other taxing districts as are necessary to ensure the allocation and collection of the taxes and payments in lieu of taxes described in Sections Five and Six of this Ordinance and the deposit of the said taxes or payments in lieu of taxes into the St. Louis Innovation District Special Allocation Fund and any subaccounts thereof for the payment of redevelopment project costs and obligations incurred in the payment thereof, all in accordance with the TIF Act.

SECTION EIGHT. The City Register is hereby directed to submit a certified copy of this Ordinance to the City Assessor, who is directed to determine the total equalized assessed value of all taxable real property within RPA 1A(I) and RPA 1B as of the date of this Ordinance, by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract or parcel of real property within RPA 1A(I) and RPA 1B, as applicable, and shall certify such amount as the total initial equalized assessed value of the taxable real property within the RPA 1A(I) and RPA 1B, as measured separately.

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

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

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

SECTION TWELVE. After adoption of this Ordinance by the Board of Aldermen, this Ordinance shall become effective on the 30th day after its approval by the Mayor or adoption over his veto; provided that if, within ninety (90) days after the effective date of this Ordinance, the Developer has not executed the Redevelopment Agreement and paid all fees due to the City in accordance with the terms of said Redevelopment Agreement, the provisions of this Ordinance shall be deemed null and void and of no effect and all rights conferred by this Ordinance on Developer shall terminate; provided further, however, that prior to any such termination the Developer may seek an extension of time in which to execute said Redevelopment Agreement, which extension may be granted in the sole discretion of the Board of Estimate and Apportionment of the City of St. Louis.

EXHIBIT A
St. Louis Innovation District TIF REDEVELOPMENT PLAN
[Attached hereto]

(Plans for Board Bill No. 280 (Committee Substitute) - Is on file in the Register's Office.)

Approved: February 12, 2013