

**BOARD BILL #250
COMMITTEE SUBSTITUTE**

ALDERWOMAN PHYLLIS YOUNG

1 An ordinance authorizing and directing the Mayor and the Comptroller, on behalf of the
2 City, to enter into and execute an Addendum to the Redevelopment Agreement (as herein
3 defined), with Convention Center Hotels Acquisition Company, LLC; approving a petition for
4 the establishment of the St. Louis Convention Center Hotel Community Improvement District,
5 finding a public purpose for the establishment of the St. Louis Convention Center Hotel
6 Community Improvement District; authorizing the execution of an Intergovernmental
7 Cooperation and Transportation Project Agreement among the City, the St. Louis Convention
8 Center Hotel Community Improvement District, the St. Louis Convention Center Transportation
9 Development District, and Convention Center Hotels Acquisition Company, LLC; prescribing
10 the form and details of said agreement; authorizing certain other actions of City officials; and
11 containing an emergency clause and a severability clause.

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

15 WHEREAS, the Renaissance Grand Convention Center Hotel & Suites (the “Downtown
16 Convention Center Hotel” or “Hotel” or “Project”) is a hotel located generally at 800
17 Washington Avenue in the City; and

18 WHEREAS, the City did previously enter into that certain Redevelopment Agreement
19 dated as of December 1, 2000 and recorded at Book 1669 Page 2672 of the Office of the
20 Recorder of Deeds of the City, by and between the City and Historic Restoration Incorporated, a

December 2, 2009

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1 Louisiana corporation, Washington Avenue Historic Developer, L.L.C., a Missouri limited
2 liability company, Gateway Hotel Partners, L.L.C., a Missouri limited liability company and
3 Gateway Tower Partners, L.L.C., a Missouri limited liability company, with respect to the
4 redevelopment and ownership of the Project (the “Redevelopment Agreement”); and

5 WHEREAS, the Redevelopment Agreement obligated the “Developer” named therein to
6 pay to the City certain “Pilots” and “Additional Payments” (as defined in the Redevelopment
7 Agreement), which obligation or obligations were secured by Deeds of Trust (as defined in the
8 Redevelopment Agreement), which did bind future owners of the Hotel; and

9 WHEREAS, following a foreclosure of the Hotel by the bondholders, Convention Center
10 Hotels Acquisition Company, LLC (“CCHAC”), a Missouri limited liability company, is now
11 the owner of the Hotel and is obligated to pay the Pilots and Additional Payments; and

12 WHEREAS, in connection with the redevelopment of the Hotel, the City did apply for
13 and utilize approximately \$50,000,000 in Section 108 Loan Guarantee Funds from the United
14 State Department of Housing and Urban Development pursuant to Section 108 of Title I of the
15 Housing and Community Development Act of 1974, as amended, and Ordinance Nos. 64445 and
16 64907 of the City of St. Louis (the “Section 108 Loan”), which Section 108 Loan has a current
17 outstanding principal balance of approximately \$36,600,000; and

18 WHEREAS, Mo. Rev. Stat. §67.1400 et seq. (the “CID Act”) authorizes the Board of
19 Aldermen to approve the petitions of property owners to establish community improvement
20 districts; and

21 WHEREAS, a petition has been filed with the City (the “Petition”), requesting formation
22 and establishment of the St. Louis Convention Center Hotel Community Improvement District

1 (the “CID”), signed by authorized representatives of the owners of more than fifty percent by
2 assessed value and per capita of the property located within the proposed CID; and

3 WHEREAS, the Register of the City of St. Louis did review and determine that the
4 Petition substantially complies with the requirements of the CID Act and deliver the Petition to
5 the Board of Aldermen; and

6 WHEREAS, a public hearing, duly noticed and conducted as required by and in
7 accordance with the CID Act, was held at 10 a.m. on December 2, 2009, by the Board of
8 Aldermen; and

9 WHEREAS, pursuant to Mo. Rev. Stat. §§238.200 to 238.280 (the “TDD Act”), a petition
10 (the “TDD Petition”) has been filed in the Circuit Court of the City of St. Louis, Missouri, for the
11 creation of the St. Louis Convention Center Hotel Transportation Development District (the
12 “TDD”) for the purpose of generating revenue to fund or assist in funding the “Transportation
13 Project” described in the TDD Petition; and

14 WHEREAS, the City constitutes the “local transportation authority” (as defined in the TDD
15 Act) for the purpose of approving the Transportation Project pursuant to the TDD Act; and

16 WHEREAS, no portion of the proposed Transportation Project has been or is intended to
17 be merged into the State highways and transportation system under the jurisdiction of the
18 Missouri Highway Transportation Commission; therefore, approval of the Transportation Project
19 will vest exclusively with the City; and

20 WHEREAS, the TDD Act provides that, prior to construction or funding of a proposed
21 project, such project shall be submitted to the local transportation authority for its prior approval,
22 subject to any required revisions of such project and the TDD and the local transportation authority

1 entering into a mutually satisfactory agreement regarding the development and future maintenance
2 of such proposed project; and

3 WHEREAS, the City hereby desires and intends to approve the Transportation Project
4 subject to the TDD being properly formed and the TDD and the City entering into a mutually
5 satisfactory agreement regarding the development and future maintenance of the Transportation
6 Project; and

7 WHEREAS, the City intends to enter into that certain Intergovernmental Cooperation and
8 Transportation Project Agreement (the “Agreement”), in the form attached hereto as Exhibit B and
9 incorporated herein by reference, with the CID, the TDD and Convention Center Hotels Acquisition
10 Company, LLC (the “Company”), as a mutually satisfactory agreement regarding the development
11 and future maintenance of the Transportation Project as well as the project to be undertaken by the
12 CID; and

13 WHEREAS, the CID and TDD may, subject to the procedures set forth in the CID Act and
14 TDD Act, respectively, impose a sales tax upon sales at retail within their respective boundaries
15 (respectively, the “CID Sales Tax” and “TDD Sales Tax” and collectively, the “District Sales
16 Taxes”); and

17 WHEREAS, the imposition of the District Sales Taxes are anticipated to (i) provide a source
18 of funding for the Hotel which would reduce the Hotel’s ongoing operating obligations, and (ii)
19 increase the funds otherwise received by the City from the operation of the Hotel, thereby increasing
20 the City’s ability to meet its obligations with respect to the Section 108 Loan; and

21 WHEREAS, in order to encourage the continued function and operation of the Hotel,
22 which will benefit the City through the creation and retention of jobs (among other benefits),

1 CCHAC has requested that the City modify or restructure certain terms of the Redevelopment
2 Agreement; and

3 WHEREAS, a portion of the District Sales Taxes will provide additional support for the
4 repayment of the Section 108 Loan; and

5 WHEREAS, in connection with the transactions described herein, the City and the Hotel
6 Owner intend to enter into an Addendum to the Redevelopment Agreement in order to carry out
7 such transactions and to acknowledge Hotel Owner’s assumption of certain obligations pursuant
8 to the Redevelopment Agreement; and

9 WHEREAS, the Board of Aldermen hereby determines that the terms of the Addendum
10 and the Agreement are acceptable and that the execution, delivery and performance by the City,
11 CCHAC, the CID, the TDD and the Developer of their respective obligations are in the best
12 interests of the City and the health, safety, morals and welfare of its residents; and

13 WHEREAS, it is necessary and desirable and in the best interest of the City to cause the
14 creation of the CID, the execution of the Agreement, the execution of the Addendum, and the
15 other transactions described herein, in order to encourage the economic stability and viability of
16 the Hotel, and to thereby assist in attracting more conventions and similar large events to the
17 City, which are then in turn expected to retain and create new jobs in, encourage investment in,
18 and benefit collectively the welfare of the citizens of the City.

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

20 **SECTION ONE.** (a) A community improvement district, to be known as the “St.
21 Louis Convention Center Hotel Community Improvement District,” is hereby established
22 pursuant to the CID Act on certain real property described below to provide services, construct

1 improvements, impose a sales tax and carry out other functions as set forth in the Petition, which
2 is attached hereto as Exhibit A and incorporated herein by this reference.

3 (b) The CID boundaries are set forth in the map included in the Petition in Exhibit A and
4 are generally described as follows (and are more particularly described in the Petition): that real
5 property located at the addresses commonly known as 507 N. 8th Street, 414 N. 9th Street, 418
6 N. 10th Street, 823-827 Washington Avenue and 910-912 Washington Avenue, generally
7 bounded on the west by the eastern line of N. 10th Street south of Washington Avenue and the
8 eastern line of N. 9th Street north of Washington Avenue; on the south by the southern lot lines
9 of 507 N. 8th Street, 414 N. 9th Street, 418 N. 10th Street and 910-912 Washington Avenue; on
10 the east by the western line of N. 8th Street south of Washington Avenue and the eastern lot line
11 of 823-827 Washington Avenue north of Washington Avenue; and on the north by the northern
12 lot line of 823-827 Washington Avenue and the southern line of Washington Avenue.

13 **SECTION TWO.** The CID is authorized by the Petition, in accordance with the CID
14 Act, to impose a tax upon retail sales within the CID, at a rate not to exceed one percent (1%), to
15 provide funds to accomplish any power, duty or purpose of the CID. The imposition of the sales
16 tax is subject to the approval of the qualified voters of the CID, as provided in the CID Act and
17 the Petition.

18 **SECTION THREE.** The CID is authorized by the CID Act, at any time, to issue
19 obligations, or to enter into agreements with other entities with the authority to issue obligations,
20 for the purpose of carrying out any of its powers, duties, or purposes. Such obligations shall be
21 payable out of all, part or any combination of the revenues of the CID and may be further
22 secured by all or any part of any property or any interest in any property by mortgage or any

1 other security interest granted. Such obligations shall be authorized by resolution of the CID, and
2 if issued by the CID, shall bear such date or dates, and shall mature at such time or times, but not
3 more than twenty (20) years from the date of issuance, as the resolution shall specify. Such
4 obligations shall be in such denomination, bear interest at such rate or rates, be in such form, be
5 payable in such place or places, be subject to redemption as such resolution may provide and be
6 sold at either public or private sale at such prices as the CID shall determine subject to the
7 provisions of Mo. Rev. Stat. §108.170. The CID is also authorized to issue such obligations to
8 refund, in whole or part, obligations previously issued by the CID.

9 **SECTION FOUR.**

10 (a) Pursuant to the Petition, the CID shall be in the form of a political subdivision of the
11 State of Missouri.

12 (b) Pursuant to Section 67.1471 of the CID Act, the fiscal year for the CID shall be the
13 same as the fiscal year for the City.

14 (c) No earlier than one hundred and eighty (180) days and no later than ninety (90) days
15 prior to the first day of each fiscal year, the CID shall submit to the Board of Aldermen a
16 proposed annual budget for the CID, setting forth expected expenditures, revenues, and rates of
17 assessments and taxes, if any, for such fiscal year. The Board of Aldermen may review and
18 comment on this proposed budget, but if such comments are given, the Board of Aldermen shall
19 provide such written comments no later than sixty (60) days prior to the first day of the relevant
20 fiscal year; such comments shall not constitute requirements, but shall only be recommendations.

21 (d) The CID shall hold an annual meeting and adopt an annual budget no later than thirty
22 (30) days prior to the first day of each fiscal year.

1 **SECTION FIVE.** The CID is authorized to use the funds of the CID for any of the
2 improvements, services or other activities authorized under the CID Act.

3 **SECTION SIX.** Pursuant to the CID Act, the CID shall have all of the powers necessary
4 to carry out and effectuate the purposes of the CID and the CID Act as set forth in the CID Act
5 and the Petition.

6 **SECTION SEVEN.** The City hereby finds that the uses of the CID proceeds, as
7 provided for in the Petition, will serve a public purpose by funding activities associated with
8 encouraging economic development and benefitting the public health and welfare within the City
9 of St. Louis by means of assisting in the financing of public improvements and services
10 associated with an area of the City of St. Louis, the St. Louis Convention Center Hotel complex
11 (e.g., the current Renaissance Grand Hotel & Suites), that is frequented by large numbers of
12 tourists and conventions and is vital to the economic well-being of the City of St. Louis and its
13 residents.

14 **SECTION EIGHT.** Within one hundred twenty (120) days after the end of each fiscal
15 year, the CID shall submit a report to the Register of the City and the Missouri Department of
16 Economic Development stating the services provided, revenues collected and expenditures made
17 by the CID during such fiscal year, and copies of written resolutions approved by the board of
18 directors of the CID during the fiscal year. The Register shall retain this report as part of the
19 official records of the City and shall also cause this report to be spread upon the records of the
20 Board of Aldermen, pursuant to Section 67.1471 of the CID Act.

1 **SECTION NINE.** The term for the existence of the CID shall be as set forth in the
2 Petition, as may be amended from time to time or as such term may be otherwise modified in
3 accordance with the CID Act.

4 **SECTION TEN.** The Register shall report in writing the creation of the St. Louis
5 Convention Center Hotel Community Improvement District to the Missouri Department of
6 Economic Development.

7 **SECTION ELEVEN.** The Petition provides that the CID shall be governed by a Board
8 of Directors consisting of five individual directors (collectively the “Directors” and each a
9 “Director”), such Directors to be appointed by the Mayor with the consent of the Board of
10 Aldermen, in accordance with the CID Act. The Petition also provides that successor directors
11 will be appointed by the Mayor with the consent of the Board of Aldermen, in accordance with
12 the CID Act. By his approval of this ordinance, the Mayor does hereby appoint the following
13 named individuals as Directors of the CID for the terms set forth in parentheses below, and by
14 adoption of this ordinance, the Board of Aldermen hereby consents to such appointments:

- 15 1. Paul Meier (four years)
- 16 2. Laura Lashley (four years)
- 17 3. Laura Roberson (two years)
- 18 4. Brian Krippner (two years)
- 19 5. Linda Krull (two years)

20 **SECTION TWELVE.** The Board of Aldermen hereby approves the Transportation
21 Project as submitted to the City with such changes as shall be approved by the Mayor or his

1 designated representative upon submission by the TDD of the plans and specifications of the
2 Transportation Project and as may be consistent with the intent of this Ordinance.

3 **SECTION THIRTEEN.** The Board of Aldermen further finds and determines that it is
4 necessary and desirable to enter into the Agreement in order to implement the Transportation
5 Project.

6 **SECTION FOURTEEN.** The Board of Aldermen finds and determines that the
7 Transportation Project is necessary and desirable in order to maintain the supply of safe, secure
8 and available parking in the City.

9 **SECTION FIFTEEN.** The Board of Aldermen hereby approves, and the Mayor of the
10 City and the Comptroller of the City are hereby authorized and directed to execute, on behalf of
11 the City, the Intergovernmental Cooperation and Transportation Project Agreement among the
12 City, the CID, the TDD and the Company attached hereto as Exhibit B, and the City Register is
13 hereby authorized and directed to attest to the Agreement and to affix the seal of the City thereto.
14 The Agreement shall be in substantially the form attached, with such changes therein as shall be
15 approved by the Mayor and the Comptroller and as may be consistent with the intent of this
16 Ordinance and necessary and appropriate in order to carry out the matters herein authorized.

17 **SECTION SIXTEEN.** The Board of Aldermen hereby approves, and the Mayor and
18 Comptroller of the City are hereby authorized and directed to execute, on behalf of the City, an
19 Addendum to the Redevelopment Agreement by and between Owner and the City (the
20 “Addendum”) attached hereto as Exhibit C, and the City Register is hereby authorized and
21 directed to attest to the Addendum and to affix the seal of the City thereto. The Addendum shall
22 be in similar form to that attached hereto, with such changes therein as shall be approved by the

1 Mayor and Comptroller executing the same and as may be consistent with the intent of this
2 Ordinance and necessary and appropriate in order to carry out the matters herein authorized.

3 **SECTION SEVENTEEN.** The Mayor and Comptroller of the City or their designated
4 representatives are hereby authorized and directed to take any and all actions as may be
5 necessary and appropriate in order to carry out the transactions described herein, with no such
6 further action of the Board of Aldermen necessary to authorize such action by the Mayor and the
7 Comptroller or their designated representatives.

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

16 **SECTION NINETEEN.** It is hereby declared to be the intention of the Board of
17 Aldermen that each and every part, section and subsection of this Ordinance shall be separate
18 and severable from each and every other part, section and subsection hereof and that the Board
19 of Aldermen intends to adopt each said part, section and subsection separately and independently
20 of any other part, section and subsection. In the event that any part, section or subsection of this
21 Ordinance shall be determined to be or to have been unlawful or unconstitutional, the remaining
22 parts, sections and subsections shall be and remain in full force and effect, unless the court

1 making such finding shall determine that the valid portions standing alone are incomplete and
2 are incapable of being executed in accord with the legislative intent.

3 **SECTION TWENTY.** The Board of Aldermen hereby finds and determines that this
4 ordinance constitutes an “emergency measure” pursuant to Article IV, Section 20 of the City
5 Charter, because this Ordinance establishes the CID, which is a taxing district, and as such, this
6 Ordinance shall take effect immediately upon its approval by the Mayor as provided in Article
7 IV, Section 20 of the City Charter.

EXHIBIT A

PETITION TO ESTABLISH THE CID

EXHIBIT B

INTERGOVERNMENTAL TRANSPORTATION AND PROJECT AGREEMENT

EXHIBIT C

ADDENDUM TO REDEVELOPMENT AGREEMENT