

# City of Warrensburg Incentive Program

## Industrial Development Bonds - Chapter 100

### Overview

Missouri law authorizes municipalities to issue Industrial Development Revenue Bonds (IDBs), also known as Chapter 100 bonds, to provide a tax incentive for 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 bond, 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.

### 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.

### Example

Warrensburg, MO—EnerSys Energy Products, Inc. Expansion

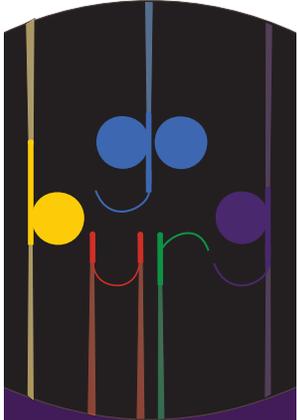
### Policy Guidelines

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 the City of Warrensburg, 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 Warrensburg, Missouri, and approval by the governing board of the users of the industrial development project to be located in City of Warrensburg, 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 Warrensburg, 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





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Warrensburg, 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 Warrensburg, 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 Warrensburg, Missouri, and consisting of land, buildings, fixtures, machinery and equipment.

#### **City Application/Approval Process**

After proceeding through steps 1 -7 of the Incentive Application Process as outlined in the City of Warrensburg's Economic Development Incentives Policy and Considerations, 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.

*For more information, please contact the City of Warrensburg. We look forward to assisting with your business needs.*

**City of Warrensburg  
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**[www.warrensburg-mo.com](http://www.warrensburg-mo.com)**