

BOARD BILL NO. 57

**INTRODUCED BY ALDERWOMAN PHYLLIS YOUNG,
PRESIDENT LEWIS REED, ALDERMAN ALFRED
WESSELS, JR.**

1 AN ORDINANCE RECOMMENDED BY THE BOARD OF ESTIMATE AND
2 APPORTIONMENT AMENDING ORDINANCE NO. 55390, APPROVED AUGUST 16,
3 1969, AS AMENDED BY ORDINANCE NO. 55522, APPROVED FEBRUARY 18, 1970, AS
4 AMENDED BY ORDINANCE NO. 56178, APPROVED JUNE 21, 1972, AS AMENDED BY
5 ORDINANCE NO. 56912, APPROVED MARCH 6, 1975, AS AMENDED BY ORDINANCE
6 NO. 62515, APPROVED FEBRUARY 21, 1992, AS AMENDED BY ORDINANCE NO.
7 65669, APPROVED OCTOBER 24, 2002, AND AS AMENDED BY ORDINANCE NO.
8 66772, APPROVED JULY 18, 2005, PERTAINING TO THE ENTERTAINMENT LICENSE
9 TAX AS CODIFIED IN CHAPTER 8.08 OF THE REVISED CODE OF THE CITY OF ST.
10 LOUIS (THE "CODE") BY ADDING A NEW PARAGRAPH TO SECTION ONE OF SAID
11 ORDINANCE NO. 55390, AS AMENDED, CREATING A NEW SUBCLASS OF
12 TAXPAYERS AND FIXING A TAX RATE FOR SUCH SUBCLASS OF TAXPAYERS; AND
13 CONTAINING A SEVERABILITY CLAUSE.

14 WHEREAS, there continue to exist, in the City of St. Louis (the "City"), areas of
15 economic instability, economic decline and areas which suffer from a lack of continued
16 economic investment and development; and

17 WHEREAS, the City has the authority to determine and to make a finding of those areas
18 in the City which constitute blighted or insanitary areas as defined in Section 99.320 of the
19 Revised Statutes of Missouri, as amended; and

20 WHEREAS, new development, investment and expansion in the City will serve to
21 stabilize blighted areas, insanitary areas, or areas otherwise in economic decline in the City, and

1 will significantly benefit the City by increasing and providing new revenues by the creation of
2 new jobs, new and increased sales, increased property tax values, additional or increased payroll
3 and earnings taxes, and enhanced tourism; and

4 WHEREAS, in order to ensure the stability and expansion of the City's economy, the
5 City wishes to create and provide an incentive to stimulate, promote and attract economic
6 development and tourism in the City by tying new economic development or expansion in the
7 City to tax relief; and

8 WHEREAS, there exist in the City deteriorated, dilapidated, or obsolete sporting arenas,
9 stadiums, or other entertainment venues which prevent the City from competing in the
10 marketplace for the retention or acquirement of professional sports teams, leagues, franchises, or
11 other professional entertainers and performances, and therefore the City is under immediate
12 threat to lose a significant portion of its tax base or is precluded by the presence of such
13 deteriorated, dilapidated, or obsolete venues from increasing its current tax base; and

14 WHEREAS, in order to stimulate, attract and promote stabilization of the local economy,
15 growth, expansion and development of local businesses, and increased tourism, the City is
16 prepared to provide a tax rate incentive in connection with the substantial investment in the
17 historic rehabilitation of a Historic Entertainment Facility (as hereinafter defined), which is
18 contiguous to a Contiguous Recreation Facility (as hereinafter defined), and the subject matter of
19 a redevelopment plan approved by the City by ordinance and redevelopment agreement approved
20 by the Land Clearance for Redevelopment Authority for the City of St. Louis (the "LCRA"); and

21 WHEREAS, the City recognizes that new construction, redevelopment or historic
22 rehabilitation of a Historic Entertainment Facility (as hereinafter defined) will serve to stabilize
23 such blighted or insanitary areas, as well as other areas within the City in economic decline, and

1 will significantly benefit the City by increasing and providing new revenues from the creation of
2 new jobs, new and increased sales, increased property tax values, additional or increased payroll
3 and earnings taxes, and enhanced tourism; and

4 WHEREAS, the City finds that it is in the best interests of the City and its residents and
5 its inhabitants to provide a tax rate incentive in order to promote, encourage, and attract new
6 development and tourism in the City;

7 NOW THEREFORE, BE IT ORDAINED BY THE CITY OF ST. LOUIS AS
8 FOLLOWS:

9 SECTION ONE. The Board of Aldermen hereby adopts the foregoing recitals as
10 findings.

11 SECTION TWO. Ordinance No. 55390, approved August 16, 1969, as amended by
12 Ordinance No. 55522, approved February 18, 1970, as amended by Ordinance No. 56178,
13 approved June 21, 1972, as amended by Ordinance No. 56912, approved March 6, 1975, as
14 amended by Ordinance No. 62515, approved February 21, 1992, as amended by Ordinance No.
15 65669, approved October 24, 2002, and as amended by Ordinance No. 66772, approved July 18,
16 2005, pertaining to the Entertainment License Tax as codified in Chapter 8.08 of the Code, is
17 hereby amended by adding a new paragraph to the end of Section One of said Ordinance No.
18 55390, as amended, and as codified as Section 8.08.010 of said Code, creating a new subclass of
19 taxpayers and fixing a tax rate for such subclass of taxpayers, to read as follows:

20 Any person or persons, partnership of whatever form, or corporation in the business of
21 admitting persons or groups upon payment of an admission charge to a pleasure ride or cruise,
22 wrestling match, show or exhibition, boxing match, show or exhibition, sporting event, including
23 but not restricted to baseball, football, rugby, soccer, hockey, basketball, rodeo, and other like

1 entertainment presentation, are taxed upon the amount of gross receipts derived from such
2 admission charges at the rate of five percent of the gross receipts, payable on quarterly calendar
3 intervals; where the business is conducted for a period of time less than the licensing period
4 hereinafter, the same rate of tax shall be levied and the amount thereof shall be paid for the
5 period of time the business has been conducted.

6 Notwithstanding the foregoing paragraph, any person or persons, partnership of whatever
7 form, or corporation in the business of admitting persons or groups upon payment of an
8 admission charge to a pleasure ride or cruise, wrestling match, show or exhibition, boxing match,
9 show or exhibition, sporting event, including but not restricted to baseball, football, rugby,
10 soccer, hockey, basketball, rodeo, and other like entertainment presentation, and who or which:
11 1) has been designated the developer or redeveloper or co-developer or co-redeveloper (a
12 "Redeveloper"), pursuant to a redevelopment plan approved by the City by ordinance and a
13 redevelopment agreement ("Redevelopment Agreement") approved by the LCRA, for the
14 construction or substantial rehabilitation of a new or redeveloped sports arena, sports stadium,
15 field house, ballpark or other type of sports or recreation facility to be constructed or
16 rehabilitated after the effective date of this ordinance ("Recreation Facility") and for the
17 development of a substantial mixed-use development adjacent to the Recreation Facility which
18 may include, but is not limited to, housing, offices, museums, entertainment venues, retail stores,
19 restaurants or other similar facilities, all of which such facilities, including the Recreation
20 Facility, are or will be located within a blighted and/or insanitary area, as determined by the City
21 by ordinance, or 2) is the primary tenant, occupant or operator of the Recreation Facility, or has
22 been designated as such pursuant to the Redevelopment Agreement ("Tenant"), or 3) is an
23 Affiliate (as hereinafter defined) of such Redeveloper or Tenant, shall be taxed upon the amount

1 of gross receipts derived from such admission charges at such Recreation Facility during the
2 term of the Redevelopment Agreement at the rate corresponding to the estimated total amount of
3 Private Investment for the construction or rehabilitation of the Recreation Facility as set forth in
4 the Redevelopment Agreement in accordance with the following tax rate schedule:

<u>Amount of Estimated Private Investment in the Recreation Facility</u>	<u>Tax Rate</u>
less than \$50,000,000	5% of gross receipts
\$50,000,000-\$99,999,999	4% of gross receipts
\$100,000,000-\$199,999,999	2% of gross receipts
\$200,000,000 and above	0% of gross receipts

5 The tax imposed pursuant to this paragraph shall be payable on quarterly calendar intervals.
6 Upon expiration or termination of the Redevelopment Agreement, the Redeveloper, Affiliate or
7 Tenant shall be subject to the same rate of tax as set forth in the preceding paragraph of this
8 Section 8.08.010. For purposes of this section, "Private Investment" shall mean the total amount
9 to be provided by the Redeveloper, Affiliate, Tenant or any other private party for the
10 construction or rehabilitation of the Recreation Facility as calculated pursuant to the terms of the
11 Redevelopment Agreement. For purposes of this section, "Affiliate" shall mean any corporation,
12 partnership, sole proprietorship or other person or entity that directly or indirectly through one or
13 more intermediaries controls, is controlled by or is under common control with the Redeveloper.

14 Further, notwithstanding the foregoing paragraphs, any person or persons, partnership of
15 whatever form, or corporation in the business of admitting persons or groups upon payment of an
16 admission charge to a pleasure ride or cruise, wrestling match, show or exhibition, boxing match,
17 show or exhibition, sporting event, including but not restricted to baseball, football, rugby,
18 soccer, hockey, basketball, rodeo, and other like entertainment presentation, and who or which is
19 an owner, primary tenant, occupant or operator, or Affiliate of a sports arena, sports stadium,

1 field house, ballpark or other type of sports or recreation facility (“Contiguous Recreation
2 Facility”), and such Contiguous Recreation Facility is contiguous to a historic theatre, opera
3 house or concert hall (“Historic Entertainment Facility”), which is the subject matter of a
4 redevelopment plan approved by the City by ordinance and a Redevelopment Agreement
5 approved by the LCRA after the effective date of this ordinance, for the historic rehabilitation of
6 the Historic Entertainment Facility to be rehabilitated after the effective date of this ordinance,
7 shall be taxed upon the amount of gross receipts derived from such admission charges at the
8 Contiguous Recreation Facility, during the time the Redevelopment Agreement with respect to
9 the Historic Entertainment Facility is in effect, at the rate corresponding to the estimated total
10 amount of Private Investment for the historic rehabilitation of the Historic Entertainment Facility
11 as set forth in the Redevelopment Agreement of the Historic Entertainment Facility in
12 accordance with the following tax rate schedule:

<u>Amount of Estimated Private Investment in the Historic Entertainment Facility</u>	<u>Tax Rate</u>
less than \$50,000,000	5% of gross receipts
\$50,000,000 and above	0% of gross receipts

13 The tax imposed pursuant to this paragraph shall be payable on quarterly calendar intervals.
14 Upon expiration or termination of the Redevelopment Agreement of the Historic Entertainment
15 Facility for any reason, the owner, primary tenant, occupant or operator, or Affiliate of the
16 Contiguous Recreation Facility shall be subject to the same rate of tax as set forth in the first
17 paragraph of this Section 8.08.010. For purposes of this paragraph, "Private Investment" shall
18 mean the total amount to be provided by the owner, primary tenant, occupant or operator, or
19 Affiliate, or any other private party for the construction or historic rehabilitation of the Historic

1 Entertainment Facility as calculated pursuant to the terms of the Redevelopment Agreement for
2 the Historic Entertainment Facility.

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