

CITY OF WARRENSBURG, MISSOURI
TAX INCREMENT FINANCING COMMISSION 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-to-three conversations per year take place and part of those conversations 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