

ORDINANCE #67350
Board Bill No. 271

An ordinance authorizing the Mayor, on behalf of the City of St. Louis (the "City"), to take all steps reasonably necessary to apply to the State of Missouri for designation of an Enhanced Enterprise Zone ("EEZ") under the provisions of Sections 135.950 through 135.973, inclusive, R.S.Mo. (2000), as amended, (the "Statute") for a certain area of the City, said area being further described in attached Exhibit A (the "EEZ Area") and providing for the exemption from, or abatement of, general ad valorem taxes with respect to certain improvements on real property in the EEZ Area; finding that the EEZ Area of the City, by reason of pervasive poverty, unemployment and general distress, is a blighted area unlikely to support reasonable tax assessment or to experience reasonable economic growth without the tax incentives provided in the Statute; and finding that the EEZ Area is in need of enhanced enterprise zone designation; and

WHEREAS, there exists in the City of St. Louis an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvement, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use; and

WHEREAS, in accordance with the Statute of the Board of Aldermen of the City ("this Board") on November 15, 2006 duly held a public hearing on a proposal to seek the enterprise zone designation for the EEZ Area; and

WHEREAS, this Board has determined that it is in the public interest that the EEZ Area, be so designated to encourage investment in said EEZ Area through the tax incentives provided in the Statute; and

WHEREAS, this Board has further determined that it is in the public interest that certain improvements made in the EEZ Area be exempt, in whole or in part, from general ad valorem taxes to encourage investment in the Areas.

NOW, THEREFORE, be it ordained by the City of St. Louis as follows;

SECTION ONE. It is hereby found that the area of the City of St. Louis (the "City") described in Exhibit A attached hereto and incorporated herein by reference (the "EEZ Area"), is a blighted area by reason of pervasive poverty, unemployment and general distress and is unlikely to be able to support reasonable tax assessment or to experience reasonable economic growth without the tax incentive provided in Section 135.950 through 135.973 of the Statute.

SECTION TWO. It is hereby found that the EEZ Area has, according to the last decennial census, at least sixty percent of its residents with income below ninety percent of the median income of all residents within the City.

SECTION THREE. It is hereby found that the resident population of the EEZ Area is at least five hundred but not more than one hundred thousand according to the last decennial census.

SECTION FOUR. It is hereby found that the level of unemployment of persons, according to the most recent data available from the United States Bureau of Census within the EEZ Area is equal to or exceeds the average rate of unemployment for the State or the City over the previous twelve months.

SECTION FIVE. It is hereby found that the City has the potential to create sustainable jobs in Enhanced Enterprise Zone ("EEZ") eligible industries and to demonstrate impact on local industry cluster development.

SECTION SIX. The duly constituted Enhanced Enterprise Zone Board ("EEZ Board") has met and by Resolution No. 06-EEZB-01 recommended on September 26, 2006 approval by this Board of the EEZ Area.

SECTION SEVEN. This Board held a public hearing on November 15, 2006 for the purpose of obtaining the opinion and suggestions of those persons who will be affected by such designation, after properly notifying the Missouri Director of Economic Development and publishing notice of such hearing as required by Section 135.960 R.S.Mo.

SECTION EIGHT. The Mayor, on behalf of the City, is hereby authorized to file a petition with the Missouri Department of Economic Development ("Department") requesting the designation of the EEZ Area, said petition to include all information outlined in Section 135.960 R.S.Mo.

SECTION NINE. Improvements made to real property as such term is defined in Section 137.010 R.S.Mo., which are made in the EEZ Area subsequent to the date this EEZ Area is designated, may, upon approval of an authorizing resolution by this Board, pursuant to Section 135.963, be exempt in whole or in part from assessment and payment of ad valorem taxes for a period of ten (10) years, after proper notice of a public hearing as required by Section 135.963.3 R.S.Mo. and subject to all other provisions of Section 135.963.

SECTION TEN. All design plans for improvements to be made to real property in the EEZ Area whose owner is seeking real estate tax abatement pursuant to Section 135.963 R.S.Mo. shall be reviewed and approved by the EEZ Board, or its authorized designee. In addition to design plans, the EEZ Board may require such other information from the applicant (including, without limitation the number of new and retained employees, amount of expected revenue, cost of anticipated improvements and type of proposed business operation) as it deems necessary or appropriate in order to determine if and to what extent such tax abatement should be granted for the improvement. Upon EEZ Boards' review of the design plans and other submitted information regarding the improvements, the EEZ Board shall prepare a recommendation to the Board regarding the extent to which tax abatement should be granted for these improvements.

SECTION ELEVEN. Upon the completion of the improvements, the owner of such improvements shall request EEZ Board or its designee, to issue a Certificate of Completion. EEZ Board or its designee, shall inspect the improvements to determine whether they are consistent with the approved plans, and, to the extent applicable, to determine whether they conform with the terms and conditions contained in the final resolution of this Board pertaining to such improvements, if any. Upon finding that the improvements conform with the terms and conditions of the final resolution of this Board pertaining to such subsequent improvements, if any, the EEZ Board, or its designee shall issue a Certificate of Completion to the applicant and to the Assessor of the City of St. Louis, who shall implement tax abatement with respect to such improvements as provided in this Ordinance and the resolution of this Board pertaining to such improvements.

Tax abatement shall be instituted for the calendar year immediately following the calendar year in which a Certificate of Completion is issued with respect to the improvements and delivered by EEZ Board, or its designee, to the applicant and the Assessor of the City of St. Louis. Notwithstanding any provision in this Section Nine above to the contrary, retroactive tax abatement shall not be granted to any applicant which delays in the application for such abatement pursuant to this Ordinance for more than one year beyond the date upon which its improvements are completed. In the event application for abatement is so delayed by the applicant, any tax abatement available pursuant to this Ordinance shall, upon application and in accordance with this Ordinance, be instituted for the calendar year immediately following the calendar year in which EEZ Board issues the Certificate of Completion.

When any real property with the EEZ Area which has been granted tax abatement pursuant to this Ordinance changes ownership, the tax abatement shall continue in full force and effect for any improvements made by the previous owner so long as the property continues to be used in accordance with this Ordinance and provided said property shall be used for enhanced business enterprises.

Notwithstanding anything to the contrary contained herein, the tax abatement provided herein shall not extend beyond a period of ten(10) years with respect to any real property.

SECTION TWELVE. In order to implement and facilitate the effectuation of the EEZ Area hereby approved it is found and determined that certain official actions must be taken by this Board and accordingly this Board hereby:

- (a) Pledges its cooperation in helping to carry out the EEZ.
- (b) Requests the various officials, departments, boards and agencies of the City, which have administrative responsibilities, likewise to cooperate to such end and to execute their respective functions and powers in a manner consistent with the EEA Area; and
- (c) Stands ready to consider and take appropriate action upon proposals and measures designed to effectuate the EEZ.

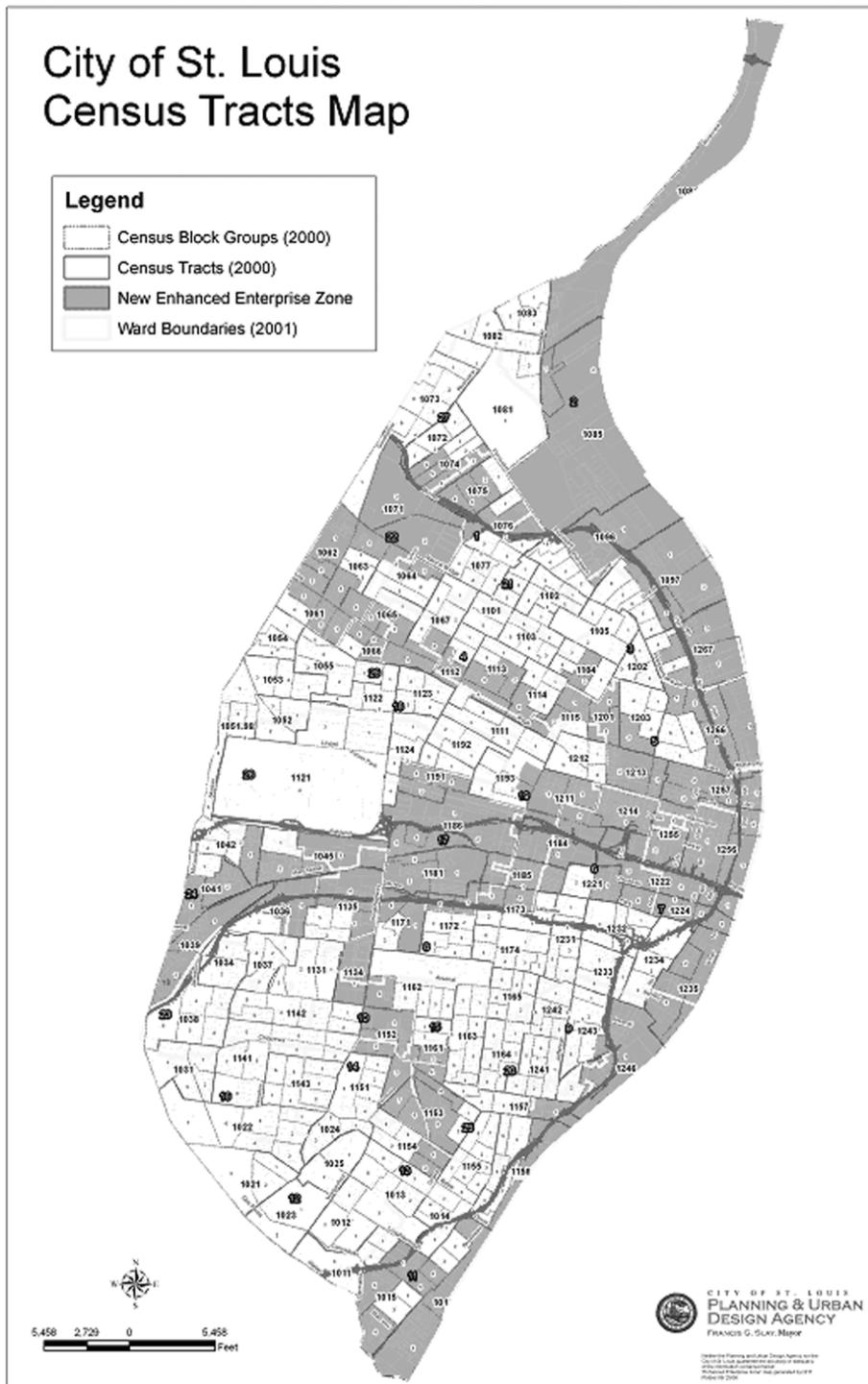
SECTION THIRTEEN. All parties pursuing real estate tax abatement pursuant to the EEZ shall agree for themselves and their heirs, successors and assigns that they shall not discriminate on the basis of race, color, creed, national origin, sex, marital status, age, sexual orientation or physical handicap in the sale, lease, or rental of any property or improvements erected or to be in the EEZ Area or any part thereof and those covenants shall run with land, shall remain in effect without limitation of time, shall be made part of every contract for sale, lease, or rental of property to which Redeveloper is a party, and shall be enforceable by the EEZ Board, the City and the United State of America.

SECTION FOURTEEN. In all contracts with private and public parties for improvements in any portion of the EEZ Area, all parties pursuing EEZ real estate tax abatement and its successor in interest and assigns shall agree:

- (a) To use the property in accordance with the provisions of the Amended Plan, and be bound by the conditions and procedures set forth therein and in this Ordinance;
- (b) That in undertaking construction by parties pursuing EEZ real estate tax abatement, bona fide Minority Business Enterprise (“MBE’s”) and Women Business Enterprise (“WBE’s”) will be solicited and fairly considered for contracts, subcontracts and purchase orders;
- (c) To be bound by the conditions and procedures regarding the utilization of MBE’s and WBE’s established by the City;
- (d) To adhere to the requirements of the Executive Order of the Mayor of the City, dated July 24, 1997 as amended and extended.
- (e) To comply with the requirements of Ordinance No. 60275 of the City;
- (f) To cooperate with those programs and methods supplied by the City with the purpose of accomplishing, pursuant to this paragraph, minority and women subcontractors and material supplier participation in construction projects receiving EEZ real estate tax abatement and to report semi-annually during the construction period the results of its endeavors under this paragraph, to the Contracts Administration Manager of the City and the President of this Board; and
- (g) That the language of this Section Fourteen shall be included in its general construction contract and other construction contracts let directly parties pursuing EEZ real estate tax abatement.

The term MBE shall mean a sole proprietorship, partnership, corporation, profit or non-profit organization owned, operated and controlled by minority group members who have at least fifty-one percent (51%) ownership. The minority group member(s) must have operational and management control and interest in capital and earnings commensurate with their percentage of ownership. The term Minority Group Member(s) shall mean persons legally residing in the United States who are Black, Hispanic, Native American (American Indian, Eskimo, Aleut or Native Hawaiian), Asian Pacific American (persons with origins from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, U.S. Trust Territory of the Pacific Islands, Laos, Cambodia or Taiwan) or Asian Indian American (persons with origins from India, Pakistan or Bangladesh). The term WBE shall mean a sole proprietorship, partnership, corporation, profit or non-profit organization owned, operated and controlled by a woman or women who have at least fifty-one percent (51%) ownership. The woman or women must have operational and managerial control and interest in capital and earnings commensurate with their percentage of ownership.

SECTION FIFTEEN. The sections of this Ordinance shall be severable. In the event that any section of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining sections of this Ordinance are valid, unless the court finds the valid sections of the Ordinance are so essential and inseparably connected with and dependent upon the void section that it cannot be presumed that this Board would have enacted the valid sections without the void ones, or unless the court finds that the valid sections standing alone are incomplete and are incapable of being executed in accordance with the legislative intent.



Approved: December 11, 2006