

1 **BOARD BILL #338 INTRODUCED BY ALDERWOMAN PHYLLIS YOUNG**

2 An Ordinance designating a portion of the City of St. Louis, Missouri as a
3 redevelopment area known as the Railway Exchange Building Redevelopment Area
4 pursuant to the Real Property Tax Increment Allocation Redevelopment Act; approving a
5 redevelopment plan and a redevelopment project with respect thereto; adopting tax
6 increment financing within the redevelopment area; making findings with respect thereto;
7 establishing the Railway Exchange Building Special Allocation Fund; authorizing certain
8 actions by City officials; and containing a severability clause.

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

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

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

20 **WHEREAS**, staff and consultants of the City and RNY, LLC, a Missouri limited
21 liability company (the “Developer”), prepared a plan for redevelopment titled the
22 “Railway Exchange Building TIF Redevelopment Plan” dated November 6, 2009 (the
23 “Redevelopment Plan”) for an area containing multiple parcels in City Blocks 128 and

1 129 located generally between 7th Street to the West, Locust Street to the North, 6th Street
2 to the East, and Pine Street to the South (the “Redevelopment Area” or “Area”), which
3 Redevelopment Area is more fully described in the Redevelopment Plan, attached hereto
4 and incorporated herein as **Exhibit A**; and

5 **WHEREAS**, the Redevelopment Plan proposes to redevelop the Redevelopment
6 Area by rehabilitation and redevelopment of the Redevelopment Area into specialty
7 mixed uses and related improvements, as set forth in the Redevelopment Plan (the
8 “Redevelopment Project,” or “TIF Project”); and

9 **WHEREAS**, on December 16, 2009, after all proper notice was given, the TIF
10 Commission held a public hearing in conformance with the TIF Act and received
11 comments from all interested persons and taxing districts relative to the Redevelopment
12 Area, the Redevelopment Plan, and the Redevelopment Project; and

13 **WHEREAS**, on December 16, 2009, the TIF Commission found that completion
14 of the Redevelopment Project would provide a substantial and significant public benefit
15 through the elimination of blight, the creation of new jobs in the City, the strengthening
16 of the employment and economic base of the City, increased property values and tax
17 revenues, stabilization of the Redevelopment Area, facilitation of the economic stability
18 of the City as a whole, and further found that without the assistance of tax increment
19 financing in accordance with the TIF Act, the Redevelopment Project is not financially
20 feasible and would not otherwise be completed; and

21 **WHEREAS**, on December 16, 2009, the TIF Commission voted to recommend
22 that the Board of Aldermen adopt an ordinance in the form required by the Act (i)
23 adopting tax increment financing within the Redevelopment Area, (ii) approving the

1 Redevelopment Plan, (iii) approving the Redevelopment Area as a “redevelopment area”
2 as provided in the Act, (iv) approving the Redevelopment Project as described within the
3 Redevelopment Plan, and (v) approving the issuance of one or more tax increment
4 financing revenue notes in the amount as specified in the Redevelopment Plan; and

5 **WHEREAS**, the Board of Alderman hereby recognizes that redevelopment of the
6 Redevelopment Area in accordance with the Redevelopment Plan is of economic
7 significance to the City, and will (i) serve to reduce or eliminate the conditions that cause
8 the Redevelopment Area to be blighted, (ii) assist physical, economic, and social
9 development of the community, (iii) encourage a sense of community identity, safety and
10 civic pride, (iv) preserve a property of historic value, (v) retain downtown’s only
11 department store, (vi) eliminate unsafe building conditions and (vii) eliminate
12 impediments to land disposition and development, and therefore, the Redevelopment
13 Project, through tax increment financing, will serve to benefit the general welfare of the
14 City; and

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

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

1 Redevelopment Plan and Redevelopment Project in order to encourage and facilitate the
2 redevelopment of the Redevelopment Area; and

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

6 **WHEREAS**, the property constituting the Redevelopment Area is underutilized
7 and partially vacant and suffers significant deterioration, thus discouraging investment
8 and encouraging crime and vagrancy, and the Redevelopment Area represents a social
9 and economic liability to the City; and

10 **WHEREAS**, it is necessary and desirable and in the best interest of the City to
11 approve the Redevelopment Project to allow the redevelopment of the Redevelopment
12 Area into special mixed uses; and

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

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

1 **SECTION ONE.** The Board of Aldermen hereby adopts the foregoing
2 recitals as findings and makes the following additional findings:

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

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

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

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

22 E. A cost-benefit analysis showing the economic impact of the
23 Redevelopment Plan on each taxing district which is at least partially within the

1 boundaries of the Redevelopment Area is on file with the St. Louis Development
2 Corporation, which cost-benefit analysis shows the impact on the economy if the
3 Redevelopment Project is not built, and if the Redevelopment Project is built pursuant to
4 the Redevelopment Plan as well as a fiscal impact study on every affected political
5 subdivision and sufficient information for the TIF Commission to evaluate whether the
6 Redevelopment Project is financially feasible.

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

10 G. The Redevelopment Plan does not include the initial development or
11 redevelopment of any “gambling establishment” as that term is defined in Section
12 99.805(6) of the TIF Act.

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

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

19 **SECTION THREE.** The Redevelopment Plan as reviewed and recommended
20 by the TIF Commission on December 16, 2009, including amendments thereto, if any,
21 and the Redevelopment Project described in the Redevelopment Plan are hereby adopted
22 and approved. A copy of the Redevelopment Plan is attached hereto as **Exhibit A** and
23 incorporated herein by reference.

1 **SECTION FOUR.** There is hereby created and ordered to be established within
2 the treasury of the City a separate fund to be known as the “Railway Exchange Building
3 Special Allocation Fund” and such sub-accounts as are necessary to administer the
4 Redevelopment Project. To the extent permitted by law and except as otherwise provided
5 in the Redevelopment Plan, the City hereby pledges funds in the Railway Exchange
6 Building Special Allocation Fund, and any sub-accounts thereof, for the payment of
7 redevelopment project costs and obligations incurred in the payment thereof.

8 **SECTION FIVE.** Tax increment allocation financing is hereby adopted within
9 the Redevelopment Area. After the total equalized assessed valuation of the taxable real
10 property in the Redevelopment Area exceeds the certified total initial equalized assessed
11 valuation of the taxable real property in the Redevelopment Area, the ad valorem taxes,
12 and payments in lieu of taxes, if any, arising from the levies upon taxable real property in
13 the Redevelopment Area by taxing districts and tax rates determined in the manner
14 provided in Section 99.855.2 of the TIF Act each year after the effective date of this
15 Ordinance until redevelopment costs have been paid shall be divided as 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 Railway Exchange Building Special Allocation Fund, or any sub-accounts thereof, for
6 the purpose of paying redevelopment costs and obligations incurred in the payment
7 thereof. Payments in lieu of taxes which are due and owing shall constitute a lien against
8 the real estate of the Redevelopment Project from which they are derived and shall be
9 collected in the same manner as the real property tax, including the assessment of
10 penalties and interest where 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 Railway Exchange Building Special
3 Allocation Fund.

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

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

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

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

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

19 **SECTION TWELVE.** After adoption of this Ordinance by the Board of
20 Aldermen, this Ordinance shall become effective on the 30th day after its approval by the
21 Mayor or adoption over his veto; *provided that* if, within ninety (90) days after the
22 effective date of an ordinance authorizing the City to enter into a redevelopment
23 agreement pertaining to the Redevelopment Project, the Developer or its affiliate or

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

EXHIBIT A

RAILWAY EXCHANGE BUILDING TIF REDEVELOPMENT PLAN