

1 **BOARD BILL NO. 226AA INTRODUCED BY ALDERWOMAN CHRISTINE INGRASSIA**
2 **AND ALDERMAN JACK COATAR**

3 An Ordinance relating to the proceeds from an increase of one half of one percent in the rate of
4 the local use tax levied by the City of St. Louis pursuant to Ordinance No. 65609, which increase
5 corresponds to a proposed one half of one percent local sales tax for economic development
6 purposes; calling and providing for the holding of an election in the City of St. Louis on April 4,
7 2017, for the purpose of submitting to the qualified voters of the City of St. Louis a proposal to
8 use the proceeds of such one half of one percent increase in the local use tax levied by the City of
9 St. Louis for the purpose of providing funding for minority job training and business
10 development programs and a multipurpose stadium for soccer, local amateur sports, concerts,
11 and community events; directing the Comptroller to collect the proceeds of such one half of one
12 percent increase in the local use tax levied by the City of St. Louis from the State of Missouri to
13 be held separate and apart from all other proceeds of the local use tax levied by the City of St.
14 Louis; authorizing and directing that the proceeds of such one half of one percent increase in the
15 local use tax levied by the City of St. Louis be used for the purpose of providing funding for
16 minority job training and business development programs and a multipurpose stadium for soccer,
17 local amateur sports, concerts, and community events subject to voter approval of such purposes;
18 containing a severability clause; and containing an emergency clause.

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

22 WHEREAS, pursuant to Section 144.757 RSMo. and City Ordinance No. 65609, the City
23 levies a local use tax at a rate equal to the current rate of the local sales tax levied by the City,

1 which use tax is the equivalent of a sales tax on purchases from out-of-state sellers by in-state
2 buyers and on certain taxable business transactions for which a sales tax is not levied so that no
3 taxpayer is subject to a sales tax and a use tax on the same transaction; and

4 WHEREAS, on _____, 2017, pursuant to Section 67.1305 of the laws of the State of
5 Missouri, the Board of Aldermen of the City passed Ordinance No. _____, [Board Bill No. ____]
6 providing for the submission to the qualified voters of the City of a proposition to impose a new
7 one half of one percent sales tax on all retail sales made in the City which are subject to taxation
8 under Chapter 144 RSMo. for economic development purposes (the “Economic Development
9 Sales Tax”); and

10 WHEREAS, upon approval of the Economic Development Sales Tax proposition by the
11 qualified voters of the City and the City’s levy of the Economic Development Sales Tax, the rate
12 of the local use tax levied by the City under Ordinance No. 65609 will increase by a
13 corresponding one half of one percent without the need for any further action or voter approval;
14 and

15 WHEREAS, the City of St. Louis is committed to working in partnership with labor,
16 businesses, and the community to create a skilled workforce that reflects the diversity of the
17 population of City; and a well-trained, diverse workforce is critical to the economic and social
18 vitality of the City and the region; and statistical data and other evidence shows that minorities
19 and women are under-represented in the skilled workforce of the construction industry, including
20 the “City of St. Louis Disparity Study” and the “City of St. Louis Workforce Study” completed
21 in 2015 by Mason Tillman Associates, Ltd., for the City of St. Louis and the St. Louis
22 Development Corp., which identified numerous and specific deficiencies and disparities; and

1 WHEREAS, such under-representation is due to past discriminatory barriers and that
2 minority job training and business development programs are needed to rectify such under-
3 representation; and funding from any increased proceeds from the City’s use tax can provide
4 training and job opportunities as a means to increase the skills and diversity of the City
5 workforce; and

6 WHEREAS, construction of a multipurpose stadium for soccer, local amateur sports,
7 concerts, and community events is contingent on an MLS commitment to bring a professional
8 soccer team to the City, attracting visitors from throughout the region to the City, and
9 significantly benefiting the City by: (a) increasing state and local tax revenues through the
10 creation of new jobs; (b) increasing state and local tax revenues through increased sales; (c)
11 increasing state and local tax through increased taxes withheld or paid by employers; (d)
12 increasing sports activity, recreational entertainment, convention and tourism activities within
13 the City; and (e) causing redevelopment of an areas within the City in need of redevelopment and
14 creating an environment to stimulate additional private investment in and near the areas in which
15 the stadium will be located; and

16 WHEREAS construction of such a multipurpose stadium will, in addition to other major
17 projects such as the new National Geospatial-Intelligence Agency headquarters, MetroLink
18 expansion, Choice Neighborhood development, Ballpark Village expansion, Union Station
19 renovation and other projects, create several hundred jobs and provide opportunities for City
20 residents to build a career in the construction trades and for the City to put into action minority
21 job training and business development programs also funded by the proceeds of an increased use
22 tax; and

1 WHEREAS, the site of the proposed multipurpose stadium is within one and a half miles
2 of other civic amenities such as Union Station, Ballpark Village, Scottrade Center, Busch
3 Stadium and the Arch Grounds, providing the City an unprecedented opportunity to form a
4 “corridor” of attractions with the potential of driving significant economic activity for the City;
5 and

6 WHEREAS, pursuant to the foregoing, it is desirable and in the public interest that the
7 proposition of whether the proceeds of such one half of one percent increase in the local use tax
8 levied by the City should be used for the purpose of providing funding for minority job training
9 and business development programs and a multipurpose stadium for soccer, local amateur sports,
10 concerts, and community events be submitted to the qualified voters of the City at an election;
11 and

12 WHEREAS, it is desirable and in the public interest to authorize and direct that, upon the
13 passage of the Economic Development Sales Tax proposition by the qualified voters of the City
14 and levy of the Economic Development Sales Tax by the City, the proceeds from the
15 corresponding one half of one percent increase in the rate of the local use tax levied by the City
16 be used for the purpose of providing funding for minority job training and business development
17 programs and a multipurpose stadium for soccer, local amateur sports, concerts, and community
18 events, subject to approval of such funding by the qualified voters of the City as provided herein.

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

20 **SECTION ONE.** The Board of Aldermen hereby adopts the foregoing recitals as
21 findings.

22 **SECTION TWO.** In accordance with Section 144.757 RSMo. and Ordinance No.
23 65609, upon the passage of the Economic Development Sales Tax proposition by the qualified

1 voters of the City and levy of the Economic Development Sales Tax by the City, the rate of the
2 local use tax levied by the City shall increase by one half of one percent.

3 **SECTION THREE.** An election shall be held and the same is hereby called and ordered
4 to be held in the City of St. Louis, Missouri on the 4th day of April, 2017, at which there shall be
5 submitted to the qualified voters of the City the proposition as hereinafter set forth. The
6 proposition shall read substantially in words and figures as follows:

7 Shall the use tax paid by businesses on out-of-state purchases and derived from the one
8 half of one percent increased use tax, which corresponds to approval and levy of an Economic
9 Development Sales Tax in the City of St. Louis, be used for the purposes of minority job training
10 and business development programs, and a portion of construction costs, but not construction
11 cost overruns, of a multipurpose stadium for soccer, local amateur sports, concerts and
12 community events? A use tax is the equivalent of a sales tax on purchases from out-of-state
13 sellers by in-state buyers and on certain taxable business transactions for which a sales tax is not
14 levied. No taxpayer is subject to a sales tax and a use tax on the same transaction. The City shall
15 be required to make available to the public an audited comprehensive financial report detailing
16 the management and use of the portion of the funds each year.

17 **SECTION FOUR.** The foregoing proposition shall be submitted to qualified voters in
18 the City at an election in said City to be held on Tuesday, April 4, 2017. If the proposition shall
19 receive in its favor the votes of a majority of the qualified voters voting thereon, the use tax as
20 set forth within said proposition shall be used exclusively for the purpose of funding minority job
21 training and business development programs and a multipurpose stadium for soccer, local
22 amateur sports, concerts, and community events. The qualified voters may, at such election, vote
23 a ballot substantially in the following form:

1 **OFFICIAL BALLOT**

2 Instructions to voters:

3 To vote in favor of the proposition submitted upon this ballot, place a cross (X) mark in
4 the square opposite the word "YES"; and, to vote against the said proposition, place a cross (X)
5 mark in the square opposite the word "NO".

6 **PROPOSITION ____**

7 Shall the use tax paid by businesses on out-of-state purchases and derived from
8 the one half of one percent increased use tax, which corresponds to approval and levy of an
9 Economic Development Sales Tax in the City of St. Louis, be used for the purposes of minority
10 job training and business development programs, and a portion of construction costs, but not
11 construction cost overruns, of a multipurpose stadium for soccer, local amateur sports, concerts
12 and community events? A use tax is the equivalent of a sales tax on purchases from out-of-state
13 sellers by in-state buyers and on certain taxable business transactions for which a sales tax is not
14 levied. No taxpayer is subject to a sales tax and a use tax on the same transaction. The City shall
15 be required to make available to the public an audited comprehensive financial report detailing
16 the management and use of the portion of the funds each year.

17 YES

18 NO

19 **SECTION FIVE.** Notice of the election on such proposition shall be published and
20 said election shall be conducted in the manner provided by law.

21 **SECTION SIX.** The Board of Election Commissioners for the City of St. Louis,
22 Missouri shall provide notice of such election, shall provide the ballots or voting machines, or

1 both, shall conduct the election, and shall certify the results of said election, according to the
2 laws regulating such elections.

3 **SECTION SEVEN.** Immediately upon the passage and approval of this ordinance, the
4 Clerk of the Board of Aldermen shall certify a copy thereof to the Board of Election
5 Commissioners for the City of St. Louis, Missouri for action and proceedings by said Board in
6 accordance herewith and as required by law.

7 **SECTION EIGHT.** Subject to approval by the qualified voters of the City of the
8 proposition set forth herein, the Comptroller shall receive and collect all City use taxes
9 distributed by the Missouri Collector of Revenue under Section 144.759 RSMo. and shall deposit
10 and maintain the amount of such taxes derived from the one half of one percent increased use tax
11 described by this Ordinance and corresponding to approval and levy of the Economic
12 Development Sales Tax separate and apart from all other City use taxes received by the
13 Comptroller, and, subject to voter approval as provided herein, the Board of Aldermen hereby
14 authorize and direct that such use taxes so received by the Comptroller shall be used for the
15 purpose of providing funding for minority job training and business development programs and a
16 multipurpose stadium for soccer, local amateur sports, concerts, and community events.
17 Notwithstanding anything to the contrary, the issuance of any bonds issued by the City or any
18 City agency secured by future revenues from the increased use tax described by this Ordinance
19 and intended to pay construction costs for such multipurpose stadium, and the performance of
20 the City under any related financing agreement, shall be expressly contingent upon (a) the State
21 of Missouri participating in the funding for such multipurpose stadium by committing to have the
22 Missouri Highways and Transportation Commission (1) lease or otherwise transfer land for such
23 multipurpose stadium to the City, and (2) fund certain site clearing and infrastructure work as

1 may be necessary to prepare the site of such multipurpose stadium for construction, (b)
2 imposition of the City’s Entertainment License Tax for the Project during the Agreement Term at
3 a tax rate of two and one half percent (2 1/2 %) and (c) commitment of one-half (1/2) of the
4 available economic activity taxes generated at the Project Site in the special allocation fund of
5 the Northside Regeneration Tax Increment Financing Redevelopment Area.

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

15 **SECTION TEN.** The Board of Aldermen hereby finds and determines that this
16 Ordinance constitutes an “emergency measure” pursuant to Article IV, Section 20 of the City
17 Charter, because this Ordinance calls and provides for an election and vote by the people, and as
18 such, this Ordinance shall take effect immediately upon its approval by the Mayor as provided in
19 Article IV, Section 20 of the City Charter.