

## City of Warrensburg Incentive Program

### Missouri Downtown Economic Stimulus Act (MODESA) MODESA - LITE (Downtown Preservation Program)

#### 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 state 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.

#### 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.

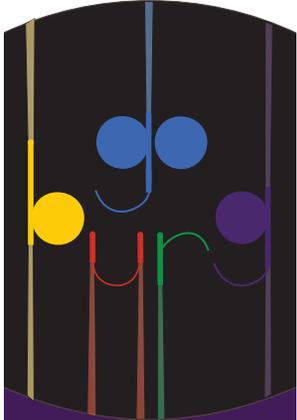
#### Examples

##### 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.



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1. The amount of sales tax dollars provided shall not exceed the amount retained by the City of Warrensburg.
2. The City of Warrensburg 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 Warrensburg. 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, as outlined in the City of Warrensburg's Economic Development Policy and Considerations, 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.

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

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