

One-rdg. _____
P. Hrngs. _____
Pgs. 18
Filed: 3-21-18

Sponsored by: Ollis, Hosmer & Schilling

First Reading: _____
AMENDED SUBSTITUTE
COUNCIL BILL: 2018-015

Second Reading: _____
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32 Redevelopment,' is repealed and a new Article II and Article III are enacted in lieu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.

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

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

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

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

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

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

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

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

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

(3) The Application shall contain pro forma financial statements and tax impact analysis for the Project showing the impact to each political subdivision which levies any ad valorem real property tax on any property subject to the proposed Redevelopment Plan.

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

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

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(c) Additional required contents of Redevelopment Plan.

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

- a. Specific reference to the Redevelopment Agreement which must be executed by the Applicant and the City prior to application for a Certificate of Qualification for Tax Abatement, issued pursuant to the LCRA Law and this Article, in connection with the Project.
- b. The Redevelopment Plan shall contain a statement that the provisions of the Redevelopment Agreement are essential provisions of the Redevelopment Plan and that any violation of the terms of the Redevelopment Agreement shall also constitute a violation of the Redevelopment Plan.

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

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

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

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

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

(1) A mechanism for imposing and administering annual Payments in Lieu of Taxes

173 (PILOTs) to implement the level of Tax Abatement authorized by the City
174 Council;

175
176 (2) A termination clause which states that in the event of a breach of the
177 Redevelopment Agreement or the Redevelopment Plan, that the City is entitled
178 to damages from the breaching party in an amount equal to all ad valorem taxes
179 which would have been assessed subsequent to the date of the breach and
180 otherwise be payable with respect to the property had the LCRA not issued a
181 Certificate of Qualification for Tax Abatement for the Project. Said clause shall
182 contain a notice and opportunity to cure before its provisions are acted upon.

183
184 (3) Provisions by which subsequent purchasers of property within the
185 Redevelopment Area are bound by the provisions of the Redevelopment
186 Agreement and Redevelopment Plan for the duration of any Tax Abatement
187 authorized in connection with said Redevelopment Plan; and

188
189 (4) That the terms of the Redevelopment Agreement shall be considered essential
190 terms of the approved Redevelopment Plan and that any violation of the
191 Redevelopment Agreement shall constitute a violation of the Redevelopment
192 Plan.

193
194 Sec. 40-15. – Amount of Abatement – how determined, provisions related thereto,
195 payments in lieu of taxes – required.

196
197 (a) Amount of Abatement.

198
199 (1) The minimum level of authorized Tax Abatement for Projects with an approved
200 Redevelopment Plan shall be 50 percent.

201
202 (2) The City Council is hereby authorized to increase the level of Tax Abatement for
203 a Project within an approved Redevelopment Plan up to 75 percent utilizing
204 Council's approved Tax Abatement Scorecard. The Tax Abatement Scorecard
205 shall be adopted by the City Council and a copy of same shall be retained on file
206 with the Department of Planning and Development.

207
208 (b) If the Tax Abatement amount is less than 100 percent, pursuant to an approved
209 Redevelopment Agreement, the remainder of the Tax Abatement amount shall be
210 collected by the City on an annual basis as Payments in Lieu of Taxes (PILOTs).

211
212 (1) Any PILOTs paid to the City, and any non-PILOT damages paid to the City as a
213 result of a breach of the Redevelopment Agreement or Redevelopment Plan,
214 shall be retained by the City and utilized as a Shared Success Fund for targeted
215 economic development projects and/or expenses in connection with addressing
216 blight remediation, assistance to homeowners, and/or dangerous buildings.

217
218 (2) Notwithstanding any other provision to the contrary, any PILOT amounts paid

219 to the City, not including any non-PILOT damages resulting from a breach of
220 a Redevelopment Agreement or Redevelopment Plan, shall be remitted to the
221 appropriate taxing jurisdictions, including the City, which levy taxes on the
222 real property included in the Redevelopment Plan at a rate proportional to the
223 taxes so levied by said taxing jurisdictions.

224
225 (c) This section 40-15 shall expire and cease to be in effect two years after final
226 passage by City Council. The purpose of the foregoing sunset is to provide sufficient
227 time and opportunity to facilitate a dialogue between the City and taxing jurisdictions
228 regarding the City's revised comprehensive plan and to address long-term blight
229 issues in the community, including; the negative impact of blight and the
230 deteriorating condition of housing stock and its adverse effect on property values;
231 and the most effective manner to collect and distribute PILOT amounts to address
232 the foregoing challenges. To this end, the City shall seek to engage in discussions
233 with taxing jurisdictions no later than 18 months from the final passage of this
234 Ordinance.

235
236 Sec. 40-16. – Legacy Blighted Areas.

237
238 (a) If a Redevelopment Plan is proposed for an area that was declared blighted by City
239 Council more than twenty-four (24) months prior to the approval of said
240 Redevelopment Plan, the Applicant shall provide either:

241
242 (1) An updated blight study, or other evidence that the area still exhibits the
243 blighting factors that existed at the time it was declared a blighted area; or

244
245 (2) A new blight study showing that sufficient blighting factors exist to support a
246 finding that the area meets the definition of a blighted area, per the LCRA
247 Law.

248
249 Sec. 40-17. – Review by the LCRA.

250
251 Prior to City Council action regarding a proposed Redevelopment Plan, the
252 LCRA shall first make a recommendation to the City Council regarding an applicant's
253 Redevelopment Plan. Part of the LCRA's recommendation shall be a determination of
254 whether the provisions of this Article have been complied with.

255
256 Sec. 40-18. – Annual Reporting – Compliance.

257
258 During the period a Project is eligible for Tax Abatement, the City shall annually
259 review conformance of all approved Projects with each Project's respective
260 Redevelopment Plan, Redevelopment Agreement, and this Article, and such review
261 shall be completed no later than March 31. In the event a Project is found non-compliant
262 with the terms of an applicable Redevelopment Plan, Redevelopment Agreement, or
263 this Article, the City shall enforce the terms of the Redevelopment Agreement.

264

265 Sec. 40-19. – Multi-Project Redevelopment Plans.

266

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

271

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

274

275 (c) For purposes of this Section 40-19, factors that Council shall consider when
276 designating a Redevelopment Plan as a Multi-Project Redevelopment Plan shall
277 include:

278

279 (1) Size of the redevelopment area;

280

281 (2) If land assemblage is required;

282

283 (3) Whether the entire scope of the potential redevelopment projects within the
284 Redevelopment Area is known at the time of application;

285

286 (4) Whether the Redevelopment Plan was initiated by the City to facilitate
287 redevelopment in an area; and

288

289 (5) Whether there are multiple land owners of discrete parcels or properties within
290 the Redevelopment Area.

291

292 (d) Any Multi-Project Redevelopment Plan or Project submitted in accordance with such
293 Redevelopment Plan shall be exempt from the requirements of this Article except for
294 the following provisions:

295

296 (1) Section 40-13(d), provided that the statement of projected tax impact described
297 in 40-13(d)(2) shall not be required;

298

299 (2) Section 40-16; and

300

301 (3) This section 40-19.

302

303 (e) The Special Ordinance approving a Multi-Project Redevelopment Plan shall be
304 effective for up to five years, after which the designation shall cease to be in effect
305 and the Redevelopment Plan shall be void, unless the previous designation is
306 extended by a subsequent resolution of Council prior to the Plan's expiration.

307

308 ARTICLE II. - CHAPTER 353—URBAN REDEVELOPMENT

309

310 ARTICLE III. - CHAPTER 353—URBAN REDEVELOPMENT

311
312 Sec. 40-31. - Title of article.

313
314 This article shall be known and may be cited and referred to as the Chapter 353
315 Urban Redevelopment Ordinance.

316
317 Sec. 40-32. - Findings; purpose of article.

318
319 The purpose of this chapter is to provide for the redevelopment of a blighted area
320 through the clearance, replanning, reconstruction or rehabilitation of such area and for
321 the provision of industrial, commercial, residential or public structures and spaces as
322 may be appropriate, including recreational and other facilities incidental or appurtenant
323 thereto as authorized and defined by RSMo ch. 353.

324
325 A "blighted area" is any portion of the city which the city council determines that
326 by reason of age, obsolescence, inadequate or outmoded design or physical
327 deterioration, has become an economic and social liability and that such conditions are
328 conducive to ill health, transmission of disease, crime or inability to pay reasonable
329 taxes.

330
331 An "area" is that portion of the city which the city council has found to be blighted
332 so that the clearance, replanning, rehabilitation, or reconstruction thereof is necessary
333 to effectuate the purposes of this chapter. Any such area may include buildings or
334 improvements not in themselves blighted, and any real property, whether improved or
335 unimproved, the inclusion of which is deemed necessary for the effective clearance,
336 replanning, reconstruction or rehabilitation of the area of which such buildings,
337 improvements or real property form a part.

338
339 Sec. 40-33. - Acceptance of state enabling act.

340
341 The provisions of the Urban Redevelopment Corporations Law, found at RSMo
342 ch. 353, are hereby accepted and shall apply to all persons and corporations operating
343 under this article, insofar as such provisions may be applicable thereto.

344
345 Sec. 40-34. - Definitions.

346
347 The words, terms and phrases used in this article shall have the meanings
348 ascribed to them in the Urban Redevelopment Corporations Law, if so defined therein.

349
350 Sec. 40-35. - Redevelopment proposals.

351
352 (a) *Procedures.* The city manager or his designee shall establish requirements for
353 applications for redevelopment under this article as well as procedures for the
354 processing and approval/disapproval of such applications which shall be filed
355 with the city clerk.

356

357 (b) *Additional rules.* The city manager or his designee shall further be empowered to
358 make and adopt such rules and regulations necessary and proper to effectuate
359 the purposes of this article which rules and regulations shall be filed with the city
360 clerk.

361
362 (c) *Adoption of fees; payment of fees.* The proponent of any application under this
363 chapter shall file with the city a deposit ~~\$1,000.00~~ in accordance with the City's
364 then-applicable fee study at the time the application is filed which is intended to
365 cover the reasonable cost of the examining, inspection and supervisory services
366 required under this article. If the cost of the work exceeds ~~\$1,000.00~~ the amount
367 specified in the City's then-applicable fee study, the additional costs shall be
368 charged to and paid by the proponents of the redevelopment plan.

369
370 Sec. 40-36. - Supporting evidence of blight.

371
372 (a) *Blight study.* Any application for approval of a redevelopment plan shall include
373 evidence that the area is a blighted area as defined by RSMo 353.020(2) and
374 section 40-32, and such blight study shall meet the requirements of any
375 procedures established under subsection 40-35(a).

376
377 (b) *Review by city council.* The city council shall analyze the blight studies required
378 in this section, along with other evidence, and determine if the area is a blighted
379 area.

380
381 Sec. 40-37. - Notification of property owners.

382
383 The city manager or his designee shall adopt regulations which provide for notice
384 of the redevelopment plan and city council public hearing to each person or entity
385 having a property interest of record in the proposed redevelopment area.

386
387 Sec. 40-38. - Notice to political subdivisions of proposed redevelopment plan.

388
389 (a) *Notice required.* In addition to the notification requirements of section 40-37, a
390 ten-day written notice shall be given to each political subdivision having
391 boundaries for ad valorem real estate taxation purposes which include any
392 portion of the real property to be affected within the area which is the subject of
393 the redevelopment plan prior to the city council public hearing on the tax
394 abatement.

395
396 (b) *Method of notice.* Any notice required by this section shall be in writing and
397 mailed in the regular United States mail, postage prepaid.

398
399 (c) *Contents of notice.* Any notice required by this section shall state the reason for
400 the notice and the time, date and place of the public hearing. The notice shall
401 provide a general boundary description of the area within the redevelopment
402 plan; the nature of the development; and a written statement of the impact on ad

403 valorem taxes any tax abatement will have on such political subdivisions as
404 required by RSMo 353.110.3.

405
406 Sec. 40-39. - Required findings and declarations in any ordinance approving
407 redevelopment plan.

408
409 In any ordinance approving a redevelopment plan, the council shall make the
410 following findings and declarations:

- 411
- 412 (1) That the area included within a redevelopment plan is a blighted area, and
413 that the clearance, redevelopment, replanning, rehabilitation or reconstruction
414 thereof is necessary for the public convenience and necessity.
 - 415
 - 416 (2) That, if a corporation seeks to acquire all or any part of the real property
417 within a blighted area by exercise of the power of eminent domain, such
418 acquisition by the exercise of the power of eminent domain is for a public
419 purpose.

420
421 Sec. 40-40. - Tax relief for redevelopment corporations.

422
423 In any ordinance approving a redevelopment plan, the council shall make its
424 determination regarding the amount of tax exemption or abatement to which the real
425 property acquired by the redevelopment corporation will be entitled. Such tax exemption
426 or abatement shall not exceed the maximum amount authorized in RSMo 353.110.

427
428 Section 2 – Springfield City Code, Chapter 2, Division 5, ‘Tax Abatement and Tax
429 Increment Financing Advisory Commission,’ is repealed and a new Division 5 is enacted
430 in lieu thereof, to read as follows:

431
432 (Note: Language to be added is underlined and language being removed is ~~stricken~~.)

433
434 ~~DIVISION 5. - TAX ABATEMENT AND TAX INCREMENT FINANCING ADVISORY~~
435 ~~COMMISSION~~

436
437 Sec. 2-241. – Established; membership.

438
439 (a) The city council hereby creates a ~~tax abatement and tax increment financing~~
440 advisory commission to be appointed as follows:

- 441
- 442 (1) Two members shall be appointed by the school boards whose districts are
443 included within the redevelopment plan or redevelopment area. Such
444 members shall be appointed in any manner agreed upon by the affected
445 districts.
 - 446
 - 447 (2) Two members shall be appointed by the chief elected officer of Greene
448 County, with the advice and consent of the majority of the county commission.

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

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

(b) The members who are appointed by the school boards, Greene County, and the other taxing districts shall serve on the commission for a term to coincide with the length of time a redevelopment project, redevelopment plan or designation of a redevelopment area is considered for approval by the commission, or for a definite term. If the members representing school districts, Greene County, and the other taxing districts are appointed for a term coinciding with the length of time a redevelopment project, plan or area is approved, such term shall terminate upon final approval of the project. Thereafter, the commission shall consist of the six members appointed by the city, except that members representing school boards, Greene County, and other taxing districts shall be appointed as provided in this section prior to any amendments to any redevelopment plans, redevelopment projects or designation of a redevelopment area. If any school district or, Greene County, or any other taxing jurisdiction fails to appoint members of the commission within 30 days of receipt of written notice of a proposed redevelopment plan, redevelopment project or designation of a redevelopment area, the remaining members may proceed to exercise the power of the commission. Of the members first appointed by the city, two shall be designated to serve for terms of two years, two shall be designated to serve for a term of three years and two shall be designated to serve for a term of four years from the date of such initial appointments. Thereafter, the members appointed by the city shall serve for a term of four years, except that all vacancies shall be filled for unexpired terms in the same manner as the original appointments.

Sec. 2-242. – Duties; procedures.

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

(1) The commission shall hold public hearings and provide notice pursuant to RSMo 99.825—99.830.

(2) The commission shall vote on all proposed redevelopment plans, redevelopment projects and designations of redevelopment areas, and amendments thereto, within 30 days following completion of the hearing on

495 any such plan, project or designation, and shall make recommendations to
496 the city council within 90 days of the hearing referred to in RSMo 99.825
497 concerning the adoption of, or amendment to, redevelopment plans and
498 redevelopment projects and the designation of redevelopment areas.
499

500 (3) The director of the department of planning and development or his designee
501 shall act as the board secretary. The commission shall elect from one of its
502 members a chairperson to preside at the meeting and a vice-chairperson to
503 preside in the absence of the chairperson.
504

505 (4) The director of the department of planning and development shall provide the
506 commission with information concerning tax increment financing questions
507 prior to the city council authorizing tax increment financing. The commission
508 shall advise the city council concerning tax increment financing issues. Final
509 approval of plans and projects and the designation of the redevelopment area
510 for tax increment financing purposes shall be in the city council.
511

512 (5) The commission shall convene on call from the chairperson or from the
513 secretary to consider advising the city council about tax increment financing
514 questions.
515

516 ~~(b) Tax abatement. The commission also shall advise the city council about tax~~
517 ~~abatement issues prior to the city council taking action on a request for tax~~
518 ~~abatement.~~
519

520 Section 3 – City Council hereby adopts the Tax Abatement Scorecard attached
521 hereto as “Exhibit A” which is incorporated herein by this reference. This document
522 shall be considered the Council-approved Scorecard required by Section 40-15.
523

524 Section 4 – Savings Clause. Nothing in this Ordinance shall be construed to
525 affect any suit or proceeding now pending in any court or any rights acquired or liability
526 incurred nor any cause or causes of action occurred or existing, under any act or
527 ordinance repealed hereby. Nor shall any right or remedy of any character be lost,
528 impaired, or affected by this ordinance.
529

530 Section 5 – Severability Clause. If any section, subsection, sentence, clause, or
531 phrase of this ordinance is for any reason held to be invalid, such decision shall not
532 affect the validity of the remaining portions of this ordinance. The Council hereby
533 declares that it would have adopted the ordinance and each section, subsection,
534 sentence, clause or phrase thereof, irrespective of the fact that any one or more
535 sections, subsections, sentences, clauses, or phrases be declared invalid.
536

537 Section 6 – This Ordinance shall be in full force and effect from and after
538 passage.
539

540 Passed at meeting: _____

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Mayor

Attest: _____, City Clerk

Filed as Ordinance: _____

Approved as to form: Franklin Don Rain II, City Attorney

Approved for Council action: [Signature], City Manager

SUPPLEMENTAL EXPLANATION TO AMENDED SUBSTITUTE COUNCIL BILL: 2018-015

FILED: 03-21-18

ORIGINATING DEPARTMENT: Law 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.

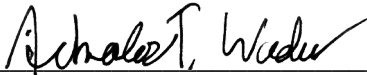
REMARKS: At the March 12, 2018, meeting of City Council, Councilman Ollis offered an amendment to Council Bill 2018-015, Substitute 1. The amendment was adopted by Council at said meeting.

The primary effect of the amendment is to alter the PILOT distribution process. Specifically, the amendment modifies the Workable Program by placing a sunset date of two years after passage of the Ordinance on the collection and distribution of PILOTs. The stated intent of this sunset clause is to provide the City with an opportunity to discuss, with other taxing jurisdictions, the City's Comprehensive Plan and solutions for blight-related issues.

Should the sunset date pass without any further action from City Council, PILOTs will no longer be collected by the City. Without a mechanism to collect PILOTs, City Code will not support imposition of less than 100 percent tax abatement on qualified projects. Also, certain language contained in Section 40-13(b)(3) and 40-15 (b)(2) were inconsistent with the effect of the amendment and were removed by the amendment.


The amendment was a substantive change to Council Bill 2018-015, Substitute 1, therefore the bill was held over until the March 26, 2018, City Council meeting. Any public comment on the bill may be limited to the amendment only.

Submitted by:



Nicholas Woodman,
Assistant City Attorney

Recommended by:



Frank Romines, City Attorney

Approved by:



Greg Burris, City Manager

EXPLANATION TO SUBSTITUTE COUNCIL BILL 2018-015

FILED: 2-20-18

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 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; and 51-75% 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.

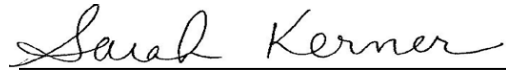
The proposed changes to City Code Chapter 2, Article IV, Division 5 remove references to Tax Abatement, since this section primarily regulates the use of TIFs in Springfield. Since the Workable Program is now the primary regulatory vehicle of LCRA Tax Abatement, provisions contained in Chapter 3, Article 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 Committee discussed this bill at its meetings on October 2, October 11, October 31, November 8, and December 13, 2017.

City Council was scheduled to first read this bill at its regular meeting on January 16, 2018. However, consideration of the bill was postponed and at the February 12, 2018 regular meeting, Council referred the bill to the Finance and Administration Committee for further review. At the Finance and Administration Committee meeting on February 14, 2018, the Committee approved three amendments to the bill. The first amendment requires the City to collect and distribute all PILOT payments to the taxing jurisdictions which levy real property taxes upon any property subject to Chapter 99 tax abatement for two years. The Second amendment clarifies that the City can pursue a breach of contract claim against developers when appropriate, without delay and involvement of third parties whom are not party to the PILOT agreement. Finally, the third amendment imposed a cap on the maximum amount of authorized abatement at 75%.

Submitted by:



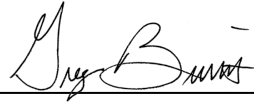
Sarah Kerner, Economic Development Director

Recommended by:



Mary Lilly Smith, Planning Director

Approved by:



Greg Burris, City Manager

Chapter 99 Scorecard	Max. Value	Project
		address
Development in financially distressed areas	7%	0%
50%+ below poverty level	7%	0%
35-50% below poverty level	5%	0%
25-35% below poverty level	3%	0%
Community Benefit	6%	0%
Job creation (2 points per FTE)	6%	0%
Affordable housing	4%	0%
Retail sales tax generation (Y/N)	2%	0%
Community Image/Design	5%	0%
Rehab of: existing bldg (3)/listed hist. bldg (5)	5%	0%
Similar height, bulk plane, setback, proportion	2%	0%
Articulated building faces	2%	0%
Exceed landscaping requirements (10%)	2%	0%
Enhanced public safety	4%	0%
Security cameras registered with SPD	3%	0%
CPTED analysis implemented	2%	0%
Environmental Stewardship	3%	0%
Brownfield remediation (clean letter)	3%	0%
LEED Silver or greater	2%	0%
No use of construction materials with PAHs (coal tar)	2%	0%
ADDITIONAL ABATEMENT BASED ON SCORECARD	25%	0%
BASE LEVEL ABATEMENT	50%	50%
TOTAL ABATEMENT	75%	50%