



## TAX INCREMENT FINANCING COMMISSION AGENDA

Wednesday, July 19, 2023

4:00 P.M.

Municipal Center

200 S. Holden

Warrensburg, MO 64093

1. Call To Order
2. Roll Call
3. Approval Of Agenda
4. Approval Of Tax Increment Financing Commission Minutes
  - 4.I. Tax Increment Financing Commission Regular And Public Hearing Minutes December 14, 2022

Documents:

[TIF REGULAR AND PUBLIC HEARING MINUTES 12-14-2022.PDF](#)

5. Reports Of Committees And City Staff
6. Unfinished Business
  - 6.I. Tax Increment Financing Commission Minutes June 17, 2013

Documents:

[6 17 13 MINUTES.PDF](#)

- 6.I.i. Review And Approve Bylaws Of The Tax Increment Financing Commission  
Motion to Approve Bylaws of the Tax Increment Financing Commission

Documents:

6.I.ii. Review And Approve Tax Increment Financing Policies And Procedures  
Motion to Approve Tax Increment Financing Policies and Procedures

Documents:

TIF POLICIES AND PROCEDURES REVISED 10-2-12 AMENDED-  
COMBINED 06-20-2023.PDF

7. New Business

7.I. Election Of Officers  
Election of Officers

- i. Chair
- ii. Vice- Chair
- iii. Secretary/Treasurer

8. Adjournment

CITY OF WARRENSBURG, MISSOURI  
TAX INCREMENT FINANCING COMMISSION  
PUBLIC HEARING AND REGULAR MEETING MINUTES  
December 14, 2022

The meeting was called to order by Chair George Wilson at 4:00 p.m. at the Warrensburg Municipal Center, 200 S. Holden, Warrensburg, Missouri.

Roll Call

The members present were Chair Wilson, Mayor Jim Kushner, Greg Hall, Jonna Albert, Andy Kohl, Shane Lockard, Scott Holmberg, Dr. Troy Marnholtz and Mark Reynolds. Member Linda Schnakenberg was not present. Chair Wilson declared a quorum.

Also present were Community Development Director Barbara Carroll, Finance Director Marcella McCoy and City Clerk Jodi Schneider.

Approval of Agenda

Kushner moved to approve the agenda. Hall seconded. Approved 9-0.

Approval of Minutes

Members reviewed the minutes. Kohl moved to accept the minutes from the September 11, 2015 meeting. Lockard seconded. Approved 9-0.

Public Hearing

Chair Wilson opened the Public Hearing on Progress of Keystone & West View Pad Sites Tax Increment Financing Redevelopment Plan. Jerry Franklin was present to answer any questions. Mayor Kushner asked for an update since 2015. Mr. Franklin said that four lots out of the seven lots within the TIF district of the development plan had been developed. These developed lots created sixty jobs and increased sales and lodging taxes. The progress on the three remaining lots has been challenging due to the Covid-19 pandemic and the cost of new construction. There being no further questions, Lockard moved to close the public hearing. Hall seconded. Approved 9-0.

Member Linda Schnakenberg joined the meeting at 4:09 p.m. by video-virtual Zoom.

Finance Director McCoy said the commission was required to meet on an annual basis every July and every five years was required to hold a public hearing on the progress of the TIF Redevelopment Plan. McCoy said the next annual meeting for the commission will be held in July of 2023.

McCoy gave a presentation that included a plan overview with boundary maps. McCoy said the four developed lots included a car wash, IHOP restaurant, Fazoli's restaurant and a hotel. McCoy said the incentive request was to reimburse the developer \$2.5 million for land costs, grading, site development, finance charges, and construction costs. The reimbursement comes from one-half of the eligible economic activity taxes (EATS) sales tax generated in the Plan Area, and from all incremental property taxes paid as Payment in Lieu of Taxes (PILOTS) during the Plan period of twenty-three years. McCoy explained PILOTS are generated by the increment in the property tax collected based on increased value of the property. McCoy said annual reports for the TIF have been provided to the State of Missouri.

McCoy gave a financial breakdown of the PILOTS that were collected and paid by Johnson County beginning in 2016 to current. McCoy outlined the retail sales tax percentage of 1.8125% for the EATS reimbursement incentive to the developer. McCoy offered a table that outlined the amount recorded as received within the District for EATS. The developer has been paid one-half of the amount received less the City's administrative costs. A recent audit of the process to collect and distribute EATS has found there are additional taxes paid to the City and County that have not been captured and paid to the developer. One-half of the 1% City General Sales tax has been captured and paid. A portion of the additional City Sales taxes have been paid in Fiscal Year 2022. City staff is working to complete the calculations and payment plan to budget dollars to pay developer and has requested the County to pay their portion as well.

In conclusion, McCoy said the Keystone/West View TIF is making progress. Although the original timeline for additional restaurants and office building has not been achieved, efforts are being made to sell and develop the remaining lots within the District. McCoy said the development in the District has increased Warrensburg's commercial presence, increased assessed valuation due to the construction, improved the sales tax performance in the District and the project concept is nearly completed.

Chair Wilson asked McCoy to overall characterize whether the TIF was a good investment for Warrensburg. McCoy said that it was good based on the financial breakdown so far and will get better when the three additional lots are developed as restaurants and office space. Further, McCoy said the TIF District keeps the City's gateway from Highway 50 clean and attractive for visitors and the community. Lockard questioned, since this is the first TIF District for Warrensburg, whether there was any other interest on the radar. Community Development Director Carroll said that two or three conversations per year take place that include incentives but steer towards other incentive tools such as a community improvement district (CID) due in part to the State's regulatory demands of tax increment financing laws. Hall moved to accept the City Staff Report. Kohl seconded. Approved 10-0.

Unfinished Business

There was no unfinished business.

Election of Officers

Chair Wilson said the term for election of officers is one-year beginning every July at the annual meeting and officers' terms elected today would expire in July of 2023 or until a successor is elected. Chair Wilson received a nomination of Scott Holmberg as Chair. Hall moved to close nominations. Dr. Marnholtz seconded. Approved 10-0. Kohl moved to elect Scott Holmberg as Chair. Kushner seconded. Approved 10-0. Member Wilson turned the meeting over to the newly elected chairperson.

Chair Holmberg received a nomination of Greg Hall as Vice-Chair. Lockard moved to close nominations. Dr. Marnholtz seconded. Approved 10-0. Kohl moved to elect Greg Hall as Vice-Chair. Kushner seconded. Approved 10-0.

Chair Holmberg received a nomination of Mark Reynolds as Secretary/Treasurer. Lockard moved to close nominations. Kohl seconded. Approved 10-0. Albert moved to elect Mark Reynolds as Secretary/Treasurer. Dr. Marnholtz seconded. Roll call vote was called, as follows: Yes: Lockard, Kohl, Hall, Reynolds, Wilson, Holmberg, Kushner, Dr. Marnholtz, Albert, Schnakenberg. No: none. Approved by roll call vote 10-0.

Adjourn

Seeing no further business, Kohl moved to adjourn the meeting. Hall seconded. Approved 10-0. The meeting adjourned at 4:33 p.m.

Date: \_\_\_\_\_

\_\_\_\_\_  
Chair Scott Holmberg



TAX INCREMENT FINANCING COMMISSION MINUTES  
6/17/13

<p><b>Call to Order</b> George Wilson-Chair</p>
<p><b>Roll Call</b> Present: George Wilson, Bob Lotspeich, Andy Kohl, Daric Elwell, Judy Vickery, Jeff Terry, Shane Lockard Absent: Marshall Abney, John Yost, John Merrigan, Scott Patrick Guests: Mayor Charlie Rutt, Barbara Carroll, Kelvin Shaw, and Julie Turnipseed Staff Liaison: Paula Hertwig Hopkins</p>
<p><b>Approval of Agenda</b> 1<sup>st</sup> Andy Kohl 2<sup>nd</sup> Judy Vickery</p>
<p><b>Approval of Minutes</b> 1<sup>st</sup> Andy Kohl 2<sup>nd</sup> Jeff Terry</p>
<p><b>Discussion:</b> Doug Harris, City Attorney Sid Douglas, Gilmore &amp; Bell Reviewed By-Laws and Policy–Input and Recommended changes from TIF Commission and Staff. Funding Agreement-Include replenishment of escrow amount later reimbursed from TIF, where possible. “Pay As You Go” TIF applications versus bonds-Council preferred. Sid Douglas provided sample TIF applications.</p>
<p><b>Next Meeting</b> To be determined</p>
<p><b>Other Business</b></p>
<p><b>Call to Adjourn</b> 1<sup>st</sup> Jeff Terry 2<sup>nd</sup> Daric Elwell</p>



## BYLAWS OF THE TAX INCREMENT FINANCING COMMISSION OF WARRENSBURG, MISSOURI

### *ARTICLE I – THE COMMISSION*

Section 1. Name of Commission. The name of the Commission shall be the “Tax Increment Financing Commission of Warrensburg, Missouri.”

Section 2. Office of Commission. The office of the Commission shall be 102A S. Holden, Warrensburg, Missouri 64093. The Commission may also have offices at such other places within the City of Warrensburg, Missouri, as the Board of Commissioners may from time to time appoint or the Commission may require.

Section 3. Membership. The Commission shall be comprised of the Board of Commissioners and the representatives of taxing districts affected by redevelopment plans, areas or projects appointed to consider proposals and make recommendations to the City Council of the City of Warrensburg, Missouri (City Council), as set out in the Ordinances of the City of Warrensburg, and in these By-Laws. The five members not appointed by the mayor and City Council of the City of Warrensburg shall have such terms as determined by the authority appointing them.

### *ARTICLE II – BOARD OF COMMISSIONERS*

Section 1. Membership: Tenure. The Board of Commissioners of the Commission shall be composed of six (6) commissioners appointed by the Major of the City of Warrensburg, Missouri, with approval of the City Council. The Commissioners shall serve staggered four-year terms, as set out in the TIF Ordinance.

Section 2. Powers. The Board of Commissioners shall have and exercise those powers necessary to carry out its duties as set forth in the Real Property Tax Increment Allocation Redevelopment Act of the Revised statutes of the State of Missouri (the TIF Act). The Board of Commissioners shall have and exercise all other powers delegated to it by the City Council pursuant to the TIF Act.

Section 3. Annual Meetings. The Board of Commissioners shall hold an annual meeting on the second Tuesday of July of each year. Annual meetings shall be held at the office of the Commission or at such other place within Warrensburg, as may be determined by the Board of Commissioners and as designated in the notice of the meeting.

Section 4. Regular Meetings. The Board of Commissioners by resolution may establish a regular meeting time and place.

Section 5. Special Meetings. Special meetings of the Board of Commissioners may be called by or at the request of the Chairman or any two (2) Commissioners for the purpose of transacting any business designated in the notice for such meeting and shall be held at the offices of the Commission or such other place as the Board of Commissioners may determine. At such special meeting no business shall be considered other than as designated in the notice.

Section 6. Notice. Public notice of all meetings of the Board of Commissioners shall be given as required by the statutes of the State of Missouri for public meetings of governmental bodies. Written notice of meetings shall be delivered by hand, mail or facsimile to the address of each Commissioner designated for receipt of such notice. Such notice shall be delivered at least 48 hours prior to any special meeting. When notice is delivered by mail, it shall be deemed to be delivered one working day after deposited in the United States mail, postage prepaid. Notices of hearings shall be in accordance with the Commission's policy's, the TIF Ordinance, and State law.

Section 7. Quorum. Except as otherwise provided by law, four of the Commissioners appointed by the Mayor with the consent of the City Council shall constitute a quorum for the transaction of business, and the acts of a majority of the Commissioners present at a meeting at which a quorum is present shall constitute the acts of the Board of Commissioners. If a quorum is not present at any meeting of the Board of Commissioners, a majority of the Commissioners present may adjourn the meeting until a quorum is present.

Section 8. Vacancies. Any vacancy occurring in the Board of Commissioners shall be filled in the manner set out in the TIF Ordinance. The Board of Commissioners may continue to meet while vacancies exist on the Board, provided the quorum requirements set out in Section 7, above, are met.

Section 9. Order of Business. At the regular meetings of the Board of Commissioners, the following shall be the order of business:

- a. Roll Call.
- b. Reading and approval of the minutes of the previous meeting.
- c. Bills and communications.
- d. Report of the Secretary.
- e. Reports of Committees and City staff
- f. Unfinished business.
- g. New business.
- h. Adjournment.

Section 10. Manner of Voting. The voting of all questions coming before the Board of Commissioners shall be by voice vote unless the presiding officer directs, or any Commissioner demands a vote by roll call or by ballot. All questions shall come before the Commission by motion made and seconded. In the case of an abstention or a nay vote, the Commissioner so

abstaining or voting shall be identified in the minutes of such meeting. In the case of a vote by a ballot, the votes shall be announced, giving the name of each Commissioner and his/her vote. Those Commissioners who are appointed by taxing districts affected by redevelopment plans, areas or projects shall only authorized to vote on matters specifically and directly relating to the redevelopment plan, redevelopment project or redevelopment area upon which their affected taxing districts levy ad valorem taxes.

Section 11. Compensation. Commissioners shall not receive any compensation for their services.

### ***ARTICLE III – OFFICERS***

Section 1. Enumeration of Offices. The officers of the Commission shall be a Chair and Vice Chair, who shall be members of the Board of Commissioners, and a Secretary/Treasurer.

Section 2. Election and Term of Office. The officers shall be elected at the first meeting of the Commission or as soon thereafter as possible. Thereafter, the officers of the Commission shall be elected annually by the Board of Commissioners at the annual meeting of the Board of Commissioners. Each officer shall hold office until his successor has been duly elected and qualified, or until his/her resignation, death or removal.

Section 3. Vacancies. Vacancies in offices, however caused, may be filled by election by the Board of Commissioners at any time for the unexpired terms of such offices.

Section 4. Chair. Powers and Duties. The Chair shall have the following powers and duties:

- a. Preside at all meetings of the Commission at which he/she shall be present.
- b. Sign all contracts, deeds, mortgages, bonds, and other instruments by the Commission that the Board of Commissioners has authorized for execution, except where the signing and execution thereof has been expressly delegated by the Board of Commissioners or these By-Laws to some other officer or agent of the Commission or is required by law to be otherwise signed or executed.
- c. Make reports to the Board of Commissioners and make an annual report to the City Council respecting the activities of the Commission.
- d. Generally, perform all duties incident to the office of the Chair and such other duties as may be prescribed by the Board of Commissioners.

Section 5 Vice Chair; Powers and Duties. In the absence of the Chair, or in the event of his or her death or inability or refusal to act, the Vice Chair shall perform the duties of the Chair and, when so acting, shall act with all of the powers of and be subject to all the restrictions on the Chair. The Vice Chair shall also perform such duties as may be assigned by the Chair or Board of Commissioners.

Section 6. Secretary/Treasurer: Powers and Duties. The Secretary/Treasurer shall have the following powers and duties:

- a. Act as custodian of and take charge of and be responsible for all funds of the Commission.
- b. Receive and give receipts for money due and payable to the commission from any source whatsoever.
- c. Deposit all monies paid to the Commission in the name of the Commission in such banks, trust companies, or other depositories as shall be selected by the Board of Commissioners.
- d. Keep the minutes for the meetings of the Board of Commissioners in one or more books provided for that purpose and provide copies of all records of the Commission to the City Clerk.
- e. See that all notices are duly given, in accordance with the By-Laws or as required by law.
- f. Perform all duties incidental to the office of Secretary/Treasurer and such other duties as many be assigned to the Secretary/Treasurer by the Chairman or the Board of Commissioners.

Section 7. Delegation of Duties. In case of the absence of any officer of the Commission, for any reason that the Board of Commissioners may deem sufficient, the Board of Commissioners may delegate the power or duties of such officer to another Commissioner for the interim, provided a majority of the entire Board of Commissioner concurs.

#### ***ARTICLE IV – CONFLICT OF INTEREST***

If any member of the Board of Commissioners or a representative of an affected school district or other taxing district-appointed to consider a redevelopment plan, area or project, or an employee or consultant of the Commission, owns or controls an interest, direct or indirect, in any property included in any redevelopment area or proposed redevelopment area, he or she shall:

- a. Disclose the same in writing to the Secretary/Treasurer of the Commission and the City Clerk of the City of Warrensburg, along with the dates, terms and conditions or any disposition of any such interest.
- b. Refrain from any further official involvement in regard to such redevelopment project or redevelopment area.
- c. Refrain from communicating with other members concerning any matter pertaining to that redevelopment plan, redevelopment project or redevelopment area.

No member or employee of the Commission shall acquire any interest, direct or indirect, in any property in a redevelopment area or proposed redevelopment area after either:

- a. Such individual obtains knowledge of such plan or project; or
- b. The first public notice of such plan, project or area is made, whichever first occurs.

#### ***ARTICLE V – INDEMNIFICATION***

The Commission shall indemnify each person (and heirs and legal representatives of such person) who serves or has served as a Commissioner, officer or employee of the Commission against all expenses and liabilities reasonably incurred by such person in connection with or arising out of any suit or proceeding in which they may be involved be reason of their being or having been a Commissioner, officer or employee of the Commission. Such expenses may include, but are not limited to, judgments, court costs, attorney’s fees and the costs of reasonable settlements. The commission shall not, however, indemnify such person with respect to matters as to which they shall be finally adjudged in any such action, suit or proceeding to have been guilty of a crime or otherwise liable for willful misconduct in the performance of their duties as a Commissioner, officer, or employee of the Commission. In the event that a settlement or compromise is effected indemnification may be had only if the Board of Commission shall have been furnished with an opinion of counsel for the Commission to the effect that such settlement or compromise is in the best interest of the Commission and that such Commissioner, officer or employee is not liable for willful misconduct in the performance of his duties with respect to such matters, and if the Board of Commissioner shall have adopted a resolution approving such settlement or compromise. However, the foregoing notwithstanding, the Commission shall not indemnify any such person in the event any criminal proceeding is terminated by reason of a plea of guilty, no lo contendere or its equivalent. The foregoing right of indemnification shall not be exclusive of other rights to which any Commissioner, officer or employee may be entitled as a matter of law.

#### ***ARTICLE VI – BOOKS AND RECORDS***

The Commission shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Commissioners and shall report annually to the City Council of Warrensburg, Missouri, respecting its activities.

***ARTICLE VII – AMENDMENTS OF BYLAWS***

These Bylaws may be altered, amended, or repealed, and new Bylaws adopted by a majority of the Board of Commissioners present at any regular or special meeting.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

[SEAL]

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Secretary/Treasurer

**TAX INCREMENT FINANCING  
POLICIES AND PROCEDURES**



**CITY OF WARRENSBURG  
MISSOURI**

**July 5, 2023**

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## Overview of the TIF Process

**Step 1:** The applicant submits an application to the Community Development Department of the City of Warrensburg.

**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 is in a blighted, conservation or economic development area and whether it is consistent with the comprehensive plan for the development of the City as a whole (the minimum requirements for eligibility).

**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 to the applicant to allow an opportunity to cure any apparent defects. Once an application is complete, it will be forwarded by City staff to the TIF Commission for consideration. If City staff believe that the proposed development does not meet the minimum requirements for eligibility, they will 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 form and TIF Policies and Procedures are set out in this document. Additional copies of this document can be obtained for the City's Community Development Department. The Applicant must submit 25 copies of the completed Application form to the Community Development Department together with the required application fee.

**B. Application Fee.** Each Application must be accompanied with a check in the amount of \$7,500 made payable to the city (the "Application Fee") The Application Fee will be used by the City to pay the costs incurred by the City in the review of the Application. Such costs 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 an agreement to reimburse the City of 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 and Bond Counsel for Review. Review time will be approximately 30 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. 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 statutes 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 time and place for the public hearing and provide all notices required by 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 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. After 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 an independent feasibility study. 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. This study shall be considered by the TIF Commission as part of the public hearing and 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.

# **Policy for the Use of Tax Increment Financing (TIF Policies)**

## **I. General Policy**

A. It is the policy of the City to consider the judicious use of TIF to construct public 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 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 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 to complete and operate the project;
2. Will be liable for or contribute equity of at 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; and
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 development 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. TIF Applications which include the establishment of business areas, or the redevelopment of exiting business areas, should include information as to the business type and commitments of the major tenants of the TIF area. In addition, a thorough market analysis should

be completed which identifies: (1) the population areas that will be drawn from and, (2) the businesses of similar types which would be competing with the TIF area businesses.

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.

### **III. Accountability**

TIF Applications must include the following:

A. If the TIF Application is being recommended based upon job creation criteria, 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.

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.

# APPLICATION FOR TAX INCREMENT FINANCING (TIF APPLICATION)

**APPLICANT:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

**PHONE #:** \_\_\_\_\_

**FAX #:** \_\_\_\_\_

**CONTACT PERSON:** \_\_\_\_\_

**PROJECT NAME:**

*Application Format: On a separate sheet of paper please answer the following questions. Please type each question prior to the applicable response.*

- (1) In no more than three pages provide relevant information on the Applicant's background and development experience. Include resumes of key individuals assigned to the project.
- (2) Identify the Applicant's consultants involved or proposed to be involved in the project noting relevant experience on similar projects (i.e., civil engineer, land use planner, Applicant's legal counsel, Applicant's financial advisor).
- (3) Describe the proposed project, including the size and scope and phasing of the proposed project. Specifically outline residential development, if any, to be included in the project.
- (4) Define the boundaries of the proposed TIF area by address and locator number(s). Include a map of the proposed TIF area.
- (5) Provide an estimate as to the equalized assessed valuation of the property within the redevelopment area which is to be subjected to payments in lieu of taxes before development, and an estimate of the equalized assessed valuation after redevelopment.
- (6) Identify the property which is currently in the control of the Applicant via ownership or option. If under option note the option expiration date.
- (7) Describe the general land uses to apply in the redevelopment area when completed. Is the property currently zoned for the proposed use? If not, what zoning change will be required?
- (8) Will the proposed project result in the relocation of residential, commercial or industrial facilities? If so, discuss the nature of any anticipated relocations.

(9) State the need and justification for TIF assistance. Explain how the applicant intends to demonstrate compliance with the “but for” test. This information should include an analysis of the projected rate of return on the project without TIF assistance, and the projected rate of return if the requested assistance is provided. Substantiate that other alternative methods of financing have been thoroughly explored.

(10) Discuss the condition(s) that would qualify the proposed TIF District as a “blighted area,” “conservation area,” or “economic development area” as defined under Mo. Rev. Stat. 99.805.

(11) Identify sources, amounts, and status of all debt financing and/or equity funding available to complete the project. Does the applicant anticipate the debt to be privately financed by the construction lender or developer or publicly sold? Please prepare information in the following table format.

<u>Source</u>	<u>Amount</u>	<u>Term</u>	<u>Status</u>	<u>Person</u>	<u>Telephone #</u>
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(12) Provide an outline of the costs associated with the development of the proposed project(s) and related parcel or parcels located within the TIF area. Identify in the outline those costs you would propose to fund with TIF financing and the proposed payback time frame. Costs should include all reasonable or necessary costs incurred or estimated to be incurred in the redevelopment plan or redevelopment project and include, but are not limited to, the following:

- (a) costs of studies, surveys, plans, and specifications;
- (b) professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services,
- (c) property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
- (d) costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
- (e) initial costs for an economic development area;
- (f) costs of construction of public works or improvements;
- (g) financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued pursuant to the TIF Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not more the eighteen months thereafter, and including reasonable reserves related thereto;

(h) all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project;

(i) relocation costs which the applicant or the City will be required to pay under federal or state law; and

(j) payments in lieu of taxes.

(13) In one page or less, discuss and document information used to describe the market feasibility of each element of the proposed project. A formal feasibility or comparable study shall be attached as an appendix to this application.

(14) On the attached TIF Revenue Worksheet estimate the incremental property taxes and economic activity taxes to be generated by the project.

(15) Provide an estimate of the market value of all fixtures and equipment to be used by all owners or tenants of the proposed project which will be taxed as personal property.

(16) Identify any proposed tenants of the project. Have leases been negotiated or signed? What type of lease is contemplated?

(17) Who will own the developed property?

(18) State the number, and estimated salaries of new jobs within or resulting from the proposed redevelopment.

(19) Briefly describe the "economic and quality of life" benefits of the proposed project to the City.

(20) Provide a cost-benefit analysis showing the economic impact of the proposed plan on each taxing district which is at least partially within the boundaries of the redevelopment area. The analysis should show the impact on the economy if the project is not built and is built pursuant to the proposed redevelopment plan. It should include a fiscal impact study on each affected political subdivision, and sufficient information to allow TIF Commission to evaluate whether the project as proposed is financially feasible.

(21) Attach a letter from a financial institution indicating that the applicant has sufficient financial resources to obtain private financing for the project.

(22) Provide any additional information which you believe will assist the Commission and the City in reviewing the application for the proposed development.

(23) The projected term of the TIF Redevelopment Plan necessary to find the proposed redevelopment costs.

## TIF REVENUE WORKSHEET

### PROJECT SCHEDULE:

Preliminary Construction State Date: \_\_\_\_\_  
Preliminary Construction Completion Date: \_\_\_\_\_  
Phasing Anticipated: \_\_\_\_\_  
Date Occupied or Opened: \_\_\_\_\_

### SALES TAX REVENUE

Estimated Annual Sales \$ \_\_\_\_\_  
Anchor Tenant<sup>1</sup> \$ \_\_\_\_\_

Total Annual Sales from New Development \$ \_\_\_\_\_

### PROPERTY TAX REVENUE

Market Value of New Construction

Commercial \$ \_\_\_\_\_  
Residential \$ \_\_\_\_\_

Market Value of Land (based on Optional Prices) \$ \_\_\_\_\_

Total Market Value of New Development \$ \_\_\_\_\_

Commercial Assessed Value – Rate of Market Value	\$ _____
Assessed Value of Land and New Construction (a)	\$ _____
Assessed Value of Existing Property (b)	\$ _____
Net Assessed Value for TIF Capture (a-b)	\$ _____
Tax Rate Basis Per \$ of Assessed Valuation	\$ _____
Tax Basis (Assessed Value C Tax Rate Basis)	\$ _____
Property Tax Rate Per \$100 of Assessed Valuation <sup>2</sup>	\$ _____
(Base Rate ÷ 51.70 Commercial Surcharge)	
Annual Property Tax Captured by TIF from New Development (Tax Basis x Property Tax Rate/\$100)	\$ _____

<sup>1</sup>Based on \$ \_\_\_/sq. ft. annually less a factor of \_\_\_\_\_ % to reflect average annual sales on drugs and other non-taxable items.

<sup>2</sup>To determine applicable property tax rate to be used for the proposed project, identify the school subcode. Contact \_\_\_ at \_\_\_\_\_ for sub-code information.

**ESTIMATED REDEVELOPMENT PROJECT COST** *(Note: Sample Document Only)*

	<u>Estimated Project Costs</u>	<u>Reimbursable From TIF Revenues/Other Public Funds</u>	<u>Developer Equity or Private Financing</u>
<b>A. CITY AND TIF COMMISSION EXPENSES</b>	_____	_____	_____
<b>B. REDEVELOPMENT PROJECT COSTS</b>			
<b>Land Acquisition Cost</b>	_____	_____	_____
<b>Due Diligence</b>			
Environmental Audit	_____	_____	_____
Title Report	_____	_____	_____
SUBTOTAL	_____	_____	_____
<b>Development Fees</b>			
TIF and Zoning Fees	_____	_____	_____
Subdivision Fees	_____	_____	_____
Permits and City fees	_____	_____	_____
Real Estate/legal fees	_____	_____	_____
Bond Counsel	_____	_____	_____
Project Administration	_____	_____	_____
Commissions – Bond Financing	_____	_____	_____
Commissions – Leasing	_____	_____	_____
SUBTOTAL	_____	_____	_____
<b>Site Design</b>			
Civil Engineering	_____	_____	_____
Architect Fees	_____	_____	_____
Traffic Study	_____	_____	_____
SUBTOTAL	_____	_____	_____
<b>Off-Site Construction</b>			
Phase I – Utility Relocation	_____	_____	_____
Phase II – Roads	_____	_____	_____
Phase II – Traffic Signals	_____	_____	_____
 SUBTOTAL	_____	_____	_____

<b>On-Site Construction</b>			
Utilities	_____	_____	_____
Grading	_____	_____	_____
Building Construction	_____	_____	_____
Parking Lot	_____	_____	_____
Parking Lot Lighting	_____	_____	_____
Signage	_____	_____	_____
Landscaping	_____	_____	_____
SUBTOTAL	_____	_____	_____
<b>Tenant Improvements</b>	_____	_____	_____
<b>Interest Expense</b>	_____	_____	_____
<b>Contingency</b>	_____	_____	_____
<b>TOTAL PROJECT COST</b>	_____	_____	_____

C. **NOTES:** In addition, up to 5% of the annual PILOTS and Economic Activity Taxes deposited in the Special allocation Fund may be retained by the TIF Commission to cover incidental expenses incurred by the TIF Commission. This amount will be figured and allocated prior to allocation of any other reimbursable costs.

SOURCES OF FUNDS

*(Note: Sample Document Only)*

**A. FOR ALL ESTIMATED REDEVELOPMENT PROJECT COSTS**

- 1. Costs Reimbursable from TIF Revenues\* \_\_\_\_\_
- 2. Developer \_\_\_\_\_

**B. BONDS**

\* \_\_\_\_\_

The total estimated amount of TIF Revenues available over twenty-three years to reimburse projects costs in this Plan is \$ \_\_\_\_\_.

The Commission may dedicate part or all of this amount to help defray the cost of the project.

This amount of TIF Revenues will support bonds in the amount of \$ \_\_\_\_\_

Assuming an interest of \_\_\_\_\_ % and debt coverage of \_\_\_\_%.



## CITY OF WARRENSBURG, MISSOURI

### TIF APPLICATION TIMELINE

1. City issues request for proposals, which will be submitted in the form of a TIF application. The request for proposal must be advertised at least twice over two consecutive weeks in a local paper of general circulation. The publication must provide a date and time for the submission of an application, generally **30 days** from the date of first publication.
2. Applications are opened and reviewed by the City’s Community Development Department. **15 days.**
3. Applications which are responsive to the request for proposals, complete, are for a n area which is in a blighted, conservation or economic development area, and which are consistent with the comprehensive plan for the City will be forwarded to the TIF Commission for consideration.
4. Notice of a hearing on the application is sent to owners of property to be located in the TIF area and the affected taxing jurisdictions 45 days before the hearing date, and notice is published twice in a newspaper of general circulation, one publication no more than 30 days before the hearing date, and one publication no more than ten days before the hearing date. **45 days.**
5. Hearing is held.
6. TIF Commission must vote on the application within **30 days** of the hearing.
7. The Application is forwarded to the city Council no earlier than **14 days**, and not later than **90 days**, after the hearing.

