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Filed: 11-17-09

Sponsored by: O'Neal

First Reading: \_\_\_\_\_

Second Reading: \_\_\_\_\_

COUNCIL BILL NO. 2009- 298

SPECIAL ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE

1 DIRECTING dissolution of the Special Allocation Fund related to the Tax  
2 Increment Financing East Primrose Parkway Redevelopment Plan;  
3 terminating the designation of the East Primrose Parkway  
4 Redevelopment Area; repealing a prior ordinance of the City  
5 relating to the East Primrose Parkway Redevelopment Plan and  
6 the approval of tax increment financing relating thereto; and  
7 prescribing other related matters.  
8  
9

10  
11 WHEREAS, the Real Property Tax Increment Allocation Redevelopment Act,  
12 Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the "Act"),  
13 authorizes municipalities to undertake redevelopment projects in blighted, conservation  
14 or economic development areas, as defined in the Act; and  
15

16 WHEREAS, the City of Springfield, Missouri (the "City") by the passage of  
17 Ordinance No. 22540 on June 13, 1994 (the "TIF Ordinance") (i) adopted the Tax  
18 Increment Financing East Primrose Parkway Redevelopment Plan (the  
19 "Redevelopment Plan"), which called for the redevelopment of an area (the  
20 "Redevelopment Area") in the City, (ii) designated the Redevelopment Area as a  
21 "redevelopment area" under the Act, (iii) adopted tax increment financing for the  
22 Redevelopment Area in accordance with the provisions of the Act, and (iv) authorized  
23 the deposit of certain payments in lieu of taxes and economic activity taxes into a  
24 special allocation fund (the "Special Allocation Fund") for the Redevelopment Area; and  
25

26 WHEREAS, the City determined that in lieu of funds generated through tax  
27 increment financing, certain public improvement costs would be reimbursed to Dayton  
28 Hudson Corporation (the "Developer") pursuant to an Agreement dated March 21,  
29 1994, (the "Development Agreement") from certain tax revenues generated by new  
30 development described in the Development Agreement; and  
31

32 WHEREAS, all eligible costs under the Development Agreement have been  
33 reimbursed and in connection therewith the improvements described in the  
34 Redevelopment Plan have been completed; and  
35

36 WHEREAS, no obligations were issued by the City and no funds remain to be  
37 distributed as surplus revenues from the Special Allocation Fund established in the TIF  
38 Ordinance for the Redevelopment Area; and  
39

40 WHEREAS, because all Redevelopment Project Costs (as defined in the Act)  
41 have been paid, and no obligations were issued and no surplus funds remain in the  
42 Special Allocation Fund to be distributed to taxing districts, the City desires to terminate  
43 tax increment financing for the Redevelopment Area as contemplated in Section  
44 99.850 of the Act.  
45

46 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF  
47 SPRINGFIELD, MISSOURI, as follows:  
48

49 Section 1 – The City hereby dissolves the Special Allocation Fund created  
50 for the Redevelopment Area as approved in Special Ordinance No. 22540.  
51

52 Section 2 – The City hereby terminates the designation of the  
53 Redevelopment Area as a “Redevelopment Area” under the Act.  
54

55 Section 3 – The City hereby repeals the TIF Ordinance known as Special  
56 Ordinance No. 22540.  
57

58 Section 4 - The officers, agents and employees of the City, including the  
59 Mayor, City Manager, Finance Director and City Clerk shall be, and they hereby are,  
60 authorized and directed to take such actions and execute such documents as they may  
61 deem necessary or advisable in order to carry out and perform the purposes of this  
62 ordinance, and the execution of such documents or taking of such actions shall be  
63 conclusive evidence of such necessity or advisability.  
64

65 Section 5 - The sections of this ordinance shall be severable. In the event  
66 any section of this ordinance is found by a court of competent jurisdiction to be invalid,  
67 the remaining sections of this ordinance shall be deemed valid, unless the court finds the  
68 valid sections of this ordinance are so essentially and inseparably connected with, and so  
69 dependent upon the void sections, that it cannot be presumed that the City Council would  
70 have enacted the valid sections without those deemed invalid; or unless the court finds  
71 that the valid sections, standing alone, are incomplete and are incapable of being  
72 executed in accordance with the legislative intent.  
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79 Passed at meeting: \_\_\_\_\_

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82 \_\_\_\_\_

83 Mayor

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86 Attest: \_\_\_\_\_, City Clerk

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89 Filed as Ordinance: \_\_\_\_\_

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93 Approved as to form: Mary K Yendes Assistant City Attorney

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96 Approved for Council Action: [Signature] City Manager

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Affected Agency Notified: Yes  
Emergency Required: No  
Budget Adjust. Required: No  
Board Rec. Required: No  
Public Hearing: No  
Sponsor:  
Date: November 9, 2009

**EXPLANATION TO COUNCIL BILL NO. 2009 -**

**ORIGINATING DEPARTMENT:** Planning and Development

**PURPOSE:** An ordinance directing dissolution of the Special Allocation Fund related to the East Primrose Parkway Redevelopment Plan; terminating the designation of the East Primrose Parkway Redevelopment Area; repealing a prior ordinance of the City relating to the East Primrose Parkway Redevelopment Plan and the approval of Tax Increment Financing Relating thereto; and prescribing other related matters (Staff recommends approval).

**BACKGROUND INFORMATION:** In 1994, the City approved the Tax Increment Financing East Primrose Parkway Redevelopment Plan and a related development agreement related to the construction of the Target store located near the intersection of Glenstone and Primrose. Under the development agreement, Dayton Hudson Corporation (Target) constructed utility, street, and storm water improvements, including downstream storm water improvements. The City agreed to reimburse Dayton Hudson Corporation \$500,000 plus interest for the improvements. The final payment under the development agreement was made in 2002.

The City was able to satisfy its obligations under the development agreement using one-half (1/2) of the 1% general sales tax generated from the development. Because revenues from other taxing districts were not needed and because the costs reimbursed were exclusively public improvements, it was not necessary to utilize tax increment financing for the project.

This relatively small investment of City revenue succeeded in bringing a major retailer to Springfield. Target continues to be a significant retail force in the community, generating hundreds of thousands of dollars in sales tax revenue annually.

The attached ordinance terminates the redevelopment area, closes the special allocation fund and repeals the prior TIF ordinance. This is a cleanup matter that is a requirement of the TIF statute. It will also clarify for the State of Missouri that the City is meeting its reporting requirements for active TIF projects.

**RECOMMENDATION:** Staff recommends approval.

Submitted by:

  
\_\_\_\_\_  
Planning and Development

Approved by:

  
\_\_\_\_\_  
City Manager