BOARD BILL # 269 INTRODUCED BY ALDERWOMAN MARLENE DAVIS

AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI AS A REDEVELOPMENT AREA KNOWN AS THE 374 SOUTH GRAND REDEVELOPMENT AREA PURSUANT TO THE REAL PROPERTY TAX INCREMENT ALLOCATION REDEVELOPMENT ACT; DESIGNATING TWO REDEVELOPMENT PROJECT AREAS WITHIN THE REDEVELOPMENT AREA; APPROVING A REDEVELOPMENT PLAN AND TWO REDEVELOPMENT PROJECTS WITH RESPECT THERETO; ADOPTING TAX INCREMENT FINANCING WITHIN THE REDEVELOPMENT AREA; MAKING FINDINGS WITH RESPECT THERETO; ESTABLISHING THE 374 SOUTH GRAND 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, on December 20, 1991, pursuant to Ordinance No. 62477, the Board of Aldermen of the City created the Tax Increment Financing Commission of the City of St. Louis, Missouri (the "TIF Commission"); and

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

WHEREAS, staff and consultants of the City, Union Square Enterprises, LLC, a Missouri limited liability company (the "RPA 1 Developer"), and Geyer Avenue Developments, LLC, a Missouri limited liability company (the "RPA 2 Developer") (collectively the "Developers"), prepared a plan for redevelopment titled "374 South Grand TIF Redevelopment Plan" dated August 29, 2008, as revised October 6, 2008 (the "Redevelopment Plan"), for an area in the City consisting of three parcels in City Block 2206, generally located at the property commonly known as 374 South Grand, 314 South Grand and 3501 Market Street in St. Louis (the "Redevelopment Area" or "Area"), which Redevelopment Area is more fully described in the Redevelopment Plan, attached hereto and incorporated herein as **Exhibit A** and which contains two separate and distinct Redevelopment Project Areas (respectively, "Redevelopment Project Area 1" and "Redevelopment Project Area 2" or "RPA 1" and "RPA 2", collectively the "Redevelopment Project Areas"); and

WHEREAS, the Redevelopment Plan proposes to redevelop the RPA 1 by renovating and rehabilitating the buildings that currently exist in the RPA 1 into commercial and residential space, as set forth in the Redevelopment Plan (the "RPA 1 Project"); and

WHEREAS, the Redevelopment Plan proposes to redevelop the RPA 2 by renovating and rehabilitating the building that currently exists in the RPA 2 into residential space, as set forth in the Redevelopment Plan (the "RPA 2 Project", together with RPA 1 Project, the "Redevelopment Projects"); and

WHEREAS, on October 15, 2008, after all proper notice was given, the TIF Commission held a public hearing in conformance with the TIF Act and received

comments from all interested persons and taxing districts relative to the Redevelopment Area, the Redevelopment Project Areas, the Redevelopment Plan, and the Redevelopment Projects; and

WHEREAS, on October 15, 2008, the TIF Commission found that completion of the Redevelopment Projects would provide a substantial and significant public benefit through the elimination of blighting conditions, the creation of new jobs in the City, increased property values and tax revenues, preservation of historic structures, stabilization of the Redevelopment Area, facilitation of the economic stability of the City as a whole, and further found that without the assistance of tax increment financing in accordance with the TIF Act, the Redevelopment Projects are not financially feasible and would not otherwise be completed; and

WHEREAS, on October 15, 2008, the TIF Commission voted to recommend that the Board of Aldermen adopt an ordinance in the form required by the Act (i) adopting tax increment financing within the Redevelopment Area, (ii) approving the Redevelopment Plan, (iii) approving and designating the Redevelopment Area as a "redevelopment area" as provided in the Act, (iv) approving and designating the Redevelopment Project Areas, (v) approving the Redevelopment Projects as described within the Redevelopment Plan, and (vi) approving the issuance of one or more tax increment financing revenue notes in the amount specified in the Redevelopment Plan; and

WHEREAS, the Developers have demonstrated that the Redevelopment Projects would not reasonably be anticipated to be developed without the adoption of tax increment financing and, therefore, redevelopment of the Redevelopment Area in

accordance with the Redevelopment Plan is not feasible and would not otherwise be completed; and

WHEREAS, the Board of Aldermen has received the recommendations of the TIF Commission regarding the Redevelopment Area and the Redevelopment Plan and finds that it is desirable and in the best interests of the City to designate the Redevelopment Area as a "redevelopment area" as provided in the TIF Act, adopt the Redevelopment Plan and Redevelopment Projects in order to encourage and facilitate the redevelopment of the Redevelopment Area; and

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

WHEREAS, the property constituting the Redevelopment Area is underutilized and predominantly vacant, thus discouraging investment and encouraging crime and vagrancy, and the Redevelopment Area represents a social and economic liability to the City, and

WHEREAS, it is necessary and desirable and in the best interest of the City to approve the Redevelopment Projects to allow the rehabilitation of the buildings in the Redevelopment Area into commercial and residential space; and

WHEREAS, it is necessary and desirable and in the best interest of the City to adopt tax increment allocation financing within the Redevelopment Area and to establish a special allocation fund for the Redevelopment Area in order to provide for the promotion of the general welfare through redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan which redevelopment includes, but is not

limited to, assistance in the physical, economic, and social development of the City of St. Louis, providing for a stabilized population and plan for the optimal growth of the City of St. Louis, encouragement of a sense of community identity, safety and civic pride, and the elimination of impediments to land disposition and development in the City of St. Louis.

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

SECTION ONE. The Board of Aldermen hereby makes the following findings:

A. The Redevelopment Area on the whole is a "blighted area", as defined in Section 99.805 of the TIF Act, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. This finding includes, the Redevelopment Plan sets forth, and the Board of Aldermen hereby finds and adopts by reference: (i) a detailed description of the factors that qualify the Redevelopment Area as a "blighted area," (ii) an affidavit, signed by the RPA 1 Developer and submitted with the Redevelopment Plan, attesting that the provisions of Section 99.810.1(1) of the TIF Act have been met with respect to RPA 1, and (iii) an affidavit, signed by the RPA 2 Developer and submitted with the Redevelopment Plan, attesting that the provisions of Section 99.810.1(1) of the TIF Act have been met with respect to RPA 2, which description and affidavits are incorporated herein as if set forth herein.

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

C. In accordance with the TIF Act, the Redevelopment Plan states the

estimated dates of completion of the Redevelopment Projects and retirement of the financial obligations issued to pay for certain redevelopment project costs and these dates are twenty three (23) years or less from the date of approval of the Redevelopment Projects.

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

E. A cost-benefit analysis showing the economic impact of the Redevelopment Plan on each taxing district which is at least partially within the boundaries of the Redevelopment Area is on file with the St. Louis Development Corporation, which cost-benefit analysis shows the impact on the economy if the Redevelopment Projects are not built, and if the Redevelopment Projects are built pursuant to the Redevelopment Plan.

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

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

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

SECTION TWO. The Redevelopment Area described in the Redevelopment Plan is hereby designated as a "redevelopment area" as defined in Section 99.805(11) of the TIF Act.

SECTION THREE. The designation of the Redevelopment Project Areas in the Redevelopment Plan is hereby affirmed.

SECTION FOUR. The Redevelopment Plan as reviewed and recommended by the TIF Commission on October 15, 2008, including amendments thereto, if any, and the Redevelopment Projects described in the Redevelopment Plan are hereby adopted and approved. A copy of the Redevelopment Plan is attached hereto as **Exhibit A** and incorporated herein by reference.

SECTION FIVE. There is hereby created and ordered to be established within the treasury of the City a separate fund to be known as the "374 South Grand Special Allocation Fund." To the extent permitted by law and except as otherwise provided in the Redevelopment Plan, the City hereby pledges funds in the 374 South Grand Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof.

SECTION SIX. Tax increment allocation financing is hereby adopted within the Redevelopment Area. After the total equalized assessed valuation of the taxable real property in the Redevelopment Area exceeds the certified total initial equalized assessed valuation of the taxable real property in the Redevelopment Area, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in the Redevelopment Area by taxing districts and tax rates determined in the manner

provided in Section 99.855.2 of the TIF Act each year after the effective date of this Ordinance until redevelopment costs have been paid 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 which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in the area selected for the Redevelopment Projects 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 tax increment allocation financing;

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 area selected for the Redevelopment Projects and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the area selected for the Redevelopment Projects shall be allocated to and, when collected, shall be paid to the City Treasurer, who shall deposit such payments in lieu of taxes into the 374 South Grand Special Allocation Fund pursuant to the Redevelopment Agreements for the purpose of paying redevelopment 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 Redevelopment Projects 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 SEVEN. In addition to the payments in lieu of taxes described in Section Five of this Ordinance, fifty percent (50%) of the total additional revenue from taxes, penalties and interest which are imposed by the City or other taxing districts, and

which are generated by economic activities within the area of the Redevelopment Projects over the amount of such taxes generated by economic activities within the area of the Redevelopment Projects in the calendar year prior to the adoption of the Redevelopment Projects by ordinance, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri (2000) as amended, or taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri (2000) as amended, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, shall be allocated to, and paid by the collecting officer to the City Treasurer or other designated financial officer of the City, who shall deposit such funds in a separate segregated account within the 374 South Grand Special Allocation Fund pursuant to the Redevelopment Agreements.

SECTION EIGHT. The Comptroller of the City is hereby authorized to enter into agreements or contracts with other taxing districts as is necessary to ensure the allocation and collection of the taxes and payments in lieu of taxes described in Sections Five and Six of this Ordinance and the deposit of the said taxes or payments in lieu of taxes into the 374 South Grand Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof, all in accordance with the TIF Act.

SECTION NINE. 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 Redevelopment Area as of the date

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

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

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

SECTION TWELVE. 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.

SECTION THIRTEEN. After adoption of this Ordinance by the Board of Aldermen, this Ordinance shall become effective on the 30th day after its approval by the Mayor or adoption over his veto; *provided that* if, within ninety (90) days after the effective date of an ordinance authorizing the City to enter into a redevelopment agreement pertaining to the Redevelopment Projects, the Developers or its affiliate or designee, has not (i) executed such redevelopment agreement and (ii) paid all fees due to the City in accordance with the terms of the redevelopment agreement, the provisions of this Ordinance shall be deemed null and void and of no effect and all rights conferred by this Ordinance on Developers, shall terminate, *provided further*, however, that prior to any such termination the Developers may seek an extension of time in which to execute the Redevelopment Agreement, which extension may be granted in the sole discretion of the Board of Estimate and Apportionment of the City of St. Louis.

EXHIBIT A

374 SOUTH GRAND TIF REDEVELOPMENT PLAN