

City of Warrensburg Incentive Program

Sales Tax Sharing Agreement

Overview

In December 2012, the City Council of the City of Warrensburg adopted Resolution 2066 outlining the process whereby the City would enter into agreements to finance the costs of certain public improvements projects with future commercial project sales tax revenues. In order to qualify, projects must meet criteria related to anticipated sales tax receipts, public infrastructure costs, total projects costs, and job creation.

Revenues

A percentage of the City's portion of the future sales tax generated from the specific commercial business.

Eligible costs

Public infrastructure improvements that demonstrate a substantial and significant public benefit.

Examples

Lowe's—the City entered into an agreement with Lowe's Home Improvement Center to improve and widen portions of an arterial street and install a traffic signal and make intersection improvements.

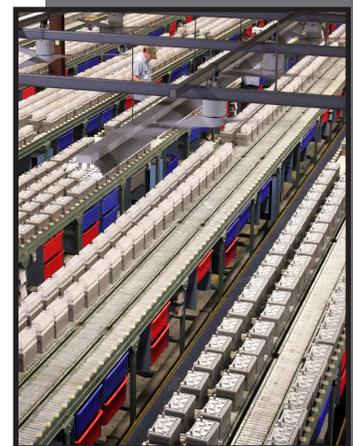
Family Video—the City entered into an agreement with Family Video to facilitate the installation of a water main that improved water supply for a neighborhood and portions of the central business district.

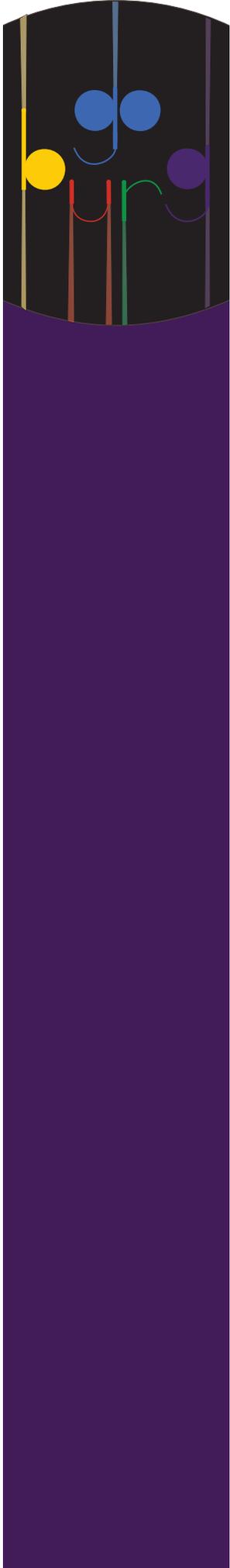
Policy Guidelines

In addition to the General Policy Guidelines provided earlier, the City has separately adopted specific Sales Tax Sharing Agreement policies which are copied below:

Counsel to the City and City Professional Consultants, together with the officers and employees of the City, will work with an applicant for a Sales Tax Sharing Agreement, the users of the Commercial Development, their respective counsel and others, to prepare for submission to and final action by the City Council under the following conditions:

1. Demonstration of a substantial and significant public benefit by the construction of public improvements and supportive developments that will, create new jobs, in general retain existing employment, eliminate blight, strengthen the employment and economic base of the City, increase





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property values and tax revenues, create economic stability, and implement the City's adopted goals and objectives and the economic development strategy of the City. Attention will be given to the needs of both existing and new businesses;

2. Care will be exercised in the use of the Sales Tax Sharing Agreements and other economic incentives to thoroughly evaluate each project to insure that the benefits which will accrue from the approval of the agreement are appropriate for the cost which will result, and that they are equitable to the City as a whole and assist in system wide improvements including such items as transportation, sewer utilities and as may be noted in the City's Comprehensive Plan and officially approved City wide goals ;
3. Each project is unique and requires that every proposal be evaluated on its individual merit and overall contribution to the City's economy and goals.

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 and the City will enter into a Sales Tax Sharing Agreement. The agreement will be written to include the following:

1. If the Sales Tax Sharing Agreement Application is being recommended based upon job creation criteria, language will be included in the plan which stipulates that the City's obligation to the developer will be reduced if satisfactory evidence is not shown that the indicated number, and quality of jobs have been generated;
2. 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 another area, the base year activity for purposes of determining the increase for the sales tax will be the last 12 month period at the current location of the business, immediately preceding the relocation.

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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