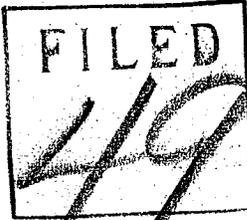


URBAN REDEVELOPMENT CORPORATION LAW: Redevelopment project may be exclusively industrial or commercial.

September 29, 1955



Honorable Michael Kinney  
Member, Missouri Senate  
Holland Building  
211 North 7th Street  
St. Louis 1, Missouri

Dear Senator Kinney:

We have received your request for an opinion of this office, which request reads as follows:

"As you know, the City of St. Louis is vitally interested in the program of Urban Redevelopment. The program is of particular importance to St. Louis because, being surrounded by many municipalities, it cannot extend its boundaries.

"The land clearance for redevelopment authority has acquired property for the first St. Louis redevelopment project. The Board of Aldermen has declared blighted several other areas. These areas are now under study. It is contemplated that, after careful study, a development plan will be approved by the Board of Aldermen which may declare parts of these areas appropriate for industrial or commercial reuse. This will create redevelopment projects which may be exclusively industrial or commercial. The project will be carried out in large measure by redevelopers incorporated under the Urban Redevelopment Corporation's Law.

"Before the city expends large sums to acquire these sites and prepare costly surveys and plans, I would appreciate your opinion on the following two points.

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"Is a corporation formed under the Urban Redevelopment Corporation's law authorized to carry out an exclusively industrial or commercial redevelopment project?"

"Is such a corporation entitled to the tax benefits provided by the law, on a project which is exclusively industrial or commercial?"

Section 353.020 of the Urban Redevelopment Corporations Law provides, in part, as follows:

"(1) 'Area' shall mean that portion of the city which the legislative authority of such city 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 law. 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;

"(2) 'Blighted area' shall mean that portion of the city within which the legislative authority of such city determines that by reason of age, obsolescence, inadequate or outmoded 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;

"(4) '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 legislative authority of any such city;

"(8) '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 incidental or appurtenant thereto;

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"(9) 'Redevelopment project' shall mean a specific work or improvement to effectuate all or any part of a development plan;

"(10) 'Urban redevelopment corporation' shall mean a corporation organized under the provisions of this chapter, provided, however, that any life insurance company organized under the laws of, or admitted to do business in the state of Missouri may from time to time within five years after the effective date of this law, undertake, alone or in conjunction with, or as a lessee of any such life insurance company or urban redevelopment corporation, a redevelopment project under this chapter, and shall, in its operations with respect to any such redevelopment project, but not otherwise, be deemed to be an urban redevelopment corporation for the purposes of this section and sections 353.010, 353.040, 353.060 and 353.110 to 353.160, RSMo 1949."

Section 353.030, RSMo 1949, which sets out the contents of the articles of association for redevelopment corporations, provides, in part, that they shall contain:

"12. A declaration that such corporations are organized for the purpose of the clearance, replanning, reconstruction or rehabilitation of blighted areas, and the construction of such industrial, commercial residential or public structures as may be appropriate, including provisions for recreational and other facilities incidental or appurtenant thereto."

We find no other provision in the Urban Redevelopment Corporation Law (Chapter 353, RSMo 1949) which throws any light upon the question of the type of structures which may be erected and the use of the land in the area to be developed. Both Section 353.020 and Section 353.030, above quoted, refer to "such industrial, commercial, residential or public structure as may be appropriate." There is nothing in the language of the statute which limits the number or type of industrial and commercial structures which may be included in a redevelopment plan. Nor is there anything in the law which provides that the industrial and commercial structures must be part of a redevelopment plan which is primarily, or in any part, residential in character.

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The act leaves to the legislative authority of the city the right to authorize development plans. That body must, in the first place, decide whether or not an area involved is a blighted area. It is a matter of common knowledge that urban blighted areas are not limited to residential areas. The Urban Redevelopment Corporations Law does not attempt to make any such limitation. Having decided that an area is blighted, the determination of the type of structures to be erected as a part of the development plan is a matter for the determination of the legislative authority of the city. That body must determine what structures are "appropriate" for particular locations.

In view of the plain language of the statute, authorizing "such industrial, commercial, residential or public structures as may be appropriate," there appears to be no room for interpretation or construction which would impose any restriction or limitation upon the terms employed. The courts have held on numerous occasions that when statutes are clear and unambiguous no resort can be had to matters other than the language of the statute in their construction. Thus, in the case of *St. Louis Amusement Co. v. St. Louis County*, 347 Mo. 456, 147 S.W. (2d) 667, l.c. 669, the court stated:

"We need not conjecture as to the intent of the legislature \* \* \* because we find the language of the statute is plain. And where the language of a statute is plain and unambiguous it may not be construed. It must be given effect as written."

In the case of *State ex inf. v. Hawk*, 360 Mo. 490, 228 S.W. (2d) 785, l.c. 789, the court stated:

"\* \* \* The language of the statute is clear and unambiguous, and we have no right to read into it an intent which is contrary to the legislative intent made evident by the phraseology employed. \* \* \*"

We think that such rule is applicable to the statute under consideration and that there is no basis for the imposition of any limitation regarding the type of industrial or commercial structures which may be erected as a part of the development plan, it being left to the legislative authority of a city to determine the type of structures which might be appropriate for the carrying out of a development plan.

As for your second question, the general scheme for relief from taxation of property of urban redevelopment corporations is set out in Section 353.110, RSMo 1949. Generally speaking, the

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scheme provided by that section is for the assessment of the real property of such corporations during the first ten years at a value measured according to the assessed valuation of the land, exclusive of improvements for the year prior to the one in which the land was acquired by the redevelopment corporation. During such ten-year period, no assessment is made of or tax levied against the improvements. For the next fifteen years taxes are measured on assessed valuation of the property and improvements not to exceed fifty per cent of the true value. This plan of relief from taxation is authorized by Section 7, Article X of the Constitution of Missouri, 1945, which provides as follows:

"For the purpose of encouraging forestry when lands are devoted exclusively to such purpose, and the reconstruction, redevelopment and rehabilitation of obsolete, decadent or blighted areas, the general assembly by general law, may provide for such partial relief from taxation of the lands devoted to any such purpose, and of the improvements thereon, by such method or methods, for such period or periods of time, not exceeding twenty-five years in any instance, and upon such terms, conditions, and restrictions as it may prescribe."

Neither the Constitution nor Section 353.110, RSMo 1949, contains any limitation regarding the type of structures which must be erected in order to obtain the benefit of relief from taxation. Under the Constitution, the relief is granted for the "reconstruction, redevelopment and rehabilitation of obsolete, decadent or blighted areas." In our opinion, industrial developments could serve such purposes and, therefore, there would be nothing to prevent the relief being extended under the Constitution. Inasmuch as the Legislature is setting up the plan for relief from taxation has imposed no restrictions, we are of the opinion that the fact that the redevelopment might be exclusively industrial in nature would not deprive the corporation of the benefits of the relief from taxation provided by Section 353.110.

#### CONCLUSION

Therefore, it is the opinion of this office that a corporation formed under the Urban Redevelopment Corporations Law is authorized to carry out an exclusively industrial or commercial

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redevelopment project and that such corporation would be entitled to the tax benefits provided by Section 353.110, RSMo 1949, on a project which is exclusively industrial or commercial.

The foregoing opinion, which I hereby approve, was prepared by my Assistant, Robert R. Welborn.

Yours very truly,

JOHN M. DALTON  
Attorney General

RRW/ml/bf