

One-rdg. _____
P. Hrngs. _____
Pgs. 6
Filed: 10-13-20

Sponsored by: Schilling

First Reading: _____

Second Reading: _____

COUNCIL BILL 2020 -240

GENERAL ORDINANCE _____

AN ORDINANCE

1 AMENDING the Springfield City Code, Chapter 40, 'Community Development,' Article
2 II, 'Workable Program,' Section 40-11, 'Definitions,' and Section 40-14,
3 'Redevelopment Agreement,' by removing references to a tax abatement
4 scorecard and a reduced level of tax abatement which are no longer part
5 of the Workable Program by operation of the sunset clause previously
6 contained in Section 40-15. (Staff recommends approval.)
7
8

9 WHEREAS, the Land Clearance for Redevelopment Authority ("LCRA") Law,
10 currently found at Sections 99.300 through 99.715 RSMo., provides the City of
11 Springfield with the authority to offer tax abatement incentives to persons and entities
12 who redevelop or rehabilitate blighted property in conformance with an approved
13 Redevelopment Plan; and
14

15 WHEREAS, the LCRA Law authorizes cities to adopt a Workable Program to
16 assist cities with, among other things, the appropriate utilization of private and public
17 resources to eliminate and prevent the development or spread of blighted areas; and
18

19 WHEREAS, City Council adopted a Workable Program on March 26, 2018, by
20 General Ordinance 6437; and
21

22 WHEREAS, General Ordinance 6437 added, among other provisions, Section
23 40-15, 'Amount of Abatement,' to the City Code, which allowed for a reduced level of tax
24 abatement and the creation of a tax abatement "scorecard" used to determine the level
25 of abatement through the Workable Program; and
26

27 WHEREAS, General Ordinance 6437 incorporated a sunset provision affecting
28 Section 40-15, 'Amount of Abatement'; and
29

30 WHEREAS, by operation of this sunset provision, Section 40-15, 'Amount of
31 Abatement,' has been repealed; and
32

33 WHEREAS, the Workable Program retains references to a reduced level of

34 abatement and the "scorecard" created by Section 40-15.

35

36 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF
37 SPRINGFIELD, MISSOURI, as follows, that:

38

39 NOTE: Language to be added is underlined, language to be deleted is ~~stricken~~.

40

41 Section 1 – The Springfield City Code, Chapter 40, 'Community Development,'
42 Article II, 'Workable Program,' Section 40-11, 'Definitions,' is hereby amended as
43 follows:

44

45 Sec. 40-11. - Definitions.

46

47 As used in this article, the following terms shall mean:

48

49 (a) *But-for test* means a finding by city council that a project, or projects, described in
50 a redevelopment plan would not occur, or would not be financially feasible if tax
51 abatement is not provided.

52

53 (b) *LCRA* means the duly authorized Land Clearance for Redevelopment Authority
54 of Springfield, Missouri.

55

56 (c) *LCRA Law* means those sections of Missouri statutes contained within RSMo
57 99.300 through 99.715.

58

59 (d) *Project* shall have the same meaning as "Land Clearance Project," as defined by
60 RSMo 99.320.10.

61

62 (e) *Redevelopment agreement* shall mean any agreement approved by city council
63 in connection with approval of a redevelopment plan.

64

65 (f) *Redevelopment plan* shall have the same meaning as "Redevelopment Plan"
66 and "Urban Renewal Plan" as provided for in the LCRA Law.

67

68 (g) *Tax abatement* means an abatement, authorized pursuant to the LCRA Law, of
69 the increase in ad valorem taxes on real property related to a project.

70

71 ~~(h) *Tax abatement scorecard* shall mean the city council approved formula for~~
72 ~~computing the amount of tax abatement to be granted in connection with a~~
73 ~~project in addition to the minimum abatement amount as described in section 40-~~
74 ~~15.~~

75

76 Section 2 – The Springfield City Code, Chapter 40, 'Community Development,'
77 Article II, 'Workable Program,' Article II, Section 40-14, 'Redevelopment Agreement,' is
78 hereby amended as follows:

79

80 Sec. 40-14. - Redevelopment agreement—Required to be executed, provisions
81 included therein to be considered part of the redevelopment plan.

82
83 (a) Prior to applying to the LCRA for a certificate of qualification for tax abatement,
84 the applicant shall execute a redevelopment agreement with the city, which has
85 been approved by council concurrent with the redevelopment plan. Said
86 agreement shall contain, at least, the following provisions:
87

88 ~~(1) — A mechanism for imposing and administering annual Payments in~~
89 ~~Lieu of Taxes (PILOTs) to implement the level of tax abatement~~
90 ~~authorized by the city council;~~

91
92 ~~(2)~~ (1) A termination clause which states that in the event of a breach of
93 the redevelopment agreement or the redevelopment plan, that the city is
94 entitled to damages from the breaching party in an amount equal to all ad
95 valorem taxes which would have been assessed subsequent to the date of
96 the breach and otherwise be payable with respect to the property had the
97 LCRA not issued a certificate of qualification for tax abatement for the
98 project. Said clause shall contain a notice and opportunity to cure before
99 its provisions are acted upon;

100
101 ~~(3)~~ (2) Provisions by which subsequent purchasers of property within the
102 redevelopment area are bound by the provisions of the redevelopment
103 agreement and redevelopment plan for the duration of any tax abatement
104 authorized in connection with said redevelopment plan; and

105
106 ~~(4)~~ (3) That the terms of the redevelopment agreement shall be
107 considered essential terms of the approved redevelopment plan and that
108 any violation of the redevelopment agreement shall constitute a violation
109 of the redevelopment plan.

110
111 Section 3 – Savings Clause. Nothing in this Ordinance shall be construed to
112 affect any suit or proceeding now pending in any court or any rights acquired or liability
113 incurred nor any cause or causes of action occurred or existing, under any act or
114 ordinance repealed hereby. Nor shall any right or remedy of any character be lost,
115 impaired, or affected by this Ordinance.

116
117 Section 4 – Severability Clause. If any section, subsection, sentence, clause, or
118 phrase of this Ordinance is for any reason held to be invalid, such decision shall not
119 affect the validity of the remaining portions of this Ordinance. City Council hereby
120 declares that it would have adopted the Ordinance and each section, subsection,
121 sentence, clause, or phrase thereof, irrespective of the fact that any one or more
122 sections, subsections, sentences, clauses, or phrases be declared invalid.

123
124 Section 5 – This Ordinance shall be in full force and effect from and after
125 passage.
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127 Passed at meeting: _____

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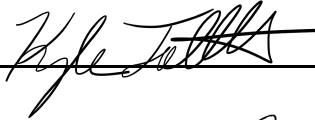
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140

Mayor

Attest: _____, City Clerk

Filed as Ordinance: _____

Approved as to form: , Assistant City Attorney

Approved for Council action: , City Manager

EXPLANATION TO COUNCIL BILL 2020-240

FILED: 10-13-20

ORIGINATING DEPARTMENT: Planning and Development Department

PURPOSE: Amending the Springfield City Code, Chapter 40, Article II, 'Workable Program,' Section 40-11, 'Definitions,' and Section 40-14, 'Redevelopment Agreement,' to remove remaining references to a reduced level of tax abatement and scorecard which are no longer part of the Workable Program by operation of the sunset clause previously contained in Section 40-15. (Staff recommends approval.)

BACKGROUND INFORMATION: Springfield City Council adopted the Workable Program by General Ordinance 6437 on March 26, 2018.

The Workable Program established a framework for the City of Springfield to evaluate property tax abatement requests under the LCRA Law, Sec. 99.300-715, RSMo. It includes essential elements such as a but-for test and requiring verification of blight in legacy blighted areas.

Exceptions to some of these requirements are made for Multi-Project Redevelopment Areas, which must be declared as such by Council resolution in order to be eligible for this more-flexible set of rules. The purpose of allowing such flexibility is to ensure that Tax Abatement is available for future redevelopment of an area of the City which contains widespread evidence of blighting factors, where an overall plan for redevelopment is required to address said blighting factors.

All Redevelopment Plans submitted to City Council for approval must comply with the Workable Program. Sec. 99.320(20), RSMo.

A Workable Program is defined in the LCRA Act as "an official plan of action, as it exists from time to time, for effectively dealing with the problem in insanitary, blighted, deteriorated or deteriorating areas within the community and for the establishment and preservation of a well-planned community with well-organized residential neighborhoods of decent homes and suitable living environment for adequate family life, for utilizing appropriate private and public resources to eliminate and prevent the development or spread of insanitary, blighted, deteriorated or deteriorating areas, to encourage needed urban rehabilitation, to provide for the redevelopment of blighted, insanitary, deteriorated and deteriorating areas, or to undertake such of the aforesaid activities or other feasible community activities as may be suitably employed to achieve the objectives of such a program." Sec. 99.320(23), RSMo.

REMARKS: Section 40-15 of the Workable Program, pertaining to the amount of abatement and payments in lieu of taxes, expired on March 25, 2020, and has been removed from the Code. However, there are a number of other references to a reduced level of abatement and the "scorecard" used to determine the level of abatement

throughout the Workable Program. This General Ordinance removes those references.

The proposed ordinance changes are as follows:

- Sec. 40-11, Definitions. Delete definition of “Tax abatement scorecard.”
- Sec 40-14(a) – Delete requirement for imposing PILOTs.

Submitted by:



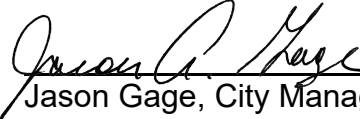
Sarah Kerner, Economic Development Director

Recommended by:



Mary Lilly Smith, Planning Director

Approved by:



Jason Gage, City Manager