BILL NO. 4373 ORDINANCE NO. _____

AN ORDINANCE TO ADOPT AN ECONOMIC DEVELOPMENT INCENTIVE POLICY FOR THE CITY OF WEST PLAINS, MISSOURI AND TO SET FORTH THE PROCEDURES TO BE FOLLOWED.

NOW THEREFORE, be it resolved by the City of West Plains as follows:

Section 1: That the City Council hereby adopts the Economic Development Incentive Policy (EXHIBIT A).

Section 2: That this Ordinance shall be in full force and effect from and after its day of passage and approval.

PASSED AND APPROVED THIS ___ DAY OF _____ 2015.

CITY OF WEST PLAINS, MISSOURI

BY:_____
MAYOR JACK PAHLMANN

ATTEST:

_____
CITY CLERK MALLORY HAWKINS

West Plains

Economic Development Incentives Policy and Considerations

1/30/2015

A policy governing the use of public funding assistance for development and redevelopment in West Plains, Missouri

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WELCOME

The City of West Plains believes that a great City provides a strong and positive foundation for its business community. We strive to work collaboratively with our business community to ensure long-term positive outcomes for all parties. The City is committed to encouraging new and existing business expansion in the areas of retail, commercial and light industrial/manufacturing that will bring quality economic growth to our community.

We recognize the value of cooperation between the City and private development partners, and offer development incentives designed to help create quality jobs through investment in the community. As you consider West Plains as a potential investment opportunity, we want to provide you with this policy document summarizing the tools we have that will support development projects. We also want to share the City's philosophy about the review of proposals. The City will use a team approach including City Council, the City Administrator and staff, our local, county, and state economic development partners, legal and financial professionals to assist you with your project in West Plains. Every effort has been made to develop this document and the incentive applications in a way that lets you know up front what information is necessary for the team to consider your incentive proposal.

The guide is only a starting point for information. Developers who wish to explore the availability of project incentives are encouraged to discuss their initial plans with the City Administrator and City staff. Often these preliminary discussions can identify zoning, code, and other requirements early in the developmental process, which can help reduce long-term planning costs and the time required to bring a project to reality. This policy does not commit the City to provide economic incentives in any instance, nor does it restrict the City from providing additional economic incentives in a specific instance as determined by the City in the exercise of its sole discretion. This policy contains specific criteria, guidelines and procedures necessary to administer the economic development incentives effectively and fairly.

INCENTIVE APPLICATION PROCESS

1. The applicant will meet with City staff in a pre-application conference to determine project eligibility and complete a Financial Incentive Pre-Application Worksheet. The Financial Incentive Pre-Application Worksheet must be on file with the City prior to proceeding to Step 2. The applicant may use the worksheet when discussing the proposed project with the other taxing entities.

2. Prior to making application to the City of West Plains for the use of an incentive involving property tax abatement, the applicant must meet with each of the taxing entities in West Plains to discuss the proposed project and identify comments, concerns or support. City staff is happy to assist with this process by making introductions or arranging meetings.

3. At the time of application, the developer will submit an Application Fee to the City in an amount set forth in the table below. The Application Fee will be used by the City to pay all direct expenses incurred by the City in reviewing the application and evaluating its suitability for use of incentives, unless the City determines the cost of review and evaluation minimal. After a preliminary review to determine the scope of the application, the City and the developer may enter into a Funding Agreement outlining how the City will be paid for any third-party services incurred by the City that exceed the fee collected. The Funding Agreement may require the applicant to replenish the amount of the Application Fee so that there is always a cash balance available from which payments for direct costs can be made. Where allowed by state statute and set forth in the Funding Agreement, said amounts may be allowed to be paid out of the revenues of the incentive tool. The City may elect to waive the Application Fee for Chapter 100 Bonds or Enhanced Enterprise Zones for a project involving the attraction or retention of a primary employer.

SCHEDULE of APPLICATION FEES FOR INCENTIVE TOOLS

Tax Increment Financing	$10,000 and/or Funding Agreement
Chapter 100 Bonds	$10,000 and/or Funding Agreement
Chapter 353 Tax Abatement	$10,000 and/or Funding Agreement
MODESA & MODESA-Lite	$5,000 and/or Funding Agreement
Neighborhood Improvement District	$5,000 and/or Funding Agreement
Community Improvement District	$5,000 and/or Funding Agreement
Transportation Development District	$5,000 and/or Funding Agreement
Special Business District	$5,000 and/or Funding Agreement
Cost-Share Development Agreements	$5,000 and/or Funding Agreement

4. Complete and submit the appropriate application to the Economic Development Department of the City of West Plains. Blank applications are available from the department. Failure to provide all required information in a complete and accurate manner could delay processing of the application. Applicants should consult with their own legal, financial and design professionals for assistance in completing the application and submitting their proposal for use of economic development incentives. Applications and proposals should include all plans, drawings and studies that would be required for the development in the absence of an incentive being utilized. Examples might include traffic studies or site plans. The City will review and respond to applications and proposals for applicants.

5. The Economic Development Department of the City of West Plains will facilitate in a timely manner the review of all applications before they are considered by the City Council. Some aspects of the review may be contracted to third-party professionals as appropriate. The review will include, but not be limited to:

    a. Phone calls to listed references for banking, other financing, major suppliers, major customers, other cities

    b. Oral verification of major indebtedness with lender/mortgage holders

    c. Review of financial documents for risk assessment of the following: business risk (industry specific), financial risk (company specific), and payback risk (length of payback to the community)

    d. Cursory reconciliation of future year cash flow projections with current cash status, requested monies, etc.

    e. Correlation with other requests from the City (subsidized land costs, property tax abatements, City industrial revenue bonds, utility improvements)

    f. Estimated amount of public money expenditure per new job created or retained

    g. Identification and verification of applicant's wage structure

    h. Adequacy of performance provisions

    i. Any significant positive or negative aspects of the application

    j. Cost/benefit analysis—*most likely conducted by a third-party*

    k. Community Return on Investment (ROI) analysis—*most likely conducted by a third-party*

    l. Community Fit Analysis—*conducted by City staff*

    m. Review by the City's legal counsel and/or bond counsel to assure compliance with applicable statutory and constitutional guidelines on the use of development incentives

6. Results of the review will be shared with the applicant as soon as possible to ensure accuracy of the application and need for any additional information before its official presentation to the City Council. This review will not be construed as a "screening" procedure. Each applicant has the privilege to present its application intact and unchanged to City Council.

7. The City Administrator will place the application on a City Council meeting agenda for consideration by City Council.

8. Applicants that successfully complete Steps 1-7 above will prepare and present, at their own cost, all petitions and legal documents required for establishment of any special district or political subdivision being proposed.

Financial Incentive Pre-Application Worksheet

DATE: _____

APPLICANT: _____

ADDRESS: _____

PHONE #: _____ EMAIL: _____

CONTACT PERSON: _____

PROJECT NAME: _____

PROJECT TYPE

Please check all that apply and fill in SIC/NAICS code if known.

g Industrial, Manufacturing, Technology SIC/NAICS code: _____
- g New building, no existing Missouri operations
- g New building, other Missouri operations already in existence
- g Expanding existing facility
- g Retain existing facility

g Retail/Restaurant/Hotel SIC/NAICS code: _____
- g New freestanding building
- g New multi-use tenant building
- g Remodel, addition or expansion of existing building

g Office
- g New freestanding building
- g New multi-use tenant building
- g Remodel, addition or expansion of existing building

g Residential
- g New freestanding residential units
- g New residential units in a multi-use building
- g Remodel, addition or expansion of existing building

g Downtown
- g Remodel, addition or expansion of existing building
- g Exterior façade improvement
- g Construction of new building

g Other _____

PROPERTY FOR WHICH INCENTIVES ARE BEING SOUGHT

Attach map and legal description of property.

ADDRESS: _____

CURRENT PROPERTY OWNER: _____

WILL APPLICANT BE PURCHASING THE PROPERTY: YES _____ NO _____

TOTAL ACRES: _____ Building Sq. Ft.: _____

INVESTMENT

Total new investment: $_____

Acquisition of land/existing buildings: $_____
Annual lease of land/existing buildings: $_____
Preparation of plans, studies, surveys: $_____
Site preparation costs: $_____
Building improvements: $_____
Site improvements: $_____
Utilities/Infrastructure Costs: (streets, sewer, etc.): $_____
Purchase of machinery & equipment: $_____
Lease of machinery & equipment: $_____
Other: $_____

TIMELINE

Calendar year in which applicant plans to begin construction: _____

Approximate opening date: _____

WAGE & BENEFITS

	Job Category (executive, professional, clerical, general labor etc.)	# new full-time Employees	# new part-time employees	Average hourly wage/employee
Year 1				
Year 2				

% of health care premium paid for by the employer: _____

TYPE OF FINANCIAL INCENTIVE DESIRED

Tax Abatement

- g Tax Increment Financing
- g Chapter 100 Industrial Revenue Bonds
- g Chapter 353 Tax Abatement
- g MODESA & MODESA-Lite

Special Assessment, Property Tax, Sales Tax

- g Neighborhood Improvement District
- g Community Improvement District
- g Transportation Development District
- g Special Business District

Local Incentive Tools

- g Sales Tax Sharing Agreements
- g Cost-Share Development Agreements
- g Broker Assistance Program
- g Downtown Improvement Incentives

GENERAL POLICY GUIDELINES

1. Council discretion and policies: The use of development incentives will be subject to any specific criteria adopted by the City for that particular development tool. Where applicable, those criteria are included in this policy document. A decision to use development incentives is not a mathematical formula. It will be within the discretion of the City in each and every case to determine the appropriateness of the use of incentives.

2. Use of City funds: The general revenues of the City will not be pledged for projects, except in extraordinary circumstances. The use of bonds that are adequately secured by the development shall not, in general, be considered a pledge of general revenues.

3. Minimum tools necessary: The minimum level of incentives necessary to make a project financially feasible should be approved. The City will consider the layering of multiple incentive tools as long as it is the minimum level of incentives necessary to make a project financially feasible.

4. Permits and fees required: The City will not waive permits or compliance with other ordinances of the City as a part of any development incentive.

5. No artificial decrease in tax base: When a development incentive is based upon incremental increases in property values or economic activities, taxes will not be reduced below the base year established in the individual development plan except as allowed by state statute for Chapter 100 Bonds and Enhanced Enterprise Zones for a project involving the attraction or retention of a primary employer. No base year should be based upon demolition or cessation of economic activity that is designed solely to decrease the base year calculation.

6. "But for" test: In all cases, the City should make a determination that "but for" the use of specific incentives the development proposed is not likely to happen. This conclusion does not necessarily rest upon whether or not a particular developer is likely to pursue a project, but rather whether such a project is likely to occur without the use of development incentives.

7. Indemnity: Developers must be prepared to indemnify the City and hold it harmless from all regulatory compliance and environmental matters concerning the proposed project, and to demonstrate financial ability to do so or provide adequate surety.

8. Financial reporting and benchmark assessment required: All development incentives will require periodic reporting by the developer to assure the economic targets used to justify the use of incentives have been met. A failure to meet those targets will result in the reduction or elimination of future benefits from the development incentive.

COMMUNITY FIT ANALYSIS—QUALITATIVE

The City will use the information provided in the application to complete the table below and rate the proposal in the following categories. The City will then assign an overall community fit rating.

	Below Average	Average	Above Average	Comments
Demonstrates a public benefit.				
Eliminates blight through construction of significant improvements.				
Brings new economic activity to the City and does not simply shift existing activity within the City.				
Is a retail project that brings an inflow of consumers from outside the City.				
Is a retail project that will fill a market need not otherwise being served locally.				
Is an anchor/seed project that will be a catalyst for surrounding development.				
Creates or retains jobs paying above the average wage for West Plains				
Provides competitive fringe benefits package, including health insurance.				
Provides job training that meets the "gap" between primary employer need and availability.				
Demonstrates upward mobility/advancement for employees.				
Fulfills a job shortage need.				
Ratio of costs funded by the incentives versus the overall project costs.				
Length of time incentives are in place.				
The likelihood the project will occur without the use of incentives.				
History of community involvement/philanthropy.				
History of success.				
Enhances quality of life (schools, child care, green space, trails, connectivity, parks, historic preservation, public transportation, health care, etc.).				
Burden on community (water, sewer, roads, fire or police protections, etc.).				
Supports military activities or personnel				
	YES	**NO**	**COMMENTS**	
Complies with applicable subdivision, zoning, street & building codes , City policies.				
Consistent with the Comprehensive City Plan & adopted City Strategic Plan.				
Environmental concerns.				
	Below Average	**Average**	**Above Average**	**Comments**
OVERALL COMMUNITY FIT RATING				

COMMUNITY FIT ANALYSIS—QUANTITATIVE

The City will use the information provided in the application to answer the following questions. A potential incentive will only be considered if it demonstrates a beneficial impact to broaden the community's tax base and meets at least one of the following criteria:

1. Job Creation—Does the project create at least 25 new full time jobs?

2. Jobs Retained (business expansion)—Does the expansion project retain at least 15 full time jobs?

3. Capital Investment—Does the project involve a capital investment of at least $1 million?

4. Economic Multiplier—Is the project in a high economic multiplier industry, such as manufacturing, research and development, technology, office, corporate campus, and healthcare?

5. Retail sales—Does the project have annual gross retail sales of at least $5 million (resulting in West Plains sales tax revenue of $93,750)?

6. Total Tax Revenue—Will the project result in at least $100,000 in total annual tax revenue to the City of West Plains?

7. Target Company—Does the project meet an identified target need or target firm desired by the City of West Plains?

8. Target Development—Is the project locating in an area of the City of West Plains targeted for development or redevelopment?

9. Headquarters—Will the project result in a regional or national corporate headquarters locating within West Plains?

10. Visitors to Community—Will the project result in an annual increase in lodging tax receipts for the City?

TAX INCREMENT FINANCING

Overview
Tax Increment Financing (TIF) permits the use of a portion of state and local property and sales taxes to assist funding the redevelopment of certain designated areas within a community. A TIF area must contain property classified as a blighted or conservation area. A TIF area can have multiple Project Areas within a Redevelopment Area. The City establishes a TIF Commission and is charged with all the responsibilities for bringing a TIF redevelopment project to completion. Sections 99.800 to 99.865 of the Revised Statues for the State of Missouri (RSMo) authorize Missouri municipalities to implement tax increment financing and provide more detailed information regarding the use of this tool.

Revenues
Increases in property taxes due to new construction, rehabilitation and infrastructure improvements from the project are deposited in a special allocation fund for up to 23 years. Fifty percent (50%) of all local Economic Activity Taxes (EATS) (e.g. sales taxes) generated within the project area are also deposited in a special allocation fund.

Eligible costs
Include professional fees, studies, surveys, plans, land acquisition, site preparation, and construction costs of both public and private improvements.

Examples
Lee's Summit, Summit Woods Crossing—Redevelopment Area with 3 Project Areas each with their own 23 year sunset. TIF is paying for improvements at Highway 50 and Chipman Road and improvements to Chipman and Pryor Roads.

Statutory Requirements
By law, the City must determine that certain requirements have been met before approving a Tax Increment Financing Plan filed by the applicant. These requirements are set forth under Sections 99.805 to 99.865 RSMo.

Policy Guidelines
In addition to the General Policy Guidelines provided earlier, the City has separately adopted specific TIF Policies which are copied below:

I. *General Policy*
   A. It is the policy of the City to consider the judicious use of TIF to construct improvements in support of those projects which demonstrate a substantial and significant public benefit by:

      1. Creating new jobs and retaining existing employment;
      2. Eliminating blight;
      3. Strengthening the employment and economic base of the City;
      4. Increasing property values and tax revenues;
      5. Reducing poverty;
      6. Enhancing economic stability;
      7. Upgrading deteriorating neighborhoods;
      8. Facilitating economic self-sufficiency;

9. Furthering the Comprehensive City Plan, Strategic Plan and economic development strategy of the City.

B. Care will be exercised in the use of TIF to thoroughly evaluate each project to ensure that the benefits which will accrue from the approval of the Redevelopment Agreement are appropriate for the costs which will result, and that they are equitable to the City as a whole.

II. *Policy Guidelines*

The following criteria and the Policy Guidelines contained in the Economic Development Incentive Policy and Considerations as adopted by the City Council are to be used to evaluate TIF Applications:

A. TIF Applications will not be considered for new residential development projects, except residential development to meet community needs not currently being met in the marketplace, such as housing for low to moderate income families.

B. Each TIF Application must demonstrate that "but for" the use of TIF, the project is not feasible and would not be completed without the proposed TIF assistance.

C. TIF Applications must demonstrate that the project is located in a blighted area, conservation area, or economic development area, as defined by law.

D. All TIF Applications requesting the issuance of bonds or notes will be required to demonstrate that the payments in-lieu of taxes and/or the economic activity taxes expected to be generated will be sufficient to provide a debt coverage factor of at least 1.25 times the projected debt service on any tax increment bonds or notes.

E. TIF will generally be reserved for projects which do not qualify for alternative methods of financing, or where TIF assistance is deemed by the City to be the preferred method of economic development incentive.

F. Each TIF Application must include evidence that the applicant:

1. Has the financial ability and experience to complete and operate the project.
2. Will be liable for, or contribute equity of a least fifteen percent (15%) of the total cost of the project or provide a performance bond for the completion of the project. Projects with equity contributions from the developer in excess of fifteen percent (15%) will be viewed more favorably.
3. Has thoroughly explored alternative financing methods.

G. The City will maintain a retainage account until each project is completed or satisfies other performance standards established for the project.

H. TIF Applications that will provide jobs with above average wages and benefits, that will fill key retail sectors not being served, or that will serve to promote additional quality development will be viewed most favorably. TIF projects which create jobs with wages that exceed the community average will be encouraged. Industrial, manufacturing and office development will be given more consideration than warehouse type uses based upon the projected employment per square foot. Additional consideration will be given to

the development of vacant property in areas where the project will be the initial development, if it is believed that the project will serve as a catalyst for further high quality development.

I. TIF Applications for retail and service commercial projects should be limited to those projects that encourage an inflow of customers from outside the City or will provide services or fill retail markets that are currently unavailable or in short supply in the City. Additional consideration will be given to the development of vacant property in areas where the project will be the initial development, if it is believed that the project will serve as a catalyst for further high quality development.

J. TIF Applications for the redevelopment of existing developed property which has become obsolete, blighted, or is in a designated conservation area will be viewed favorably. Projects to stabilize current areas that have or will likely experience deterioration will be favored.

K. The projected term of the TIF will be a factor, with shorter terms being viewed more favorably than longer terms. TIF Applications which provide for a complete payout in less than twelve (12) years will be preferred.

L. All the TIF Applications must clearly comply with the requirements of the TIF Statute.

M. Applicants should consult currently approved City TIF application submittals for additional detailed submissions that will be required.

N. Notwithstanding the foregoing, TIF Applications which do not meet any of the above-referenced criteria will be viewed favorably by the City if the Application clearly demonstrates that the project is of vital interest to the City and will significantly assist the City in the elimination of blight, financing desirable public improvements, strengthening the employment and economic base of the City, increasing property values, reducing poverty, creating economic stability, upgrading older neighborhoods, and facilitating economic self-sufficiency.

O. Proposals for "pay as you go" TIFs that provide developer reimbursement of project costs will be given preference over bond funded TIF proposals.

III. *Accountability*

TIF Applications must include the following:

A. If the TIF Application is being recommended based upon job creation criteria, or other performance benchmarks, language shall be included in the Plan which stipulates that the City's obligation to the developer may be reduced if satisfactory evidence is not shown that the indicated number, and quality of jobs have been generated, or the stated benchmarks have been achieved.

B. If businesses are to be relocated from other areas of the City, sufficient justification will be included to indicate why this relocation should be considered. If existing businesses are to be relocated to the TIF area, the base year activity for purposes of determining the tax increment for both real property and EATS taxes will be the last twelve month period at the business'

current location, immediately preceding the relocation.

IV. Method of Financing

A. TIF Applications may request that TIF assistance be provided in either one of two forms:

1. Special Obligation Bond or Note Financing.
2. Direct Reimbursement to the Applicant.

B. In deciding which method of financing to use, the prevailing factor in making the determination will be total costs and the security for the bonds. The City will not guarantee the special obligation bonds or notes, however, credit enhancement on any bonds or notes will be viewed favorably. The decision as to what method of financing will be left solely to the City.

V. *Certain Economic Activity Taxes*

Only local option sales taxes will be considered for purposes of the tax increment derived from TIF economic activity taxes. Economic activity taxes shall not include utility franchise taxes collected either from private utilities or as payments in –lieu of taxes from publicly owned utilities, to the extent such exclusion is permitted by law.

VI. *Term*

The maximum period for which a TIF can be used is established by the TIF Statute as twenty-three (23) years.

City Application/Approval Process

The TIF Commission and City Council have adopted specific application procedures for the consideration of a TIF project. After proceeding through steps 1 and 2 of the Incentive Application Process described earlier in this document, the applicant would proceed through the process outlined below.

Overview of the TIF Process

Step 1: The applicant submits an application to the Economic Development Department of the City of West Plains.

Step 2: The application is reviewed by City staff to determine whether it is complete, and to make an initial determination as to whether the proposed project is located in a blighted, conservation or economic development area and whether it is consistent with the Comprehensive City Plan for the development of the City as a whole (the minimum requirements for eligibility). Initial review and due diligence as to feasibility and desirability will be conducted. A Funding Agreement with the applicant will be typical at this stage.

Step 3: If the application is complete and otherwise meets the minimum requirements for eligibility, it will be forwarded by City staff to the TIF Commission for consideration. Incomplete applications or Redevelopment Plans which do not appear to meet the minimum requirements for eligibility will be referred back to the applicant to allow an opportunity to cure any apparent defects. Once an application is complete, and the City has conducted its due diligence as to feasibility and desirability, it will be forwarded by City staff to the TIF Commission for consideration. If City's staff believe that the proposed development does not meet the minimum requirements for eligibility, they will so note in a memorandum accompanying the application to the TIF Commission.

Step 4: The TIF Commission will conduct hearings on the application and the proposed Redevelopment Plan, in accordance with the requirements of the City's TIF Policies, TIF Ordinance, and state statutes.

Step 5: The TIF Commission will recommend approval or denial of the application, and forward it to the City Council for its consideration.

Step 6: The City Council will consider the application and review the proceedings of the TIF Commission.

Step 7: The City Council will approve or deny the application, making the necessary findings. If the application is approved, an Ordinance approving the application and authorizing the execution of a Redevelopment Agreement will be passed.

Step 8: If the Redevelopment Plan is approved, a Redevelopment Agreement will be executed between the City and the Applicant.

Application Procedures

I. APPLICATION

A. *Submission.* The TIF Application Policies and Procedures are set out in this document. Additional copies of this document can be obtained from the Economic Development Department of the City of West Plains. The Applicant must submit 5 copies of the completed Application to the Economic Development Department of the City of West Plains together with the required application fee.

B. *Application Fee.* Each Application must be accompanied with a check in the amount of $10,000 made payable to the City (the "Application Fee"). The Application Fee will be used by the City to pay the third party costs incurred by the City in the review of the Application. Such costs may include the fees and expenses of the City's Staff time, Bond Counsel, Financial Advisor and other consultants. The Applicant will be required to execute a Funding Agreement to reimburse the City for expenses incurred in the processing of the application in excess of the initial fee prior to approval of the Redevelopment Plan. Upon failure to approve, or withdrawal of, an application the Applicant shall be entitled to a refund of that portion of the fee which is not required to pay the costs incurred in reviewing and processing the application. The Applicant will be required to reimburse any costs of review in excess of the Application Fee.

C. *Preliminary Determination of Completeness.* Upon submission to the Community Development Department, the Application will be reviewed by City Staff to determine whether the Application is complete. If the Application is not complete, or if additional information is needed to facilitate the review of the Application, the Applicant will be notified in writing that the Application is not complete, and the reasons will be stated referring to the specific criteria that are not met, and the additional information which is needed for further review.

II. STAFF REVIEW

City staff will review the Application to determine whether the Redevelopment Plan meets the minimum requirements for eligibility. When deemed appropriate by City staff, the Application may be referred to the City's Financial Advisor, Bond Counsel or other outside consultants for

Review. Review time will be approximately 60 days from the date the completed Application is submitted to the City. However more or less time may be required for particular Applications. Applications which are determined to be complete, will be forwarded to the TIF Commission for consideration, upon completion of internal review by the City. Applicants will be notified in writing of the City's Staff forwarding the Application to the TIF Commission. If City staff determines that the proposed redevelopment does not meet the minimum requirements for eligibility, it will so note in a memorandum accompanying the application to the TIF Commission.

Applications which are determined to be incomplete will not be forwarded to the TIF Commission. Applicants will be notified in writing of a determination that the Application will not be forwarded.

III. TIF COMMISSION CONSIDERATION

The TIF Commission may hold one or more study sessions before any public hearing is held on the application. Study sessions will be public meetings under the statues of the State of Missouri governing meetings of public governmental bodies. During this period the Applicant may be required to submit a completed Redevelopment Plan.

The Commission will fix a timeline and place for the public hearing and provide all notices required by state statute, including Sections 99.825 and 99.830 RSMo.

At the public hearing City Staff will introduce the subject material and the Applicant. The Applicant will make a presentation to the TIF Commission to be followed by the presentation of any material City staff desires to report. Public comment will then be heard, followed by a response from the Applicant. Times and procedures for presentations may be set by the Commission. After the TIF Commission discussion, action may be taken to approve, deny or to continue the case to a date certain for further consideration. The TIF Commission will make the determination of whether the public hearing portion of the case will be closed or continued to a date certain according to Section 99.825 RSMo.

Upon recommendation of City staff, the TIF Commission may require additional independent feasibility studies. The cost of such study shall be paid by the Applicant and shall be prepared by a professional consultant having a favorable reputation for the preparation of such studies and acceptable to the City. This study shall be considered by the TIF Commission as part of the public hearing on the Application.

If the Application and Redevelopment Plan are approved by the TIF Commission, the TIF Commission will make the findings and determinations required by the TIF Statute, and the City's TIF Ordinance and TIF policies. The Application and Redevelopment Plan will be forwarded to the City Council.

The Commission shall, as required by Section 99.865 RSMo, hold a public hearing every five years after approval of a redevelopment plan to determine whether the plan is making satisfactory progress.

IV. CITY COUNCIL CONSIDERATION

The City Council may have a study session on the Application and Redevelopment Plan and will hold a public hearing before consideration of an ordinance. The recommendation of the TIF Commission may be approved, denied or amended by the City Council.

For any approved plan, annual reports shall be submitted by the City Council to the Missouri Department of Economic Development as required by Section 99.865 RSMo.

CHAPTER 100 INDUSTRIAL REVENUE BONDS

Overview
Missouri law authorizes municipalities to issue Industrial Development Revenue Bonds (IDBs), also known as Chapter 100 bonds, to finance industrial development projects. IDBs issued by a municipality do not require voter approval and may be issued as tax-exempt or non tax-exempt. Upon issuance of taxable Chapter 100 bonds, the property taxes on bond-financed property may be abated. The City must maintain legal ownership of the property while the bonds are outstanding in order for the property to be eligible for tax abatement. Sections 100.010 to 100.200 RSMo set forth the requirement governing IDBs. For a complete listing of further criteria that the City utilizes in evaluating the use of Chapter 100 bonds, please see resolution 1801 in Appendix B of this brochure

Revenues
Bonds

Eligible costs
Industrial plants, warehouses, distribution facilities, research and development facilities, office industries, services facilities providing interstate commerce, agricultural processing industries, land, buildings, fixtures and machinery.

Examples
West Plains, MO—Chapter 100 Bonds have been used for the AMGH Facility Expansion to help offset up-front construction and infrastructure cost and allow for the development of additional land within the City.

Policy Guidelines
In addition to the General Policy Guidelines provided earlier, the City has separately adopted additional policy conditions below which are specific to Chapter 100 bonds.

The issuance of said revenue bonds and the execution and delivery of any documents related to financing the costs of the industrial development project to be located in City of West Plains, Missouri, and consisting of land, buildings, fixtures, machinery and equipment are subject, in the sole discretion of the City, to the following conditions:

1. approval by the City Council of the City of West Plains, Missouri, and approval by the governing board of the users of the industrial development project to be located in City of West Plains, Missouri, and consisting of land, buildings, fixtures, machinery and equipment;

2. obtaining any other necessary governmental approvals for the industrial development project to be located in City of West Plains, Missouri, and consisting of land, buildings, fixtures, machinery and equipment;

3. agreement by the City, the user of the industrial development project to be located in City of West Plains, Missouri, and consisting of land, buildings, fixtures, machinery and equipment and the purchaser of the bonds upon (a) mutually acceptable terms for the bonds and for the sale and delivery thereof and (b) mutually acceptable terms and conditions of any documents related to the issuance of the bonds and the industrial development project to be located in City of West Plains,

Missouri, and consisting of land, buildings, fixtures, machinery and equipment, and execution and delivery to the City by the purchaser of the

bonds of an investment representation letter satisfactory to the City; and

4. receipt by the City of satisfactory indemnification for all environmental and other matters relating to the industrial development project to be located in City of West Plains, Missouri, and consisting of land, buildings, fixtures, machinery and equipment.

5. It is highly recommended that the developer communicate with all taxing districts that are located within the proposed Chapter 100 development. Most favorable consideration will be given to those developers that receive a letter of support from the affected taxing districts

City Application/Approval Process

After proceeding through steps 1 -7 of the Incentive Application Process above with a favorable outcome from City Council, the applicant will be invited to submit a "plan for industrial development" as outlined under Section 100.050 RSMo. The "plan for industrial development" will then be considered for formal approval by City Council.

Following approval of the "plan for industrial development", the City and the applicant shall enter into a Chapter 100 lease-purchase agreement which will govern the terms of the abatement.
The agreement shall require that an annual report be submitted to the City by March 1 of each year. The report shall cover the time period of January 1 through December 31 of the previous year and include a detailed accounting of the project. The agreement may include a claw-back provision requiring specified performance on issues such as new jobs created as a condition for granting and maintaining the abatement.

CHAPTER 353 TAX ABATEMENT

Overview
An Urban Redevelopment Corporation is created under the general corporations laws of Missouri and is formed for the purpose of clearance, re-planning, reconstruction or rehabilitation of blighted areas, and the construction of such industrial, commercial, residential or public structures as may be appropriate. An Urban Redevelopment Corporation allows for the abatement of incremental real property taxes within the blighted area. "Incremental" property tax is the amount of increase in tax due to higher property valuation occurring in the project area after the completion of the redevelopment project. Sections 353.010 to 353.190 RSMo set forth the requirements governing Urban Redevelopment Corporations.

Revenues
Has the power of eminent domain and can accept grants or loans from the U.S. government. During the first 10 years, 100% of incremental real property taxes may be abated. During the next 15 years, up to 50% of incremental real property taxes may be abated.

Eligible costs
No direct expenses are eligible since it is a tax abatement tool.

Examples
Independence, MO—Chapter 353 redevelopment corporations have been used on the Midtown Truman Road Corridor and the Santa Fe Trail Neighborhood for residential improvements and in the Fairmount-Carlisle area to increase commercial and residential development in Northwest Independence by allowing tax abatements for redeveloped property.

Policy Guidelines
In addition to the General Policy Guidelines provided earlier and in accordance with Missouri law, the City of West Plains will consider the granting of Chapter 353 tax abatement when the property has been found to be a "blighted area". Also, it is highly recommended that the developer communicate with all taxing districts that are located within the proposed Chapter 100 development. Most favorable consideration will be given to those developers that receive a letter of support from the affected taxing districts.

City Application/Approval Process
After proceeding through steps 1 -7 of the Incentive Application Process above with a favorable outcome from City Council, the applicant will be invited to submit a redevelopment plan and blight study covering the area proposed for redevelopment. The city Council will hold a required public hearing and consider the redevelopment plan and blight study for approval.

Following approval of the redevelopment plan, the City and the Urban Redevelopment Corporation shall enter into a performance agreement which will govern the terms of the abatement. The agreement shall require that an annual report be submitted to the City by March 1 of each year. The report shall cover the time period of January 1 through December 31 of the previous year and include a detailed accounting of the project. The agreement may include a claw-back provision requiring specified performance on issues such as new jobs created as a condition for granting and maintaining the abatement.

MISSOURI DOWNTOWN ECONOMIC STIMULUS ACT (MODESA)

MODESA-LITE

Overview
MODESA is a program designed to facilitate the redevelopment of downtown areas and the creation of jobs by providing essential public infrastructure. To qualify, a downtown area must be located in a blighted or conservation area. The program is administered through the Missouri Department of Economic Development and the Missouri Development Finance Board. Sections 99.915 to 99.980 RSMo set forth the requirements governing MODESA.

MODESA-Lite is very similar to MODESA in terms of form and function, with the following exceptions:

1. Its use is limited to communities with a population of less than 200,000 people.
2. The maximum project size is $500,000 for communities with a population between 10,000 and 49,000.
3. Only sales taxes are a source of funds, not property taxes.
4. There are fewer procedural requirements and its administration is less complex.

Revenues
A portion of the new state and local taxes generated by a project in the district can be diverted to fund eligible public infrastructure and related costs for a period of up to 25 years. A local match is also required.

Eligible costs
Expenses must fall under the category of Community Enhancement or Job Creation and can include costs of studies, appraisals, surveys, plans and specifications, professional services, land acquisition, demolition, site preparation, rehabbing and repairing public buildings, construction of public works or improvements, financing costs.

Examples

Policy Guidelines
In addition to the General Policy Guidelines provided earlier and meeting the statutory requirements referenced above, the following additional policies shall apply for a proposal to use a sales tax based incentive.

1. The amount of sales tax dollars provided shall not exceed the amount retained by the City of West Plains.

2. The City of West Plains will keep the first tier of sales tax dollars generated by the project. This primarily recognizes that the City is the party with the first entitlement to the sales tax revenues.

3. The first tier of sales tax dollars retained by the City should also adequately provide for incremental costs that the City will incur to provide services to the project receiving the incentive (e.g., Police, Fire, Public Works).

4. The sales taxes generated must be new money to the City of West Plains. In the case

of an existing business, the level of sales taxes currently being generated by the project and received by the City shall be factored into establishing the base threshold for determining sales tax revenues subject to MODESA or MODESA-Lite.

City Application/Approval Process

After proceeding through steps 1 -7 of the Incentive Application Process above with a favorable outcome from City Council, the applicant will be invited to submit a redevelopment plan to the City. The redevelopment plan will be reviewed and a public hearing held by the City's Downtown Economic Stimulus Authority and City Council. Following City Council approval, the City will submit an application to the Missouri Department of Economic Development (DED) for consideration. DED will then forward the application to the Missouri Development Finance Board (MDFB). If the MDFB approves the project for funding, then DED will issue a Certificate of Approval outlining the terms of the financing. Following MDFB approval, the City and the applicant will enter into a redevelopment agreement for the purpose of governing the implementation of the redevelopment plan.

NEIGHBORHOOD IMPROVEMENT DISTRICT

Overview
A Neighborhood Improvement District (NID) finances improvements to be used by the public and must confer a benefit on property within the district. A NID can be formed by an election of the voters residing in the NID boundary or by a petition of the owners of record of at least two- thirds by area of all real property located in the proposed district. Sections 67.453 to 67.475 RSMo set forth the requirements governing NIDs.

Revenues
Special assessment on property located in the NID District.

Eligible costs
Facilities used by the public that benefit the district and are owned by the City; for instance, property acquisition, streets, sidewalks, storm and sanitary systems, and service connections from utility mains, conduits and pipes, parks, streetlights, and off-street parking.

Examples
Warrensburg, MO-Hawthorne Development
Johnson County, MO-asphalting of roads in Burnwood, Willow Acres, Valley View, etc.

Policy Guidelines
The General Policy Guidelines provided earlier and the statutory requirements listed above.

City Application/Approval Process
After proceeding through steps 1 -7 of the Incentive Application Process above with a favorable outcome from City Council, the property owner(s) may file a petition or submit a written request for an election to be held pursuant to RSMo 67.453-67.475. The petition or request for an election should be submitted to the City Clerk. Petitions that comply with the statutory requirements will be forwarded to the City Council for consideration. A cooperative development agreement will typically be required to establish the terms of the relationship between the City and the owner.

COMMUNITY IMPROVEMENT DISTRICT

Overview
A CID is either a political subdivision or a not-for-profit corporation organized for the purpose of financing a wide range of public facilities and establishing and managing policies and public services relative to the needs of the district. A CID would be considered upon receipt of a petition filed with the City by property owners owning at least 50% of the assessed value of the real property within the proposed CID boundary *and* more than 50% per capita of all owners of real property within the proposed CID. The City establishes a CID by ordinance, but then it is a separate legal entity that is distinct and apart from the municipality. Any responsibilities or organizational ties to the City must be set forth in the charter ordinance. Sections 67.1401 to 67.1574 RSMo set forth the requirements governing CIDs.

Revenues
Can include CID imposed property tax, sales tax, or special assessments.

Eligible costs
New facilities or improvements to existing facilities that are owned by the City; for instance, convention centers, streetscapes, parking lots, murals, fountains, parks, sidewalks, streets, traffic signalization, utilities, storm and sewer systems.

Examples
Springfield, MO—downtown. CID used for the beautification of streetscapes, maintenance of public parking lots, as well as cooperative marketing efforts.

Platte County, MO-I-29/Tiffany Springs. CID used for infrastructure improvements, median enhancements and lighting along Tiffany Springs Parkway.

Policy Guidelines
The General Policy Guidelines provided earlier and the statutory requirements listed above.

City Application/Approval Process
After proceeding through steps 1 -7 of the Incentive Application Process above with a favorable outcome from City Council, the property owner(s) may file a petition pursuant to RSMo 67.1401-67.1571 to the office of the City Clerk. Petitions that comply with the statutory requirements will be set for a public hearing in front of the City Council. The City Council will then consider whether or not to approve an ordinance to establish the CID. A cooperative development agreement will typically be required to establish the terms of the relationship between the City and the CID board.

TRANSPORTATION DEVELOPMENT DISTRICT

Overview
A Transportation Development District (TDD) is a separate political subdivision with a board of directors that is formed to fund transportation related improvements within a specific geographic area. A TDD is created when a petition is filed with the Circuit Court by either 50% of registered voters residing in the proposed district, all of the owners of record of real property located within the proposed district, or the governing body of the local transportation authority in which the proposed district is located. Sections 238.200 to 238.275 RSMo set forth the requirements governing TDDs.

Revenues
Include TDD imposed property tax, sales tax, or special assessments. Can issue bonds, notes, and other obligations.

Eligible costs
Transportation related costs including streets, highways, bridges, signalization, signage, transit, and multi-modal.

Examples
Kansas City, MO—Zona Rosa at I-29 and Barry Road. TDD sales tax is paying for roads and parking garages.

Policy Guidelines
If the City is not a petitioner to the Circuit Court seeking to establish the TDD, then the City Council may choose to pass a resolution endorsing (or opposing) a project. If the City is a petitioner to the Circuit Court seeking to establish the TDD, then the General Policy Guidelines provided earlier and the statutory requirements listed above will apply.

City Application/Approval Process
If the applicant seeks to petition the Circuit Court without the City as a party to the petition, then the applicant only needs to complete step 1 of the Incentive Application Process above. If the City is the petitioner to the Circuit Court, the steps 1-7 of the Incentive Application Process must be completed successfully before a petition will be filed with the Circuit Court. A cooperative development agreement will typically be required to establish the terms of the relationship between the City and the TDD board.

SPECIAL BUSINESS DISTRICT

Overview
Missouri law allows a City to create a Special Business District to impose an additional property tax on properties within the district to pay for improvements within the district. This tool has frequently been used in cities to support downtown improvements. The process to establish a Special Business District begins when a petition is made to the City by one or more property owners within the proposed district. The City then holds a hearing before ultimately establishing a district by ordinance. The ordinance sets the rate of the property tax and the specific items to be funded. The City administers the program and an advisory board is established to make recommendations to the City as to the use of the funds. Section 71.790 to 71.808 RSMo set forth the requirements governing Special Business Districts.

Revenues
Special assessment on properties located in the Special Business District.

Eligible costs
Some of the costs include closing, opening, widening streets or alleys, pedestrian or shopping malls, plazas, sidewalks, parking facilities, parks, convention centers, arenas, bus stops, street furniture, murals, landscaping, transit systems, child-care facilities, special police or maintenance programs, promoting and advertising business activities.

Examples
Kirkwood, MO-The Kirkwood Junction Special Business District sponsors numerous annual events and festivals and recent enhancements sponsored by the district include new plantings, pedestrian-scale streetlights and trash receptacles.

Policy Guidelines
The General Policy Guidelines provided earlier and the statutory requirements listed above.

City Application/Approval Process
After proceeding through steps 1 -7 of the Incentive Application Process above with a favorable outcome from City Council, the applicant will be invited to conduct a survey in accordance with Section 71.792 RSMo and a written report of the same with the City Clerk. The applicant may then file a petition with the City. The City Council shall hold a public hearing to consider the petition and may pass an ordinance establishing the Special Business District. A cooperative development agreement will typically be required to establish the terms of the relationship between the City and the SBD board.

COST-SHARE DEVELOPMENT AGREEMENTS

Overview
The City of West Plains recognizes from time to time there will be worthy developments in areas that are undeveloped, or only partially developed with public infrastructure, that will not generate new sales tax revenues due to the nature of the business. In these cases, the City will consider a public-private, cost-share partnership for the extension of public infrastructure improvements when the project demonstrates substantial and significant public benefit.

Revenues
The City's general fund or capital improvements fund.

Eligible costs
Street, storm water, sewer, or associated infrastructure facilities.

Examples

Policy Guidelines
In addition to the General Policy Guidelines provided earlier the City will consider using this tool when a project can demonstrate substantial and significant public benefit by the construction of public improvements and supportive developments that will create new jobs, retain existing employment, eliminate blight, strengthen the employment and economic base of the City, increase property values and tax revenues, create economic stability, or implement the City's Comprehensive City Plan and Strategic Plan.

City Application/Approval Process
After proceeding through steps 1 -7 of the Incentive Application Process above with a favorable outcome from City Council, the applicant and the City will enter into a local development agreement to establish the terms of the relationship between the City and the property owner.