BOARD BILL #219 **INTRODUCED BY ALDERWOMAN GRIFFIN, ALDERMAN BOSLEY, ALDERWOMAN TRIPLETT, ALDERWOMAN YOUNG AND ALDERWOMAN DAVIS**

An Ordinance designating a portion of the City of St. Louis, Missouri as a redevelopment area known as the NorthSide Regeneration Redevelopment Area pursuant to the Real Property Tax Increment Allocation Redevelopment Act; approving a redevelopment plan and Redevelopment Project Area A and Redevelopment Project Area B with respect thereto; adopting tax increment financing within Redevelopment Project Area A and Redevelopment Project Area B; making findings with respect thereto; establishing the Northside Regeneration 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 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 (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, Northside Regeneration, LLC, a Missouri limited liability company, (the "Developer"), prepared a plan for redevelopment titled the "NorthSide Regeneration Tax Increment Financing (TIF) Redevelopment Plan" dated September 8, 2009, as amended September 16, 2009 (the "Redevelopment Plan"), for the area described in the Redevelopment Plan, attached hereto and incorporated herein as **Exhibit A**; and

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

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

WHEREAS, on September 23, 2009, the TIF Commission found that completion of the Redevelopment Project would provide a substantial and significant public benefit through the elimination of blight, 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, 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 Redevelopment Project is not financially feasible and would not otherwise be completed; and

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

WHEREAS, the Developer has demonstrated that the Redevelopment Area would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan and, therefore, without the assistance of tax increment financing, the Redevelopment Project 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 Project, and the Redevelopment Plan 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, and adopt and approve the Redevelopment Plan and 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 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 Redevelopment Project to allow the redevelopment of the Redevelopment Area in accordance with 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 the Redevelopment Project and to establish a special allocation fund for the Redevelopment Area in order to provide for the promotion of the general welfare through redevelopment of the Redevelopment Area 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, **[**assistance in the physical, economic, and social development of the City, assistance in the physical, economic, and social development of the City of St. Louis, 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 of St. Louis.

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.

C. In accordance with the TIF Act, the Redevelopment Plan states the estimated dates of completion of the 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 of the 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 Redevelopment Project is not built, and if the Redevelopment Project is built pursuant to the Redevelopment Plan as well as a fiscal impact study on every affected political

subdivision and sufficient information for the board of Aldermen to evaluate whether the Redevelopment Project is financially feasible.

F. Redevelopment of the Redevelopment Project 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 benefited by the redevelopment projects described in the Redevelopment Plan.

I. Redevelopment Project Area A includes only those parcels of real property and improvements thereon directly and substantially benefitted by Redevelopment Project A, and Redevelopment Project Area B includes only those parcels of real property and improvements thereon directly and substantially benefitted by Redevelopment Project B.

SECTION TWO. The Redevelopment Area described in the Redevelopment Plan is hereby designated as a "redevelopment area" as defined in Section 99.805(11) of the TIF Act.

SECTION THREE. The Redevelopment Plan as reviewed and recommended by the TIF Commission on September 23, 2009, including amendments thereto, if any, and the Redevelopment Project described in the Redevelopment Plan 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 "Northside Regeneration Special Allocation Fund" and such sub-accounts as are necessary to administer the Redevelopment Project. To the extent permitted by law and except as otherwise provided in the Redevelopment Plan and in agreements to be executed by the City in furtherance thereof, the City hereby pledges funds in the Northside Regeneration 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 Redevelopment Project Area A and Redevelopment Project Area B. After the total equalized assessed valuation of the taxable real property in Redevelopment Project Area A exceeds the certified total initial equalized assessed valuation of the taxable real property in Redevelopment Project Area A, and the total equalized assessed valuation of the taxable real property in Redevelopment Project Area B exceeds the certified total initial equalized assessed valuation of the taxable real property in Redevelopment Project Area B, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in Redevelopment Project Area A or Redevelopment Project Area B, as applicable, 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 the area

selected for Redevelopment Project Area A and Redevelopment Project Area B 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 Redevelopment Project Area A and/or Redevelopment Project Area B, as applicable and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the Redevelopment Project Area A and/or Redevelopment Project Area B, as applicable, 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 Northside Regeneration Special Allocation Fund, or any subaccounts 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 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 Redevelopment Project Area A and Redevelopment Project Area B 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 Redevelopment Project Area A and/or

Redevelopment Project Area B, as applicable, over the amount of such taxes generated by economic activities within the area of Redevelopment Project Area A and/or Redevelopment Project Area B, as applicable, in the calendar year prior to the adoption of the 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, or 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, 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 Northside Regeneration Special Allocation Fund and any subaccounts thereof.

SECTION SEVEN. The Comptroller of the City is hereby authorized to enter into agreements or contracts with other taxing districts as 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 Northside Regeneration Special Allocation Fund and any subaccounts thereof for the payment of redevelopment project costs and obligations incurred in the payment thereof and for the purpose of making other payments as may be specified in agreements to be executed by the City in furtherance of the Redevelopment Plan, 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 Redevelopment Project Area A and Redevelopment Project Area B 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 such Redevelopment Project Area A and Redevelopment Project Area B, and shall certify such amount as the total initial equalized assessed value of the taxable real property within Redevelopment Project Area A and Redevelopment Project Area B.

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

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

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

SECTION FOURTEEN. 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 an ordinance authorizing the City to enter into a redevelopment agreement pertaining to the Redevelopment Project, the Developer or its affiliate or designee, has not (i) executed such redevelopment agreement and (ii) paid all fees due to the City in accordance with the terms of the 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 the

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

NORTHSIDE REGENERATION TAX INCREMENT FINANCING (TIF) REDEVELOPMENT PLAN