

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SEDALIA, MISSOURI, ESTABLISHING NEW PROCEDURES BY WHICH THE CITY OF SEDALIA MAY AVAIL ITSELF OF THE PROVISIONS OF CHAPTER 353 OF THE REVISED STATUTES OF MISSOURI, AS AMENDED, KNOWN AS THE URBAN REDEVELOPMENT CORPORATIONS LAW, INCLUDING PROVISIONS WHICH MAY EXTEND PARTIAL REAL PROPERTY TAX ABATEMENT TO URBAN REDEVELOPMENT CORPORATIONS PURSUANT TO APPROVED DEVELOPMENT PLANS WITHIN AREAS OF THE CITY FOUND AND DECLARED BY THE CITY COUNCIL TO BE BLIGHTED; REPEALING ARTICLES I, II AND III OF CHAPTER 42 OF THE CODE OF ORDINANCES AND ADDING NEW ARTICLES I, II AND III OF CHAPTER 42 OF THE CODE OF ORDINANCES; PROVIDING FOR THE FORMATION OF THE SEDALIA REDEVELOPMENT CORPORATION AND THE RELATED DEVELOPMENT PLAN; PROVIDING FOR THE EFFECTIVE DATE OF THIS ORDINANCE.

WHEREAS, in support of potential redevelopment of the various areas of the City of Sedalia, Missouri, the City Council desires to establish procedures to eliminate blight within the city in accordance with Chapter 353 of the Revised Statutes of Missouri, as amended (“Chapter 353”); and

WHEREAS, the City desires to adopt new procedures relating to the implementation of Chapter 353 development plans that are consistent with the amendments to Chapter 353 which require the repeal of Articles I, II and III of Chapter 42 of the Code of Ordinances and the addition of new Articles, Divisions and Sections in said Chapter 42.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SEDALIA, MISSOURI, AS FOLLOWS:

Section 1. Articles I, II and III of Chapter 42 of the Code of Ordinances are repealed in their entirety.

Section 2. Article I, II and III are added to Chapter 42 of the Code of Ordinances to read as follows:

" ARTICLE I - IN GENERAL.

Section 42-1. Title, Designation.

This ordinance shall be known and may be cited and referred to as the “Blighting and Redevelopment Procedures Ordinance”.

Section 42-2. Finding and Determination of Blight.

It is hereby found, determined and declared by the City Council of the City of Sedalia, Missouri that in certain portions of the city there exist obsolete, deteriorating, substandard or unsanitary improvements, occasioned by age, obsolescence, inadequate planning, outmoded design or physical deterioration, excessive or unproductive land coverage, lack of appropriate light, air, open space, defective design or arrangement of buildings, lack of proper support facilities or existence of obsolete, inadequate, outmoded and poorly designed or physically deteriorated buildings and have become economic and social liabilities and such conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes, have impaired the economic value of areas, infecting them with blight characterized by depreciated values, impaired investment, reduced income and consequential inability to pay reasonable taxes; that the assembly of buildings in these areas is essential for the clearance of blight, replanning, reconstruction and redevelopment for the removal of blight; that the existence of such conditions and the failure to clear, replan, rehabilitate, reconstruct or redevelop these areas results in progressive deterioration, causes a wasteful expenditure of public funds for policing, and occasions large outlays for the creation and maintenance of public facilities and services; that such conditions require the employment of capital on an investment basis and the redevelopment of such areas under proper supervision with appropriate planning as to land use, traffic circulation and construction; that the clearance, replanning, rehabilitation, reconstruction, and redevelopment of such areas on a substantial scale is necessary for the removal of blight and for the public welfare; that such an obsolete, deteriorating, substandard, unsanitary and blighted areas constitutes a menace to the health, safety, morals and welfare of the citizens of the city. It is necessary to encourage the removal of blight and to provide procedures for its removal; the removal of blight and the procedures herein adopted are determined to be in the public interest.

Section 42-3. Definitions.

The following terms, whenever used or referred to in this ordinance shall, unless a different intent clearly appears from the context, be construed to have the following meanings:

(a) Area: “area” shall mean that portion of the city which the City Council has found or shall find to be blighted, so that the clearance, replanning, rehabilitation or reconstruction thereof is necessary to effectuate the purposes of this ordinance. Any such area may include buildings or improvements not in themselves blighted, and any real property, whether improved or unimproved, the inclusion of which is deemed necessary for the effective clearance, replanning, reconstruction or rehabilitation of the area of which such buildings, improvements or real property form a part.

(b) Blighted Area: “blighted area” shall mean those portions of the city which the City Council shall determine that, by reason of age, obsolescence, inadequate or outdated design or physical deterioration, have become economic and social liabilities and that such conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes.

(c) City Administrator: “city administrator” shall mean the city administrator for the City of Sedalia, Missouri.

(d) City: “city” shall mean the City of Sedalia, Missouri.

(e) City Clerk: “city clerk” shall mean the city clerk of the City of Sedalia, Missouri.

(f) City Council: “City Council” or “Council” shall mean the City Council of the City of Sedalia, Missouri.

(g) Corporation: “corporation” shall mean an urban redevelopment corporation organized under and pursuant to the provisions of the Urban Redevelopment Corporations Law and shall include, unless otherwise stated, the Sedalia Redevelopment Corporation.

(h) Development Agreement: “development agreement” shall mean that contract or agreement entered into between the city and corporation pursuant to an approved development plan.

(i) Development Plan: “development plan” shall mean a plan, together with any amendments thereto, for the development of all or any part of a blighted area, which is authorized by the City Council by ordinance.

(j) Mayor: “mayor” shall mean the mayor of the City of Sedalia, Missouri.

(k) Person: “person” shall mean any individual, firm, partnership, joint venture, association, corporation, whether organized for profit or not (except an urban redevelopment corporation organized pursuant to the provisions of the Urban Redevelopment Corporations Law), estate, trust, business trust, receiver or trustee appointed by any state or federal court, syndicate, or any other group or combination acting as a unit, and shall include the male as well as the female gender and the plural as well as the singular number.

(l) Real Property: “real property” shall include lands, buildings, improvements, land under water, waterfront property and any and all easements, franchises and hereditaments, corporeal or incorporeal, and every estate, interest, privilege, easement, franchise and right therein or appurtenant thereto, legal or equitable, including restrictions of record created by plat, covenant or otherwise, rights-of-way, and terms for years.

(m) Redevelopment: “redevelopment” shall mean the clearance, replanning, reconstruction or rehabilitation of any blighted area, and the provision for such industrial, commercial, residential or public structures and spaces as may be appropriate, including recreational and other facilities incident or appurtenant thereto.

(n) Redevelopment Area: “redevelopment area” is that portion of an area encompassed by a development plan.

(o) Redevelopment Project: “redevelopment project” shall mean a specific work or improvement to effectuate all or any part of a development plan.

(p) Sedalia Redevelopment Corporation: “Sedalia Redevelopment Corporation” shall mean the urban redevelopment corporation formed by the City and with a majority interest owned or controlled by the City.

(q) Urban Redevelopment Corporations Law: “Urban Redevelopment Corporations Law” shall mean Chapter 353 of the Revised Statutes of Missouri, as amended.

Secs. 42-4 - 42-23 - Reserved.

ARTICLE II - DEVELOPMENT PLAN; FINDING OF BLIGHT.

Section 42-24. Invitation to Submit Development Plans.

Prior to considering any request for proposal of a development plan which requests (1) the city to utilize its eminent domain authority under the Urban Redevelopment Corporations Law for more than fifty percent (50%) of the property in the redevelopment area, or (2) tax abatement for the project and the city to utilize its eminent domain authority for any portion of the redevelopment area, the city clerk shall publish a notice in a newspaper of general circulation inviting, and the city may otherwise request, the submission of proposed development plans for the redevelopment area. In order to be considered hereunder, a proposed development plan must be submitted in conformance with this ordinance and within the time period established for such submission. Such time period shall not be less than fifteen (15) days nor more than ninety (90) days following publication of such notice. Any such published notice which specifies that municipal finance incentives shall be considered by the city and otherwise meets the requirements of this section shall be sufficient. Nothing herein shall prevent the City Council from requiring additional information in a particular request for proposals or from modifying these requirements for a particular redevelopment area or project. Notwithstanding anything to the contrary, the Sedalia Redevelopment Corporation shall be exempt from the requirements and considerations set forth in this Section.

Section 42-25. Contents of Development Plan.

Any corporation may submit to the city clerk a proposed development plan, along with fifteen (15) copies thereof, for the redevelopment of a redevelopment area, together with evidence that it is a corporation in good standing, lawfully organized and existing under the Urban Redevelopment Corporations Law, and a filing fee as set forth in Section 7 hereof. The development plan shall contain the following:

(a) *Legal description.* The development plan shall contain a legal description of the redevelopment area by metes and bounds or other definite designation.

(b) *Description of the Project.* The development plan shall contain a description of the project including a list of properties in the area to be acquired by the corporation; a list of structures proposed to be demolished; a description of any new construction proposed in the area, if any, including a statement of the type, number and character of each new industrial, commercial, residential or other building or improvement to be erected or made; a description of any building renovation proposed, if any, including any proposed repairs or alterations to such buildings; and a proposed timetable for implementing the acquisition, demolition, new construction or rehabilitation. If the project is to be developed in phases, the development plan shall provide a separate description for each phase.

(c) *Property for public agencies.* The development plan shall contain a statement of those portions, if any, of the blighted area which are proposed to be sold, donated, exchanged or leased to a board of education, public library board, art museum board or other public agency, and an outline of the terms of such proposed sale, donation, exchange or lease.

(d) *Zoning changes.* The development plan shall contain a statement of the proposed changes, if any, in zoning ordinances or maps, necessary or desirable for the redevelopment, and the proposed zoning ordinance change's protection against blighted influences.

(e) *Street changes.* The development plan shall contain a statement of the proposed changes, if any, in streets or street levels, any proposed street closings, and any changes which would have to be made to streets adjoining or near the redevelopment project, including a plan for financing these changes.

(f) *Dwelling accommodations.* The development plan shall contain a statement of the character of the existing dwelling accommodations, if any, in the blighted area, and the approximate number of families residing therein, together with a schedule of the vacancies in such accommodations, if any, together with the rentals demanded therefor.

(g) *Housing and business relocation.* The development plan shall contain a statement of the housing accommodations available in other locations and in the city for those persons who will be displaced by the redevelopment project. The development plan shall set forth a feasible plan for the relocation of all residents and businesses displaced, including adequate reimbursement for reasonable relocation costs.

(h) *Changes outside of redevelopment area.* The development plan shall contain a statement of any projects or relocations outside of the redevelopment area which would be initiated due to the redevelopment project.

(i) *Utility Changes.* A statement of the changes, if any, which will be required in utility sources to accommodate the redevelopment project and changes, if any, in utility lines, easements or location.

(j) *Financing.* The development plan shall contain a detailed statement of the

proposed method of financing the redevelopment, including evidence satisfactory to the City Council that sufficient funds or securities to acquire and clear the land involved are available from such equity and/or other funds, and that there are sufficient assurances that the redevelopment project will be further financed to completion. Such evidence shall include any commitments for leases or purchases, but in any event shall include evidence of marketability of the redevelopment project.

(k) *Management.* The development plan shall contain a statement of the persons who it is proposed will be active in or associated with the management of the redevelopment project during a period of at least one year from the date of the approval of the development plan.

(l) *Eminent domain on behalf of proponents of the Development Plan.* The development plan shall contain a statement giving the legal description of the real property, if any, proposed to be purchased or acquired by eminent domain by the city on behalf of the proponents of the development plan and the reasons why the aid of the city is sought for this purpose.

(m) *Assignment of Development Plan.* Appropriate control shall be provided over the right of assignment of a development plan to any other entity in order that the City Council will be assured that the intention and purpose of the redevelopment project will, in fact, be carried out.

(n) *Other information.* The development plan, and any application to the city administrator for approval thereof, may also contain such other statements or exhibits as may be deemed relevant by the city administrator or by the proposer thereof.

(o) *Economic impact on tax base.* If the corporation is requesting tax abatement pursuant to Section 13 hereof, the development plan shall contain a statement showing the economic impact of the proposed redevelopment project and its effect upon the existing tax base of the redevelopment area and shall project over the life expectancy any increases or decreases in assessed valuation as a result of the redevelopment project. Such statement shall provide in detail, the terms requested and the net present value of any revenue lost to each taxing jurisdiction during the life of the project.

(p) *Relocation Plan.* The development plan shall contain a detailed relocation plan which complies in all respects with the requirements set forth in Section 523.200 et. seq. of the Revised Statutes of Missouri, as amended, including the name of the individual or corporation that will manage the relocation arrangements.

Section 42-26. Supporting evidence of blight.

(a) Any application for approval of a development plan must be supported by factual and sufficient evidence of blight so that the City Council can make a finding that the redevelopment area is a blighted area; provided, however, the City Council need not declare an

area is blighted if previously approved by the City Council.

(b) If the City's eminent domain authority is proposed to be used, then evidence must be sufficient for the City Council to:

(1) individually consider each parcel of property in the proposed redevelopment area with regard to whether the property meets the definition of a blighted area; and

(2) find that a preponderance of the proposed redevelopment area is blighted.

Section 42-27. Filing fee.

No proposed development plan shall be accepted for filing unless it is accompanied by a non-refundable filing fee to the city of One Thousand Dollars (\$1,000.00) to be used by the city to defray expenses connected with the evaluation and review of the proposed development plan; provided, however, that the city, at its option, may waive or reduce such filing fee. The corporation shall pay, when due and payable, all such other fees, licenses and other charges required by the ordinances of the city applicable to such corporation or the redevelopment project to be undertaken. Notwithstanding anything to the contrary, the Sedalia Redevelopment Corporation shall be exempt from any required payment set forth in this Section. Said fee is added to the City's Fee Schedule.

Section 42-28. Review of the development plan by the city administrator.

Promptly upon the filing of a development plan, the city clerk shall distribute copies thereof to the mayor, City Council, city administrator, the city attorney and to the Sedalia Redevelopment Corporation if such development plan is filed by a corporation other than the Sedalia Redevelopment Corporation. The city administrator, or the city administrator's designee, shall review the development plan to determine whether it complies with the requirements of this ordinance and the comprehensive plan of the city. In the event that the development plan fails to comply with the terms of this ordinance, the city administrator, or the city administrator's designee, shall notify the corporation in writing of the rejection of the development plan and shall state the reasons for such rejection. If the city administrator, or the city administrator's designee, determines that the development plan complies with the requirements of this ordinance and the comprehensive plan, he shall notify the Sedalia Redevelopment Corporation which shall consider the development plan in accordance with Section 9 hereto. If the development plan fails to conform to the comprehensive plan, the city may consider an amendment to the comprehensive plan prior to or concurrently with approval of a development plan.

Section 42-29. Review by Sedalia Redevelopment Corporation.

Any development plan submitted by a corporation other than the Sedalia Redevelopment

Corporation shall be reviewed by the Sedalia Redevelopment Corporation prior to proceeding with a public hearing before the City Council as required in Section 10 below; provided, however, that if both the Sedalia Redevelopment Corporation and a separate corporation submit development plans for consideration, this Section 9 shall not apply and the city administrator shall present the development plan to the City Council in accordance with Section 10 hereof. The Sedalia Redevelopment Corporation shall have thirty (30) days following receipt of a complete development plan to consider the development plan and make its recommendation to the City Council.

Section 42-30. Public Hearing.

(a) Following receipt of notice to proceed from the city administrator, the city clerk shall publish notice in a paper of general circulation, which shall serve as notice to all interested parties in the proposed development plan that a public hearing will be held on a date and time certain, provided that the public hearing shall not be held less than fifteen (15) days nor more than thirty (30) days following publication of the notice provided for in this section. The city administrator may authorize the city clerk to proceed with the publication required herein in anticipation of receipt of the recommendation from the Sedalia Redevelopment Corporation. The public hearing on the ordinance approving the development plan with the city shall be held for the purpose of stimulating comment by those to be affected by such development plan.

(b) In the event a proposed development plan provides for tax abatement or exemption as authorized by the Urban Redevelopment Corporations Law, the city shall furnish each political subdivision whose boundaries for ad valorem taxation purposes include any portion of the real property to be affected by such tax abatement or exemption with a written statement of the impact on ad valorem taxes such tax abatement or exemption will have on such political subdivisions and written notice of the hearing to be held as provided for in subsection (a) above. The written statement and notice required by this paragraph shall be mailed to each political subdivision by registered or certified mail, postage prepaid, return receipt requested at least fifteen (15) days prior to the hearing and shall include, but need not be limited to, an estimate of the amount of ad valorem tax revenues of each political subdivision which will be affected by the proposed tax abatement or exemption based upon the estimated assessed valuation of the real property involved as such property would exist before and after it is developed. At the public hearing all political subdivisions described in this section shall have the right to be heard on such grant of tax abatement or exemption.

(c) Notwithstanding anything herein to the contrary, the City Council may, in its discretion, waive any irregularity or omission in any proposed development plan at any time after the filing thereof (including the time after approval of a development plan).

Section 42-31. Action by City Council on development plan; approving ordinance; development agreement.

After the public hearing has been held upon a development plan, the City Council may,

by ordinance:

(a) unconditionally approve the plan and authorize and direct the mayor or city administrator on behalf of the city to enter into a development agreement with the proposer thereof; or

(b) approve the development plan subject to such conditions, exceptions or restrictions as the City Council may deem to be in the public interest.

If the City Council conditionally or unconditionally approves the development plan, the approval ordinance shall also provide for expiration of development rights, including the rights of tax abatement, in the event of failure of the corporation to acquire ownership of property within the area of the development plan. Such ordinance shall provide for a duration of time within which such property must be acquired, and may allow for acquisition of property under the plan in phases.

Section 42-32. Required findings for approval of development plan by City Council.

In any ordinance approving a development plan, the City Council shall make the following findings and declarations:

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

(b) That, if a corporation requests the City to acquire all or any part of the real property within a blighted area by exercise of the power of eminent domain, such acquisition by the exercise of the power of eminent domain is for the public convenience and necessity.

(c) That approval of the development plan and construction of the redevelopment project is necessary for the preservation of the public peace, property, health, safety, morals and welfare.

Section 42-33. Tax Abatement.

The City Council may, in its sole discretion, grant tax abatement to any corporation submitting a development plan in accordance with the provisions of this ordinance; provided, however, that any such grant of tax abatement shall not exceed the limitations set forth in this Section 13.

(a) The real property of a corporation acquired pursuant to this ordinance shall not be subject to assessment or payment of general ad valorem taxes imposed by the city, or by the state or any political subdivision thereof, for a period of not in excess of ten years after the date upon which such corporation becomes owner of such real property, except to such extent and in such

amount as may be imposed upon such real property during such period measured solely by the amount of assessed valuation of the land, exclusive of improvements, acquired pursuant to this ordinance and owned by such corporation, as was determined by the county assessor for taxes due and payable thereon during the calendar year preceding the calendar year during which the corporation acquired title to such real property; and the amounts of such tax assessments shall not be increased during such period so long as the real property is owned by an urban redevelopment corporation and used in accordance with the development plan authorized by City Council.

(b) In the event, however, that any such real property was tax exempt immediately prior to ownership by any urban redevelopment corporation, such assessor shall, upon acquisition of title thereto by the corporation, promptly assess such land, exclusive of improvements, at such valuation as shall conform to but not exceed the assessed valuation made during the preceding calendar year of other land, exclusive of improvements, adjacent thereto or in the same general neighborhood, and the amount of such assessed valuation shall not be increased during the period set pursuant to subsection (a) of this section so long as such real property is owned by such corporation and used in accordance with the development plan and approved by the City Council.

(c) For the next ensuing period not in excess of fifteen years, ad valorem taxes upon such real property shall be measured by the assessed valuation thereof as determined by such assessor upon the basis of not to exceed fifty percent of the true value of such real property, including any improvements thereon, nor shall such valuations be increased above fifty percent of the true value of such real property from year to year during such next ensuing period so long as the real property is owned by the corporation and used in accordance with an authorized development plan.

(d) After a period totaling not more than twenty-five years, such real property shall be subject to assessment and payment of all ad valorem taxes, based on the full true value of the real property; provided that after the completion of the redevelopment project as authorized by law or ordinance whenever any corporation shall elect to pay full taxes, or at the expiration of the period, such real property shall be owned and operated free from any of the conditions, restrictions or provisions of this section, the approving ordinance and any rule or regulation adopted pursuant to this ordinance.

(e) Notwithstanding any other provision of law to the contrary, payments in lieu of taxes may be imposed by contract between the city and the corporation which receives tax abatement or exemption on property pursuant to the Urban Redevelopment Corporations Law. Such payment shall be made to the county assessor of Pettis County by December 31 of each year that payments are due. The City Council shall furnish the collector a copy of such contract requiring payment in lieu of taxes. The collector shall allocate all revenues received from such payment in lieu of taxes among all taxing authorities whose property tax revenues are affected by the exemption or abatement on the same pro rata basis and in the same manner as the ad valorem property tax revenues received by each taxing authority from such property in the year such

payments are due.

Section 42-34. Acceptance by Corporation.

(a) Upon enactment into law of an ordinance approving a development plan, the city shall enter into a development agreement with the corporation pursuant to the terms and conditions set forth in this ordinance and the ordinance approving the development plan. The form of said development agreement shall be approved by the city attorney or special counsel.

(b) A copy of the development agreement between the city and the corporation for carrying out the development plan shall be recorded by the corporation in the office of the Recorder of Deeds of Pettis County and proof of such recording shall be filed with the city clerk prior to the issuance of any building or demolition permits for such work in the redevelopment area. True copies of the development plan authorized by the City Council by ordinance shall be retained with the authorizing ordinance by the city clerk.

(c) The City Council hereby authorizes and approves the Chapter 353 Development Plan dated May 7, 2020 by the Sedalia Redevelopment Corporation in connection with the Midtown Residential Area. A copy of the approved Chapter 353 Development Plan is attached hereto in substantial form and condition.

Secs. 42-35 - 42-50 - Reserved.

ARTICLE III - OPERATION OF URBAN REDEVELOPMENT PLAN.

Section 42-51. Monitoring of Compliance, Time Extensions and Certification of Completion.

(a) Building Permits: In the event an ordinance approves a development plan for a redevelopment area, the city's department of planning and development shall not issue a building permit for construction in the redevelopment area unless the building plans are found by the appropriate department personnel to be in substantial compliance with the approved development plan, as amended, modified or changed by ordinance. The provisions of this paragraph shall be enforceable as long as the property in question is receiving tax abatement pursuant to an approved development plan.

(b) Investigation: It shall be the duty of the city administrator or the city administrator's designee, after a development plan has been authorized by the City Council, to investigate and determine from time-to-time during construction of the redevelopment project whether the corporation undertaking such development plan is fully complying with the provisions thereof and its development agreement with the city, in the manner and at the times fixed therein for the performance of the various phases thereof.

(c) Time Extension: The City Council may, for good cause shown, grant to a corporation operating under an approved development plan an extension of time in which to

complete the redevelopment project, or any phase, stage or portion thereof.

Section 42-52. Failure to comply with approved development plan or development agreement.

Whenever any person operating under an approved development plan does not substantially comply with the development plan and/or development agreement within the time limits and in the manner for the completion of each stage thereof as therein stated, reasonable delays caused by unforeseen circumstances beyond his control alone excepted, or shall do, permit to be done, or fail or omit to do anything contrary to or required of him by this ordinance, or shall be about to do so, permit to be done, or fail or omit to have done, then any such fact may be certified by the city administrator to the city attorney, who may and is hereby authorized to commence a proceeding in the circuit court in the name of the city to have such action, failure or omission or threatened action or omission stopped, prevented or rectified by injunction or otherwise, or in the name of the city to bring an action for damages against the corporation for breach of any of the provisions of the development plan; provided that, if the city administrator shall determine that a corporation has abandoned construction before completion of the project in accordance with the terms of an approved development plan, the real property included in the plan shall, from that date, be subject to assessment and payment of all ad valorem taxes based on the true full value of such real property.

Section 42-53. Financial Reporting.

A corporation, the development plan of which provides for tax abatement and which desires to obtain and continue the benefits of tax abatement provided in the Urban Redevelopment Corporations Law and as provided in the development plan, shall file with the city clerk three copies of its financial report for the preceding year, which report shall disclose the earnings of the corporation and the disposition of any net earnings in excess of those provided for under Section 18, and the interest rate on income debentures, bonds, notes or other evidences of debt of the corporation; thereupon, the city clerk shall deliver the financial reports to the director of finance who shall review the financial report of the corporation and thereafter he shall file with the City Council the financial report, accompanied by his opinion as to compliance by the corporation with Section 17.

Section 42-54. Financial restrictions on redevelopment corporations generally.

(a) No corporation whose development plan has been approved by the City Council shall:

- (1) Issue income debentures, bonds, notes or other evidences of debt bearing or paying an interest rate in excess of the rate permitted by law.
- (2) Pay any interest on its income debentures or dividends on its stock, regardless of class or preference, during any dividend year unless there shall exist at the time of such payment no default under any amortization requirements with

respect to its indebtedness, nor unless all accrued interest taxes and other public charges shall have been duly paid or reserves set up for depreciation, obsolescence and other proper reserves.

(b) The net earnings of a corporation whose development plan has been approved by the City Council shall be limited to an amount not to exceed eight percent per annum of the cost to such corporation of the redevelopment project, including the cost of the land or the balance of such total cost of the project as reduced by amortization payments; provided that the net earnings derived from any redevelopment project shall in no event exceed a sum equal to eight percent per annum upon the entire cost thereof. Such net earnings shall be computed after deducting from gross earnings the following:

- (1) All reasonable costs and expenses of maintenance and operation.
- (2) Amounts paid for taxes, assessing, insurance premiums and other similar charges.
- (3) An annual amount sufficient to amortize the cost of the entire project at the end of the period, which shall not be less than twenty years and not more than sixty years from the date of completion of the redevelopment project.

(c) Nothing in this Ordinance, any development plan or any development agreement shall impose a limitation on earnings as a condition to the granting of partial tax abatement provided under the Urban Redevelopment Corporations Law to a purchaser of property subject to a development plan or development agreement that is not an urban redevelopment corporation or life insurance company operating as an urban redevelopment corporation pursuant to the Urban Redevelopment Corporations Law.

Section 42-55. Disposition of surplus earnings of a redevelopment corporation.

The development plan may, upon approval of the City Council, contain provisions that the surplus earnings provided under Section 18:

- (a) May be held by the corporation as a reserve for maintenance of such rate of return in the future and may be used by the corporation to offset any deficiency in such rate of return which may have occurred in prior years.
- (b) May be used to accelerate the amortization payments.
- (c) May be used for the enlargement of the project; or
- (d) May be used for reduction in rentals therein other than to itself or its subsidiaries;

Provided that, at the termination of the tax relief granted pursuant to Section 13, the corporation

shall make a strict accounting of surplus earnings and shall turn over the city any excess of such surplus earnings not previously used as provided in subsection (a), (b), (c) or (d) of this section.

Section 42-56. Powers of redevelopment corporations.

Subject to the provisions of the Urban Redevelopment Corporations Law, corporations may utilize the following powers:

(a) Acquisition of property:

(1) A corporation may acquire real property or secure options in its own name, or in the name of nominees, and it may acquire real property by gift, grant, lease, purchase or otherwise.

(2) Property already devoted to public use may be acquired by the corporation, provided that no real property belonging to any city, county, or the state or any political subdivision thereof may be acquired without its consent.

(b) Encumbrance of property: A corporation may borrow funds and secure the repayment thereof by mortgage, which shall contain reasonable amortization provisions and shall be a lien upon no other real property except that forming the whole or a part of a single redevelopment area. Any mortgage on the real property in a redevelopment area, or any part thereof, may create a first lien, or a second lien or junior lien, upon such real property.

(c) Disposal of property: A corporation may sell or otherwise dispose of any or all of the real property acquired by it for the purpose of a redevelopment project. The development plan, the ordinance approving any development plan, and any development agreement entered into pursuant thereto, may provide that in the event of the sale or other disposition of the real property of the corporation by reason of the foreclosure of any mortgage or other lien through insolvency or bankruptcy proceedings or by order of any court of competent jurisdiction, or by voluntary transfer or otherwise, the partial tax relief provided under the Urban Redevelopment Corporations law shall inure to any purchaser of such real property so long as such purchaser shall continue to use, operate and maintain such real property in accordance with the provisions of the development plan. If such development plan, ordinance and development agreement does not so provide and the purchaser of such real property shall continue to use, operate and maintain such real property in accordance with the provisions of the development plan, the City Council may grant the partial tax relief provided in the Urban Redevelopment Corporations Law. If such real property shall not be used, operated and maintained in accordance with the provisions of the development plan, or if the purchaser does not desire the property to continue under the development plan, or if the ordinance approving the development plan provides for termination of tax relief under such circumstances, the City Council may refuse to grant the purchaser continuing tax relief, the real property shall be assessed for ad valorem taxes upon the full true value of the real property and, except as provided by development agreement, may be owned and operated free from any of the conditions, restrictions or provisions of this ordinance and the

development plan.

Section 42-57. Powers of the city to acquire, clear, convey real property.

The city may:

- (a) Acquire by the exercise of the power of eminent domain, or otherwise, an area designated on a master plan as a redevelopment area;
- (b) Clear any such real property and install, construct, and reconstruct streets, utilities and any and all other city improvements necessary for the preparation of such area for use in accordance with the provisions of this ordinance; and
- (c) Sell or lease such real property for use in accordance with the provisions of this ordinance.

Section 42-58. Acceptance of Application of State Enabling Act.

The provisions of the Urban Redevelopment Corporations Law are hereby accepted and shall apply to all persons and corporations operating under this ordinance, insofar as the same may be applicable thereto.

Section 42-59. Formation of Sedalia Redevelopment Corporation.

The City Council hereby authorizes the city administrator on behalf of the city, with the assistance of the city attorney or special counsel (if necessary), to form the Sedalia Redevelopment Corporation in accordance with the Bylaws attached hereto, in substantially the same form and content. The Board of Directors of the Sedalia Redevelopment Corporation shall consist of five (5) members. Three (3) directors shall be members of the City Council of the City of Sedalia, Missouri. One (1) director shall be a resident taxpayer of Pettis County. The remaining one (1) director shall be a member of the School District of the City of Sedalia, Missouri.

Section 42-60. Computation of Time.

In computing any period of time prescribed or allowed by this ordinance, the day of the act or event after which the designated period of time begins to run is not to be included. The last day of the period so computed is to be included, unless it is a Saturday, Sunday or a legal holiday, in which event the period runs until the end of the next day which is neither a Saturday, Sunday nor a legal holiday.

Section 42-61. Severability.

The sections found in Chapter 42 of the Code of Ordinances shall be severable. In the event any section of this ordinance is found by a court of competent jurisdiction to be invalid, the

remaining sections of this ordinance are valid, unless the court finds the valid sections of this ordinance are so essentially and inseparably connected with, and so dependent upon, the void section that it cannot be presumed the City Council would have enacted the valid sections without the void section, or unless the court finds that the valid sections standing alone are incomplete and are incapable of being executed in accordance with the legislative intent.

Secs. 42-62 - 42-80 - Reserved."

Section 3. Effective Date.

This Ordinance shall be in full force and effect from and after the date of its passage.

Read two times by title, copies of the proposed ordinance having been made available for public inspection prior to the time the bill is under consideration by the Council and passed by the Council of the City of Sedalia, Missouri this 18th day of May 2020.

Presiding Officer of the Council

Approved by the Mayor of said City this 18th day of May 2020.

John Kehde, Mayor

ATTEST:

Arlene Silvey, MPCC
City Clerk

First Reading: _____

Second Reading: _____