

1 **BOARD BILL # 378** **INTRODUCED BY ALDERWOMAN PHYLLIS YOUNG**

2 AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST.  
3 LOUIS, MISSOURI AS A REDEVELOPMENT AREA KNOWN AS THE SKY  
4 WHEEL ST. LOUIS REDEVELOPMENT AREA PURSUANT TO THE REAL  
5 PROPERTY TAX INCREMENT ALLOCATION REDEVELOPMENT ACT;  
6 APPROVING A REDEVELOPMENT PLAN AND A REDEVELOPMENT PROJECT  
7 WITH RESPECT THERETO; ADOPTING TAX INCREMENT FINANCING WITHIN  
8 THE REDEVELOPMENT AREA; MAKING FINDINGS WITH RESPECT THERETO;  
9 ESTABLISHING THE SKY WHEEL ST. LOUIS SPECIAL ALLOCATION FUND;  
10 AUTHORIZING CERTAIN ACTIONS BY CITY OFFICIALS; AND CONTAINING A  
11 SEVERABILITY CLAUSE.

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

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

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

1           **WHEREAS**, staff and consultants of the City and Sky Wheel St. Louis, LLC, a  
2 Missouri limited liability company (the “Developer”), prepared a plan for redevelopment  
3 titled the “Sky Wheel St. Louis TIF Redevelopment Plan” dated September 23, 2008, as  
4 amended on December 3, 2008 (the “Redevelopment Plan”), for two (2) parcels of land  
5 consisting of City Block 16 located on Laclede’s Landing which is bounded by Laclede’s  
6 Landing Boulevard on the north, Lenore K. Sullivan on the east, Morgan Street on the  
7 south, and Commercial Street on the west, (the “Redevelopment Area” or “Area”), which  
8 Redevelopment Area is more fully described in the Redevelopment Plan, attached hereto  
9 and incorporated herein as **Exhibit A**; and

10           **WHEREAS**, the Redevelopment Plan proposes to redevelop the Redevelopment  
11 Area by the development of the land in the Redevelopment Area into a commercial use  
12 with a ferris wheel, as set forth in the Redevelopment Plan (the “Redevelopment Project,”  
13 or “TIF Project”); as more particularly described in Exhibit 4 within the Redevelopment  
14 Plan, and

15           **WHEREAS**, on December 10, 2008, after all proper notice was given, the TIF  
16 Commission held a public hearing in conformance with the TIF Act and received  
17 comments from all interested persons and taxing districts relative to the Redevelopment  
18 Area, the Redevelopment Plan, and the Redevelopment Project; and

19           **WHEREAS**, on December 10, 2008, the TIF Commission found that completion  
20 of the Redevelopment Project would provide a substantial and significant public benefit  
21 through the elimination of blighting conditions, the creation of new jobs in the City,  
22 increased property values and tax revenues, stabilization of the Redevelopment Area,  
23 facilitation of the economic stability of the City as a whole, and further found that

1 without the assistance of tax increment financing in accordance with the TIF Act, the  
2 Redevelopment Project is not financially feasible and would not otherwise be completed;  
3 and

4 **WHEREAS**, on December 10, 2008, the TIF Commission voted to recommend  
5 that the Board of Aldermen adopt an ordinance in the form required by the Act (i)  
6 adopting tax increment financing within the Redevelopment Area, (ii) approving the  
7 Redevelopment Plan, (iii) approving and designating the Redevelopment Area as a  
8 “redevelopment area” as provided in the Act, (iv) approving the Redevelopment Project  
9 as described within the Redevelopment Plan, and (v) approving the issuance of one or  
10 more tax increment financing revenue notes in the amount as specified in the  
11 Redevelopment Plan; and

12 **WHEREAS**, the Developer has demonstrated that the Redevelopment Project  
13 would not reasonably be anticipated to be developed without the adoption of tax  
14 increment financing and, therefore, redevelopment of the Redevelopment Area in  
15 accordance with the Redevelopment Plan is not feasible and would not otherwise be  
16 completed; and

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

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

4           **WHEREAS**, the property constituting the Redevelopment Area is underutilized  
5 and vacant, thus discouraging investment and encouraging crime and vagrancy, and the  
6 Redevelopment Area represents a social and economic liability to the City, and

7           **WHEREAS**, it is necessary and desirable and in the best interest of the City to  
8 approve the Redevelopment Project to allow the rehabilitation of the building in the  
9 Redevelopment Area into commercial and residential space; and

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

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

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

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

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

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

18           D.     A plan has been developed for relocation assistance for businesses and  
19 residences as set forth in Ordinance No. 62481 adopted December 20, 1991.

20           E.     A cost-benefit analysis showing the economic impact of the  
21 Redevelopment Plan on each taxing district which is at least partially within the  
22 boundaries of the Redevelopment Area is on file with the St. Louis Development  
23 Corporation, which cost-benefit analysis shows the impact on the economy if the

1 Redevelopment Project is not built, and if the Redevelopment Project is built pursuant to  
2 the Redevelopment Plan as well as a fiscal impact study on every affected political  
3 subdivision and sufficient information for the TIF Commission to evaluate whether the  
4 Redevelopment Project is financially feasible.

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

8 G. The Redevelopment Plan does not include the initial development or  
9 redevelopment of any “gambling establishment” as that term is defined in Section  
10 99.805(6) of the TIF Act.

11 H. The Redevelopment Area includes only those parcels of real property and  
12 improvements thereon directly and substantially benefited by the proposed  
13 Redevelopment Project.

14 **SECTION TWO.** The Redevelopment Area described in the Redevelopment  
15 Plan is hereby designated as a “redevelopment area” as defined in Section 99.805(11) of  
16 the TIF Act.

17 **SECTION THREE.** The Redevelopment Plan as reviewed and recommended  
18 by the TIF Commission on December 10, 2008, including amendments thereto, if any,  
19 and the Redevelopment Project described in the Redevelopment Plan are hereby adopted  
20 and approved. A copy of the Redevelopment Plan is attached hereto as **Exhibit A** and  
21 incorporated herein by reference.

22 **SECTION FOUR.** There is hereby created and ordered to be established within  
23 the treasury of the City a separate fund to be known as the “Sky Wheel St. Louis Special

1 Allocation Fund.” To the extent permitted by law and except as otherwise provided in  
2 the Redevelopment Plan, the City hereby pledges funds in the Sky Wheel St. Louis  
3 Special Allocation Fund for the payment of redevelopment project costs and obligations  
4 incurred in the payment thereof.

5 **SECTION FIVE.** Tax increment allocation financing is hereby adopted within  
6 the Redevelopment Area. After the total equalized assessed valuation of the taxable real  
7 property in the Redevelopment Area exceeds the certified total initial equalized assessed  
8 valuation of the taxable real property in the Redevelopment Area, the ad valorem taxes,  
9 and payments in lieu of taxes, if any, arising from the levies upon taxable real property in  
10 the Redevelopment Area by taxing districts and tax rates determined in the manner  
11 provided in Section 99.855.2 of the TIF Act each year after the effective date of this  
12 Ordinance until the Redevelopment Project Costs have been paid or until the Developer’s  
13 first mortgage debt is retired (2016), whichever is earlier, at which time tax increment  
14 allocation financing within the Redevelopment Area shall cease, shall be divided as  
15 follows:

16 A. That portion of taxes, penalties and interest levied upon each taxable lot,  
17 block, tract, or parcel of real property which is attributable to the initial equalized  
18 assessed value of each such taxable lot, block, tract, or parcel of real property in the area  
19 selected for the Redevelopment Project shall be allocated to and, when collected, shall be  
20 paid by the City Collector to the respective affected taxing districts in the manner  
21 required by law in the absence of the adoption of tax increment allocation financing;

22 B. Payments in lieu of taxes attributable to the increase in the current  
23 equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in

1 the area selected for the Redevelopment Project and any applicable penalty and interest  
2 over and above the initial equalized assessed value of each such unit of property in the  
3 area selected for the Redevelopment Project shall be allocated to and, when collected,  
4 shall be paid to the City Treasurer, who shall deposit such payments in lieu of taxes into  
5 the Sky Wheel St. Louis Special Allocation Fund for the purpose of paying  
6 redevelopment costs and obligations incurred in the payment thereof. Payments in lieu of  
7 taxes which are due and owing shall constitute a lien against the real estate of the  
8 Redevelopment Project from which they are derived and shall be collected in the same  
9 manner as the real property tax, including the assessment of penalties and interest where  
10 applicable.

11 **SECTION SIX.** In addition to the payments in lieu of taxes described in Section  
12 Five of this Ordinance, fifty percent (50%) of the total additional revenue from taxes,  
13 penalties and interest which are imposed by the City or other taxing districts, and which  
14 are generated by economic activities within the area of the Redevelopment Project over  
15 the amount of such taxes generated by economic activities within the area of the  
16 Redevelopment Project in the calendar year prior to the adoption of the Redevelopment  
17 Project by ordinance, while tax increment financing remains in effect, but excluding  
18 personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by  
19 transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the  
20 Revised Statutes of Missouri (2000) as amended, or taxes levied for the purpose of public  
21 transportation pursuant to Section 94.660 of the Revised Statutes of Missouri (2000) as  
22 amended, licenses, fees or special assessments other than payments in lieu of taxes and  
23 penalties and interest thereon, shall be allocated to, and paid by the collecting officer to

1 the City Treasurer or other designated financial officer of the City, who shall deposit such  
2 funds in a separate segregated account within the Sky Wheel St. Louis Special Allocation  
3 Fund. Notwithstanding the foregoing, the additional revenue subject to this **Section Six**  
4 shall be limited only to revenues generated by the operations of the Redevelopment  
5 Project.

6 **SECTION SEVEN.** The Comptroller of the City is hereby authorized to enter  
7 into agreements or contracts with other taxing districts as is necessary to ensure the  
8 allocation and collection of the taxes and payments in lieu of taxes described in Sections  
9 Five and Six of this Ordinance and the deposit of the said taxes or payments in lieu of  
10 taxes into the Sky Wheel St. Louis Special Allocation Fund for the payment of  
11 redevelopment project costs and obligations incurred in the payment thereof, all in  
12 accordance with the TIF Act.

13 **SECTION EIGHT.** The City Register is hereby directed to submit a certified  
14 copy of this Ordinance to the City Assessor, who is directed to determine the total  
15 equalized assessed value of all taxable real property within the Redevelopment Area as of  
16 the date of this Ordinance, by adding together the most recently ascertained equalized  
17 assessed value of each taxable lot, block, tract or parcel of real property within the  
18 Redevelopment Area, and shall certify such amount as the total initial equalized assessed  
19 value of the taxable real property within the Redevelopment Area.

20 **SECTION NINE.** The Mayor and Comptroller of the City or their designated  
21 representatives are hereby authorized and directed to take any and all actions as may be  
22 necessary and appropriate in order to carry out the matters herein authorized, with no

1 such further action of the Board of Aldermen necessary to authorize such action by the  
2 Mayor and the Comptroller or their designated representatives.

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

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

21           **SECTION TWELVE.** After adoption of this Ordinance by the Board of  
22 Aldermen, this Ordinance shall become effective on the 30th day after its approval by the  
23 Mayor or adoption over his veto; *provided that* if, within ninety (90) days after the

1 effective date of an ordinance authorizing the City to enter into a redevelopment  
2 agreement pertaining to the Redevelopment Project, the Developer or its affiliate or  
3 designee, has not (i) executed such redevelopment agreement and (ii) paid all fees due to  
4 the City in accordance with the terms of the redevelopment agreement, the provisions of  
5 this Ordinance shall be deemed null and void and of no effect and all rights conferred by  
6 this Ordinance on Developer, shall terminate, *provided further*, however, that prior to any  
7 such termination the Developer may seek an extension of time in which to execute the  
8 Redevelopment Agreement, which extension may be granted in the sole discretion of the  
9 Board of Estimate and Apportionment of the City of St. Louis.

**EXHIBIT A**

**SKY WHEEL ST. LOUIS TIF REDEVELOPMENT PLAN**

January 16, 2009

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Board Bill # 378 Sponsor: Alderwoman Young