

RESOLUTION NO. 53

WHEREAS, over a number of years, Missouri has developed a variety of creative tax credit programs that have grown Missouri's economy and the economies of Missouri's cities and towns and revitalized many distressed areas in our great state; and

WHEREAS, these tax credits also produce permanent jobs—in stores, restaurants, offices and hotels: in the three years 2005 through 2007 and in the City of St. Louis alone, developments made possible with Missouri's historic tax credit created an average of nearly 800 jobs per year—a total of slightly more than 2,300 permanent jobs that will remain in Missouri and keep our citizens employed, year after year; and

WHEREAS, residents of residential tax credit developments provide customers that grow new retail that in turn attracts new residents who are seeking a variety of diversity and sustainability in their lifestyles and enhance our attractiveness as a convention, business travel, and leisure travel destination; and

WHEREAS, developments made possible with Missouri's redevelopment tax credits enhance the St. Louis region's convention and tourism industry—an industry that employs more than 10,000 workers—by making the environment around our convention center safe and attractive: Missouri's tax credits have made it possible to address eyesores in downtown St. Louis that previously detracted from the City's desirability as a tourism and business travel destination, and the retail stores and restaurants that now occupy the first floors of many of downtown's buildings also produce Missouri sales tax revenue and enhance Missouri's destination potential, and thanks to these efforts, in late January, St. Louis was named by the National Trust for Historic Preservation as one of America's Distinctive Destinations: "These places have masterfully transformed colorful pasts and sustainable futures into the ultimate tourism experiences," said the National Trust; and

WHEREAS, addressing vacant and abandoned eyesores also enhances the City's and the region's attractiveness as a place for new development: nearly 90% of the rehabilitation developments using historic tax credits and many of the Brownfields development sites were vacant eyesores for a long time before rehabilitation, inhibiting investment in these distressed areas, and as these eyesores are eliminated with historic rehabilitation and Brownfields cleanup, they also create a unique environment that celebrates Missouri's history and attracts people who value diversity—in architecture, in our cultures, and in our people; and

WHEREAS, we have made great progress—but a *lot* of historic buildings, Brownfields sites and other problems still need to be addressed, both downtown and in our neighborhoods, and we still have a large supply of vacant historic buildings in need of rehabilitation, Brownfields sites in need of cleanup, and vacant sites that are redevelopment opportunities; and

WHEREAS, the asset that differentiates city neighborhoods and gives them market potential is their stock of unique buildings—but many of these neighborhoods have long suffered from disinvestment and abandonment, and they need incentives to induce residents and businesses to invest; historic credits, Brownfields credits and credit programs offered by the Missouri Development Finance Board offer opportunities for our distressed neighborhoods, downtown and in other parts of the city, to fulfill their potential as contributors to Missouri's economy; and

WHEREAS, due to the recession, both applications for and redemption of historic tax credits have significantly decreased—and large developments that are approved for tax credits now will not redeem their credits for several years: development takes time, and, after development is completed, compiling the documentation that is necessary for the state to issue tax credit approvals takes more time, and it will be a minimum of two years before developments that are

approved today result in any cost to the state—thus, cutting off tax credit approvals now will not help the state’s current budget problem; and

WHEREAS, we acknowledge that Missouri’s tax credit programs can use some improvement, but the necessary improvements should be made in a thoughtful way, in consultation with the industries that use them—not with in a rush with only a few weeks to go in the legislative session, and not with an emergency clause that makes these drastic changes effective less than three months from now; and

WHEREAS, the City of St. Louis wants to work with the Missouri legislature, the department of economic development and these industries over the summer to develop a tax credit reform proposal that makes sense, that can be supported by the affected industries, and that will grow Missouri’s economy rather than stifle it.

NOW THEREFORE BE IT RESOLVED that the Board of Aldermen of the City of St. Louis urges the Missouri legislature to avoid acting in haste on the issue of Missouri’s tax credits, as such hasty action will destroy Missouri industries that rely on Missouri’s redevelopment tax credits and threaten the revitalization of distressed neighborhoods in Missouri, and urges the legislature to work with the City of St. Louis and others involved in these industries and the revitalization of Missouri’s neighborhoods on a tax credit reform proposal that protects the benefits of these tax credits for Missouri’s economy.

Introduced on the 30th day of April, 2010, by:

Honorable Jeffrey L. Boyd, Alderman 22nd Ward

Adopted this the 30th day of April, 2010 as attested by:

David W. Sweeney
Clerk, Board of Aldermen

Lewis E. Reed
President, Board of Aldermen