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Sponsored by: Schilling and Ollis

First Reading: _____

Second Reading: _____

COUNCIL BILL: 2018- 015

GENERAL ORDINANCE: _____

AN ORDINANCE

1 AMENDING the Springfield City Code, Chapter 40, Article II, ‘Chapter 353 – Urban
2 Redevelopment,’ by repealing Article II and enacting in lieu thereof a new
3 Article II and Article III; amending Chapter 2, ‘Administration,’ Article IV,
4 ‘Boards, Commissions and Committees,’ Division 5, ‘Tax Abatement and
5 Tax Increment Financing Advisory Commission,’ by repealing Division 5
6 and enacting a new Division in lieu thereof; for the purpose of adopting,
7 and updating, various code provisions related to tax abatement
8 administration and to adopt a Workable Program for the City.
9

10
11 WHEREAS, the Land Clearance for Redevelopment Authority (“LCRA”) Law,
12 currently found at §§ 99.300 through 99.715 RSMo., provides the City of Springfield with
13 the authority to offer tax abatement incentives to persons and entities who redevelop or
14 rehabilitate blighted property in conformance with an approved Redevelopment Plan;
15 and
16

17 WHEREAS, the LCRA Law authorizes cities to adopt a Workable Program to
18 assist cities with, among other things, the appropriate utilization of private and public
19 resources to eliminate and prevent the development or spread of blighted areas; and
20

21 WHEREAS, the LCRA Law further provides that Redevelopment Plans must
22 comply with the requirements of an adopted Workable Program; and
23

24 WHEREAS, this Ordinance adopts a Workable Program to govern the use of the
25 incentives authorized by the LCRA Law, thus amendments to various City Code
26 provisions are required to implement this Workable Program.
27

28 NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF
29 SPRINGFIELD, MISSOURI, as follows, that:
30

31 Section 1 – Springfield City Code, Chapter 40, Article II, ‘Chapter 353 – Urban
32 Redevelopment,’ is repealed and a new Article II and Article III are enacted in lieu
33 thereof, to read as follows:

34
35 (Note: Language to be added to existing code provisions is underlined and language
36 being removed is ~~stricken~~.)

37
38 ARTICLE II. – WORKABLE PROGRAM.

39
40 Sec. 40-10. - Declaration of Policy.

41
42 When a developer receives real property tax abatement, as authorized by the
43 Land Clearance for Redevelopment Authority Law, the project becomes more than a
44 private development. It becomes a public-private partnership supported by the
45 incremental increase in real property taxes foregone by the various taxing jurisdictions
46 of our community. To ensure that tax dollars are supporting projects that contribute to
47 the quality, attractiveness, and unique character of Springfield, the City Council of
48 Springfield, Missouri hereby adopts this Workable Program to govern the use of
49 property tax abatement authorized pursuant to the Land Clearance for Redevelopment
50 Authority Law, to incentivize the redevelopment of blighted properties within the City.

51
52 Sec. 40-11. - Definitions.

53
54 As used in this Article, the following terms shall mean:

- 55
56 (a) “But-for Test,” a finding by City Council that a Project, or Projects, described in a
57 Redevelopment Plan would not occur, or would not be financially feasible if Tax
58 Abatement is not provided.
59
60 (b) “LCRA,” the duly authorized Land Clearance for Redevelopment Authority of
61 Springfield, Missouri.
62
63 (c) “LCRA Law,” those sections of Missouri statutes contained within §§ 99.300 through
64 99.715 RSMo.
65
66 (d) “Project,” shall have the same meaning as “Land Clearance Project,” as defined by §
67 99.320.10 RSMo.
68
69 (e) “Redevelopment Agreement,” shall mean any agreement approved by City Council
70 in connection with approval of a Redevelopment Plan.
71
72 (f) “Redevelopment Plan,” shall have the same meaning as “Redevelopment Plan” and
73 “Urban Renewal Plan” as provided for in the LCRA Law.
74
75 (g) “Tax Abatement,” an abatement, authorized pursuant to the LCRA Law, of the
76 increase in ad valorem taxes on real property related to a Project.
77
78 (h) “Tax Abatement Scorecard,” shall mean the City Council approved formula for
79 computing the amount of Tax Abatement to be granted in connection with a Project

80 in addition to the minimum abatement amount as described in section 40-15.

81
82 Sec. 40-12. - Applicability of this Article.

83
84 Redevelopment Plans, and any Amended Redevelopment Plans, prepared and
85 submitted pursuant to the LCRA Law shall comply with the provisions contained in this
86 Article, in addition to any other requirements imposed by law. No Redevelopment Plan
87 shall be approved unless the provisions of this Article have been complied with. The
88 provisions of this Article shall not apply to any Redevelopment Plan application
89 submitted to the City prior to October 16, 2017.

90
91 Sec. 40-13. - Redevelopment Plans, finding of financial need required, application
92 process, notifications required.

93
94 (a) Required findings for City Council approval of a Redevelopment Plan.

95
96 (1) The City Council shall only approve a Redevelopment Plan if it has been
97 sufficiently demonstrated to the City Council that the But-for Test has been
98 satisfied.

99
100 (2) In the case of a new or amended Redevelopment Plan proposed in an
101 existing blighted area, the City Council shall only approve a Redevelopment
102 Plan if the requirements of Section 40-16 have been met.

103
104 (b) Application process, required documents, supporting information.

105
106 (1) Before the approval of a Redevelopment Plan, the Applicant shall submit an
107 application, along with the Redevelopment Plan, that shall include an analysis
108 of the Project or Projects contemplated within said Redevelopment Plan as
109 required by this Article.

110
111 (2) The Applicant shall submit with their Application a project budget which shall
112 contain sufficient information to enable the City Council to make the required
113 finding contained in section 40-13(a)(1). The project budget shall include a
114 reasonably detailed description of all financial commitments and shall
115 evidence the degree of financing for the Project from all funding sources.

116
117 (3) The Application shall contain pro forma financial statements and tax impact
118 analysis for the Project, with and without the minimum Tax Abatement as
119 described in Section 40-15, showing the impact to each political subdivision
120 which levies any ad valorem real property tax on any property subject to the
121 proposed Redevelopment Plan.

122
123 (4) The Application shall also contain a reasonably detailed development
124 schedule for the Project.

125

126 (5) The Application shall be supported by local market data from a qualified third-
127 party.

128
129 (c) Additional required contents of Redevelopment Plan.

130
131 (1) In addition to the requirements contained in this Article, and the LCRA Law,
132 all Redevelopment Plans shall include:

133
134 a. Specific reference to the Redevelopment Agreement which must be
135 executed by the Applicant and the City prior to application for a
136 Certificate of Qualification for Tax Abatement, issued pursuant to the
137 LCRA Law and this Article, in connection with the Project.

138
139 b. The Redevelopment Plan shall contain a statement that the provisions
140 of the Redevelopment Agreement are essential provisions of the
141 Redevelopment Plan and that any violation of the terms of the
142 Redevelopment Agreement shall also constitute a violation of the
143 Redevelopment Plan.

144
145 (d) Notification to property owners, registered neighborhood organizations, and political
146 subdivisions.

147
148 (1) Notice shall be given to each person or entity having a property interest of
149 record within 500 feet of the area subject to the proposed Redevelopment
150 Plan, to any registered neighborhood organization within whose boundaries
151 the Project is located, and to each political subdivision which levies any ad
152 valorem real property tax on any property subject to the proposed
153 Redevelopment Plan at least ten-days prior to the City Council's first public
154 hearing on the proposed Redevelopment Plan. Such notice shall be in writing
155 and mailed by regular United States mail, postage prepaid.

156
157 (2) Any notice required by this section shall state the reason for the notice and
158 the time, date, and place of the public hearing. The notice shall provide a
159 general boundary description of the area within the Redevelopment Plan; the
160 nature of the development; and in the notice to political subdivisions only, a
161 written statement of the projected financial impact on ad valorem tax
162 collection that any tax abatement associated with the Redevelopment Plan
163 will have on such political subdivisions.

164
165 Sec. 40-14. – Redevelopment Agreement – required to be executed, provisions
166 included therein to be considered part of the Redevelopment Plan.

167
168 (a) Prior to applying to the LCRA for a Certificate of Qualification for Tax Abatement, the
169 applicant shall execute a Redevelopment Agreement with the City, which has been
170 approved by Council concurrent with the Redevelopment Plan. Said agreement shall
171 contain, at least, the following provisions:

- 172
173 (1) A mechanism for imposing and administering annual Payments in Lieu of Taxes
174 (PILOTs) to implement the level of Tax Abatement authorized by the City
175 Council;
176
177 (2) A termination clause which states that in the event of a breach of the
178 Redevelopment Agreement or the Redevelopment Plan, that the City shall
179 promptly notify the Greene County Assessor of said breach and, should for any
180 reason the Tax Abatement not be revoked thereafter, that the City is entitled to
181 damages from the breaching party in an amount equal to all ad valorem taxes
182 which would have been assessed subsequent to the date of the breach and
183 otherwise be payable with respect to the property had the LCRA not issued a
184 Certificate of Qualification for Tax Abatement for the Project. Said clause shall
185 contain a notice and opportunity to cure before its provisions are acted upon.
186
187 (3) Provisions by which subsequent purchasers of property within the
188 Redevelopment Area are bound by the provisions of the Redevelopment
189 Agreement and Redevelopment Plan for the duration of any Tax Abatement
190 authorized in connection with said Redevelopment Plan; and
191
192 (4) That the terms of the Redevelopment Agreement shall be considered essential
193 terms of the approved Redevelopment Plan and that any violation of the
194 Redevelopment Agreement shall constitute a violation of the Redevelopment
195 Plan.

196
197 Sec. 40-15. – Amount of Abatement – how determined, provisions related thereto,
198 payments in lieu of taxes – required.

199
200 (a) *Amount of Abatement.*

201
202 (1) The minimum level of authorized Tax Abatement for Projects with an approved
203 Redevelopment Plan shall be 50 percent.

204
205 (2) The City Council is hereby authorized to increase the level of Tax Abatement for
206 a Project within an approved Redevelopment Plan up to 100 percent utilizing
207 Council's approved Tax Abatement Scorecard. The Tax Abatement Scorecard
208 shall be adopted by the City Council and a copy of same shall be retained on file
209 with the Department of Planning and Development.

210
211 (b) If the Tax Abatement amount is less than 100 percent, pursuant to an approved
212 Redevelopment Agreement, the remainder of the Tax Abatement amount shall be
213 collected by the City on an annual basis as Payments in Lieu of Taxes (PILOTs).

214
215 (1) Any PILOTs paid to the City, and any non-PILOT damages paid to the City as a
216 result of a breach of the Redevelopment Agreement or Redevelopment Plan,
217 shall be retained by the City and utilized as a Shared Success Fund for targeted

218 economic development projects and/or expenses in connection with addressing
219 blight remediation, assistance to homeowners, and/or dangerous buildings.

220
221 Sec. 40-16. – Legacy Blighted Areas.

222
223 (a) If a Redevelopment Plan is proposed for an area that was declared blighted by City
224 Council more than twenty-four (24) months prior to the approval of said
225 Redevelopment Plan, the Applicant shall provide either:

226
227 (1) An updated blight study, or other evidence that the area still exhibits the
228 blighting factors that existed at the time it was declared a blighted area; or

229
230 (2) A new blight study showing that sufficient blighting factors exist to support a
231 finding that the area meets the definition of a blighted area, per the LCRA
232 Law.

233
234 Sec. 40-17. – Review by the LCRA.

235
236 Prior to City Council action regarding a proposed Redevelopment Plan, the
237 LCRA shall first make a recommendation to the City Council regarding an applicant's
238 Redevelopment Plan. Part of the LCRA's recommendation shall be a determination of
239 whether the provisions of this Article have been complied with.

240
241 Sec. 40-18. – Annual Reporting – Compliance.

242
243 During the period a Project is eligible for Tax Abatement, the City shall annually
244 review conformance of all approved Projects with each Project's respective
245 Redevelopment Plan, Redevelopment Agreement, and this Article, and such review
246 shall be completed no later than March 31. In the event a Project is found non-compliant
247 with the terms of an applicable Redevelopment Plan, Redevelopment Agreement, or
248 this Article, the City shall enforce the terms of the Redevelopment Agreement.

249
250 Sec. 40-19. – Multi-Project Redevelopment Plans.

251
252 (a) The purpose of this section is to allow flexibility regarding the applicability of this
253 Article, to ensure that Tax Abatement is available for future redevelopment of an
254 area of the City which contains widespread evidence of blighting factors, where an
255 overall plan for redevelopment is required to address said blighting factors.

256
257 (b) City Council, by resolution, shall have the authority to designate and declare that a
258 Redevelopment Plan qualifies as a Multi-Project Redevelopment Plan.

259
260 (c) For purposes of this Section 40-19, factors that Council shall consider when
261 designating a Redevelopment Plan as a Multi-Project Redevelopment Plan shall
262 include:

- 264 (1) Size of the redevelopment area;
- 265
- 266 (2) If land assemblage is required;
- 267
- 268 (3) Whether the entire scope of the potential redevelopment projects within the
- 269 Redevelopment Area is known at the time of application;
- 270
- 271 (4) Whether the Redevelopment Plan was initiated by the City to facilitate
- 272 redevelopment in an area; and
- 273
- 274 (5) Whether there are multiple land owners of discrete parcels or properties within
- 275 the Redevelopment Area.
- 276
- 277 (d) Any Multi-Project Redevelopment Plan or Project submitted in accordance with such
- 278 Redevelopment Plan shall be exempt from the requirements of this Article except for
- 279 the following provisions:
- 280
- 281 (1) Section 40-13(d), provided that the statement of projected tax impact described
- 282 in 40-13(d)(2) shall not be required;
- 283
- 284 (2) Section 40-16; and
- 285
- 286 (3) This section 40-19.
- 287
- 288 (e) The Special Ordinance approving a Multi-Project Redevelopment Plan shall be
- 289 effective for up to five years, after which the designation shall cease to be in effect
- 290 and the Redevelopment Plan shall be void, unless the previous designation is
- 291 extended by a subsequent resolution of Council prior to the Plan's expiration.

292

293 ARTICLE II. - CHAPTER 353—URBAN REDEVELOPMENT

294

295 ARTICLE III. - CHAPTER 353—URBAN REDEVELOPMENT

296

297 Sec. 40-31. - Title of article.

298

299 This article shall be known and may be cited and referred to as the Chapter 353

300 Urban Redevelopment Ordinance.

301

302 Sec. 40-32. - Findings; purpose of article.

303

304 The purpose of this chapter is to provide for the redevelopment of a blighted area

305 through the clearance, replanning, reconstruction or rehabilitation of such area and for

306 the provision of industrial, commercial, residential or public structures and spaces as

307 may be appropriate, including recreational and other facilities incidental or appurtenant

308 thereto as authorized and defined by RSMo ch. 353.

309

310 A "blighted area" is any portion of the city which the city council determines that
311 by reason of age, obsolescence, inadequate or outmoded design or physical
312 deterioration, has become an economic and social liability and that such conditions are
313 conducive to ill health, transmission of disease, crime or inability to pay reasonable
314 taxes.

315
316 An "area" is that portion of the city which the city council has found to be blighted
317 so that the clearance, replanning, rehabilitation, or reconstruction thereof is necessary
318 to effectuate the purposes of this chapter. Any such area may include buildings or
319 improvements not in themselves blighted, and any real property, whether improved or
320 unimproved, the inclusion of which is deemed necessary for the effective clearance,
321 replanning, reconstruction or rehabilitation of the area of which such buildings,
322 improvements or real property form a part.

323
324 Sec. 40-33. - Acceptance of state enabling act.

325
326 The provisions of the Urban Redevelopment Corporations Law, found at RSMo
327 ch. 353, are hereby accepted and shall apply to all persons and corporations operating
328 under this article, insofar as such provisions may be applicable thereto.

329
330 Sec. 40-34. - Definitions.

331
332 The words, terms and phrases used in this article shall have the meanings
333 ascribed to them in the Urban Redevelopment Corporations Law, if so defined therein.

334
335 Sec. 40-35. - Redevelopment proposals.

336
337 (a) *Procedures.* The city manager or his designee shall establish requirements for
338 applications for redevelopment under this article as well as procedures for the
339 processing and approval/disapproval of such applications which shall be filed
340 with the city clerk.

341
342 (b) *Additional rules.* The city manager or his designee shall further be empowered to
343 make and adopt such rules and regulations necessary and proper to effectuate
344 the purposes of this article which rules and regulations shall be filed with the city
345 clerk.

346
347 (c) *Adoption of fees; payment of fees.* The proponent of any application under this
348 chapter shall file with the city a deposit ~~\$1,000.00~~ in accordance with the City's
349 then-applicable fee study at the time the application is filed which is intended to
350 cover the reasonable cost of the examining, inspection and supervisory services
351 required under this article. If the cost of the work exceeds ~~\$1,000.00~~ the amount
352 specified in the City's then-applicable fee study, the additional costs shall be
353 charged to and paid by the proponents of the redevelopment plan.

354
355 Sec. 40-36. - Supporting evidence of blight.

356
357 (a) *Blight study.* Any application for approval of a redevelopment plan shall include
358 evidence that the area is a blighted area as defined by RSMo 353.020(2) and
359 section 40-32, and such blight study shall meet the requirements of any
360 procedures established under subsection 40-35(a).

361
362 (b) *Review by city council.* The city council shall analyze the blight studies required
363 in this section, along with other evidence, and determine if the area is a blighted
364 area.

365
366 Sec. 40-37. - Notification of property owners.

367
368 The city manager or his designee shall adopt regulations which provide for notice
369 of the redevelopment plan and city council public hearing to each person or entity
370 having a property interest of record in the proposed redevelopment area.

371
372 Sec. 40-38. - Notice to political subdivisions of proposed redevelopment plan.

373
374 (a) *Notice required.* In addition to the notification requirements of section 40-37, a
375 ten-day written notice shall be given to each political subdivision having
376 boundaries for ad valorem real estate taxation purposes which include any
377 portion of the real property to be affected within the area which is the subject of
378 the redevelopment plan prior to the city council public hearing on the tax
379 abatement.

380
381 (b) *Method of notice.* Any notice required by this section shall be in writing and
382 mailed in the regular United States mail, postage prepaid.

383
384 (c) *Contents of notice.* Any notice required by this section shall state the reason for
385 the notice and the time, date and place of the public hearing. The notice shall
386 provide a general boundary description of the area within the redevelopment
387 plan; the nature of the development; and a written statement of the impact on ad
388 valorem taxes any tax abatement will have on such political subdivisions as
389 required by RSMo 353.110.3.

390
391 Sec. 40-39. - Required findings and declarations in any ordinance approving
392 redevelopment plan.

393
394 In any ordinance approving a redevelopment plan, the council shall make the
395 following findings and declarations:

396
397 (1) That the area included within a redevelopment plan is a blighted area, and
398 that the clearance, redevelopment, replanning, rehabilitation or reconstruction
399 thereof is necessary for the public convenience and necessity.

400
401 (2) That, if a corporation seeks to acquire all or any part of the real property

402 within a blighted area by exercise of the power of eminent domain, such
403 acquisition by the exercise of the power of eminent domain is for a public
404 purpose.

405
406 Sec. 40-40. - Tax relief for redevelopment corporations.

407
408 In any ordinance approving a redevelopment plan, the council shall make its
409 determination regarding the amount of tax exemption or abatement to which the real
410 property acquired by the redevelopment corporation will be entitled. Such tax exemption
411 or abatement shall not exceed the maximum amount authorized in RSMo 353.110.

412
413 Section 2 – Springfield City Code, Chapter 2, Division 5, ‘Tax Abatement and Tax
414 Increment Financing Advisory Commission,’ is repealed and a new Division 5 is enacted
415 in lieu thereof, to read as follows:

416
417 (Note: Language to be added is underlined and language being removed is ~~stricken~~.)

418
419 ~~DIVISION 5. - TAX ABATEMENT AND TAX INCREMENT FINANCING ADVISORY~~
420 ~~COMMISSION~~

421
422 Sec. 2-241. – Established; membership.

423
424 (a) The city council hereby creates a ~~tax abatement and tax increment financing~~
425 ~~advisory commission~~ to be appointed as follows:

426
427 (1) Two members shall be appointed by the school boards whose districts are
428 included within the redevelopment plan or redevelopment area. Such
429 members shall be appointed in any manner agreed upon by the affected
430 districts.

431
432 (2) Two members shall be appointed by the chief elected officer of Greene
433 County, with the advice and consent of the majority of the county commission.

434
435 (3) One member shall be appointed, in a manner agreed upon by the affected
436 districts, to represent all other districts levying ad valorem taxes within the
437 area selected for a redevelopment project or the redevelopment area,
438 excluding representatives of the city council.

439
440 (4) Six members shall be appointed by the mayor, with the consent of the
441 majority of the city council. Of the six members appointed by the city, one
442 member shall be from the Springfield/Greene County Library Board, one
443 member shall be from the city council, and ~~three~~ four members shall be from
444 the public at large.

445
446 (b) The members who are appointed by the school boards, Greene County, and the
447 other taxing districts shall serve on the commission for a term to coincide with the

448 length of time a redevelopment project, redevelopment plan or designation of a
449 redevelopment area is considered for approval by the commission, or for a definite
450 term. If the members representing school districts, Greene County, and the other
451 taxing districts are appointed for a term coinciding with the length of time a
452 redevelopment project, plan or area is approved, such term shall terminate upon
453 final approval of the project. Thereafter, the commission shall consist of the six
454 members appointed by the city, except that members representing school boards,
455 Greene County, and other taxing districts shall be appointed as provided in this
456 section prior to any amendments to any redevelopment plans, redevelopment
457 projects or designation of a redevelopment area. If any school district or, Greene
458 County, or any other taxing jurisdiction fails to appoint members of the commission
459 within 30 days of receipt of written notice of a proposed redevelopment plan,
460 redevelopment project or designation of a redevelopment area, the remaining
461 members may proceed to exercise the power of the commission. Of the members
462 first appointed by the city, two shall be designated to serve for terms of two years,
463 two shall be designated to serve for a term of three years and two shall be
464 designated to serve for a term of four years from the date of such initial
465 appointments. Thereafter, the members appointed by the city shall serve for a term
466 of four years, except that all vacancies shall be filled for unexpired terms in the same
467 manner as the original appointments.

468
469 Sec. 2-242. – Duties; procedures.

470
471 (a) *Tax increment financing.* On tax increment financing questions, the commission
472 established by this division shall be subject to the following:

- 473
474 (1) The commission shall hold public hearings and provide notice pursuant to
475 RSMo 99.825—99.830.
476
477 (2) The commission shall vote on all proposed redevelopment plans,
478 redevelopment projects and designations of redevelopment areas, and
479 amendments thereto, within 30 days following completion of the hearing on
480 any such plan, project or designation, and shall make recommendations to
481 the city council within 90 days of the hearing referred to in RSMo 99.825
482 concerning the adoption of, or amendment to, redevelopment plans and
483 redevelopment projects and the designation of redevelopment areas.
484
485 (3) The director of the department of planning and development or his designee
486 shall act as the board secretary. The commission shall elect from one of its
487 members a chairperson to preside at the meeting and a vice-chairperson to
488 preside in the absence of the chairperson.
489
490 (4) The director of the department of planning and development shall provide the
491 commission with information concerning tax increment financing questions
492 prior to the city council authorizing tax increment financing. The commission
493 shall advise the city council concerning tax increment financing issues. Final

494 approval of plans and projects and the designation of the redevelopment area
495 for tax increment financing purposes shall be in the city council.

496
497 (5) The commission shall convene on call from the chairperson or from the
498 secretary to consider advising the city council about tax increment financing
499 questions.

500
501 ~~(b) Tax abatement. The commission also shall advise the city council about tax~~
502 ~~abatement issues prior to the city council taking action on a request for tax~~
503 ~~abatement.~~

504
505 Section 3 – City Council hereby adopts the Tax Abatement Scorecard attached
506 hereto as “Exhibit A” which is incorporated herein by this reference. This document
507 shall be considered the Council-approved Scorecard required by Section 40-15.

508
509 Section 4 – Savings Clause. Nothing in this Ordinance shall be construed to
510 affect any suit or proceeding now pending in any court or any rights acquired or liability
511 incurred nor any cause or causes of action occurred or existing, under any act or
512 ordinance repealed hereby. Nor shall any right or remedy of any character be lost,
513 impaired, or affected by this ordinance.

514
515 Section 5 – Severability Clause. If any section, subsection, sentence, clause, or
516 phrase of this ordinance is for any reason held to be invalid, such decision shall not
517 affect the validity of the remaining portions of this ordinance. The Council hereby
518 declares that it would have adopted the ordinance and each section, subsection,
519 sentence, clause or phrase thereof, irrespective of the fact that any one or more
520 sections, subsections, sentences, clauses, or phrases be declared invalid.

521
522 Section 6 – This Ordinance shall be in full force and effect from and after
523 passage.

524
525 Passed at meeting: _____

526
527
528 _____
529 Mayor

530 Attest: _____, City Clerk

531
532 Filed as Ordinance: _____

533
534 Approved as to form: Franklin D. Bonin II, City Attorney

535
536 Approved for Council action: [Signature], City Manager

EXPLANATION TO COUNCIL BILL 2018-015

FILED: 01-09-18

ORIGINATING DEPARTMENT: Planning and Development Department

PURPOSE: Amending the Springfield City Code, Chapter 40, Article II, 'Chapter 353 – Urban Redevelopment,' by repealing Article II and enacting in lieu thereof a new Article II and Article III; amending Chapter 2, 'Administration,' Article IV, 'Boards, Commissions and Committees,' Division 5, 'Tax Abatement and Tax Increment Financing Advisory Commission,' by repealing Division 5 and enacting a new Division in lieu thereof; for the purpose of adopting, and updating, various code provisions related to tax abatement administration and to adopt a Workable Program for the City. (Finance and Administration Committee, Land Clearance for Redevelopment Authority and Staff recommend approval.)

BACKGROUND INFORMATION: 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.

The LCRA Act authorizes the preparation of a Workable Program for the City as a whole. Sec. 99.420(5), RSMo. All Redevelopment Plans submitted to City Council for approval must comply with the Workable Program. Sec. 99.320(20), RSMo.

This bill establishes a Workable Program for Springfield, and amends other provisions of the City Code related to tax abatement administration.

Supports the following Field Guide 2030 goal(s): Chapter 3, Economic Development; Objective 2b: Continue to explore creative and flexible methods to attract and retain jobs and business investment in the community; and Objective 7a, Continue the use of incentives such as low-interest loans and property tax abatement to advance the revitalization of center city.

REMARKS: This Workable Program is intended to establish 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, requiring

verification of blight in legacy blighted areas, as well as a Scorecard by which projects will be rated on various measures of community benefit to determine the appropriate level of abatement. A base level of abatement of 50% is established for projects meeting the But-For Test and blight verification requirements; 51-100% abatement will be available for projects depending on application of the Scorecard.

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.

The proposed changes to City Code Chapter 2, Article IV, Division 5 remove references to Tax Abatement, since this section primarily regulates the use of TIFs in Springfield. Since the Workable Program is now the primary regulatory vehicle of LCRA Tax Abatement, provisions contained in Chapter 3, Article IV, Division 5 relating to the process of issuing Tax Abatement pursuant to the LCRA Law are no longer needed. The Workable Program will now regulate LCRA Tax Abatement administration.

In addition to the changes discussed above, part of the recodification of the Chapter 353 Urban Redevelopment Ordinance from Article II to Article III of Chapter 40 includes changes to the fee for filing a Chapter 353 application. Instead of the amount being expressly stated in the code, the language has been amended to refer to the Council approved fee study in operation at the time of application.

The Finance and Administration discussed this bill at its meetings on October 2, October 11, October 31, November 8, and December 13, 2017.

Submitted by:



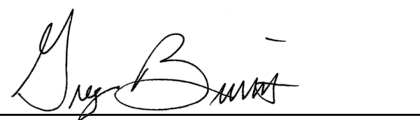
Sarah Kerner, Economic Development Director

Recommended by:



Mary Lilly Smith, Planning Director

Approved by:



Greg Burris, City Manager

Exhibit A

Chapter 99 Scorecard	Max. Value	Project address
Development in financially distressed areas	13%	0%
50%+ below poverty level	13%	0%
35-50% below poverty level	10%	0%
25-35% below poverty level	7%	0%
Community Benefit	13%	0%
Job creation (3 points per FTE)	13%	0%
Affordable housing	7%	0%
Retail sales tax generation (Y/N)	3%	0%
Community Image/Design	12%	0%
Rehab of: existing bldg (5)/listed hist. bldg (7)	7%	0%
Similar height, bulk plane, setback, proportion	3%	0%
Articulated building faces	3%	0%
Exceed landscaping requirements (10%)	3%	0%
Enhanced public safety	7%	0%
Security cameras registered with SPD	5%	0%
CPTED analysis implemented	3%	0%
Environmental Stewardship	5%	0%
Brownfield remediation (clean letter)	5%	0%
LEED Silver or greater	3%	0%
No use of construction materials with PAHs (coal tar)	3%	0%
ADDITIONAL ABATEMENT BASED ON SCORECARD	50%	0%
BASE LEVEL ABATEMENT	50%	50%
TOTAL ABATEMENT	100%	50%