BOARD BILL # 365 **INTRODUCED BY ALDERMEN PHYLLIS YOUNG, KENNETH ORTMANN, STEPHEN GREGALI, DOROTHY KIRNER AND JOSEPH VOLLMER**

AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI GENERALLY BOUNDED BY EIGHTH STREET ON THE WEST, WALNUT STREET ON THE NORTH, SOUTH BROADWAY ON THE EAST, AND CLARK STREET ON THE SOUTH (THE "DEVELOPMENT AREA"), AS A DEVELOPMENT AREA UNDER THE AUTHORITY OF THE MISSOURI DOWNTOWN AND RURAL ECONOMIC STIMULUS ACT, SECTIONS 99.915 TO 99.1060 OF THE REVISED STATUTES OF MISSOURI, AS AMENDED (THE "ACT"); APPROVING A DEVELOPMENT PLAN FOR THE DEVELOPMENT AREA, AND A DEVELOPMENT PROJECT THEREIN AND MAKING FINDINGS RELATING THERETO; ADOPTING DEVELOPMENT FINANCING WITHIN THE DEVELOPMENT AREA; ESTABLISHING A 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, the Missouri Downtown and Rural Economic Stimulus Act, Sections 99.915 to 99.1060 of the Revised Statutes of Missouri, as amended (the "Act"), authorizes cities to undertake development projects in development areas, as defined in the Act; and

WHEREAS, the Board of Aldermen of the City created the Downtown Economic

Stimulus Authority of the City of St. Louis (the "Authority") pursuant to Ordinance No. 67097; and

WHEREAS, the Act authorizes the Authority to hold hearings with respect to proposed development areas, plans and projects and to make recommendations thereon to the Board of Aldermen; and

WHEREAS, the Authority has reviewed a plan for development titled "MODESA Development Plan: Ballpark Village Development Area" dated October 22, 2008, as revised November 6, 2008, as may be amended from time to time (the "Development Plan"), for an area generally bounded by Eighth Street on the west, Walnut Street on the north, South Broadway on the east, and Clark Street on the south (the "Development Area"), as more fully described in the Development Plan attached hereto as **Exhibit A** and incorporated herein; and

WHEREAS, the Development Plan contemplates the remediation of blighting conditions within the Development Area through a mix of commercial development, parking and infrastructure improvements, with potential additional commercial and residential development, in one or more phases, as more fully described therein (the "Development Project"); and

WHEREAS, the Authority held a public hearing in conformance with the Act on November 6, 2008, and received comments from all interested persons and taxing districts relative to the Development Plan, the designation of the Development Area and the adoption and approval of the Development Project; and

WHEREAS, on November 6, 2008, after due deliberation, the Authority adopted a resolution recommending, among other matters, that the Board of Aldermen designate the Development Area as a "development area" pursuant to the Act, adopt the Development Plan and the Development Project, and adopt development financing within the Development Area;

and

WHEREAS, the Board of Aldermen hereby determines that the Development Area qualifies for the use of development financing to alleviate the conditions that qualify it as a "development area" as provided in the Act and that it is necessary and desirable and in the best interest of the City to adopt development financing within the Development Area;

WHEREAS, it is necessary and desirable and in the best interest of the City to adopt development financing within the Development Area and to establish a special allocation fund for the Development Area in order to provide for the promotion of the general welfare through development of the Development Area in accordance with the Development Plan which development includes, but it not limited to, the elimination of blighting conditions within the Development Area, assistance in the physical, economic, and social development of the City, enhancing the City's status as a convention and tourism destination, encouragement of a sense of community identity, safety and civic pride, and generating new direct and indirect tax revenues for the City and other taxing jurisdictions.

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

SECTION ONE. The Board of Aldermen finds that a reasonable person would believe:

A. The Development Area on the whole is a blighted area, as defined in Section 99.918(3) of the Act. This finding includes, and the Development Plan sets forth and the Board of Aldermen hereby finds and adopts by reference: (i) a detailed description of the factors that qualify the Development Area as a blighted area and qualify the Development Project as a development project pursuant to the Act as set forth in the blighting studies included in the Development Plan, and (ii) a written statement

signed by the members of the Authority's governing body, that the information in the Development Plan has been independently reviewed by such members with due diligence to confirm its accuracy, truthfulness and completeness, which statement is attached hereto as **Exhibit B** and incorporated herein by this reference.

B. The Development Area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the implementation of one or more development projects and the adoption of local and state development financing.

C. The Development Plan conforms to the comprehensive plan for the development of the City as a whole.

D. The estimated dates of completion of the Development Project and retirement of obligations incurred to finance Development Project costs have been stated in the Development Plan, and these dates are 25 years or less from the date of approval of the Development Project.

E. The City has developed a plan for relocation assistance for businesses and residences in conformity with the requirements of Sections 523.200 through 523.215 of the Revised Statutes of Missouri, as amended, in the event any business or residence is to be relocated as a direct result of the implementation of the Development Plan.

F. A cost-benefit analysis showing the economic impact of the Development Plan on the City and school district, as well as each other taxing district which is at least partially within the boundaries of the Development Area, is on file with the St. Louis Development Corporation, which cost-benefit analysis shows the impact on the economy if the Development Project is not built and is built pursuant to the Development Plan.

The cost-benefit analysis also includes a fiscal impact study on the City and the school district as well as each taxing district which is at least partially within the boundaries of the Development Area. The cost-benefit analysis also includes sufficient information from the Authority to evaluate whether the Development Project as proposed is financially feasible, and the Authority found that the Development Project as proposed is financially feasible.

G. The Development Plan does not include the initial development or redevelopment of any gambling establishment.

H. An economic feasibility analysis is on file with the St. Louis Development Corporation, which economic feasibility analysis includes the information required by Section 99.942.3(8) of the Act.

I. The Development Area: (i) includes only parcels of real property directly and substantially benefited by the proposed Development Plan; (ii) can be renovated through the Development Project; (iii) is located in the "central business district," as defined in Section 99.918(4) of the Act, of the City, which has a median household income of less than $62,000 according to the last decennial census; (iv) has structures in the area fifty percent or more of which have an age of thirty-five years or more; (v) is contiguous; (vi) does not exceed ten percent of the entire area of the City; and (vii) does not include any property that is located within the one hundred year flood plain, as designated by the Federal Emergency Management Agency flood delineation maps.

J. The Development Project constitutes a "major initiative," as defined in Section 99.918(14) of the Act, in furtherance of the objectives of the Development Plan. The Development Plan includes a legal description of the area selected for the

Development Project, which is coterminous with the Development Area.

SECTION TWO. The Development Area is hereby designated as a "development area" as defined in Section 99.918(7) of the Act.

SECTION THREE. The Development Plan is hereby adopted and approved. A copy of the Development Plan is attached hereto as **Exhibit A** and incorporated herein by reference.

SECTION FOUR. The Development Project as set forth in the Development Plan is hereby adopted and approved. The Board of Aldermen finds that the area selected for the Development Project includes only those parcels of real property and improvements thereon directly and substantially benefited by the proposed Development Project. The term "development project area," and similar terms and phrases used in the Act, as used herein, shall be comprised of the Development Area in its entirety, including all phases or portions of the Development Project which may be developed within the Development Area.

SECTION FIVE. Development financing is hereby adopted within the Development Area (as legally described in the Development Plan). After the total equalized assessed valuation of the taxable real property in the Development Area exceeds the certified total initial equalized assessed value of all taxable real property in the Development Area, the ad valorem taxes and payments in lieu of taxes, if any, arising from the levies upon taxable real property in the Development Area by taxing districts at the tax rates determined in the manner provided in Section 99.968 of the Act each year after the effective date of this Ordinance until the payment in full of all Development Project costs 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 in such development project area which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or

parcel of real property in the Development Area 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 development financing; and

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 the Development Area and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the Development Area shall be allocated to and, when collected, shall be paid to the City Treasurer, who shall deposit such payments in lieu of taxes into a special fund called the "City of St. Louis, Missouri, 2009 Ballpark Village Special Allocation Fund for the 2009 Ballpark Village Development Area" (the "Ballpark Village Special Allocation Fund" or "Special Allocation Fund") for the purpose of paying development costs and obligations incurred in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the Development Area 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 paragraph A of Section 5 of this Ordinance, fifty percent (50%) of the economic activity taxes generated within the Development Area shall be allocated to, and paid by the collecting officer to the City Treasurer, who shall deposit such funds into a separate segregated account within the Special Allocation Fund. However, the City shall not collect and deposit any economic activity taxes in the Special Allocation Fund unless the Development Project has been approved for state supplemental development financing pursuant to Section 99.960 of the Act.

SECTION SEVEN. The Special Allocation Fund is hereby established. The Special Allocation Fund shall consist of at least four separate accounts into which payments in lieu of taxes ("PILOTs") are deposited in one account (the "PILOTs" Account"), economic activity taxes ("EATs") are deposited in a second account (the "EATs Account"), other net new revenues ("NNRs") are deposited in a third account (the "NNR Account") and other revenues, if any, received by the Authority or the City for the purpose of implementing the Development Plan or Development Project are deposited in a fourth account (the "Miscellaneous Account"). The Board of Aldermen may establish such additional accounts, sub-accounts, funds or sub-funds within the Special Allocation Fund as it determines appropriate. All moneys deposited in the Special Allocation Fund shall be applied in such manner consistent with the Development Plan as determined by the Board of Aldermen.

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 the Development Area as of the date of adoption 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 the Development Area, and shall certify such amount as the total initial equalized assessed value of the taxable real property within the Development Area.

SECTION NINE. The Comptroller is hereby authorized and directed to enter into agreements or contracts with other taxing districts as are necessary to ensure the allocation and collection of the taxes and payments in lieu of taxes described in Sections 5 and 6 of this Ordinance, and the deposit of said taxes or payments in lieu of taxes into the Special Allocation Fund for the purpose of payment of Development Project costs and obligations incurred in the

payment thereof, all in accordance with the Act.

SECTION TEN. The Mayor is hereby authorized to submit a State Supplemental Downtown Development Financing Program Application to the Missouri Department of Economic Development pursuant to Section 99.960 of the Act, and to take such further action as may be required so as to enable the Department of Economic Development to make its recommendation to the Missouri Development Finance Board for a determination as to approval of the disbursement of project costs of the Development Project from the state supplemental downtown development fund.

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.

EXHIBIT A

[Development Plan]

EXHIBIT B
[Written Statement]