Missouri's Economic Development Tools:

A Practical Guide to Building a Better Missouri

MDFB
Missouri Development Finance Board

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A Message from the Chairman of the Missouri Development Finance Board

Greetings!

Missouri is the heartland of America. With a central location, low taxes, high quality of life, and an economy conducive to supporting business, Missouri is the perfect place to call home.

As Missouri's Lieutenant Governor, I serve as a member of several different boards and commissions including: Chairman of the Missouri Development and Finance Board; Vice-Chairman of the Tourism Commission; and the Missouri Housing Development Commission. I enjoy contributing to the economic development efforts of our state by working with these three organizations that all play integral roles in the lives of Missourians. Our goal is insure that more people visit Missouri, own their own homes, and take pride in our communities.

The new DREAM initiative (Downtown Revitalization and Economic Assistance for Missouri) is one avenue whereby the MDFB and MHDC are helping small cities revitalize their downtowns by providing resources and opportunities that are rarely realistic for non-metropolitan areas. Downtown areas have a lot to offer in a community. Not only do we find community staples like the town banks and post office, but they often feature the newspaper office and finest restaurants. It is the place in town where one can get a sense of a community's charm and personality.

The Department of Economic Development has many different types of state incentives in place. I trust this guide will be useful to you as you work with us to improve Missouri, making this the best place to live, work, and raise a family.

Mr. Peter D. Kinder, Lieutenant Governor, Chairman

A Message from the Director of the Missouri Department of Economic Development

As Missouri's lead agency for economic, community, workforce and tourism development, the Department of Economic Development has worked and will continue to maintain Missouri's business climate as an even more attractive place for businesses to locate and expand by stimulating and supporting economic security, opportunity, growth and a high quality of life in Missouri communities.

By administering a wide array of programs designed to enhance Missouri's economy in the 21st Century, the Department is working to improve Missouri's entrepreneurial business climate, create more family-supporting jobs, strengthen public/private partnerships to make our communities more attractive, and increase Missouri's overall competitive advantage in the global marketplace.

We are pleased to partner with the Missouri Development Finance Board to bring you *Missouri's Development Tools: A Practical Guide to Building a Better Missouri*. The Guide is designed to assist all of us to better utilize the economic development resources that we have been provided. It is designed to become a working document for you to update, mark-up, write notes in, and use to your full advantage. I trust that it will become a valued resource for you as we continue to work together to grow our great State.

Gregory A. Steinhoff, Department Director

ASSISTANCE PROVIDED BY

GILMORE& BELL, P.C.
THE STOLAR PARTNERSHIP LLP
THE PUBLIC POLICY RESEARCH CENTER OF THE UNIVERSITY OF MISSOURI – ST. LOUIS

The Department of Economic Development and the Missouri Development Finance Board were assisted in the preparation of this Guide by attorneys from Gilmore & Bell, P.C. and The Stolar Partnership LLP and individuals at the Public Policy Research Center of the University of Missouri – St. Louis.

Gilmore & Bell provides a full range of services to assist local governments with economic development matters, including tax increment financing, special taxing districts, tax abatement and developer impact fees. Our attorneys have considerable experience in preparing and negotiating agreements, preparing ordinances and code provisions, establishing special funding districts, structuring complex financings and assisting local governments in all other matters related to the completion of development projects. Gilmore & Bell is one of the leading public finance law firms in the United States, and represents states, counties, cities, school districts, and other governmental and quasi-governmental entities as bond counsel in municipal finance transactions.

Gilmore & Bell has offices in Kansas City, Missouri, St. Louis, Missouri, Wichita, Kansas, and Lincoln, Nebraska.

Founded in 1956, The Stolar Partnership LLP provides legal services to established companies, entrepreneurs, financial institutions, national developers, architectural firms, municipal governments, charitable institutions and individuals. The Firm's clients vary in size and type, ranging from Fortune 500 and other publicly-held corporations to privately-owned businesses and individuals.

Stolar's attorneys provide representation to counties, municipalities, and other governmental bodies involving a variety of matters ranging from land use and development, to finance and employment issues, to general litigation. Frequently, the Firm is called upon by other law firms to represent their clients in specific matters such as the development of economic incentive programs, land use plans, bond financing and drafting sophisticated housing assistance programs using both federal and State funds. The Firm assists clients in fashioning economic incentive packages and layered financing using local, State, and federal programs such as tax Increment financing, enterprise zones, all forms of tax credits, public/private partnerships and "soft" loans.

PUBLIC POLICY RESEARCH CENTER

The Public Policy Research Center of the University of Missouri — St. Louis ("PPRC") is a campus-wide unit, reporting to the Vice Provost of Research. PPRC works closely with faculty from all University of Missouri — St Louis colleges, and with other University centers and institutes. PPRC focuses its resources on issues related to community development; economic vitality; governance, land-use and transportation policy planning; and health, education and social policy. Internally, PPRC is organized around core activities (administration, communications and photographic displays), and three functional activities, each headed by a director including Research, Community & Neighborhood Development, and Metropolitan Information and Data Analysis Services. PPRC's resources are focused on metropolitan St. Louis region and also on State, national or international projects that fall within the mission. To achieve its mission, PPRC:

- Undertakes objective basic and applied research
- Serves as a regional information and data analysis center
- Organizes forums and seminars for debates and discussions
- Publishes policy briefs, issue papers, research, reports, and newsletters
- Comments on issues of public policy
- Identifies regional challenges and opportunities
- Provides training and certificate programs for community and government leaders and professional organizations
- Evaluates public and community programs

PPRC undertakes these tasks and achieves its mission by developing partnerships with local, county, regional and State governments and agencies; non-governmental organizations; and citizens' groups. PPRC also seeks support for its activities from governmental and private granting agencies.

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CHAPTER I

INTRODUCTION TO THE GUIDE

How To Use This Guide

The Department of Economic Development (DED) and the Missouri Development Finance Board (MDFB), in cooperation with attorneys from Gilmore & Bell, P.C. and The Stolar Partnership LLP and individuals at the Public Policy Research Center of the University of Missouri – St. Louis, developed this economic development finance guide for the purpose of providing technical assistance to Missouri communities and the regional-based development partners representing Missouri's communities. This Guide is intended to serve as a "how to" manual in accessing and implementing existing economic development initiatives and services.

The Guide is separated as follows: (1) an Introduction, which offers a quick-reference table for all major programs and maps showing samplings of their use; (2) a summary of Missouri's State and local tax structure; (3) a description of Missouri's economic development programs; (4) case studies showing regional use of economic development programs in Missouri; (5) a reference list of economic development practitioners and other resources throughout the State; and (6) the corresponding statutes for all major programs.

All economic development programs have been grouped according to the headings listed below. Following each heading is a brief explanation of the grouping. Some programs may easily fit under one or more headings but have been placed according to the program's most frequent use or understanding.

This Guide is not intended to be an all-inclusive resource manual for every program authorized by Missouri laws. Many economic development initiatives and programs already have well-developed written guidelines available. These include certain housing programs sponsored by the Missouri Housing Development Commission, MDFB financing programs and tax incentive programs sponsored by DED. Although this Guide references these programs, the Guide is not intended to replace these previously published materials.

Every effort has been made to compile and provide the most accurate information within this Guide. However, this Guide is intended solely as resource material and is not intended to provide legal advice as to the applicability or advisability of a program described herein to a particular transaction. Users of this Guide are strongly encouraged to contact an experienced economic development practitioner before undertaking any program. A list of practitioners and other useful resources throughout the State are provided in *Chapter V* of this Guide.

* * *

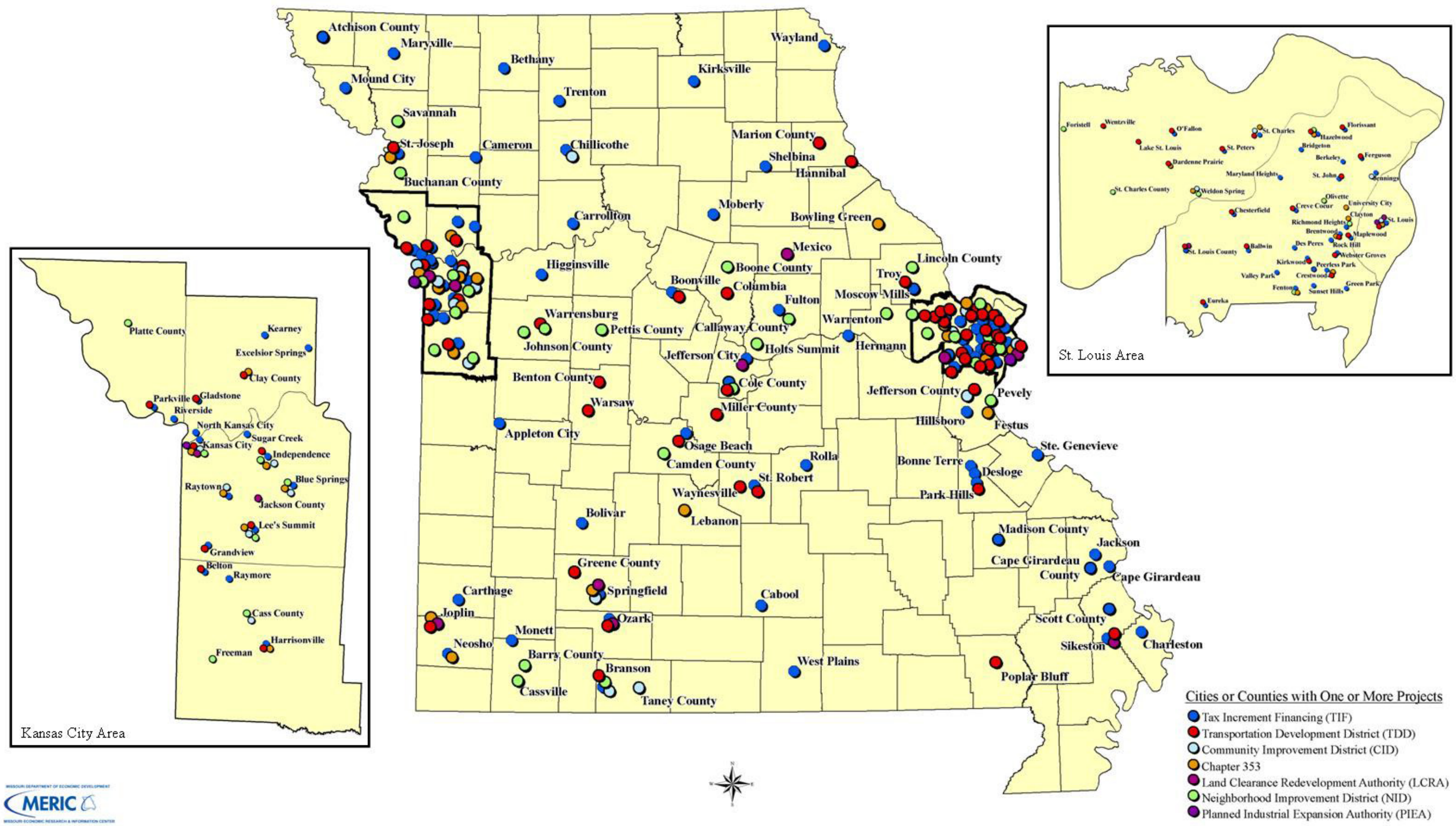
QUICK REFERENCE FOR MAJOR PROGRAMS

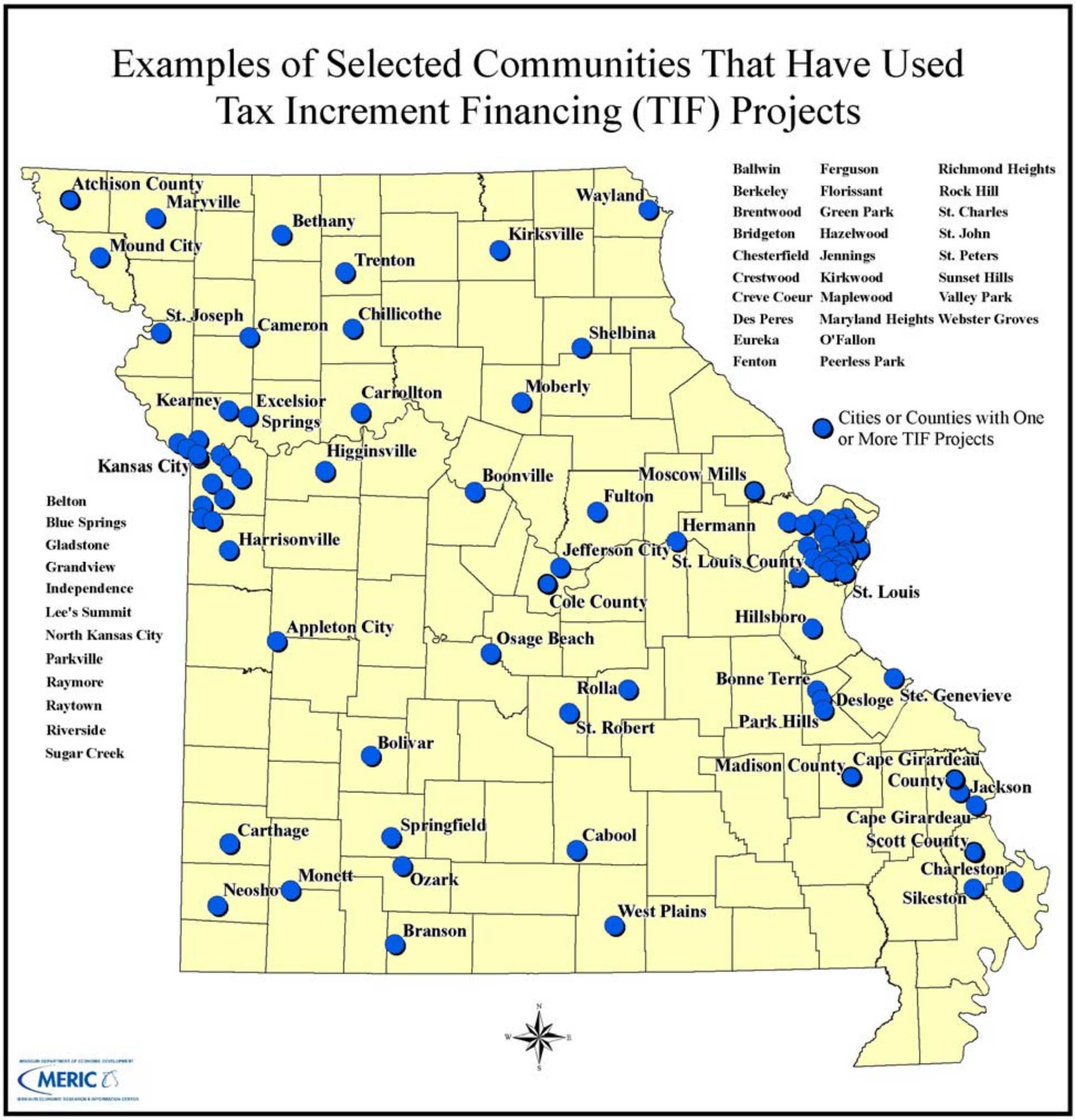
Quick Reference Guide for Major Programs

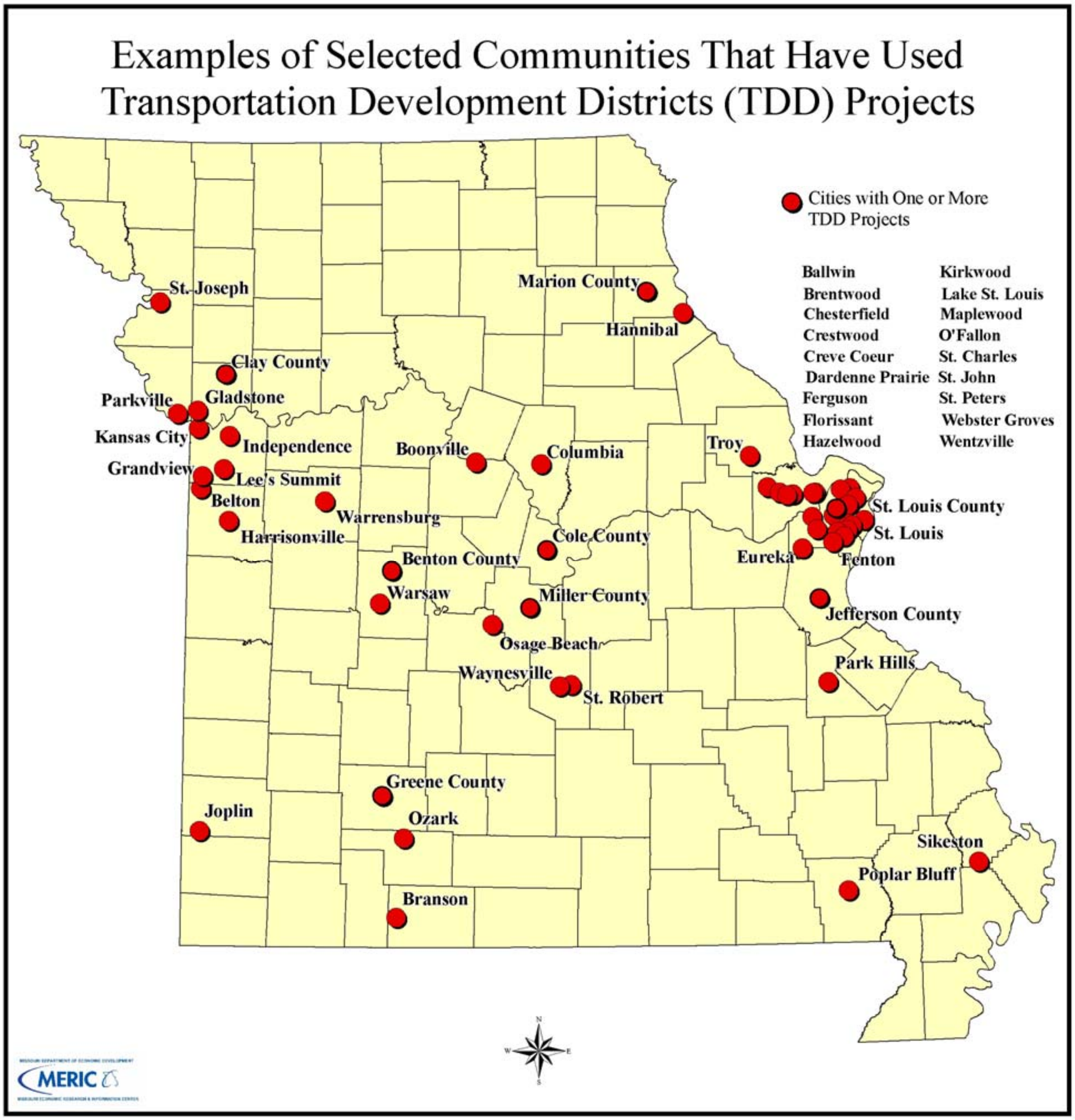
		PROGRAM									
		BUILD	Chpt 353	CID	IDBs (Chpt 99/100)	LCRA	MoDESA	NID	PIEA	TDD	TIF
COMMON USE	Retail Projects		✓	✓			✓			✓	✓
	Industrial/Office Projects	✓	✓	✓	✓	✓	✓		✓	✓	✓
	Residential Projects		✓	✓			✓	✓		✓	✓
	Redevelopment Projects (Blight)	✓	✓	✓		✓	✓		✓		✓
	Public Services			✓						✓	✓
BENEFIT	Infrastructure Financing	✓		✓	✓	✓	✓	✓		✓	✓
	Tax Exempt Bond Financing			✓	✓	✓	✓	✓	✓	✓	✓
	Eminent Domain		✓			✓			✓	✓	✓
	Job Creation	✓			✓						
	Tax Credits	✓									
	Tax Abatement		✓		✓	✓					
REVENUE SOURCE	Sales Tax (New)			✓						✓	
	Sales Tax (Increment)										✓
	Property Tax (New)			✓						✓	
	Property Tax (Increment)		✓								✓
	State Tax (Increment)						✓				✓
	Assessments			✓				✓		✓	
AUTHORIZATION	Judicial Act									✓	
	MDFB	✓					✓				
	DED	✓					✓				
	Redevelopment or Non-Profit Corp.		✓			✓			✓		
	Municipal Board/Commission		✓	✓	✓		✓	✓			✓
COMPLIMENTARY USE	BUILD										
	Chpt 353			✓				✓		✓	
	CID		✓				✓			✓	✓
	IDBs (Chpt 99/100)										
	LCRA										
	MoDESA			✓						✓	
	NID		✓				✓				✓
	PIEA										
	TDD		✓	✓			✓				✓
	TIF			✓						✓	

STATEWIDE USE OF MAJOR PROGRAMS
(NOT ALL INCLUSIVE)

Examples of Cities and Counties that have used Selected Incentive Programs



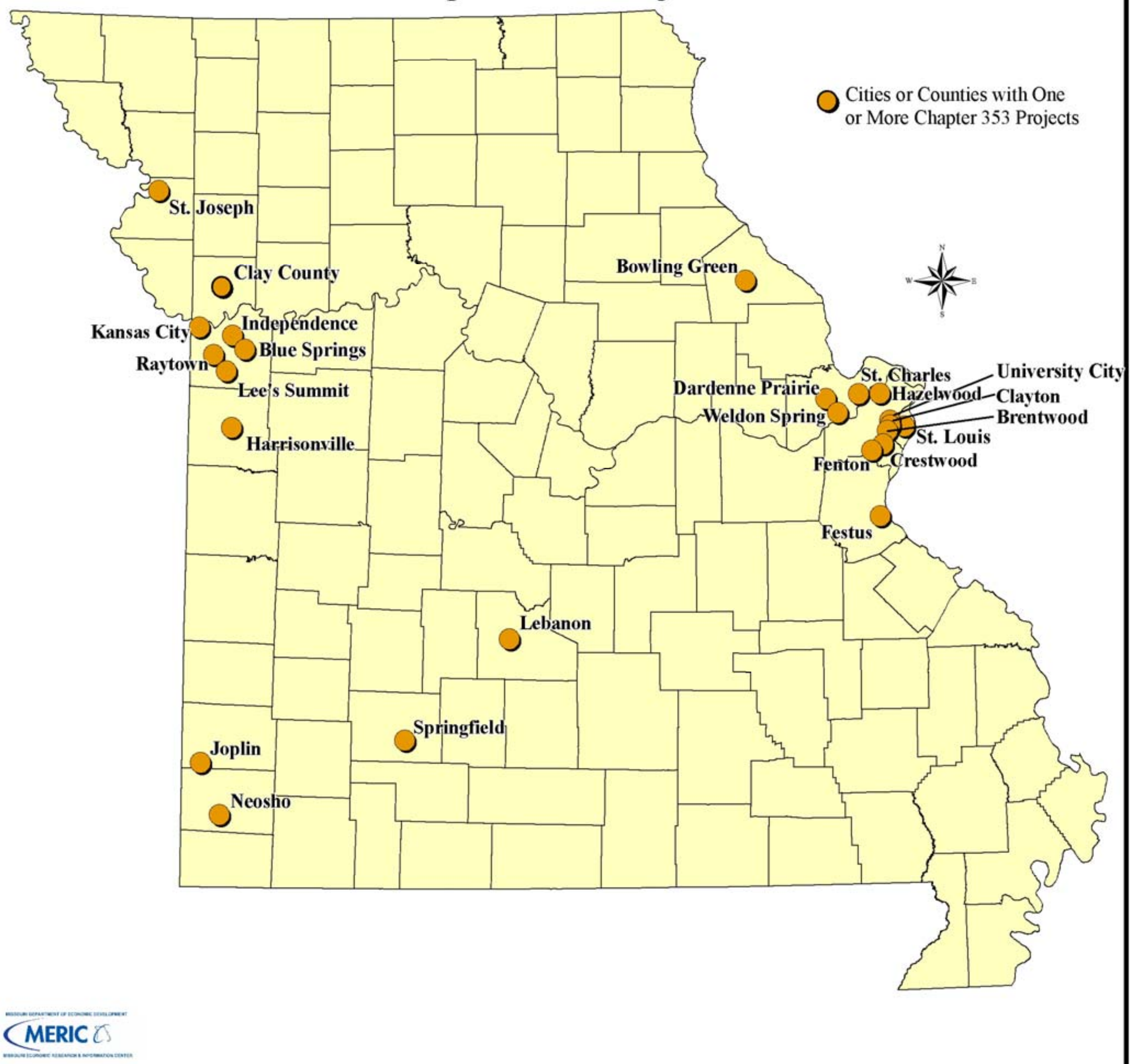

Examples of Selected Communities That Have Used
Tax Increment Financing (TIF) Projects
Ballwin
Berkeley
Brentwood
Bridgeton
Chesterfield
Crestwood
Creve Coeur
Des Peres
Eureka
Fenton
Ferguson
Florissant
Green Park
Hazelwood
Jennings
Kirkwood
Maplewood
Maryland Heights
O'Fallon
Peerless Park
Richmond Heights
Rock Hill
St. Charles
St. John
St. Peters
Sunset Hills
Valley Park
Webster Groves
Cities or Counties with One or More TIF Projects
Belton
Blue Springs
Gladstone
Grandview
Independence
Lee's Summit
North Kansas City
Parkville
Raymore
Raytown
Riverside
Sugar Creek
Atchison County
Maryville
Bethany
Mound City
Trenton
Kirksville
Wayland
St. Joseph
Cameron
Chillicothe
Shelbina
Kearney
Excelsior Springs
Carrollton
Moberly
Kansas City
Higginsville
Boonville
Fulton
Moscow Mills
Hermann
Harrisonville
Jefferson City
St. Louis County
St. Louis
Cole County
Appleton City
Osage Beach
Hillsboro
Bonne Terre
Rolla
Desloge
Ste. Genevieve
St. Robert
Park Hills
Bolivar
Madison County
Cape Girardeau County
Jackson
Cape Girardeau
Carthage
Springfield
Cabool
Scott County
Charleston
Monett
Ozark
Neosho
Sikeston
West Plains
Branson
MERIC

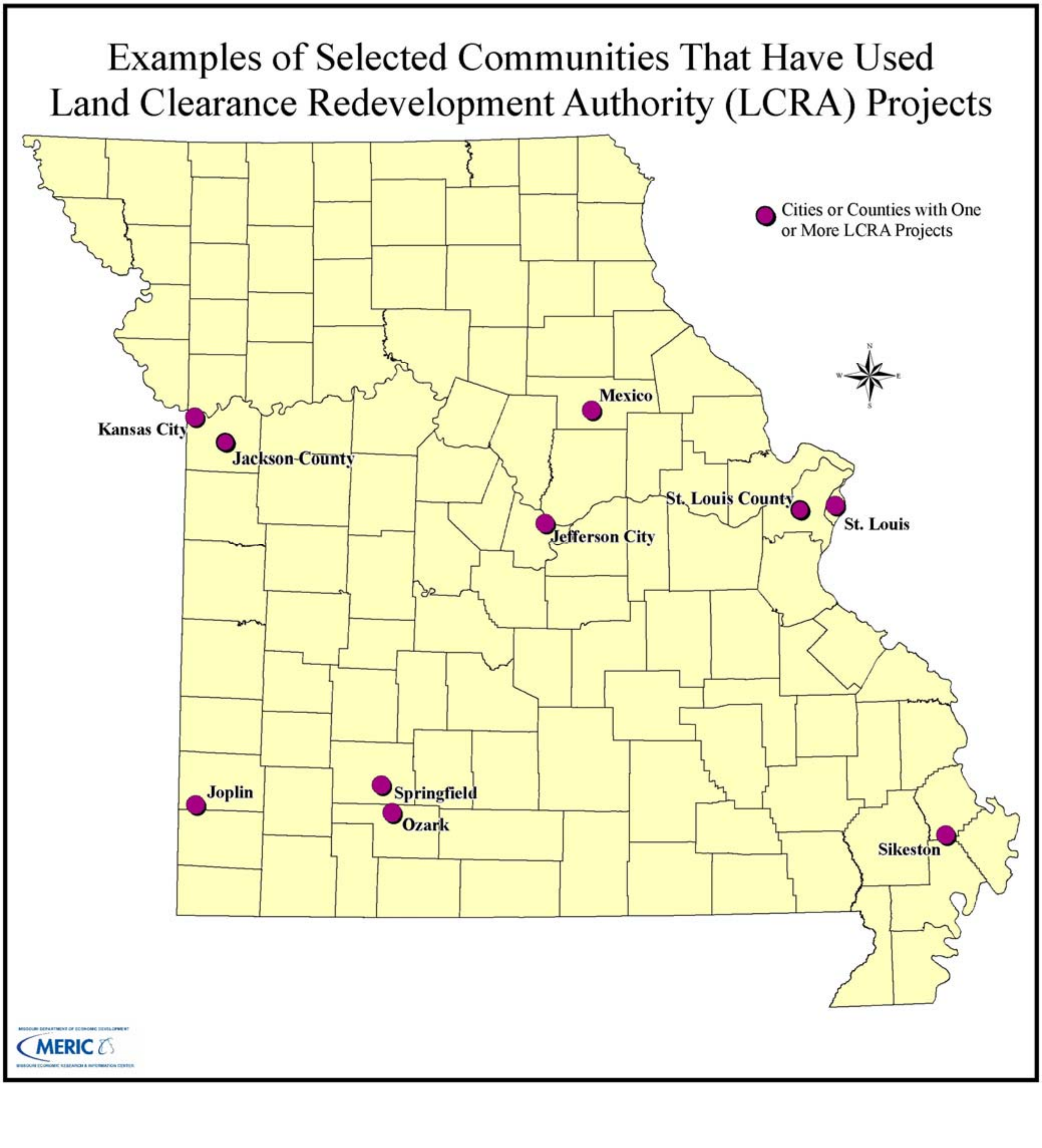


Examples of Selected Communities That Have Used
Transportation Development Districts (TDD) Projects
Cities with One or More TDD Projects
Ballwin
Brentwood
Chesterfield
Crestwood
Creve Coeur
Dardenne Prairie
Ferguson
Florissant
Hazelwood
Kirkwood
Lake St. Louis
Maplewood
O'Fallon
St. Charles
St. John
St. Peters
Webster Groves
Wentzville
St. Joseph
Marion County
Hannibal
Clay County
Parkville
Gladstone
Kansas City
Independence
Boonville
Columbia
Troy
Grandview
Lee's Summit
Belton
Warrensburg
Harrisonville
St. Louis County
St. Louis
Cole County
Eureka
Fenton
Benton County
Warsaw
Miller County
Jefferson County
Osage Beach
Park Hills
Waynesville
St. Robert
Greene County
Joplin
Ozark
Sikeston
Poplar Bluff
Branson
MERIC

Examples of Selected Communities That Have Used Community Improvement District (CID) Projects

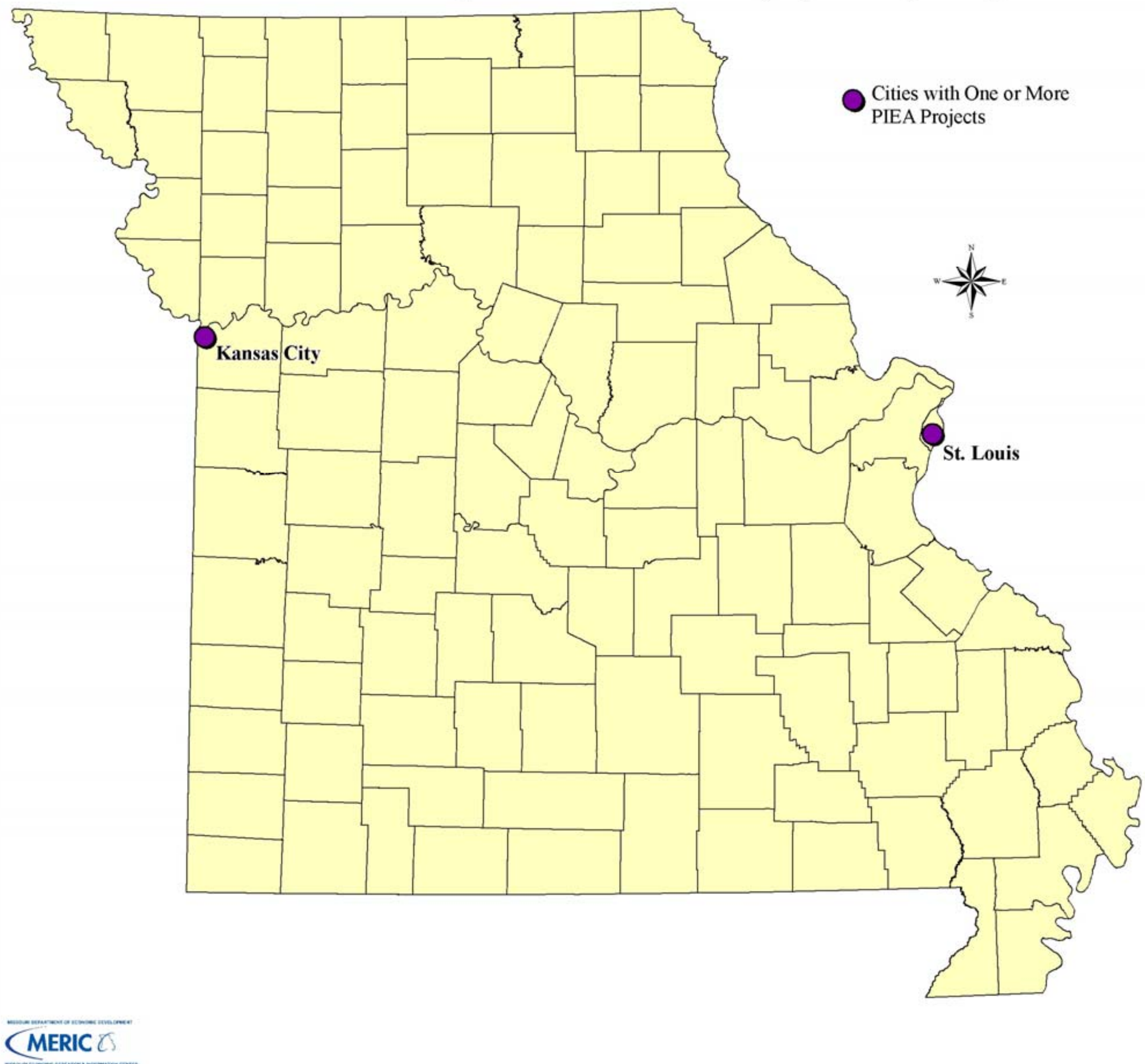
Examples of Selected Communities That Have Used Chapter 353 Projects




Examples of Selected Communities That Have Used
Land Clearance Redevelopment Authority (LCRA) Projects
Cities or Counties with One or More LCRA Projects
Mexico
Kansas City
Jackson County
St. Louis County
St. Louis
Jefferson City
Joplin
Springfield
Ozark
Sikeston
MERIC


Examples of Selected Communities That Have Used Neighborhood Improvement District (NID) Projects
Cities or Counties with One or More NID Projects
Savannah
Buchanan County
Platte County
Kansas City
Independence
Blue Springs
Lee's Summit
Johnson County
Warrensburg
Pettis County
Cass County
Freeman
Boone County
Callaway County
Holts Summit
Cole County
Camden County
Lincoln County
Warrenton
Foristell
St. Charles County
Hazelwood
Olivette
Weldon Spring
Richmond Heights
Fenton
Pevely
Barry County
Cassville
Branson
MERIC

Examples of Selected Communities That Have Used Planned Industrial Expansion Authority (PIEA) Projects



CHAPTER II

MISSOURI STATE AND LOCAL TAX STRUCTURE

MISSOURI STATE AND LOCAL TAX STRUCTURE

Understanding the State and local tax structure is key to understanding many of the incentives designed to stimulate economic development. The following is a general description of the procedure by which most property and sales taxes are levied and collected in Missouri. Certain taxing entities levy taxes that are administered and collected pursuant to special charter provisions or statutory provisions applicable to that entity and are not described herein.

PROPERTY TAX LEVIES AND COLLECTIONS

All taxable real and personal property within the State is assessed by the county assessor in the county where the property is located. The assessed value is applied to the tax rates established by the taxing districts to determine the amount of tax levied against the property. Missouri law requires real property to be assessed at the following percentages of true value:

Residential real property	19%
Agricultural and horticultural real property	12%
Utility, industrial, commercial, railroad and all other real property	32%

The assessment ratio for personal property is generally 33 1/3% of true value. However, subclasses of tangible personal property are assessed at the following assessment percentages: grain and other agricultural crops in an unmanufactured condition, 1/2%; livestock, 12%; farm machinery, 12%; historic motor vehicles, 5%; poultry, 12%; and certain tools and equipment used for pollution control, used in retooling for the purpose of introducing new product lines or used for making improvements to existing products by certain types of companies specified by State law, 25%.

On January 1 in each odd-numbered year, the county assessor must adjust the assessed valuation for all real property located within the county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

Once assessments are made, the county assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the county's Board of Equalization. The Board of Equalization may adjust and equalize the values of individual properties appearing on the tax rolls.

As the tax rolls are being prepared by the county assessor, the taxing entities must set their ad valorem property tax rates and certify them to the county clerk. Missouri law requires every taxing entity to prepare an annual budget, which shall include an estimate of the amount of revenues to be received, the entity's proposed expenditures, and an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. Such estimates are based on the assessed valuation figures provided by the county assessor. If the assessed valuation of property has increased over the prior year's valuation by action other than a general reassessment, exclusive of new construction and improvements, the levy rates must be reduced to the extent necessary to produce substantially the same amount of tax revenue as estimated in the budget. The taxing entity's rate of levy may also be revised to allow for inflationary assessment growth, which is limited to actual assessment growth, exclusive of new construction and improvements, but not to exceed the consumer price index or 5%, whichever is lower. Ad valorem property tax rates must be certified to the county clerk no later than September 1 for entry in the tax books.

Once the county clerk receives the property tax rates, the county clerk will obtain the tax roll from the county assessor, which set forth the assessments of real and personal property. The county clerk enters the tax rates certified by the local taxing bodies into the tax books and assesses such rates against all taxable property. By October 31, the county clerk must forward the tax books to the county collector, who is charged with levying and collecting the taxes. The county collector extends the taxes on the tax rolls and issues the tax statements in early December. Taxes are due by December 31 and become delinquent if not paid by that time. The county receives a collection fee equal to a percentage of the gross tax collections.

All tracts of land and lots on which delinquent taxes are due are charged with a penalty equal to a percentage of each year's delinquency. All lands and lots on which taxes are delinquent and unpaid are subject to sale at public auction.

For additional information, please contact your local county officials or the State Tax Commission of Missouri:

State Tax Commission of Missouri
301 West High Street
P.O. Box 146
Jefferson City, Missouri 65102
Phone: 573-751-2414
E-mail: stc@stc.mo.gov

SALES TAX LEVIES AND COLLECTIONS

Sales tax is imposed on retail sales of tangible personal property and certain services. All sales of tangible personal property and taxable services are generally presumed taxable unless specifically exempted by law. Persons making retail sales collect the sales tax from the purchaser and, with some exceptions, remit the tax to the Missouri Department of Revenue. The State sales tax rate is currently 4.225%. Cities, counties and other districts may also impose local sales taxes if authorized by statute and approved by the requisite majority of voters. Accordingly, the amount of tax sellers collect from the purchaser depends on the combined State and local rate at the location of the seller. In most cases, the State and local sales taxes are remitted together to the Department of Revenue and then distributed to the various taxing entities. The Department of Revenue (or, in limited instances, another collecting entity) receives a collection fee equal to a percentage of the gross tax collections made.

The Missouri Department of Revenue offers a Sales Tax Rate Information System to help individuals find the sales tax rates that apply to their location. This System is available at the Department's website: www.dor.mo.gov.

For additional information, please contact the Missouri Department of Revenue:

Missouri Department of Revenue
Division of Taxation and Collection
301 West High Street
Jefferson City, Missouri 65101
Phone: 573-751-4450
E-mail: salesuse@dor.mo.gov

ECONOMIC DEVELOPMENT AND TAXES

Missouri's economic development programs use a variety of tax tools to incentivize development. The following is a brief explanation of the major tools that are used and examples of programs where they can be found. Further discussion of each of these tools can be found in the applicable program.

Tax Assessment. Tax assessment is the imposition and collection of a new tax. Examples of programs that use tax assessment to encourage development include transportation development districts, community improvement districts and neighborhood improvements districts. These districts can impose new taxes (in the form of a sales and use tax, a property tax or a special assessment) to finance improvements.

Tax Exemption. Tax exemption is immunity from the general burden of tax. Article X, Section 6 of the Missouri Constitution states that all property, real and personal, of the State and its political subdivisions, nonprofit cemeteries and inventories held for resale *shall* be exempt from taxation and that the General Assembly *may* exempt property used for religious, educational, agricultural and horticultural societies and charitable purposes. Although more commonly referred to as tax abatement, tax exemption is actually used in Chapter 100 financings. Under Chapter 100, property is transferred to a local government and, if properly structured, may not be subject to taxation.

Tax Abatement. Tax abatement relieves the taxpayer of all or a portion of its tax burden *after* the tax has been levied and assessed. Article X, Section 7 of the Missouri Constitution specifically authorizes the General Assembly to offer partial tax abatement on property and improvements devoted to the purpose of reconstructing, redeveloping and rehabilitating obsolete, decadent or blighted areas for a period not to exceed 25 years. Example programs include Land Clearance for Redevelopment Authorities and Chapter 353.

Tax Diversion. Tax diversion is the process where all or a portion of tax revenue currently imposed are diverted to pay for project improvements. For example, in tax increment financing, when a redevelopment plan is adopted, the tax base in the area is frozen at the current level. As the property is improved or additional retail sales are generated, a “tax increment” is produced above the base level. The tax increments can then be used to pay directly for redevelopment project costs or to retire bonds or other obligations issued to pay such costs.

Tax Credits. Missouri statutes provide a number of economic development programs that make use of tax credits as incentives. A tax credit offsets the State tax liability of the recipient, thereby creating a financial incentive to complete a project. Tax credits are used in certain situations to create the subsidy needed where a project would otherwise not be done, or to solicit donations or investors for a project where the investment may create a fiscal or other benefit to the State, or both. There are different types of tax credits designed for use by both for-profit and nonprofit entities. The taxes that are most often offset by tax credits include corporate income tax, individual income tax, financial institution tax, corporate franchise tax, insurance premium tax, and fiduciary tax. This Guide lists the tax credits related to economic development by category. The statutes dictate the type and features of each tax credit program.

Missouri tax credit programs carry different features. Some of those features are represented below:

> *Refundable:* Credits in excess of tax liability may be refunded to the taxpayer in cash.
>
> *Sellable/Transferable:* Credits may be sold or given to another taxpayer. Credits may retain their original characteristics of the year they were earned, regardless of the year are purchased.
>
> *Expiring Credits:* Credits that may only be used for the year in which they were earned. Credits redeemed in an amount less than the issuance where the balance may expire in that same year.
>
> *Carry Back:* Credit that may be applied up to 3 prior years from the year earned by amending previous tax returns.
>
> *Carry Forward:* Credit that may be applied for a number of years in the future from the year it was earned (typically 5-10 years).

Annual Cap: Statute sets annual amount of tax credits that may be awarded in any one year under the program.

Cumulative Cap: Statute sets maximum amount of tax credits that may be awarded over a specified period of years under the program.

* * *

CHAPTER III

ECONOMIC DEVELOPMENT PROGRAMS

A. REDEVELOPMENT PROJECTS

TAX INCREMENT FINANCING

[§§ 99.800-99.865 RSMo]

What is the purpose of tax increment financing?

Tax increment financing (commonly referred to as "TIF") is a statutory procedure available to cities, villages, incorporated towns or counties to encourage the redevelopment of "blighted" or "conservation" areas.

What types of projects are eligible for tax increment financing?

The TIF Act provides for the use of tax increment financing to pay all reasonable or necessary costs incurred or incidental to a redevelopment project. Such costs include the following:

1. Costs of studies, surveys and plans;
2. Professional service costs, such as financial advisory fees, bond counsel fees and planning expenses, subject to certain limitations as provided in the TIF Act;
3. Land acquisition and demolition costs;
4. Costs of rehabilitating and repairing existing buildings;
5. Initial costs for an economic development area;
6. Costs of constructing public works or improvements, such as street lighting, street repairs or parking;
7. Financing costs, including bond issuance costs, capitalized interest and reasonable reserves;
8. Capital costs incurred by any taxing jurisdiction as a direct result of the project;
9. Relocation costs; and
10. Payments in lieu of taxes.

How do you implement tax increment financing?

Any county that desires to implement a TIF project within the boundaries of a city within the county must first obtain the permission of the city's governing body.

Before a municipality may implement tax increment financing, (1) the municipality must create a TIF commission made up of representatives of all taxing districts within the redevelopment area, (2) a redevelopment plan, including a description of the redevelopment area and the redevelopment projects therein, and a cost-benefit analysis must be prepared, (3) the TIF commission must hold a public hearing and make a recommendation to the municipality pertaining to the redevelopment plan, the redevelopment projects and the designation of the redevelopment area, and (4) the municipality must adopt an ordinance approving the redevelopment plan, the redevelopment projects and the designation of the redevelopment area. Once the ordinance is adopted, tax increment financing may be implemented for one or more redevelopment projects within a redevelopment area.

The TIF Act requires the municipality to make two key determinations before approving a TIF project. The first is the "blight" or "conservation" test: the redevelopment area must be classified as a "blighted" or a "conservation" area.

A "blighted area" is defined as an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.

A “conservation area” is any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A conservation area is required to meet at least 3 of the above factors.

The second required determination is the “but-for” test: but for the adoption of the redevelopment plan, the redevelopment area would not reasonably be anticipated to be developed. The TIF Act requires the developer to provide an affidavit of this determination.

How do you finance a project?

Tax increment financing involves the issuance of bonds or other obligations that are secured by a pledge of payments in lieu of taxes attributable to the increase in assessed valuation of taxable real property within the designated area resulting from redevelopment improvements, as well as a portion of the incremental economic activity taxes (sales and utility tax, etc.) generated within the redevelopment area.

When a TIF plan is adopted, the assessed value of real property in the redevelopment area is frozen for tax purposes at the current base level before construction of improvements. The owner of the property continues to pay property taxes at this base level. As the property is improved, the assessed value of real property in the redevelopment area increases above the base level. By applying the tax rate of all taxing districts having taxing power within the redevelopment area to the increase in assessed valuation of the improved property over the base level, a “tax increment” is produced. The tax increments, referred to as “payments in lieu of taxes” or “PILOTS,” are paid by the owner of the property in the same manner as regular property taxes. The payments in lieu of taxes are transferred by the collecting agency to the treasurer of the municipality and deposited in a segregated account referred to in the TIF Act as a “special allocation fund.” In addition, the county and city transfer 50% of all incremental sales and utility tax revenues, referred to as “economic activity taxes” or “EATS,” to the treasurer of the municipality for deposit into the special allocation fund. All or a portion of the money in the fund can then be used to pay directly for redevelopment project costs or to retire bonds or other obligations issued to pay such costs.

What is “State TIF” and how does it add to a project?

In certain limited cases, the State may make a portion of its revenues available to pay for redevelopment project costs. Among the conditions precedent for the appropriation of State revenues are: (1) approval by the Department of Economic Development and the Office of Administration of an application for State rebate; (2) submission of an affidavit signed by the developer stating the project would not be developed “but for” the rebate; (3) submission of a fiscal impact study upon the State, demonstrating the “net new” benefit the State will receive from the project; and (4) addition of the project by name to the Department of Economic Development’s budget legislation. In addition, the redevelopment plan must ensure that 100% of the payments in lieu of taxes and 50% of the economic activity taxes will be used for eligible redevelopment project costs, and will not be distributed to taxing districts as surplus funds.

If a project is eligible for application of State revenues, up to 50% of any new State revenues generated within a redevelopment area may, under certain circumstances, be rebated to the municipality for reimbursement of eligible redevelopment project costs. “New State revenues” means either (1) State sales taxes except those that are constitutionally dedicated, school district trust fund taxes, and sales and use taxes on motor vehicles, trailers, boats and outboard motors <u>OR</u> (2) State income tax withholding.

If State revenues are used, the program is limited in any year to the amount appropriated by the General Assembly, not to exceed $32,000,000 per year. State TIF may be awarded for a period of up to 15 years (a longer period may be requested, but not to exceed 23 years). Any expenditures made before approval of State TIF cannot be reimbursed with State funds.

What limitations apply to tax increment financing?

The bonds or other obligations secured by local TIF revenues must mature within 23 years.

Blighted areas (as defined above) in enterprise zones, blighted areas in federal empowerment zones, or blighted areas in central business district or urban core areas may qualify for the rebate of new State revenues (as described above). The central business district or urban core area must contain one or more buildings at least 50 years old, suffer from generally declining population or property taxes, or be a certain historic hotel described in the TIF Act or a certain federally-approved levee district.

Special Program Considerations

If the TIF Act power of condemnation will be used, the redevelopment plan must include a parcel-by-parcel determination of blight.

Who can I contact for additional information?

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
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Jefferson City, Missouri 65102
Phone: 573-522-8004
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E-mail: dedfin@ded.mo.gov

MISSOURI DOWNTOWN AND RURAL ECONOMIC STIMULUS ACT (MODESA)

[§§ 99.915-99.1060 RSMO]

What is the purpose of the Missouri Downtown and Rural Economic Stimulus Act?

The Missouri Downtown and Rural Economic Stimulus Act ("MODESA") is a new form of tax increment financing approved by the General Assembly in 2003. MODESA combines the use of local property tax increment and economic activity taxes with a portion of the State sales tax and State income tax withholding to assist development projects. MODESA permits cities and counties to use a portion of new tax revenues that otherwise would be paid on a completed project to repay all or a portion of the development costs, thereby reducing the net annual debt service on the completed project. In this manner, new tax revenues are not abated, but rather redirected to fund a portion of the costs of the development project. The availability of these new tax revenues to assist in paying project costs is intended to encourage developers to redevelop deteriorated or deteriorating downtowns.

What types of projects may be financed using MODESA?

MODESA may only be utilized for a "major initiative" in a municipality (a city, village, or incorporated town or any county of the State established on or before January 1, 2001). A "major initiative" is a project that promotes: (1) tourism, cultural activities, arts, entertainment, education, research, multipurpose facilities, libraries, ports, mass transit, museums and conventions, the estimated cost of which equals or exceeds the amount set forth below, or (2) business locations or expansions which create new jobs as set forth below within three years.

Population of Municipality	Estimated Project Costs	New Jobs Created
300,000 or more	$10,000,000	at least 100
100,000 to 299,999	$5,000,000	at least 50
50,001 to 99,999	$1,000,000	at least 10
50,000 or less	$500,000	at least 5

MODESA authorizes a municipality to provide long-term financing for development projects in designated development areas through the issuance of bonds or other obligations. Such bonds or obligations may be payable from the incremental increase in real estate taxes and 50% of the increase in certain other tax revenues generated by economic activities within the development area (including most sales taxes and earnings taxes). MODESA bonds or other obligations may be issued directly by a municipality or by a downtown economic stimulus authority on behalf of a municipality.

What steps are required to implement financing under MODESA?

Before a municipality may implement financing under MODESA, (1) the municipality must create a downtown economic stimulus authority, (2) a development plan, including a description of the development area and the development projects therein, must be prepared, (3) the authority or municipality must hold a public hearing and the authority must make a recommendation to the municipality pertaining to the development plan, the development projects and the designation of the development area, and (4) the municipality must adopt an ordinance (resolution in the case of counties) approving the development plan, the development projects and the designation of the development area as discussed below. Once the ordinance or resolution is adopted, development financing under MODESA may be implemented for one or more development projects within a development area. Because of various notice and hearing requirements, it will take at least 90 days (and more commonly 120 days or longer) to establish an authority and adopt a development plan.

What are the criteria for development areas eligible for financing under MODESA?

1. The development area is at or near the historic downtown;
2. The development area is a blighted area or a conservation area;
3. The median income of the municipality is below $62,000;
4. 50% of the development area's buildings are in excess of 35 years old;
5. The historic land use was mixed use;
6. The development area does not exceed 10% of the entire area of a municipality;
7. The development area is not located in a 100 year flood plain unless the property is protected by a structure certified by the U.S. Army Corps of Engineers; and
8. The development area includes only the property that is directly and substantially benefited by the proposed development plan.

The development area must contain property that may be classified as either a "blighted area" or a "conservation area" as such terms are defined in the MODESA Act. The entire development area need not meet the criteria of one of these two categories, but must include only "those parcels of real property directly and substantially benefited by the proposed development plan." Thus, a larger development area that includes property that is increasing in value can enhance the feasibility of a development project, provided the larger area, on the whole, is a blighted or conservation area and is "directly and substantially benefited" by the development plan.

Who can I contact for additional information?

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
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MISSOURI DOWNTOWN PRESERVATION ACT (MODESA LIGHT)

[§§ 99.1080-99.1092 RSMO]

What is the purpose of the Downtown Preservation Program?

The purpose of the Downtown Revitalization Preservation Program (the "Downtown Preservation Program"), which is sometimes referred to as MODESA Lite, is to facilitate the redevelopment of downtown areas and the creation of jobs by providing essential public infrastructure.

Who may utilize the Downtown Preservation Program and what projects are eligible?

Any city or county in the state having fewer than 200,000 inhabitants and a median household income of $62,000 or less according to the last decennial census may utilize this program. To be eligible, the community must have a development project with its Central Business District (described below) which promotes tourism, cultural activities, arts, entertainment, education, research, arenas, multipurpose facilities, libraries, ports, mass transit, museums, economic development or conventions (referred to in the statute as a "Major Initiative"). The capital investment within the redevelopment project must be:

Population of Municipality	Estimated Project Costs
100,000 to 199,999	$5,000,000
50,000 to 99,999	$1,000,000
10,000 to 49,999	$500,000
1 to 9,999	$250,000

Eligible project costs that may be paid from revenues of the program include costs expended on public property, buildings or rights-of-way for public purposes to provide infrastructure for the project. Facades are an included eligible cost. Only initial expenses may be paid. Design costs and financing costs related to public infrastructure are among the eligible costs listed in the statute.

How is a project undertaken under the Downtown Preservation Program?

The procedural requirements of the Downtown Preservation Program have some similarities to MODESA. The municipality designates a "Central Business District" at or near its historic core that is traditionally known as the "downtown." At least half of the existing buildings in the Central Business District must be at least 35 years old or vacant lots that had structures on them that were built at least 35 years prior to the adoption of the redevelopment plan. The historical Central Business District land use emphasis must be mixed uses, including business, commercial, financial, transportation, government and multifamily residential uses.

The municipality then designates a redevelopment area within the central business district and prepares and adopts a redevelopment plan for the redevelopment of the area after a public hearing is held. In addition to other required elements of the redevelopment plan, a displacement study (the Department of Economic Development may exempt smaller projects from this requirement) and an economic feasibility analysis must be included.

As part of adoption of the plan, the municipality must receive a determination of an independent third party that the redevelopment area on the whole is a "blighted" or "conservation" area (both terms are defined in the Downtown Preservation Program statute).

After adoption of the redevelopment plan, application is made to the Department of Economic Development for funding under the Downtown Preservation Program.

What other considerations may be involved in undertaking a project under the Downtown Preservation Program?

There are certain similarities between the Downtown Preservation Program and MODESA. Both allow the capture of certain State funds to pay project costs in the traditional downtown areas of communities. However, there are also a number of differences. Generally speaking, the requirements of the Downtown Preservation Program statute are designed to be an easier application process than MODESA. However, unlike MODESA, only 50% of incremental general revenue portion of State sales tax can be utilized for project costs, and there is no option to capture a portion of State income tax.

In terms of local tax revenues, the only revenues that are captured are one half of the incremental general sales taxes (e.g. not special sales taxes such as capital improvement sales taxes, law enforcement sales taxes, etc.) of the city and county, and the county may choose to opt out. No property taxes are captured under the Downtown Preservation Program. Revenues may be captured for up to 25 years.

A project that receives funding under the Downtown Preservation Program cannot thereafter receive tax increment financing assistance and continue to receive assistance under the program.

Who can I contact for additional information?

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
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E-mail: dedfin@ded.mo.gov

URBAN REDEVELOPMENT CORPORATIONS

[CH. 353 RSMO]

What is the purpose of the Urban Redevelopment Corporations Law?

The Urban Redevelopment Corporations Law provides real property tax abatement to encourage the redevelopment of "blighted areas" throughout the State.

What types of projects are eligible for tax abatement under the Urban Redevelopment Corporations Law?

Tax abatement under the Urban Redevelopment Corporations Law is only available to real property that has been found to be a "blighted" by an eligible city or county. A "blighted area" is any area in a city or in an unincorporated portion of St. Louis or Jackson County which by reason of age, obsolescence, inadequate or outmoded design or physical deterioration has become an economic and social liability, and that such conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes.

How is real property tax abatement achieved under the Urban Redevelopment Corporations Law?

Tax abatement is available for a redevelopment project following (1) the creation of a redevelopment plan describing the project and proposed abatement, (2) a tax impact statement being sent to each taxing district within the boundaries of a proposed redevelopment area, (3) a public hearing, (4) approval of the redevelopment plan by the governing body of the city or county and (5) creation of an Urban Redevelopment Corporation under the general corporation laws of Missouri (i.e., articles of incorporation being filed with the Secretary of State).

To be eligible for the abatement, the Corporation must take title to the property to be redeveloped. Until December 31, 2006, an eligible city or county may grant the power of eminent domain to the Corporation to acquire any interest in any real property that is necessary to the redevelopment plan; thereafter, only the city or county may exercise the condemnation power. Since tax abatement is triggered on the day that the Corporation takes title to property, it is common for a Corporation to own property for a moment in time, and immediately transfer title back to the "developer" entity. In this situation, the developer will assume all of the rights, duties and obligations of the Corporation in the property by contract, and will receive the tax abatement as the authorized successor to the Corporation.

How much real property tax abatement is available under the Urban Redevelopment Corporations Law?

Tax abatement is available for up to 25 years. In the first period of abatement, not to exceed 10 years, (1) 100% of the incremental increase in real property taxes on the land may be abated, and (2) 100% of the real property taxes on all improvements may be abated. During this period, the property owner continues to pay real property taxes on the land in an amount equal to those assessed in the year before the Corporation took title. During the next abatement period, not to exceed 15 years, at least 50% and up to 100% of the incremental real property taxes on all land and all improvements may be abated. The individual periods of abatement and the total amount of the tax abatement are set by the governing body. The Corporation may take title to lots, tracts or parcels of property within the redevelopment area in phases, to maximize the tax abatement during a phased project.

Payments in lieu of taxes ("PILOTS") may be imposed on the Corporation by contract with the eligible city or county, as applicable, to achieve an effective tax abatement that is less than the abatement established by statute. For example, PILOTs could be used to achieve an affective tax abatement of 20% for a 25-year period. PILOTS are paid on an annual basis to replace all or part of the real estate taxes that are abated. PILOTS are allocated to each taxing district according to their proportionate share of ad valorem property taxes.

What limitations apply to the tax abatement?

Unless approved by three-fourths of the governing body of the eligible city or county, tax abatement benefits under this program are not available on property within a Planned Industrial Expansion Area (Sections 100.300 to 100.620 of the Revised Statutes of Missouri, as amended).

Who can I contact for additional information?

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HISTORIC PRESERVATION CREDIT

[§§ 253.545 - 253.561 RSMo]

What is the purpose of the Historic Preservation Credit Program?

The Historic Preservation Credit program provides an incentive for the redevelopment of commercial and residential historic structures in Missouri.

How does the program work?

The Historic Preservation Credit program provides State tax credits equal to 25% of eligible costs and expenses of the rehabilitation of approved historic structures (provided such costs and expenses exceed 50% of the total acquisition cost of the property). Before receiving the tax credits, an application must be submitted to the Department of Economic Development, which will then submit the information to the Missouri Historic Preservation Office to determine the eligibility of the property and proposed rehabilitation. The proposed project will be reviewed based on the standards of the United States Department of the Interior.

An eligible property must be (1) listed individually on the National Register of Historic Places; (2) certified by the Missouri Department of Natural Resources as contributing to the historical significance of a certified historic district listed on the National Register of Historic Places; or (3) in a local historic district that has been certified by the United States Department of the Interior.

Who is eligible to apply for Historic Preservation tax credits?

Any taxpayer is eligible to participate in this program. Non-profit and government entities are not eligible.

What if the tax credit exceeds the total State income tax liability?

Any portion of the tax credit may be carried back to satisfy previous State tax liability due during each of the three previous taxable years and may be carried forward and allowed as a credit against any future taxes imposed on the owner within the next ten years.

Are the tax credits transferable?

A taxpayer may sell, assign, exchange or otherwise transfer earned tax credits.

Who can I contact for additional information?

Missouri Department of Economic Development
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Missouri Department of Natural Resources
Missouri State Historic Preservation Office
P.O. Box 176
Jefferson City, Missouri 65102
Phone: 573-751-7858
Fax: 573-522-6262
E-mail: moshpo@dnr.mo.gov

DOWNTOWN REVITALIZATION ECONOMIC ASSISTANCE FOR MISSOURI INITIATIVE (D·R·E·A·M INITIATIVE)

What is the purpose of the D·R·E·A·M Initiative?

The D·R·E·A·M Initiative is a comprehensive, streamlined approach to downtown revitalization that provides a one-stop shop of technical and financial assistance for select communities to more efficiently and effectively engage in the downtown revitalization process. The initiative was created through a partnership of three development agencies: the Missouri Department of Economic Development, the Missouri Development Finance Board and the Missouri Housing Development Commission.

The goal of the D·R·E·A·M Initiative is to help select Missouri communities: re-establish the properties in use in the downtown core, increase property tax values and sales tax opportunities, re-establish a sense of place and cultural heritage in the heart of the community, and attract private investment and new jobs.

What communities are eligible to apply for the D·R·E·A·M Initiative?

Any Missouri city can apply.

How does the D·R·E·A·M Initiative work?

Six to ten communities will be designated as D·R·E·A·M communities for a three-year period. Cities determined to have the greatest potential to not only make the investment required to secure their future, but also to sustain the effort, will be selected to participate based on the following criteria:

- Missouri communities that have developed, or will develop, a viable plan and execute the same for the renovation, rehabilitation and revitalization of the downtown;
- Communities presenting a comprehensive approach to downtown revitalization, rather than single-project events;
- Communities with the capacity to responsibly undertake a multi-dimensional initiative; and
- Communities with the ability to attract and maintain private investment.

Once designated as a D·R·E·A·M community, this unique new tool reduces the complexity involved in financing a community's downtown revitalization plan through a coordinated approach. First, it centralizes several major State incentives. Second, it offers direct access to financial technical assistance at the preliminary proposal stage. Third, it is supported by a team of professionals specifically dedicated to helping the community rebuild its central business district. Fourth, it substantially shortens the redevelopment timeline.

Who can I contact for additional information?

Missouri Department of Economic Development
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Email: dream@ded.mo.gov

BROWNFIELD REMEDIATION

[§§ 447.700 - 447.718 RSMO]

What is the purpose of the Brownfield Remediation Program?

The Brownfield Remediation Program provides financial incentives for the redevelopment of commercial or industrial sites that are contaminated with hazardous substances and have been abandoned or underutilized for at least 3 years.

How does the program work?

The Brownfield Remediation Program provides state tax credits for up to 100% of the cost of remediating eligible properties. Before receiving the tax credits, (i) an application must be submitted to the Department of Economic Development; (ii) an application must be submitted to the Missouri Department of Natural Resources ("DNR") for acceptance into DNR's "Voluntary Cleanup Program"; (iii) if the property is not owned by a public entity, the city or county must endorse the project; and (iv) the project must be projected by the Department of Economic Development to result in the creation of at least 10 new jobs or the retention of 25 jobs by a private commercial operation.

Once both applications are approved, the Department of Economic Development will issue 75% of the credits upon adequate proof of payment of the costs of remediation and the remaining 25% upon issuance of a "clean letter" by DNR.

Remediation that is performed prior to receipt of a written authorization for remediation tax credits from the Department of Economic Development will not be eligible for tax credits and may jeopardize the project's overall eligibility for the program. Applications may be submitted at any time and are reviewed on a case-by-case basis.

Who is eligible to apply for Brownfield Remediation tax credits?

Any taxpayer is eligible to participate in this program however, the applicant cannot be a party who intentionally or negligently caused the release or potential release of hazardous substances at the project site.

What if the tax credit exceeds the total State income tax liability?

Any portion of the tax credit may be carried forward and allowed as a credit against any future taxes imposed on the owner within the next 20 years.

Are the tax credits transferable?

A taxpayer may sell, assign, exchange or otherwise transfer earned tax credits.

Who can I contact for additional information?

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
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E-mail: dedfin@ded.mo.gov

OTHER PROGRAMS

MISSOURI RURAL ECONOMIC STIMULUS ACT (MORESA)

Authorization

Sections 99.1000 to 99.1060 of the Revised Statutes of Missouri, as amended.

Additional Resources

http://go.missouridevelopment.org/programs and www.mda.mo.gov

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-522-8004
Fax: 573-522-9462
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Missouri Agricultural and Small Business Development Authority
1616 Missouri Boulevard
P.O. Box 630
Jefferson City, Missouri 65102
Phone: 573-751-2129
Fax: 573-526-2415
E-mail: masbda@mda.mo.gov

BROWNFIELD JOBS AND INVESTMENT CREDIT

Authorization

Sections 447.700 to 447.718 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
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BROWNFIELD DEMOLITION

Authorization

Sections 447.700 to 447.718 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
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B. INFRASTRUCTURE DEVELOPMENT

COMMUNITY IMPROVEMENT DISTRICTS (CID)

[§§ 67.1401-67.1475 RSMO]

What is the purpose of a community improvement district?

A community improvement district ("CID") may be created for the purpose of financing a wide range of public facilities, improvements or services within a municipality. A CID is either a separate political subdivision with the power to impose a sales tax, a special assessment or a real property tax, or a nonprofit corporation with the power to impose special assessments.

What types of projects may be financed by a CID?

A CID may fund public facilities or improvements within its boundaries, including the following:

1. Pedestrian or shopping malls and plazas.
2. Parks, lawns, trees and any other landscape.
3. Convention centers, arenas, aquariums, aviaries and meeting facilities.
4. Sidewalks, streets, alleys, bridges, ramps tunnels, overpasses and underpasses, traffic signs and signals, utilities, drainage, water, storm and sewer systems and other site improvements.
5. Parking lots, garages or other facilities.
6. Lakes, dams and waterways.
7. Streetscape, lighting, benches or other seating furniture, trash receptacles, marquees, awnings, canopies, walls and barriers.
8. Telephone and information booths, bus stop and other shelters, rest rooms and kiosks.
9. Paintings, murals, display cases, sculptures and fountains.
10. Music, news and child-care facilities.
11. Any other useful, necessary or desired improvement.

A CID may also provide a variety of public services within its boundaries, including the following:

1. With the municipality's consent, prohibiting or restricting vehicular and pedestrian traffic and vendors on streets.
2. Operating or contracting for the provision of music, news, child-care or parking facilities, and buses, mini-buses or other modes of transportation.
3. Leasing space for sidewalk café tables and chairs.
4. Providing or contracting for the provision of security personnel, equipment or facilities for the protection of property and persons.
5. Providing or contracting for cleaning, maintenance and other services to public and private property.
6. Promoting tourism, recreational or cultural activities or special events.
7. Promoting business activity, development and retention.
8. Providing refuse collection and disposal services.
9. Contracting for or conducting economic, planning, marketing or other studies.

A CID may also demolish, renovate or rehabilitate any building or structure, if the area has been found blighted and the governing body of the municipality has determined that such action is reasonably anticipated to remediate the blighting conditions and will serve a public purpose.

How is a CID created?

A CID is created by filing with the municipality where the proposed district will be located a petition signed by property owners that (1) collectively own at least 50% of the assessed value of the real property within the proposed district and (2) are more than 50% per capita of all owners of real property within the proposed district. The petition must include a five-year plan that describes the purposes of the proposed district, the services it will provide, the improvements it will make and an estimate of the costs of the project.

Once the petition is filed, the governing body of the municipality shall hold a public hearing and may approve the creation of the proposed district by ordinance.

How does a CID finance a project?

A CID may be created as either a political subdivision or a nonprofit corporation. Once created, a CID that is created as a nonprofit corporation can finance the costs of a project through the imposition of special assessments for those improvements that specifically benefit the properties within the district. A CID that is created as a political subdivision can finance the costs of a project through the imposition of (1) special assessments for those improvements that specifically benefit the properties within the district; (2) property taxes; or (3) a sales tax up to a maximum of 1%. Either type of CID may finance the costs of a project through the imposition of fees, rents and charges for district property or services or grants, gifts and donations.

A CID may also issue bonds, notes and other obligations and may secure any of such obligations by mortgage, pledge, assignment or deed of trust of any or all of the property and income of the district. However, the bonds or other obligations of a CID that is created as a nonprofit corporation will not be tax-exempt.

How is a CID different from a TDD?

A transportation development district (a "TDD") can only finance transportation-related improvements, while a CID can finance a wide-array of public improvements and services. A TDD can finance improvements that benefit the property within its boundaries; a CID generally cannot spend money on projects outside of its boundaries. TDD bonds can have a 40-year maturity, while CID bonds are limited to 20 years. A TDD property tax cannot exceed $0.10; there is no limit on the CID property tax.

Who can I contact for additional information?

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TRANSPORTATION DEVELOPMENT DISTRICTS (TDD)

[§§ 238.200-238.275 RSMO]

What is the purpose of a transportation development district?

A transportation development district ("TDD") is a separate political subdivision that may be created to fund, promote, plan, design, construct, improve, maintain and operate one or more transportation-related projects or to assist in such activity.

What types of projects may be financed by a TDD?

A TDD can finance any transportation-related improvement, including any bridge, street, road, highway, access road, interchange, intersection, signing, signalization, parking lot, bus stop, station, garage, terminal, hangar, shelter, rest area, dock, wharf, lake or river port, airport, railroad, light rail, or other mass transit and any similar or related improvement or infrastructure. However, before construction or funding of any project, a TDD is required to submit the proposed project, together with the proposed plans and specifications, to the Missouri Highways and Transportation Commission and/or the local transportation authority for their prior approval. A "local transportation authority" is a county, city, town, village, county highway commission, special road district, interstate compact agency, or any local public authority or political subdivision having jurisdiction over any bridge, street, highway, dock, wharf, ferry, lake or river port, airport, railroad, light rail or other transit improvement or service.

How is a TDD created?

A TDD may be created by petition of (1) at least fifty registered voters within the proposed district, (2) if there are no registered voters within the district, the owners of all of the real property located within the proposed district or (3) the governing body of any local transportation authority in which a proposed project may be located. In addition, two or more local transportation authorities may adopt resolutions calling for the joint establishment of a district and then file a petition requesting its creation. In all cases, the petition is filed in the circuit court of the county in which the proposed project is to be located.

Once the petition is filed, the circuit court will certify the petition for voter approval by the qualified voters within the boundaries of the proposed district. A "qualified voter" means (1) any registered voter residing within the proposed district or (2) if no persons eligible to be registered voters reside within the proposed district, the owners of real property located within the proposed district.

How does a TDD finance a project?

Once created, a TDD can finance the costs of a project through the imposition of (1) special assessments for those improvements that specifically benefit the properties within the district; (2) a property tax in an amount not to exceed $0.10 per $100 of assessed valuation; (3) a sales tax up to a maximum of one percent; or (4) tolls and fees for use of the project. A TDD may also issue bonds, notes and other obligations and may secure its obligations by mortgage, pledge, assignment or deed of trust of any or all of the property and income of the district.

How is a TDD different from a CID?

A transportation development district (a "TDD") can only finance transportation-related improvements, while a CID can finance a wide-array of public improvements and services. A TDD can finance improvements that benefit the property within its boundaries; a CID generally cannot spend money on projects outside of its boundaries. TDD bonds can have a 40-year maturity, while CID bonds are limited to 20 years. A TDD property tax cannot exceed $0.10; there is no limit on the CID property tax.

Who can I contact for additional information?

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Central Office
1511 Missouri Boulevard
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TRANSPORTATION CORPORATIONS

[§§ 238.300-238.367 RSMO]

What is the purpose of a transportation corporation?

A transportation corporation may be created to fund, promote, plan, design, construct, maintain or operate any transportation-related project in connection with the Missouri highways and transportation system.

What projects can a transportation corporation finance?

A transportation corporation can finance any project that is a necessary or desirable extension of the Missouri highways and transportation system. A transportation corporation can only be used for projects that are owned by the State.

How is a transportation corporation created?

Any city, county or private party may create a transportation corporation by filing an application and preliminary plans and specifications for a proposed project with the Missouri Highways and Transportation Commission (the "Commission"). Following the submission of the application, the Commission will hold a public hearing and the governing body of each county, city, town or village in which all or part of the project is located must approve the project. Upon approval at the local level, the corporation's articles of incorporation must be approved by the Commission and filed with the Secretary of State.

How does a transportation corporation finance a project?

The corporation may issue bonds, notes or other obligations to pay all or any part of the cost of a project. The obligations may be payable out of any of the property and revenues of the corporation. Such revenues may include payments derived from other entities pursuant to an intergovernmental cooperation agreement and fees, tolls and charges charged by the corporation for use of the project.

How is a transportation corporation different from a TDD?

Unlike a TDD, a transportation corporation has no ability to impose special assessments, property taxes or sales taxes.

Who can I contact for additional information?

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NEIGHBORHOOD IMPROVEMENT DISTRICTS (NID)

[§§ 67.453-67.475 RSMO]

What is the purpose of a neighborhood improvement district?

A neighborhood improvement district ("NID") may be created for the purpose of financing public facilities or improvements that confer a benefit upon property within the district.

What projects can be financed by a NID?

A NID may fund public facilities or improvements including the following:

1. Acquisition of property.
2. Improvement of streets, gutters, curbs, sidewalks, crosswalks, driveway entrances and structures, drainage works incidental thereto and service connections from sewer, water, gas and other utility mains, conduits or pipes.
3. Improvement of storm and sanitary sewer systems.
4. Improvement of streetlights and street lighting systems.
5. Improvement of waterworks systems.
6. Improvement of parks, playgrounds and recreational systems.
7. Landscaping streets or other public facilities.
8. Improvement of flood control works.
9. Improvement of pedestrian and vehicle bridges, overpasses and tunnels.
10. Improvement of retaining walls and area walls on public ways.
11. Improvement of property for off-street parking.
12. Acquisition and improvement of other public facilities or improvements.
13. Improvements for public safety.

How is a NID created?

A NID is created by either an election held or petition circulated within the proposed district. If created pursuant to an election, the proposal must be approved by the percentage of voters within the proposed district voting thereon required for general obligation bonds (four-sevenths or two-thirds depending on the date of the election). Alternatively, a NID may be created by resolution or ordinance of the governing body of a municipality upon receipt of a petition signed by the owners of record of at least two-thirds by area of all real property located within the proposed district.

How does a NID finance a project?

A NID finances improvements through the imposition of special assessments apportioned against the property within the district. Once the creation of the NID has been approved, plans and specifications for the project and a preliminary assessment roll will be prepared and the governing body of the municipality will hold a public hearing. Following the completion of the construction of the project, the final costs and assessments will be computed and notice mailed to taxpayers. Charges may be assessed equally per front foot or per square foot or pursuant to any other reasonable assessment plan; provided, the amount of the assessment correlates to the benefits accruing to the property by reason of the improvements.

Once the preliminary assessment roll is prepared and following submission of a petition signed by a specified number of property owners or, in certain cases, an election, the governing body of the municipality can issue general obligation bonds.

The bonds are a form of general obligation bonds. The bonds are payable as to both principal and interest from the assessments and, if not so paid, from current income and revenue and revenues and surplus funds of the city or county that formed the district. The city or county is not authorized to impose any new or increased ad valorem property tax to pay principal of or interest on the bonds without voter approval. If the city or county uses funds on hand to pay debt service, the issuer can reimburse itself from assessments at a later date.

Are there any limitations on the financing ability of a NID?

The maximum amount of general obligation indebtedness incurred by a municipality for all NIDs approved by the municipality is limited to 10% of assessed value of all taxable tangible property within the municipality, as shown by the last completed assessment. The maturity of the bonds is limited to 20 years.

How is a NID different than a CID or a TDD?

Unlike other entities that could be created to finance improvements, a NID is not a separate legal entity. A NID has no power to impose a property tax or sales tax and is subject to the municipality's constitutional debt limitation.

Who can I contact for additional information?

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DEVELOPMENT/COOPERATION AGREEMENTS

[§§ 70.210-70.320 RSMO]

What is the purpose of entering into a development agreement?

As an alternative to tax increment financing ("TIF"), a municipality may enter into an agreement (commonly referred to as a "sales tax rebate agreement," a "development agreement" or a "cooperative agreement") with a property owner, whereby the private owner agrees to fund the costs of certain public improvements.

Who may enter into a development agreement?

Any political subdivision, private person or firm. The political subdivision must authorize the contract by ordinance, order or resolution.

How is a typical transaction structured?

Many retail developments require the installation of public improvements (such as roads, traffic signals and utilities) to accommodate the development. Under the typical agreement, the developer agrees to advance the costs of the public improvements. The political subdivision agrees to reimburse the developer for such costs, with interest, over a specified period of time. The agreement usually provides that only a portion of the incremental (*i.e.*, new) sales tax revenues generated from the development will be used to reimburse the cost of the public improvements. This results in immediate new revenue to the municipality, while also providing a source of repayment for the public improvements.

Because the developer usually assumes responsibility for initial construction of the public improvements, the agreement will provide for payment of prevailing wages, payment and performance bonds, and indemnification of the governing body.

How is a development agreement different than a TIF?

Undertaking a sales tax rebate agreement is a fairly simple process, since the governing body is obligating only its funds – not the funds of any other political subdivision. No public hearing or consultation with other political subdivisions is required. The municipality need only approve the agreement by resolution, order or ordinance.

Who can I contact for additional information?

Missouri Municipal League
1727 Southridge Drive
Jefferson City, Missouri 65109
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Email: info@mocities.com

C. INCENTIVE PROGRAMS FOR JOB CREATION AND CAPITAL PROJECTS

BUSINESS USE INCENTIVES FOR LARGE SCALE DEVELOPMENT (BUILD)

[§§ 100.700-100.850 RSMO]

What is the purpose of the Business Use Incentives for Large-Scale Development ("BUILD") Act?

The BUILD Act provides State income tax credits to companies that finance economic development projects involving the expansion of existing businesses or establishment of new businesses in Missouri if a substantial number of new jobs are created.

What companies are eligible to apply for BUILD Tax Credits?

An applicant must qualify as an "eligible industry," which is a Missouri business engaged in interstate or intrastate commerce for the purpose of manufacturing, processing or assembling products, conducting research and development, or providing services in interstate commerce, office industries, or agricultural processing. Eligible industries exclude those providing retail, health or professional services, or which close or substantially reduce their operation at one location in the State and relocate substantially the same operation to another location in the State.

What are the minimum investment and job-creation requirements?

An eligible industry must (1) invest a minimum of $15,000,000 in an economic development project (only $10,000,000 if the eligible industry is an office industry defined as a regional, national or international headquarters, a telecommunications operation, a computer operation, an insurance company, or a credit card billing and processing center); and (2) create a minimum of 100 new jobs (500 new jobs if the project is an office industry or 200 new jobs if the project is an office industry located within a distressed community). A "distressed community" is defined by statute but generally is an area with a median household income of under 70% of the median household income for similar areas, according to the last decennial census. Approximately 180 communities and a number of census block groups in larger cities qualify as distressed communities. The Department of Economic Development keeps a list of distressed communities.

What economic development projects may be financed?

Economic development projects include the acquisition and the development of real property, including construction, installation, or equipping of a project, including surveys; site tests and inspections; subsurface site work; excavation; removal of structures, roadways, cemeteries and other surface obstructions; filling, grading and provision of drainage, storm water retention, installation of utilities such as water, sewer, sewage treatment, gas, electricity, communications and similar facilities; off-site construction of utility extensions to the boundaries of the real property, for use and occupancy by an eligible industry or its affiliates.

How are projects selected?

Companies submit applications to the Department of Economic Development, which makes recommendations to the Missouri Development Finance Board for project approval. An applicant must show significant local incentives committed to the project, must certify that at least one other state was considered for the project, and must certify that no new jobs would be created without the BUILD tax credits.

How are BUILD Tax Credits generated?

The Missouri Development Finance Board issues bonds and lends the proceeds to applicants. Borrowers are required to pay "assessments" to the Board that are defined to equal debt service on the bonds plus certain other fees paid. The total of such payments is referred to as an "assessment." The assessments paid may not exceed 5% of the total gross wages in each year of all employees whose jobs were created as a result of the project (10% if the project is located within a distressed community). Borrowers are entitled to a tax credit equal to the total assessments paid in each year. Tax credits will be proportionately reduced to the extent borrowers fail to create the number of new jobs projected in the application for the project.

What are the limits on BUILD tax credits?

Tax credits available under the program may not exceed a period of 15 years. The maximum amount of tax credits available in any year for all participants under the BUILD program may not exceed $15,000,000.

Who can I contact for additional information?

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Missouri Development Finance Board
Governor's Office Building
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MISSOURI QUALITY JOBS ACT

[§§ 620.1875-620.1890 RSMO]

What is the purpose of the Missouri Quality Jobs Act?

The primary goal of the Missouri Quality Jobs Act is to encourage the creation of quality jobs.

What are the requirements for a "quality" job?

The average wage of new jobs must equal or exceed the county average wage, and the company must offer and pay at least 50% of the premium for health insurance.

What businesses are eligible?

For-profit and non-profit businesses except for gambling, retail trade, food and drinking places, companies regulated by the Public Service Commission, companies that are delinquent in non-protested taxes or other payments (State, federal or local), or any company that has filed for or has publicly announced its intention to file for bankruptcy.

Eligible businesses are divided into three categories:

Type of Business	Minimum New Jobs Requirement
Small and expanding	Rural areas: 20 or more within two years of DED approval Non-rural areas+: 40 or more within two years of DED approval
Technology	10 or more jobs with a technology company (as classified by NAICS codes) within two years of DED approval
High Impact	100 or more within two years of hiring of first new job; first new job must be hired within one year of the DED approval

+ includes Boone, Buchanan, Clay, Greene, Jackson, St. Charles and St. Louis Counties and the City of St. Louis

What benefits do businesses receive?

Small and expanding businesses retain the State withholding tax for the new jobs. Technology and high impact businesses not only get to retain the State withholding tax for the new jobs but also receive State income tax or financial institution tax credits, which are refundable and may be sold. Benefits are based on a percentage of the payroll for the new jobs. Program benefits are not provided until the minimum new job threshold is met and the company meets the average wage and health insurance requirements.

Small and Expanding Business. A qualified company may retain an amount equal to the withholding tax from the new jobs that would otherwise be withheld and remitted by the qualified company for a period of 3 years from the date the required number of new jobs were created if the average wage of the new payroll equals or exceeds the county average wage or for a period of 5 years from the date the required number of new jobs were created if the average wage of the new payroll equals or exceeds 120% of the county average wage in the county the project facility is located.

Technology Business. A qualified company may retain an amount equal to 5% of the new payroll for a period of 5 years from the date the required number of jobs were created from the withholding tax of the new jobs that would otherwise be withheld and remitted by the qualified company if the average wage of the new payroll equals or exceeds the county average wage. An additional ½% of new payroll may be added if the average wage of the new payroll in any year exceeds 120% of the county average wage in the county in which the facility is located, or an additional 1% percent of new payroll may be added if the average wage of the new payroll in any year exceeds 140% of the average wage in the county in which the facility is located. If the withholding tax is not sufficient to provide the entire amount of benefit due to the qualified company, the Department of Economic Development will issue a refundable/transferable tax credit for any difference, not to exceed $500,000 per year, per company.

High Impact Business. A qualified company may retain an amount from the withholding tax of the new jobs that would otherwise be withheld and remitted by the qualified company equal to 3% of new payroll for a period of 5 years from the date the required number of jobs were created if the average wage of the new payroll equals or exceeds the county average wage of the county in which the facility is located. The percentage of payroll allowed to be withheld increases to 3½% if the average wage of the new payroll in any year exceeds 120% of the county average wage or 4% if the average wage of the new payroll in any year exceeds 140% of the county average wage. An additional 1% of new payroll may be added to these percentages if local incentives equal between 10% and 24% of the new direct local tax revenue derived from the project over a 10-year period; an additional 2% of new payroll is added to these percentages if the local incentives equal between 25% and 49% of the new direct local tax revenue; or an additional 3% of payroll is added to these percentages if the local incentives equal 50% or more of the new direct local tax revenue. If the withholding tax is not sufficient to provide the entire amount of benefit due to the qualified company, the Department of Economic Development will issue a refundable/transferable tax credit for any difference, not to exceed $750,000 per year, per company.

How often may a business qualify for benefits under the Quality Jobs Act?

Each time a business meets the minimum new job threshold, it may start a new five-year period (three-year period for small and existing businesses) for the net new jobs created. There is no limit on the number of periods a company may use the program, as long as a new Notice of Intent is completed and minimum new job thresholds and other program qualifications are met.

Are there any other limits on benefits under the Quality Jobs Act?

Tax credits issued for all projects under the program may not exceed $12,000,000 per calendar year. A business cannot earn benefits for the same new jobs at the project facility under this program if the business is also earning tax credits or exemptions under the Missouri Enterprise Zone program or Enhanced Enterprise Zone program, Business Facility program, Rebuilding Communities program, or Brownfield Jobs and Investment program. The benefits available under any other programs that utilize withholding tax from the new jobs of the company must first be credited to the other program before the withholding retention level applicable under this program will begin to accrue. These other programs include, but are not limited to, the New Jobs Training Program, the Retained Jobs Training Program, the Real Property Tax Increment Allocation Redevelopment Act (TIF), or the Missouri Downtown Economic Stimulus Act (MODESA). If the business utilizes the New Jobs Training Program, the Qualifying Jobs benefits would not include the withholding taxes but only the state tax credits.

Who can I contact for additional information?

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INDUSTRIAL DEVELOPMENT BONDS
ISSUED FOR TAX ABATEMENT

[ART. VI, § 27(b); §§ 100.010-100.200 RSMO]

What is the purpose of the industrial development bonds ("IDBs") issued under Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 to 100.200 of the Revised Statutes of Missouri, as amended?

Cities, counties, towns and villages are authorized to issue IDBs (also referred to as "Chapter 100 Bonds") to finance industrial development projects for private corporations, partnerships and individuals. Because the municipality will hold title to property being financed, under the Missouri Constitution such property could be exempt from property taxation if properly structured.

What types of IDBs may be issued?

IDBs can be issued as either revenue or general obligation bonds. Revenue bonds issued by a municipality do not require voter approval and are payable solely from revenues received from the project. Alternatively, a municipality may, with the requisite voter approval, issue general obligation bonds to finance any project. The amount of such bonds may not exceed 10% of the assessed valuation of the taxable tangible property in the municipality. The bonds must be approved by four-sevenths of the voters if the election is held on a municipal, primary or general election date, or two-thirds of the voters if the election is held on any other date. Like other general obligation bonds, the IDBs are secured by the full faith and credit and taxing power of the municipality. The issuance of general obligation bonds for industrial development projects is fairly uncommon today.

What industrial development projects may be financed?

The types of projects that can be financed with IDBs include the costs of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, industrial plants, and facilities for other commercial purposes, including land, buildings, fixtures and machinery.

What preliminary actions must be taken before IDBs can be issued?

The municipality must prepare a plan for the proposed project that must identify the primary terms of the proposed transaction. If the IDBs are revenue bonds, the plan must also identify any payments in lieu of taxes expected to be made, and must include a cost-benefit analysis that shows the impact of the proposed tax abatement on each taxing district. The municipality must provide notice of a proposed project involving revenue bonds to each affected city, county, school district and junior college district at least 20 days before approving the plan.

How is a typical IDB issue structured?

In a typical IDB transaction, the company will convey to the municipality fee simple title to the site on which the industrial development project will be located (or, if the IDBs are being issued for equipment only, then title to the equipment is transferred to the municipality). At the same time, the municipality will lease the project site, together with all improvements thereon (including the project), back to the company pursuant to a lease agreement. The lease agreement will require the company, acting on behalf of the municipality, to use the proceeds of the bonds to purchase and construct the project. The company will be unconditionally obligated to make lease payments in amounts that will be sufficient to pay principal and interest on the bonds as they become due. Thus, the municipality merely acts as a conduit for the financing. Pursuant to a trust indenture, the municipality will assign to the trustee, for the benefit of the bondowners, its right to receive rental payments from the company under the lease agreement.

What is the basis for tax abatement?

A properly structured IDB transaction should result in abatement of property taxes by virtue of the municipality's ownership of the project. If the municipality determines that partial tax abatement is desirable, the company may make "payments in lieu of taxes" to the municipality. The amount of payments in lieu of taxes is negotiable. In any event, the payments in lieu of taxes would be payable by December 31 of each year, and are generally distributed to the municipality and other taxing jurisdictions in the same manner and in the same proportion as property taxes would otherwise be distributed under Missouri law.

Are there other benefits of IDBs?

If the bonds are issued to pay the costs of certain manufacturing facilities, the bonds may be able to be issued as tax-exempt bonds carrying lower interest rates than those obtained through conventional financing. The combination of tax-exempt financing and tax abatement would result in a significant financial benefit to a company.

Who can I contact for additional information?

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ENHANCED ENTERPRISE ZONES

[§§ 135.950-135.973 RSMO]

What is the purpose of Enhanced Enterprise Zones?

The purpose of Enhanced Enterprise Zones is to provide real property tax abatement and State income tax credits to new or expanding businesses in certain specified geographic areas designated by local governments and certified by the Missouri Department of Economic Development.

How are Enhanced Enterprise Zones designated?

Zone designation is based on certain demographic criteria specified by statute, the potential to create sustainable jobs in a targeted industry and a demonstrated impact on local industry cluster development.

What real property tax abatement is available in Enhanced Enterprise Zones?

At least one-half of the ad valorem taxes otherwise imposed on improvements to real property located in an enhanced enterprise zone is exempt from assessment and payment of all ad valorem taxes for a period of not less than ten years following the date such improvements were assessed if the improvements are used for enhanced business enterprises. No real property tax exemption may be granted for a period of more than 25 years after the enhanced enterprise zone was designated.

What businesses are eligible for State income tax credits?

Individual business eligibility will be determined by the zone based on creation of sustainable jobs in a targeted industry or demonstrated impact on local industry cluster development. Gambling establishments, retail trade, and food and drinking places are prohibited from receiving the State tax credits. Service industries can be eligible if a majority of their annual revenues will be derived from services provided out of the State. The Department will consult with the local government in determining eligibility.

How are tax credits earned?

A facility must create at least two new jobs and $100,000 in new investment in each year as compared to the base year (the year before the commencement of operations at the facility). Eligible investment expenditures include the original cost of machinery, equipment, furniture, fixtures, land and building, and/or eight times the annual rental rate paid for the same. Inventory is not eligible.

What limitations apply to the tax credits?

Tax credits may be earned for up to ten tax years after a project commences operations. Tax credits can only be applied to State income tax liability (excluding withholding taxes) for the year in which they were earned. The tax credits are refundable or may be transferred, sold or assigned. The sale price cannot be less than 75% of the par value of such tax credits. Tax credits will be in an amount authorized by the Department based on the State economic benefit, supported by the number of new jobs and new capital investment that the project will create. Total tax credits issued under this program are limited to $4,000,000 during 2006 and $7,000,000 thereafter.

A business cannot earn tax credits under this program if earning Enterprise Zone, Business Facility, Rebuilding Communities or Brownfield Jobs and Investment tax credits for the same project for the same tax period. If a project is eligible for more than one such program, the business must choose only one program.

Who can I contact for additional information?

Missouri Department of Economic Development
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OTHER PROGRAMS

DEVELOPMENT TAX CREDIT

What is the purpose of the Development Tax Credit Program?

To facilitate a business project in distressed or blighted areas in order to create new jobs or retain jobs.

How are the tax credits generated?

State tax credits are available to taxpayers making contributions to a nonprofit corporation for projects approved by the Department of Economic Development. The credits are equal to 50% of cash contribution or the value of certain types of property. The program may be used for the acquisition of land or buildings through the purchase from cash contributions or donation of real estate. The acquisition of new or used machinery and equipment is also eligible ***if*** it is to be placed in an existing building.

Where must a project be located to qualify?

The project must be located in an area that qualifies or could qualify as a "blighted" or "conservation " area as defined in the Real Property Tax Increment Allocation Redevelopment Law (§99.805, RSMo), an enterprise zone (Ch. 135.200 et seq., RSMo), or an urban redevelopment area (Ch. 353, RSMo).

What types of projects are eligible under the Program?

Generally, manufacturing, processing or assembly business projects that propose wages above the average for the area and provide health benefits are prioritized. Other types of projects may be considered for approval if tax credits remain near the end of the State fiscal year. Projects must result in a positive economic benefit to the State taking into consideration other State incentives provided for the project, and new public costs necessary to support the project.

How are projects selected?

Applications by nonprofit corporations will be approved based on compliance with all program criteria, the need for tax credits to make a project feasible, a positive economic impact on the State and the availability of tax credits. The company cannot make a public announcement of the project before the Department's contingent approval of an application.

How are projects structured?

Once a project has been approved, the Department, the nonprofit corporation and the company enter into a Development Tax Credit Agreement, and the nonprofit corporation and the company enter into a lease agreement for the project. The nonprofit corporation must retain ownership of all properties acquired by the contribution for a minimum of five years. The Department may allow a longer lease period depending on the needs of the project. The eventual disposition of properties acquired by the contribution will be no less than 75% of the fair market value of the facility, excluding the value of leasehold improvements.

Only nonprofit corporations authorized to operate in Missouri and headquartered in the geographic area of the proposed project are eligible recipients of contributions. The company that will lease the project from the nonprofit corporation cannot have significant representation on the nonprofit corporation's board. Nonprofit corporations ineligible to participate in the program include churches and their denominational headquarters, units of government and any affiliated organization under such entities' direct supervision, partisan organizations and public or tuition-based private schools.

How may the tax credits be used?

Tax credits can be used against any of the following taxes otherwise due: (1) State income tax under Chapter 143, RSMo; (2) the corporation franchise tax under Chapter 147, RSMo; (3) certain taxes on banks and other financial institutions under Chapter 148, RSMo; (4) the annual tax on gross premium receipts of insurance companies under Chapter 148, RSMo; and (5) the annual tax on gross receipts of express companies under Chapter 153, RSMo. Tax credits may be carried forward for up to five years. Credits may be may be transferred, sold or assigned.

What limits apply to the tax credits?

The amount of tax credits available for a single project is limited to the lesser of $500,000, or $10,000 per full-time, permanent job created by the business within two years of execution of the lease, and must be the least amount necessary to cause the project to occur. Credits authorized under this program are limited to $6,000,000 per fiscal year during 2005-06 and 2006-07 and $4,000,000 per fiscal year thereafter.

Who can I contact for additional information?

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SALES TAX EXEMPTION – MANUFACTURING EQUIPMENT

Machinery and equipment used to establish a new manufacturing facility or expand an existing manufacturing facility (including replacement machinery and equipment) is exempt from local and State sales/use tax if such machinery/equipment is used directly to manufacture a product ultimately intended for sale.

Missouri courts have been very liberal in interpreting the types of machinery and equipment that a manufacturer can acquire that is sales/use tax exempt. Otherwise taxable properties may be acquired if such properties are part of the overall integrated manufacturing process used in the area of production, and essential in the manufacturing process.

INVENTORY PROPERTY TAX EXEMPTION

All personal property held as industrial inventories, including raw materials, work in progress and finished work on hand, by manufacturers and refiners, and all personal property held as goods, wares, merchandise, stock in trade or inventory for resale by distributors, wholesalers, or retail merchants or establishments is exempt from all State and local property taxes.

D. WORKER TRAINING INCENTIVES

NEW JOBS TRAINING PROGRAM

[§§ 178.892-178.896 RSMO]

What is the purpose of the New Jobs Training Program?

In cooperation with local community colleges, the Department of Economic Development's Division of Workforce Development ("DWD") assists companies creating new jobs in Missouri by providing financing to educate and train new employees.

Who is eligible for the New Jobs Training Program?

This program is available to eligible business that will create new jobs within the State and is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products; conducting research and development; or providing services in interstate commerce, excluding retail services.

What types of costs can an eligible employer finance?

This program provides funding for any training arrangement that provides "program services" including, but not limited to, the following:

1. New jobs training;
2. Adult basic education and job-related instruction;
3. Vocational and skill-assessment services and testing;
4. Training facilities, equipment, materials, and supplies;
5. On-the-job training;
6. Subcontracted services with State institutions of higher education, private colleges or universities, or other federal, state, or local agencies; and
7. Contracted or professional training services.

On-the-job training can include the wages or salaries of participating employees (not to exceed the average of 50% of the total wages paid by the employer to each participant during the training period and not to exceed 50% of the training project). Training activities such as orientation, pre-employment training and occupational skill training can also be financed.

What is the application process?

Once the potential project is identified, the community college will submit a Notice of Intent to DWD, followed by a completed application outlining the details of the training program. DWD will review the application to determine whether the project duplicates other State-funded job training programs already being undertaken by the employer. Upon approval, the community college will enter into a formal agreement with the company to provide training services.

How does the New Jobs Training Program finance new jobs?

Employers pay State withholding taxes on all employees. Under this program, an employer pays the same amount it otherwise would, but receives a credit for a portion of the taxes attributable to employees in the new jobs. The credit is equal to 2.5% of gross wages for the first 100 new jobs and 1.5% for any remaining new jobs. The credit may be claimed for up to 8 years if the project is more than $500,000; otherwise, the credit may be claimed for up to 10 years.

The credit can be applied in one of two ways. One option is a "pay-as-you-go" method, whereby the employer pays the costs of training as they are incurred. Under this structure, the Department of Revenue distributes the credit (as described above) to the community college, and the college uses the credit to reimburse the employer for the training costs. The second option is for the college to issue "job training certificates" (which are similar to bonds), and the certificate proceeds are used to pay the job training costs. When the Department of Revenue distributes the credit to the community college, the college can use the credit to pay the principal of and interest on the certificates.

Who can I contact for additional information?

Missouri Department of Economic Development
Division of Workforce Development
421 East Dunklin
P.O. Box 1087
Jefferson City, Missouri 65102
Phone: 573-526-8271/800-877-8698
Fax: 573-522-9496
E-mail: ecodev@ded.mo.gov

RETAINED JOBS TRAINING PROGRAM

[§§178.760-178.764 RSMO]

What is the purpose of the Retained Jobs Training Program?

In cooperation with local community colleges, the Department of Economic Development's Division of Workforce Development ("DWD") assists companies retaining jobs in Missouri by providing financing to educate and train employees.

Who is eligible for the Retained Jobs Training Program?

This program is available to any business that will retain jobs within the State that have been in existence for at least two consecutive years and is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products; conducting research and development; or providing services in interstate commerce, excluding retail services.

To meet the requirements for the program, a business must have (1) maintained at least 100 employees per year at the employer's site in the State at which the jobs are based for 2 years preceding the year in which application for the program is made; (2) retained at that site the level of employment that existed in the taxable year immediately preceding the year in which application for the program is made; and (3) made or agreed to make a capital investment aggregating at least $1,000,000 to acquire or improve long-term assets (including leased facilities) such as property, plant, or equipment (excluding program costs) at the employer's site in the State at which jobs are based over a period of 3 consecutive years, and (a) has made substantial investment in new technology requiring the upgrading of worker's skills; (b) is located in a border county of the State and represents a potential risk of relocation from the State; or (c) has been determined to represent a substantial risk of relocation from the State by the director of the Department of Economic Development.

What types of costs can an eligible employer finance?

This program provides funding for any training arrangement that provides "program services" including, but not limited to, the following:

1. Retained jobs training;
2. Adult basic education and job-related instruction;
3. Vocational and skill-assessment services and testing;
4. Training facilities, equipment, materials, and supplies;
5. On-the-job training (for a period of 6 months from the date of the employer's capital investment);
6. Subcontracted services with State institutions of higher education, private colleges or universities, or other federal, State, or local agencies; and
7. Contracted or professional services.

On-the-job training can include the wages or salaries of participating employees (not to exceed the average of 50% of the total wages paid by the employer to each participant during the training period).

What is the application process?

Once the potential project is identified, the local community college will submit a Notification to DWD, followed by a completed application outlining the details of the training program. DWD will review the application to determine whether the project duplicates other State-funded job training programs already being undertaken by the employer. Upon approval, the community college will enter into a formal agreement with the company to provide training services.

How does the Retained Jobs Training Program finance retained jobs?

Employers pay State withholding taxes on all employees. Under this program, an employer pays the same amount it otherwise would, but receives a credit for a portion of the taxes attributable to employees in the new jobs. The credit is equal to 2.5% of gross wages for the first 100 new jobs and 1.5% for any remaining new jobs. The credit may be claimed for up to 8 years if the project is more than $500,000; otherwise, the credit may be claimed for up to 10 years.

The credit can be applied in one of two ways. One option is a "pay-as-you-go" method, whereby the employer pays the costs of training as they are incurred. Under this structure, the Department of Revenue distributes the credit (as described above) to the community college, and the college uses the credit to reimburse the employer for the training costs. The second option is for the college to issue "job training certificates" (which are similar to bonds), and the certificate proceeds are used to pay the job training costs. When the Department of Revenue distributes the credit to the community college, the college can use the credit to pay principal of and interest on the certificates.

Who can I contact for additional information?

Missouri Department of Economic Development
Division of Workforce Development
421 East Dunklin
P.O. Box 1087
Jefferson City, Missouri 65102
Phone: 573-526-8271/800-877-8698
Fax: 573-522-9496
E-mail: ecodev@ded.mo.gov

MISSOURI CUSTOMIZED TRAINING

[§§ 620.470 - 620.481 RSMO]

What is the purpose of the Missouri Customized Training Program?

The Missouri Customized Training Program provides assistance to eligible Missouri businesses to reduce training costs and improve production. The program is administered by the Department of Economic Development's Division of Workforce Development ("DWD") with cooperation from the Department of Elementary and Secondary Education. The program provides assistance to new or expanding industries through reimbursement for the training, retraining or upgrading of the skills of potential employees. The program may also provide assistance to locate skilled employees and provide additional sources of job training funds. In addition, the program provides assistance for existing industries through reimbursement for the retraining and upgrading of employees' skills that are required to support new investment.

Who is eligible for the Customized Training Program?

Assistance is available for eligible employers making investments directly related to an increase in employment which requires training of new employees or the retraining/upgrading of skills of existing employees for new positions created by the employer's capital investment. "New" industries do not include the change of ownership of a business or the relocation of a business within the State. An "expanding" industry is an industry increasing its workforce over its peak level of employment in the past year.

Assistance is also available for industries in Missouri that make substantial investments in property, facilities or equipment without the creation of new employment. Employers will not be approved if assistance exceeds 20% of the value of the new capital investment.

Other eligibility criteria apply, including industry or occupation types, wage rates, etc.

What types of activities are eligible for financing through the Customized Training Program?

Activities eligible for reimbursement under these programs include:

1. Wages of instructors, who may or may not be employees of the industry;
2. Training development costs, including the cost of training of instructors;
3. Training materials and supplies, including the purchase of packaged training programs when appropriate;
4. Travel directly related to the training program;
5. Tuition payments to third-party training providers and to the industry;
6. Teaching and assistance provided by educational institutions in the State of Missouri;
7. On-the-job training; and
8. Leasing of, but not the purchase of, training equipment and space.

What is the application process?

Eligible businesses can submit an Employer Request for Training to DWD before the start date of training or hiring. DWD will then review the application to determine the project's eligibility for the program.

How does the Customized Training Program finance eligible activities?

Moneys to operate the program are obtained from appropriations made by the General Assembly from the Missouri Job Development Fund. Appropriations made from the fund shall be for the purpose of providing for vocational-related training or retraining provided (1) by public or private training institutions within Missouri,

(2) by public or private training institutions located outside of Missouri and (3) on site by any proprietorship, partnership or corporate entity within Missouri.

Except for State-sponsored pre-employment training, no industry shall be reimbursed for more than 50% of the total costs of its participation in the program. Funds are subject to annual appropriation from the General Assembly.

Who can I contact for additional information?

Missouri Department of Economic Development
Division of Workforce Development
421 East Dunklin
P.O. Box 1087
Jefferson City, Missouri 65102
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E-mail: ecodev@ded.mo.gov

E. BOND FINANCING PROGRAMS

MISSOURI DEVELOPMENT FINANCE BOARD

[§§ 100.250-100.297 RSMO]

INDUSTRIAL DEVELOPMENT, INFRASTRUCTURE AND OTHER REVENUE BONDS

What is the advantage of the industrial development and other revenue bonds issued by the Missouri Development Finance Board?

The Missouri Development Finance Board (the "Board") is authorized to issue revenue bonds to provide cost-effective financing for many different types of projects for private businesses, nonprofit and governmental entities. Although certain projects that can be financed through the Board overlap with those permitted to be financed by cities, counties and industrial development authorities, the Board's list of permissible projects is broader than those permitted to be financed by other issuers. In addition, the Board is uniquely qualified to issue bonds for certain types of projects located at more than one site in the State.

What types of projects can be financed with revenue bonds issued by the Board?

Authorized projects include a factory, assembly plant, manufacturing plant, fabricating plant, distribution center, warehouse building, office building, port terminal or facility, transportation and transfer facility, industrial plant, processing plant, commercial or agricultural facility, nursing or retirement facility or combination thereof, recreational facility, cultural facility, public facilities, job training or other vocational training facility, infrastructure facility, video-audio telecommunication conferencing facility, office building, facility for the prevention, reduction, disposal or control of pollution, sewage or solid waste, facility for conducting export trade activities, or research and development building in connection with any of the above facilities.

The Board has placed special emphasis on certain types of projects:

- *Industrial development revenue bonds.* The Board has established a program to target certain qualified manufacturing facilities that may be eligible for the issuance of tax-exempt bonds.

- *Cultural facilities revenue bonds.* The Board is the only governmental issuer authorized to issue bonds for cultural facilities for qualified 501(c)(3) entities, such as museums.

- *Infrastructure facilities revenue bonds.* The Board issues bonds and loans the proceeds to governmental entities to finance infrastructure improvements. Such improvements include highways, streets, bridges, water supply and distribution systems, mass transportation facilities and equipment, telecommunication facilities, jails and prisons, sewers and sewage treatment facilities, wastewater treatment facilities, airports, railroads, reservoirs, dams and waterways in the State, acquisition of blighted real estate and the improvements thereon, demolition of existing structures and preparation of sites in anticipation of development, public facilities, and any other improvements provided by any form of government or certain development agencies.

Are all bonds issued by the Board "tax-exempt"?

If the bonds are issued to pay the costs of certain types of projects (*e.g.*, manufacturing facilities, solid waste disposal facilities, certain governmental purposes), the bonds may be able to be issued as tax-exempt bonds for federal income tax purposes, carrying lower interest rates than those obtained through conventional financing. In addition, all bonds issued by the Board regardless of their purpose are exempt from income taxation by the State of Missouri.

What are the costs of issuing bonds through the Board?

Recently, the Board adopted a new, lower bond issuance fee schedule:

> *Private Activity Bonds:*
> Issuance fee of 0.30% ($75,000 maximum)
>
> *Local Government Bonds:*
> Issuance fee of 0.25% up to $25 million; 0.10% above $25 million ($75,000 maximum)

Does the Board issue bonds for the purpose of providing property tax abatement similar to Chapter 100 Bonds?

The Board will permit the issuance of bonds to provide tax abatement under certain limited circumstances. The Board will consider assisting with tax abatement only on projects that have a capital investment of at least $25 million and/or employ over 500 jobs at the facility or over 1,000 jobs in the State. The local governmental entity (city or county) requesting abatement for a company also must hold a public hearing to take and consider public comment on the proposal and adopt a resolution requesting that the Board provide the tax abatement.

Under such a structure, the company receiving abatement will convey title to the property being financed to the Board, and the Board will lease the project back to the company pursuant to a lease agreement. The lease agreement will require the company, acting on behalf of the Board, to use the proceeds of the bonds to purchase and/or construct the project. The company will be unconditionally obligated to make payments in amounts that will be sufficient to pay principal and interest on the bonds as they become due. Pursuant to a trust indenture, the Board will assign to the trustee, for the benefit of the bondowners, its right to receive rental payments from the company under the lease agreement.

Because the Board will hold title to the project, the project is by law exempt from property taxation. However, the Board will require the company to make payments in lieu of taxes to local taxing jurisdictions in a certain percentage of property taxes that would otherwise be due, which percentage is negotiated between the sponsoring municipality and the company.

MISSOURI DEVELOPMENT FINANCE BOARD BOND GUARANTEE

What types of bonds may be guaranteed by the Board?

Only bonds issued to finance infrastructure facilities are eligible to be guaranteed.

How does the guarantee work?

The Board may authorize a State income tax credit to the owner of revenue bonds issued by the Board in the amount equal to the unpaid principal of and interest on such bonds in the taxable year of such owner following the calendar year of the default. The tax credit is also available to any financial institution or guarantor executing a credit facility as security for bonds, including for payment of any unpaid fees imposed by such financial institution or guarantor for the credit facility.

What are the requirements for the Board to guarantee bonds?

Before issuing the bonds, the Board must determine that: (1) the availability of a tax credit is a material inducement to the undertaking of the project in the State and to the sale of the bonds; and (2) the loan with respect to the project is adequately secured by security satisfactory to the Board.

What if the tax credit exceeds the total State income tax liability?

Any portion of the tax credit to which any owner of a bond is entitled that exceeds the total income tax liability of such owner may be carried forward and allowed as a credit against any future taxes imposed on such owner within the next ten years.

Are the tax credits transferable?

A taxpayer may sell, assign, exchange or otherwise transfer earned tax credits (1) for no less than 75% of the par value of such credits, and (2) in an amount not to exceed 100% of annual earned credits.

Who can I contact for additional information?

Missouri Development Finance Board
Governor's Office Building
200 Madison Street, Suite 1000
P.O. Box 567
Jefferson City, Missouri 65102
Phone: 573-751-8479
Fax: 573-526-4418
E-mail: mdfb@ded.mo.gov

PORT FACILITIES

[CHAPTER 68 RSMO]

What are the purposes for which a Port Authority may be created?

Local or regional port authorities may be created to promote the general welfare, to promote development within the port district, to encourage private capital investment by fostering the creation of industrial facilities and industrial parks, to endeavor to increase the volume of commerce, and to promote the establishment of a foreign trade zone within its boundaries.

What entities can form a Port Authority?

Port authorities may be formed by any city or county that is situated upon, or adjacent to, or which embraces within its boundaries, a navigable waterway. Only one port authority can be created within each city (with the exception of the City of St. Louis).

How is a Port Authority created?

Any eligible city or county that desires to create a local port authority must submit an application to the Missouri Highways and Transportation Commission (the "Commission") (with the exception of the City of St. Louis, whose port authority is created by statute without further approval). The Commission will conduct hearings and consider the application. The Commission will consider the following criteria:

1. The population of the city or county submitting the application;
2. If applicable, the desirability and economic feasibility of having more than a single port authority within the same geographic area;
3. The technical and economic capability of the participating cities or counties, as well as private interests, to plan and carry out port development within the proposed district;
4. The amount of actual and potential river traffic that would make use of any facilities developed by a port authority;
5. The potential economic impact on the immediate area surrounding the proposed district; and
6. The potential impact on the economic development of the entire State and how the proposed port authority's developmental activities relate to any State plans.

Any application will be automatically granted if it is made by: (1) Kansas City, (2) Jackson County or (3) a group of cities or counties, where at least one entity meets the above criteria. No boundary of any proposed port authority may overlap the boundary of any existing port authority.

It is also possible for cities and counties (with or without existing port authorities) to form regional port authorities, also by application to the Commission. If this occurs, any local port authority is dissolved and merged into the regional port authority. Existing port districts to be included in the proposed regional port authority must be contiguous.

What types of projects may be undertaken by a Port Authority?

Port authorities may provide for the following improvements or services:

1. Construction of all wharves, piers, bulkheads, jetties, or other structures;
2. Prevention or removal of obstructions in harbor areas, including the removal of wrecks, wharves, piers, bulkheads, derelicts, jetties or other structures endangering the health and general welfare of the port districts (excluding the removal of a sunken facility or vessel);

3. Acquisition, construction, redevelopment, leasing, maintenance, conducting of land reclamation and resource recovery with respect to unimproved land, residential developments, commercial developments, mixed-use developments, recreational facilities, industrial parks, industrial facilities, terminals, terminal facilities, warehouses and any other type port facility;
4. Acquisition of rights-of-way and property; and
5. Improvement of navigable and non-navigable areas as regulated by federal statute.

Can a Port Authority issue bonds?

Once created, a port authority may issue revenue bonds or notes to finance its improvements or services. If the bonds are issued to pay the costs of certain types of projects (*e.g.*, manufacturing facilities, port facilities, certain other "exempt" facilities, or governmental purposes), the bonds may be able to be issued as tax-exempt bonds for federal income tax purposes, carrying lower interest rates than those obtained through conventional financing.

Who governs a Port Authority?

Once the application to create the port authority is approved by the Commission, a port authority is a separate political subdivision of the State. Each port authority has a separate board of at least seven commissioners who are appointed in the manner determined by the legislative body of the city or county who requested its creation.

Who can I contact for additional information?

Missouri Department of Transportation
Central Office
1511 Missouri Boulevard
P.O. Box 718
Jefferson City, Missouri 65102
Phone: 573-526-8106
Fax: 573-526-2819
E-mail: Mark.Mehmert@modot.mo.gov

LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY (LCRA)

[§§ 99.300-99.660 RSMO]

What is the purpose of a Land Clearance for Redevelopment Authority?

A Land Clearance for Redevelopment Authority (an "Authority") may be created to assist counties and municipalities to redevelop blighted or insanitary areas for residential, recreational, commercial, industrial or public uses.

How is an Authority created?

Before an Authority may operate in a city or county, the governing body of the city or county must (1) find that one or more "blighted" or "insanitary" areas (each as defined in the LCRA law) exist in the community and that the redevelopment of such area or areas is necessary in the interest of the public health, safety, morals or welfare of the residents of the community, and (2) approve the conduct of business by the Authority. Although any municipality or county can authorize the operation of an Authority, any municipality that contains less than 75,000 inhabitants is required to obtain majority voter approval to allow the Authority to operate. Regional authorities may also be created where two or more cities or counties cooperate to do so.

Who governs an Authority?

An Authority is governed by a board of five commissioners appointed by the mayor for a municipal authority or county commission for a county authority. Commissioners must be taxpayers who have resided in the city or county forming the Authority for at least 5 years. In the case of a regional Authority, each city or county appoints one commissioner.

What powers can an Authority exercise?

The LCRA law provides for the financing of any land clearance or urban renewal project.

A "land clearance project" includes any work or undertaking to acquire blighted or insanitary areas or portions thereof; clearing any such areas by demolition or removal of structures and improvements thereon and to install, construct or reconstruct streets, utilities, and site improvements essential to the preparation of sites for uses in accordance with a redevelopment plan; retain, sell or lease the land; and develop, construct, repair or improve residences, houses, buildings, structures and other facilities.

An "urban renewal project" includes any surveys, plans, undertakings and activities for the elimination and for the prevention of the spread or development of insanitary, blighted, deteriorated or deteriorating areas and may involve any work or undertaking for such purpose constituting a land clearance project or any rehabilitation or conservation work, or any combination of such undertaking or work in accordance with an urban renewal project.

"Rehabilitation or conservation work" is also defined in the statute and may include such things as carrying out plans for rehabilitation of buildings and other improvements, acquiring real property and demolition and clearing of such property to accomplish certain enumerated purposes; developing buildings and other structures; installing improvements necessary for carrying out the urban renewal project; and the disposition of the urban renewal project and related land.

What type of funding mechanisms are available to an Authority to carry out its purposes?

An Authority may issue bonds and may secure any of such obligations by mortgage, pledge, assignment or deed of trust of any or all of the property and income of the Authority, respectively. If the bonds are issued to pay the costs of certain types of projects (*e.g.*, manufacturing facilities or governmental purposes), the bonds may be able to be issued as tax-exempt bonds for federal income tax purposes, carrying lower interest rates than those obtained through conventional financing. Bond issues in excess of $10,000,000 must be sold at public sale.

Any property held by the Authority in fee simple is subject to property tax abatement. A developer could enter into a financing arrangement similar to Chapter 100 where the developer receives the benefit of the abatement during the period any bonds remain outstanding.

In addition, in any constitutional charter city, any person may apply to that community's Authority for certification that real property owned, leased or rented by such person is located in a blighted area. After the Authority receives acceptable plans demonstrating that the person making the application is engaged in new construction or rehabilitation of the real property in accordance with an approved urban renewal or redevelopment plan, the Authority shall issue a certificate of qualification for tax abatement to the applicant.

What other considerations may be involved in an Authority undertaking a project?

No real property can be acquired by the Authority until a plan is adopted by the governing body. An Authority may use the power of eminent domain to acquire any interest in any real property that is necessary to the redevelopment plan.

An Authority is a separate political entity required to comply with all Missouri laws applicable to political subdivisions (e.g., public meetings, Sunshine Law requirements, annual budgets, etc.). At least once a year the Authority must file a report of its activities with the city or county clerk where the Authority is located. Also, every five years the governing body of the city or county is to have a hearing to determine whether the Authority is making satisfactory progress under the time schedules in plans that have been approved.

Many provisions of the LCRA law are similar to the Planned Industrial Expansion Authority ("PIEA") law. However, the PIEA law is available only to cities with a population of at least 400,000 and to home rule charter cities. Additionally, the PIEA law is focused on industrial development.

Who can I contact for additional information?

Missouri Municipal League
1727 Southridge Drive
Jefferson City, Missouri 65109
Phone: 573-635-9134
Fax: 573-635-9009
Email: info@mocities.com

PLANNED INDUSTRIAL EXPANSION AUTHORITY (PIEA)

[§§ 100.300-100.620 RSMO]

What is the purpose of a Planned Industrial Expansion Authority?

A Planned Industrial Expansion Authority (an "Authority") may be created to facilitate industrial or commercial development in certain areas.

How is an Authority created?

Only cities with a population of at least 400,000 and cities that have adopted a charter under Article VI, Section 19 of the Missouri Constitution may utilize an Authority. Before an Authority may operate in a city, the governing body of the city must (1) find that one or more "blighted" or "insanitary" or "undeveloped industrial areas" exist in such community and that the redevelopment of such area or areas is necessary in the interest of the public health, safety, morals or welfare of the residents of such city and (2) approve the transacting of business and the exercise of powers of the Authority by ordinance or resolution.

Who governs an Authority?

An Authority is governed by a board of fifteen commissioners (except in St. Louis where there are five commissioners). The board is appointed by the mayor. Commissioners must be taxpayers who have resided in the city for at least 5 years.

What powers can an Authority exercise?

The PIEA law provides for the financing of any project for industrial development. A "project" includes any work or undertaking:

1. To acquire blighted, insanitary and undeveloped industrial areas or portions thereof including lands, structures or improvements the acquisition of which is necessary or incidental to the proper industrial development of the blighted, insanitary and undeveloped industrial areas or to prevent the spread or recurrence of conditions of blight, insanitary or undevelopment;

2. To clear any such areas by demolition or removal of existing buildings, structures, streets, utilities or other improvements thereon and to install, construct or reconstruct streets, utilities and site improvements essential to the preparation of sites for uses in accordance with a plan;

3. To construct, reconstruct, remodel, repair, improve, install improvements, buildings, plants, additions, stores, shops, shopping centers, office buildings, hotels and motels and parking garages, multi-family housing facilities, warehouses, distribution centers, machines, fixtures, structures and other facilities related to industrial and commercial uses;

4. To sell, lease or otherwise make available land in such areas for industrial and commercial or related use or to retain such land for public use, in accordance with a plan.

"Industrial Development" includes the acquisition, clearance, grading, improving, preparing of land for industrial and commercial development and use and the construction, reconstruction, purchase, repair of industrial and commercial improvements, buildings, plants, additions, stores, shops, shopping centers, office buildings, hotels and motels and parking garages, multi-family housing facilities, warehouses, distribution centers, machines, fixtures, structures and other facilities relating to industrial and commercial use in blighted, insanitary or undeveloped industrial areas; and the existing merchants, residents, and present businesses shall have the first option to redevelop the area under the PIEA law.

What type of funding mechanisms are available to an Authority to carry out its purposes?

An Authority may issue bonds and may secure any of such obligations by mortgage, pledge, assignment or deed of trust of any or all of the property and income of the Authority, respectively. If the bonds are issued to pay the costs of certain types of projects (*e.g.*, manufacturing facilities or governmental purposes), the bonds may be able to be issued as tax-exempt bonds for federal income tax purposes, carrying lower interest rates than those obtained through conventional financing. Bond issues in excess of $10,000,000 must be sold at public sale.

The tax abatement benefits contained in Chapter 353 of the Revised Statutes of Missouri, as amended (The Urban Redevelopment Corporations Law) are not available on land and improvements situated within a project area under the PIEA law, unless approved by three-fourths of the city's governing body.

What other considerations may be involved in an Authority undertaking a project?

No real property can be acquired by the Authority until a plan is adopted by the governing body. An Authority may use the power of eminent domain to acquire any interest in any real property that is necessary to the industrial development plan.

An Authority is a separate political entity required to comply with all Missouri laws applicable to political subdivisions (e.g., public meetings, Sunshine Law requirements, annual budgets, etc.). At least once a year the Authority must file a report of its activities with the city clerk where the Authority is located. Also, every five years the governing body of the city is to have a hearing to determine whether the Authority is making satisfactory progress under the time schedules in plans that have been approved.

Many provisions of the PIEA law are similar to the Land Clearance for Redevelopment Authority ("LCRA") law. However, the LCRA law is available to counties and all cities, and has a broader scope of eligible projects.

Who can I contact for additional information?

Missouri Municipal League
1727 Southridge Drive
Jefferson City, Missouri 65109
Phone: 573-635-9134
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Email: info@mocities.com

ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

[§§ 260.005-260.125 RSMO]

What is the purpose of the State Environmental Improvement and Energy Resources Authority?

The State Environmental Improvement and Energy Resources Authority (the "EIERA") provides financial assistance for projects that support the environment, energy efficiency and energy alternatives.

The EIERA provides assistance through several programs, including the Missouri Leveraged State Revolving Fund ("SRF"), the Missouri Energy Efficiency Leveraged Loan Program and the Missouri Market Development Program. The EIERA administers these programs with the assistance of the Missouri Department of Natural Resources, the Missouri Clean Water Commission, the Missouri Safe Drinking Water Commission and other State agencies and the U.S. Environmental Protection Agency ("EPA").

MISSOURI STATE REVOLVING FUND ("SRF")

What is the SRF?

The Missouri SRF program is a subsidized low-interest loan program established pursuant to the Federal Clean Water Act of 1987. It was developed by the EIERA and the Missouri Department of Natural Resources in cooperation with the Missouri Clean Water Commission and the Missouri Safe Drinking Water Commission, and provides subsidized low-interest-rate loans to qualifying applicants for clean water and drinking water projects.

Who is eligible for this program?

Certain non-profit water systems and any political subdivision of the State with voter authorization to issue general obligation and/or revenue bonds (and, in very limited circumstances, annual appropriation obligations) for the planning, design and construction of a public wastewater system or a public drinking water system.

How does the program work?

To obtain this financing, the eligible participant must submit an application to the Missouri Department of Natural Resources and be approved for inclusion on the Intended Use Plans for clean water and drinking water, as approved by the Missouri Clean Water Commission and Missouri Safe Drinking Water Commission, respectively. In addition, the participant must have voter authorization to issue general obligation and/or revenue bonds. Once the application is approved, the participant's bonds are purchased by the EIERA with proceeds of EIERA bonds. Funds generated by the sale are used for construction by the participant. As construction costs are incurred, State and federal funds are deposited into a reserve account in an amount equal to 70% or more of the construction cost. Interest earned on the reserve is credited to the interest portion of the debt service charge on the participant's bonds, thereby providing the interest subsidy to the participant.

MISSOURI ENERGY EFFICIENCY LEVERAGED LOAN PROGRAM

What is the Missouri Energy Efficiency Leveraged Loan Program?

The Energy Efficiency Leveraged Loan Program provides low-interest loans to implement cost-effective energy-efficiency upgrades.

Who is eligible for this program?

Any public school, university, college, city or county government, public hospital or water treatment plant is eligible to apply for loan funds to finance implementations of energy conservation projects. The applicant must own and operate the building, facility or system associated with the proposed project. Further, the building, facility or system must have an expected operational life greater than the project's loan repayment period.

How does the program work?

An eligible entity must submit an application to the EIERA. An energy project may include costs for design, acquisition, installation, commissioning and other associated project costs determined by the EIERA as eligible. Loan repayments are made from the energy savings generated and thus are not considered debt to the loan recipient. Funding for the loans is provided by bonds issued by the EIERA.

MISSOURI MARKET DEVELOPMENT PROGRAM

What is the Missouri Market Development Program?

The Missouri Market Development Program promotes the development of markets for recovered materials and recycled content products throughout Missouri by providing financial incentives, technical assistance and information services to businesses, governments and other organizations. In doing so, the program helps recycling expand its role in a sustainable economy for Missouri, contributing to a quality environment, conserving resources and reducing reliance on Missouri's landfills for solid waste disposal. Recycling market development helps ensure that recyclables collected from residents and businesses are used by companies as raw materials in manufacturing products that are purchased and used by consumers.

Who is eligible for this program?

Any individual, private business, non-profit organization or public institution currently operating in Missouri or who will be operating in the State as a result of the project.

What projects are eligible for funding under this program?

Eligible projects include those resulting in the manufacture of products from recovered materials and/or the final processing of recovered materials into feedstock. All projects must be located in Missouri and be based on a technology that has been demonstrated beyond the research stage (i.e., research and development projects are not eligible). Further, they must be technically feasible for full-scale operation and comply with all applicable environmental, safety, and legal requirements.

How does the program work?

The program funds up to 75% of eligible costs with a maximum funding level of $50,000. Eligible expenses include only the purchase of manufacturing equipment and machinery to manufacture products that contain recovered materials (other than internal or mill-broke). Equipment purchased for the final processing of recovered materials to be used by others in the manufacture of recycled content products is also eligible. Prior to funding an eligible entity must submit an application to the EIERA. Funding for approved projects will be provided as a reimbursement of costs incurred for the purchase of the equipment.

OTHER PROGRAMS

The EIERA provides assistance through several other programs including the Missouri Brownfield Revolving Loan Fund and the issuance of private activity bonds for qualifying environmental, pollution prevention or energy-related projects.

Who can I contact for additional information?

Environmental Improvement and Energy Resources Authority
325 Jefferson Street
P.O. Box 744
Jefferson City, Missouri 65102
Phone: 573-751-4919
Fax: 573-635-3486
E-mail: eiera@dnr.mo.gov

MISSOURI AGRICULTURAL AND SMALL BUSINESS DEVELOPMENT AUTHORITY

[CHAPTER 348 RSMO]

What is the purpose of the Missouri Agricultural and Small Business Development Authority?

The Missouri Agricultural and Small Business Development Authority (the “Authority”) is a seven-member bipartisan commission tasked with helping new and expanding agricultural producers finance their operations and add value to their products through promoting the development of agriculture and small business and reducing, controlling, and preventing environmental damage in Missouri.

The Authority provides assistance through several programs including the Missouri Value-Added Grant Program, the Missouri Value-Added Loan Guarantee Program, the New Generation Cooperative Incentive Tax Credit Program and the Agricultural Products Utilization Contributor Tax Credit Program.

MISSOURI VALUE-ADDED GRANT PROGRAM

What is the Missouri Value-Added Grant Program?

The Missouri Value-Added Grant Program provides grants for projects that add value to Missouri agricultural products and aid the economy of a rural community.

What expenses are eligible for grants under the Value-Added Grant Program?

Applicants may receive grant funds for expenses related to the creation, development and operation of a value-added agricultural business including: feasibility studies, marketing studies, legal assistance, marketing plans, business plans, prospectus development for cooperatives, and operational consulting.

Grant funds cannot be used for the following expenses: business start-up (except as detailed in program guidelines); business expansion (unless qualified under the program); debt financing; substituting existing efforts or research already underway; institutional overhead costs; production costs; operational costs such as payroll, utilities, inventory, insurance, and advertising; purchasing land, buildings, or equipment, implementing feasibility studies, marketing studies, marketing plans, or business plans (except as detailed in the program guidelines); and application fee or grant writing expenses.

How much funding is available?

The maximum grant to any person, groups of individuals, businesses or organizations related to a value-added rural agricultural business concept is $200,000. However, 10% of the available funds under this program will be awarded to grant requests of $25,000 or less.

Who is eligible for this program?

Applicants may include an individual (or a group of individuals) who is at least 18 years old and a Missouri resident, a business or an organization related to agriculture. Each proposed value-added agricultural business concept must be based in Missouri.

How does the program work?

An applicant (or group of applicants) must submit a proposal to the Authority. Proposals will be selected on a competitive basis. Each proposal will be evaluated and rated using the following criteria: economic development potential for the agricultural industry; credibility and merit; probability of near-term commercialization and practical application of project results; presence, source and level of matching funds; and the economic impact of the project.

MISSOURI VALUE-ADDED LOAN GUARANTEE PROGRAM

What is the Missouri Value-Added Loan Guarantee Program?

The Missouri Value-Added Loan Guarantee Program provides a 50% first-loss guarantee to lenders who make agricultural business development loans for the acquisition, construction, improvement, or rehabilitation of agricultural property used for the purpose of processing, manufacturing, marketing, exporting, and adding value to an agricultural product. “Agricultural property” includes: land, buildings, structures, improvements, equipment, stock in a start-up cooperative that processes an agricultural product, and plant stock for grapes which will be processed into wine.

The Authority will not guarantee loans made for a line of credit, working capital, or producing livestock or agricultural crops (except for grapes to be processed into wine).

Who is eligible for this program?

Borrowers may include an individual who is at least 18 years old and a Missouri resident, or a partnership, corporation, firm, cooperative, association, trust, political subdivision, State agency or other legal entity executing a note or other evidence of an agricultural business development loan. Each project must be based in Missouri.

How does the program work?

Borrowers wishing to secure a loan through the Authority’s loan guarantee program must first apply and secure a loan with an independent bank, savings & loan, or Farm Credit System. Once the loan is approved, the lender must submit an application to the Authority.

Are there any required loan terms under the program?

The Authority may approve an applications for a loan amount up to $250,000 with a loan guarantee available for up to 10 years. The interest rate charged to a borrower is subject to negotiation between the lender and the borrower, but cannot exceed the rate normally charged by the lender for similar loans. A borrower must provide at least 10% of the cost of the project as down payment and must provide a first deed of trust or lien on the financed property.

AGRICULTURAL PRODUCTS UTILIZATION CONTRIBUTOR TAX CREDIT PROGRAM

What is the Agricultural Product Utilization Contributor Tax Credit Program?

The Authority is authorized to grant an Agricultural Product Utilization Contributor Tax Credit in an amount up to 100% of a contribution made to the Authority and used for financial or technical assistance to rural agricultural business concepts.

How does the program work?

The Authority publicizes the availability of the tax credits along with a deadline for accepting applications for the program. Pursuant to State law, the Authority is required to approve tax credits based on the least amount of credits required for the contributions. Therefore, tax credits for contributions are offered on a competitive basis.

Who is eligible for the tax credits?

Any person, partnership, corporation, trust, limited liability company or other donor making an eligible donation to the Authority.

What if the tax credit exceeds the total State income tax liability?

Any portion of the tax credit may be carried back to satisfy previous State tax liability due during each of the three previous taxable years and may be carried forward and allowed as a credit against any future taxes imposed on such owner within the next five years.

Are the tax credits transferable?

A taxpayer may sell, assign, exchange or otherwise transfer earned tax credits.

NEW GENERATION COOPERATIVE INCENTIVE TAX CREDIT PROGRAM

What is the New Generation Cooperative Incentive Tax Credit Program?

New Generation Cooperative Incentive Tax Credits are available to induce producer-member investment into new generation processing entities that will process Missouri agricultural commodities and agricultural products into value-added goods, provide substantial benefits to Missouri's agricultural producers, and create jobs for within the State.

A "producer-member" is a person, partnership, corporation, trust or limited liability company whose main purpose is agricultural production that invests cash funds to an eligible new generation cooperative or eligible new generation processing entity.

How does the program work?

Before issuing any tax credits, the new generation processing entities must be organized, file an application for Requesting Certification of New Generation Cooperative Incentive Tax Credits, which must be approved by the Authority. After investment, producer-members then file a Member Application for Requesting New Generation Cooperative Incentive Tax Credits.

Who is eligible for the tax credits?

New generation processing entities, partnerships, corporations, cooperatives, or limited liability companies organized or incorporated pursuant to the laws of Missouri and consisting of not less than 12 members, approved by the Authority, for the purpose of owning or operating within this State a development facility or a renewable fuel production facility in which producer-members (1) hold a majority of the governance or voting rights of the entity and any governing committee; (2) control the hiring and firing of management; and (3) deliver agricultural commodities to the entity for processing, unless processing is required by multiple entities.

“Development facility” is a facility producing either a good derived from an agricultural commodity or using a process to produce a good derived from an agricultural product.

A “renewable fuel production facility” is a facility producing an energy source that is derived from a renewable, domestically grown, organic compound capable of powering machinery, including an engine or power plant, and any by-products derived from such energy source.

What is the amount of the tax credit?

The amount of a tax credit issued to a producer-member may be the lesser of 50% of the producer-member’s cash investment or $15,000. However, if a producer-members’ investment in a new generation “Large Capital Project” processing entity would be eligible for tax credits in excess of the project’s allocation (maximum allocation per project is $1.5 million) or “Employee Qualified Capital Project” (maximum allocation per project is $3.0 million), tax credits will be pro-rated between producer-members on a percent of investment basis, not to exceed the maximum allowed per producer-member.

What if the tax credit exceeds the total State income tax liability?

Any portion of the tax credit may be carried back to satisfy previous State tax liability due during each of the three previous taxable years and may be carried forward and allowed as a credit against any future taxes imposed on such owner within the next five years.

Are the tax credits transferable?

A taxpayer may sell, assign, exchange or otherwise transfer earned tax credits.

OTHER PROGRAMS

The Authority provides assistance through several other programs including the Beginning Farmer Loan Program, the Single-Purpose Animal Facilities Loan Guarantee Program and the Animal Waste Treatment Loan Program.

Who can I contact for additional information?

Missouri Department of Agriculture
Agricultural Business Development Division
Missouri Agricultural and Small Business Development Authority
1616 Missouri Boulevard
P.O. Box 630
Jefferson City, Missouri 65102
Phone: 573-751-2129
Fax: 573-522-2416
E-mail: masbda@mda.mo.gov

INDUSTRIAL DEVELOPMENT CORPORATIONS

[CHAPTER 349 RSMO]

What is the purpose of an Industrial Development Corporation?

Industrial Development Corporations ("Corporations") can be formed by any city or county in the State to issue bonds and notes for the purpose of financing a variety of projects.

What types of projects can be financed by Corporations?

The list of projects that Corporations can finance is broad, but there are certain notable ineligible projects. Corporations can finance the purchase, construction, extension and improvement of plants, buildings, structures, or facilities, whether or not now in existence, including the real estate, used or to be used as a factory, assembly plant, manufacturing plan, processing plant, fabricating plant, distribution center, warehouse building, public facility, waterborne vessels excepting commercial passenger vessels for hire in a city not within a county built before 1950, office building, for-profit or not-for-profit hospital, not-for-profit nursing or retirement facility or combination thereof, physical fitness, recreational, indoor and resident outdoor facilities operated by not-for-profit organizations, commercial or agricultural facility, or facilities for the prevention, reduction or control of pollution. In connection with such projects, the bond proceeds may be used to finance land, buildings, structures, fixtures, machinery and equipment. Specifically excluded from financing under the Industrial Development Corporations Act are facilities designed for the sale or distribution to the public of electricity, gas, water, or telephone, and any cable television or other public utility-type facility.

If a city-formed Corporation finances a project outside the city limits, it must receive the permission of the county. Similarly, a county-formed Corporation cannot finance a project in a city without permission from the city.

Who governs a Corporation?

Each Corporation has a board of directors. There must be at least 5 directors, each of whom must be a duly qualified elector and taxpayer in the city or county that forms the Corporation. The directors must be resident taxpayers for at least one year immediately before their appointment. No director can be an officer or employee of the county or municipality.

What are some of the characteristics of bonds and notes issued by a Corporation?

Bonds of a corporation must mature within 40 years, and may be sold at a public or private sale at a price not less than ninety-five percent of the principal amount thereof. Corporations can also issue notes that mature in 5 years or less. The notes may be issued in anticipation of an issue of bonds and, similar to bonds, may be sold at a public or private sale at a price not less than ninety-five percent of the principal amount thereof with a maximum rate of interest that cannot exceed the maximum rate, if any, applicable to general and business corporations.

If the bonds are issued to pay the costs of certain types of projects (*e.g.*, manufacturing facilities, facilities for 501(c)(3) nonprofit corporations, solid waste disposal and other "exempt" facilities, or governmental purposes), the bonds may be able to be issued as tax-exempt bonds for federal income tax purposes, carrying lower interest rates than those obtained through conventional financing.

What are some typical financing structures used by Corporations?

In a typical industrial development bond structure, the Corporation issues its bonds pursuant to a trust indenture entered into between the Corporation and a bank or trust company acting as trustee. The bond proceeds are deposited with the trustee bank to be used to complete the project. The Corporation and the company enter into a loan or lease agreement, which sets forth specific requirements regarding the application of the bond proceeds to purchase and construct the project. Regardless of the type of agreement used, the company will be entitled to possession and use of the project after it is acquired or completed and will be unconditionally obligated to make payments to the trustee sufficient to pay principal and interest on the bonds as they become due.

Corporations can also issue bonds secured by other types of revenues, such as tax increment financing revenues or neighborhood improvement district special assessments. These structures will also use a trust indenture and typically involve a financing agreement between the Corporation and the city or county involved, under which the tax increment financing revenues or special assessments will be used by the Corporation to pay debt service on bonds.

Are there any additional requirements when Corporations issue bonds or notes?

Each Corporation must file a report (Form IDC-90R) with the Missouri Department of Economic Development not later than January 3l of each year. This report must include the terms of bonds issued during the prior year and information with respect to the benefiting companies and the projects.

Also, each Corporation must comply with the Missouri Open Meetings Law, Sections 610.010 to 610.030 of the Missouri Revised Statutes.

Who can I contact for additional information?

Missouri Municipal League
1727 Southridge Drive
Jefferson City, Missouri 65109
Phone: 573-635-9134
Fax: 573-635-9009
Email: info@mocities.com

F. COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMS

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMS

What is the purpose of the Community Development Block Grant Program?

The Community Development Block Grant Program offers grants to Missouri communities to improve local facilities, address health and safety concerns and develop a greater capacity for growth. Authorization for the program is set forth in 42 U.S.C. §5301, et seq.; 24 CFR Part 570; and Missouri's "Consolidated Plan" submitted to the U.S. Department of Housing and Urban Development.

Who is eligible to receive Community Development Block Grants?

Community Development Block Grant funds are only available to cities or counties in non-entitlement areas (incorporated municipalities with a population under 50,000 and counties with a population under 200,000). Projects must benefit at least 51% low to moderate income persons, address a slum or blighted condition, or meet an urgent threat to health and safety.

What types of projects are eligible for grants under the Community Development Block Grant Program?

- *Action Fund Loan* – loans to private companies resulting in the creation of jobs.
- *Community Facilities* – development of a public facility designed to provide services from a central location (senior center, community center, fire station, etc.)
- *Downtown Revitalization* – public infrastructure and improvements that significantly contribute to the revitalization or redevelopment of downtown areas.
- *Emergency* – projects meeting an urgent threat to health and safety.
- *Industrial Infrastructure Grant* – public infrastructure development that results in the creation of jobs by a private company benefiting from the infrastructure.
- *Interim Financing Loan* – short-term loan to a private company resulting in the creation of jobs.
- *Speculative Industrial Building Loan* – loans to a nonprofit development organization to develop a shell building for industrial purposes.
- *Water and Wastewater* – publicly owned water and wastewater improvements and new construction. Proposals must be reviewed by the Missouri Water and Wastewater Review Committee before application is made.
- *Other Public Needs* – eligible activities that are not addressed with a specific Community Development Block Grant category as listed above. Examples include: bridges, streets, housing demolition, handicapped accessibility in public buildings, or other activities deemed important for the economic growth of the community.
- *Rural Affordable Housing Request for Proposals* – included as part of the other public needs category listed above. Proposals must address housing development for low to moderate income persons, and must match low-income housing tax credit or other Missouri Housing Development Commission funding applications.

Who can I contact for additional information?

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-522-8004
Fax: 573-522-9462
E-mail: dedfin@ded.mo.gov

G. COMMUNITY DEVELOPMENT INCENTIVES

NEIGHBORHOOD ASSISTANCE PROGRAM

[§§ 32.100 - 32.125 RSMo]

What is the purpose of the Neighborhood Assistance Program?

The Neighborhood Assistance Program provides assistance to community-based organizations to enable them to implement community or neighborhood projects in the areas of community service, education, crime prevention, job training and physical revitalization.

How does the program work?

The Neighborhood Assistance Program provides State tax credits to an eligible taxpayer in an amount equal to either 50% or 70% of a qualified contribution to an approved Neighborhood Assistance Program project. Prior to receive the tax credit, an application must be made to the Department of Economic Development. Applications may be submitted any time after applications become available (March) to qualify for a project the following fiscal year (July 1-June 30) and not later than March 1 of the following year. Applications are reviewed until funding is depleted. Preference is given to projects addressing specified program outcomes. The program also seeks projects located in distressed communities and in target communities as determined by the Department of Economic Development.

Who is eligible to apply for the program?

Any business, non-profit corporation, 501(c)(3) organization or individuals who operate a sole proprietorship, operate a farm, have rental property or have royalty income, individuals who are a shareholder in an s-corporation, a partner in a partnership or a member of a limited liability corporation who make an eligible donation to an approved Neighborhood Assistance Program project.

What if the tax credit exceeds the total State income tax liability?

Any portion of the tax credit may be carried forward and allowed as a credit against any future taxes imposed on such owner within the next five years.

Are the tax credits transferable?

No. The tax credits may not be sold or transferred.

What are the limits on the Neighborhood Assistance tax credits?

Applicant organizations may request a maximum of $250,000 in 50% tax credits per year or $350,000 in 70% tax credits per year if the organization is located in a qualifying rural area.

The maximum amount of tax credits available in any year for all participants under the program may not exceed $18,000,000. The tax credits are allocated at the discretion of the Department of Economic Development as follows: $12,000,000 million in 50% credits; and $6,000,000 million in 70% credits (reserved for projects in certain lower population or unincorporated areas). These allocations are subject to change.

Who can I contact for additional information?

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-751-8480
E-mail: dedfin@ded.mo.gov

YOUTH OPPORTUNITIES TAX CREDIT PROGRAM

[§135.460; §§620.1100 – 620.1103 RSMo]

What is the purpose of the Youth Opportunities Tax Credit Program?

The Youth Opportunities Tax Credit Program offers financial incentives to non-profits, public and private entities to broaden and strengthen opportunities for positive development and participation in community life for youth, and to discourage such persons from engaging in criminal and violent behavior.

How does the program work?

The Youth Opportunities Tax Credit Program provides state tax credits to organizations administering positive youth development or crime prevention projects that have been approved through the application process. Approved organizations secure contributions from their community, and the contributor receives tax credits for those contributions. There are 50% tax credits for monetary contributions and wages paid to youth in an approved internship, apprenticeship or employment project, and 30% tax credits for property or equipment contributions used specifically for the project.

Eligible projects include:

1. Degree Completion
2. Internship/Apprenticeship
3. Youth Clubs/Associations
4. Adopt-A-School
5. Mentor/Role Model
6. Substance Abuse Prevention
7. Violence Prevention
8. Youth Activity Centers
9. Conflict Resolution
10. Employment
11. Counseling

Who is eligible to apply for Brownfield Remediation tax credits?

Non-profit organizations, schools, faith-based organizations, local governments, Missouri businesses, public or private entities. Schools and faith-based organizations must meet certain criteria.

What if the tax credit exceeds the total State income tax liability?

Any portion of the tax credit may be carried forward and allowed as a credit against any future taxes imposed on the owner within the next 5 years.

Are the tax credits transferable?

No. The tax credits may not be sold or transferred.

Are there any funding limits?

The Youth Opportunities Program has up to $6 million in tax credits to award annually. Each project is limited to $250,000 in tax credits. Each contributor is limited to $200,000 in tax credits annually.

Who can I contact for additional information?

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-522-8004
Fax: 573-522-9462
E-mail: dedfin@ded.mo.gov

OTHER PROGRAMS

FAMILY DEVELOPMENT ACCOUNT TAX CREDIT PROGRAM

Authorization

Sections 208.750 to 208.775 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-522-4322
E-mail: fda@ded.mo.gov

H. HOUSING INCENTIVES

AFFORDABLE HOUSING ASSISTANCE CREDIT

[§ 32.105 RSMo]

What is the purpose of the Affordable Housing Assistance Tax Credit Program?

The Affordable Housing Assistance Tax Credit program provides an incentive for the development, construction, acquisition or rehabilitation of affordable housing in Missouri.

How does the program work?

The Affordable Housing Assistance Tax Credit is a state tax credit authorized by the Missouri Housing Development Commission ("MHDC") to business firms and individuals that make contributions to non-profit neighborhood organizations to provide affordable housing. These contributions must be used in the construction or rehabilitation of affordable housing units. Qualified housing must be for persons at or below 50% of area median income or provide market rate housing in "rebuilding communities" as defined by Missouri statutes. The amount of tax credit may not exceed 55% of the value of the contribution. MHDC accepts applications from July 1 through April 30 of each year.

Who is eligible to apply for Affordable Housing Assistance tax credits?

Non-profit organizations are eligible to apply for tax credits.

What if the tax credit exceeds the total state income tax liability?

Any portion of the tax credit may be carried forward and allowed as a credit against any future taxes imposed on such owner within the next ten years.

Are the tax credits transferable?

A taxpayer may sell, assign, exchange or otherwise transfer earned tax credits.

What are the limits on the Affordable Housing Assistance tax credits?

The maximum amount of tax credits allocated for an approved development typically may not exceed $1 million in a given year.

Who can I contact for additional information?

Missouri Housing Development Commission
3435 Broadway
Kansas City, Missouri 64111
Phone: 816-759-6600
Fax: 816-759-6872

LOW-INCOME HOUSING CREDIT

[§ 42 INTERNAL REVENUE CODE]

What is the purpose of the Low Income Housing Tax Credit Program?

The Low Income Housing Credit program provides an incentive for the development, construction, acquisition or rehabilitation of affordable rental housing in Missouri.

How does the program work?

The Low Income Housing Tax Credit program provides a federal tax credit to investors in affordable housing. The credit may be used for ten years and is allocated to developers, who use it to raise equity to construct or acquire and rehabilitate affordable rental housing. Missouri also has a state Low Income Housing Tax Credit, and may allocate an amount equal to 100% of the federal credit. The Low Income Housing tax credit is limited to a percentage of the qualified basis based upon depreciable basis, and the percentage of affordable units in the development. The minimum number of qualifying units is (a) 40% of the total number of units affordable to persons at 60% of the median income for the area or (b) 20% affordable to persons at 50% of the median income for the area.

Congress has delegated the administration of the program to the state housing agencies to assure that good quality housing would be available where it is most needed. The Missouri Housing Development Commission ("MHDC") is charged not only with the allocation of the tax credits, but also with the assuring compliance with federal regulations. This includes the performance of a physical inspection of the property and a review of management and occupancy procedures during the compliance period of the initial 15 years and the extended use period (an additional 15 years).

Annually, a Notice of Funding Availability ("NOFA") is published during the month of August by MHDC. Once the NOFA is issued, applications may be submitted until late October and the Commissions' funding decisions are made in December or January.

Who is eligible to apply for Low Income Housing Tax Credits?

Developers (for-profit and non-profit) are eligible to apply for tax credits. Applicants must demonstrate prior, successful housing experience and engage the services of housing professionals, such as architects, appraisers, attorneys, accountants, contractors and property managers with demonstrable tax credit and housing experience. Developers must have the financial capacity to successfully complete and operate the proposed housing development.

What if the tax credit exceeds the total income tax liability?

Any portion of the tax credit may be carried forward for five years.

Are the tax credits transferable?

Tax credits are only transferable within the ownership entity (limited partnership) of the development.

What are the limits on the Low-Income Housing Tax Credits?

Annually, the Internal Revenue Service allocates tax credits to each state in an amount equal to 1.80 times its population. Missouri also has a state low-income housing tax credit, and may allocate an amount equal to 100% of the federal tax credit.

Who can I contact for additional information?

Missouri Housing Development Commission
3435 Broadway
Kansas City, Missouri 64111
Phone: 816-759-6600
Fax: 816-759-6828

NEIGHBORHOOD PRESERVATION CREDIT

[§§135.475 - 135.487 RSMO]

What is the purpose of the Neighborhood Preservation program?

The Neighborhood Preservation program provides incentives for the rehabilitation or construction of owner-occupied homes in certain areas of the State.

How does the program work?

The Neighborhood Preservation program authorizes State tax credits for residential rehabilitation and construction costs for properties located in qualified areas and eligible areas. "Qualified areas" include "distressed communities," as defined in Section 135.530, RSMo, and areas with a median household income of less than 70% of the median household income for the applicable Metropolitan Statistical Area or non-Metropolitan Statistical Area. "Eligible areas" include areas with a median household income of 70% to 89% of the median household income for the applicable Metropolitan Statistical Area or non- Metropolitan Statistical Area.

Tax credits for a project are determined as follows:

- *New Residences in Eligible Areas* **–**15% of eligible costs, tax credits cannot exceed $25,000 per residence;
- *New Residences in Qualifying Areas* – 15% of eligible costs, tax credits cannot exceed $40,000 per residence;
- *Substantial Rehabilitation in Eligible Areas* – 25% of eligible costs, minimum costs $10,000, tax credits cannot exceed $25,000 per residence;
- *Non-substantial Rehabilitation in Qualifying Areas* – 25% of eligible costs, minimum costs $5,000, tax credits cannot exceed $25,000 per residence; and
- *Substantial Rehabilitation in Qualifying Areas* – 35% of eligible costs, minimum costs the greater of $5,000 or 50% of the purchase price, tax credit cannot exceed $70,0000 per residence.

Prior to receive the tax credit, an application must be made to the Department of Economic Development. A pre-application must also be submitted to the Department of Economic Development and include cost estimates and scope of work. Applications are accepted beginning in September and ending in mid-November and are granted preliminary approval based on a lottery process.

Who is eligible to apply for Neighborhood Preservation tax credits?

Any taxpayer who incurs eligible costs for a new residence or rehabilitates a residence for owner occupancy that is located in a designated area.

What if the tax credit exceeds the total State income tax liability?

Any portion of the tax credit may be carried back to satisfy previous State tax liability due during each of the three previous taxable years and may be carried forward and allowed as a credit against any future taxes imposed on such owner within the next five years.

Are the tax credits transferable?

A taxpayer may sell, assign, exchange or otherwise transfer earned tax credits.

What are the limits on Neighborhood Preservation tax credits?

The maximum amount of tax credits available in any year for all participants under the program may not exceed $8,000,000 for qualifying areas and $8,000,000 for eligible areas.

Tax credits may not be claimed in addition to any other State tax credits with the exception of the Historic Preservation tax credit authorized by Sections 253.545 to 253.561, RSMo. If Historic Preservation tax credits are claimed, the maximum available tax credits under this program will be the lesser of 20% of the eligible costs or $40,000.

Who can I contact for additional information?

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-522-8004
Fax: 573-522-9462
E-mail: dedfin@ded.mo.gov

I. MISSOURI DEVELOPMENT FINANCE BOARD

MIDOC INFRASTRUCTURE LOANS

[§ 100.263 RSMO]

What is the purpose of the MIDOC Infrastructure Loans?

The MIDOC Infrastructure Loan Program provides low-interest loans (currently 3%) to local political subdivisions to finance a portion of the costs of infrastructure facilities. "MIDOC" refers to the Missouri Infrastructure Development Opportunities Commission, the functions of which were transferred to the Missouri Development Finance Board.

What infrastructure facilities may be financed?

Infrastructure facilities include highways, streets, bridges, water supply and distribution systems, mass transportation facilities and equipment, telecommunications facilities, jails and prisons, sewers and sewage treatment facilities, waste water treatment facilities, airports, railroads, reservoirs, dams and waterways in the State and any other improvements provided by any form of government. Most of the loans are for water and sewer system improvements.

What are the limitations of MIDOC Loans?

MIDOC loans are financed from a revolving fund as money becomes available from repayments of existing MIDOC loans (the original MIDOC loans were financed from an appropriation by the Missouri General Assembly). The maximum principal amount of MIDOC loans is $100,000. The maximum term of MIDOC loans is 20 years. MIDOC loans are used to supplement other sources of financing for an infrastructure project, such as Community Development Block Grants and other grants and loans.

How do I apply for a MIDOC Loan?

Applications are available through the Business Finance Section of the Missouri Department of Economic Development. After review of an application, the Department makes a recommendation to the Missouri Development Finance Board which makes the loan.

Where can I get more information?

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-0717
Fax: 573-751-8480
E-mail: dedfin@ded.mo.gov

TAX CREDIT FOR CONTRIBUTION

[§ 100.286.6 RSMO]

What is the purpose of the Tax Credit for Contribution Program?

The Tax Credit for Contribution Program provides a State income tax credit equal to 50% of the amount contributed by a taxpayer to the Missouri Development Finance Board.

How does the Board apply contributions?

Although the Board may use such contributions for any of its authorized purposes, the Board has historically used contributions to make grants to State agencies and local political subdivisions for infrastructure facilities.

What infrastructure facilities are eligible for contributions?

"Infrastructure facilities" include highways, streets, bridges, water supply and distribution systems, mass transportation facilities and equipment, telecommunication facilities, jails and prisons, sewers and sewage treatment facilities, wastewater treatment facilities, airports, railroads, reservoirs, dams and waterways in this State, acquisition of blighted real estate and the improvements thereon, demolition of existing structures and preparation of sites in anticipation of development, public facilities and any other improvements provided by any form of government or a development agency. By policy the Board will not consider applications for health and/or medical facilities, including nursing or retirement facilities or combination thereof, or for private or public educational facilities.

Are there any other limitations on the use of contributions?

If the donor is a for-profit private corporation or person, the Board will not use the contribution in a manner that will directly or indirectly benefit the donor beyond the benefit conferred by the credits unless the donor demonstrates to the sole satisfaction of the Board that such use is based upon fair market value considerations and is an arms-length transaction from the donor. If a public entity uses any of the contribution proceeds to directly benefit a donor or a private for-profit corporation or business, the Board will require the public entity to impose upon the private business an obligation to reimburse the State for the cost of such credits over a time period determined by the Board. Exceptions to this reimbursement requirement may be made if the Board determines that the project is of extraordinary benefit to the State and that the project would otherwise not be completed.

How may the tax credits be used?

The donor (individuals, estates, trusts and corporations) can used the credit against any tax otherwise due under Chapter 143 (generally income taxes but excluding certain withholding taxes), Chapter 147 (corporate franchise tax), and Chapter 148 (financial institutions tax) of the Missouri Revised Statutes. Tax credits must be taken in the taxpayer's current tax year, although such credit may be carried forward for up to five years. Credits may be sold for not less than 75% or more than 100% of their par value, provided that all credits must be claimed within 10 years of the date the contribution was made.

How are projects selected?

Each application for project must be submitted by a public entity. If the public entity was created on behalf of or for the benefit of another governmental entity, the application must be accompanied by the written approval of such other governmental entity. The Board will review and approve projects based on the criteria set forth in the guidelines for the Tax Credit for Contribution Program.

Who can I contact for additional information?

Missouri Development Finance Board
Governor's Office Building
200 Madison Street, Suite 1000
P.O. Box 567
Jefferson City, Missouri 65102
Phone: 573-751-8479
Fax: 573-526-4418
E-mail: mdfb@ded.mo.gov

J. OTHER DEVELOPMENT PROGRAMS

ECONOMIC DEVELOPMENT

LOCAL OPTION SALES TAX

Authorization

Section 67.1305 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-751-8480
E-mail: dedfin@ded.mo.gov

SMALL BUSINESS DEVELOPMENT

REBUILDING COMMUNITIES CREDIT

Authorization

Section 135.535 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-751-8480
E-mail: dedfin@ded.mo.gov

LOAN GUARANTY FEE

Authorization

Section 135.766 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-751-8480
E-mail: dedfin@ded.mo.gov

URBAN ENTERPRISE LOAN

Authorization

Section 620.1023 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-751-8480
E-mail: dedfin@ded.mo.gov

BUSINESS INCUBATOR CREDIT

Authorization

Section 620.495 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-522-4322
E-mail: dedfin@ded.mo.gov

INDUSTRY SPECIFIC PROGRAMS

WINE AND GRAPE GROWERS

Authorization

Section 135.700 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-522-4322
E-mail: dedfin@ded.mo.gov

FILM PRODUCTION CREDIT

Authorization

Section 135.750 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-522-4322
E-mail: dedfin@ded.mo.gov

Mutual Fund Apportionment

Authorization

Sections 620-1350-620.1360 and Section 143.451 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-0717
Fax: 573-751-8480
E-mail: dedfin@ded.mo.gov

VENTURE/SEED CAPITAL PROJECTS

CERTIFIED CAPITAL COMPANIES

Authorization

Sections 135.500 to 135.529 of the Revised Statutes of Missouri, as amended, and Regulations: 4 CSR 80-7.010 to 4 CSR 807.040

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-522-4322
E-mail: dedfin@ded.mo.gov

NEW ENTITY CREATION (PROLOG VENTURES)

Authorization

Sections 620.635 to 620.653 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-751-8480
E-mail: dedfin@ded.mo.gov

CHAPTER IV

CASE STUDIES

EXECUTIVE SUMMARY

The Missouri Department of Economic Development (DED) identifies 13 regions for the purposes of comparing local economic conditions and trends (see **Appendix A**). Each city in Missouri's economic development regions has its own story about what has shaped its economic revitalization efforts. To create a detailed analysis of how local governments use economic incentive programs, one city, with population under 25,000, was selected from each of the 13 economic regions. Local economic development officials were interviewed to collect information on their use of economic incentive programs and the impact of the programs on the community.

The following reports profile the demographic and economic characteristics of the cities and identify which economic incentives they used. Each report describes the city's experience with the incentive programs. Four factors emerge from these case studies as having the most notable influence on the use of incentive programs:

- City size
- City location
- Department of Economic Development structural changes
- Lack of an economic development plan

CITY-SPECIFIC CHARACTERISTICS

In gathering the data presented in this report, it became apparent that there are city-specific characteristics that have an impact on the need for and the use of economic development incentives. City size has particular influence. It affects two important basics for implementing economic development projects: the tax base of the jurisdiction and the personnel responsible.

A common challenge faced by economic developers, as seen in the following case studies, is that for smaller cities the usual revenue mechanisms provide a smaller financial base from which to fund expensive infrastructural or transportation improvements for expanding or attracting business. In response to this limitation, Tax Increment Financing (TIF) incentive has most often been utilized, allowing a new or expanding business to initially finance infrastructural improvements based on the size of the new project, not the existing tax base.

Advantages for larger cities include not only a larger revenue base for necessary improvements, but also a larger professional staff, which more often includes economic development-specific positions. These elements in turn, have contributed to a less troublesome use of incentives, due to more availability of resources and a larger pool of trained city staff. As a result of a larger compliment of professional staff, larger cities tend to develop closer relationships with the Department of Economic Development. According to case study participants, the lack of an economic developer on city staff results in less active involvement with the Department of Economic Development.

GEOGRAPHIC LOCATION

Geographic location was also shown to have influence on the need for incentives, and on selecting which economic development incentives to use. Unique to cities in the southern-most region of Missouri is the Arkansas border, considered to be one of the fastest growing in population and development. Arkansas poses a unique competition to its surrounding neighbors. Because of the high level of growth in Arkansas and the strong desire to avoid an out migration of population to this neighbor, nearby cities choose incentives that will delicately avoid imposing disgruntling taxes on their residents and schools.

In contrast to the challenge of the Arkansas border, cities sitting in geographically favored locations are those with easy highway and road access. The following case studies show that cities in these locations are especially interested in completing the development of these roads as retailers consider them special attractions and voluntarily locate themselves within these cities, causing an upward spiral of new businesses that seem to follow suit.

THE ROLE OF THE DEPARTMENT OF ECONOMIC DEVELOPMENT

According to the city personnel interviewed for this report, the Department of Economic Development role has lessened somewhat following the budgetary cuts that relocated DED personnel to Jefferson City, thus lessening the likelihood of smaller cities having access directly within their communities. Cities without an economic development professional on staff, as mentioned previously, describe less connection with the DED. Cities with economic development staff reported their ability to either take the time to travel to Jefferson City or to have the opportunity to meet DED staff at professional meetings and other similar venues.

While the assistance and resources of the Department of Economic Development remain available through technology and communication, budgetary revisions have removed specialists from local offices, and necessitated a heightened effort by city staff in developing communication with the department. Once developed however, as shown by the following case studies, the communication and assistance provided by the DED has been extremely valuable to the economic development efforts of cities throughout each region.

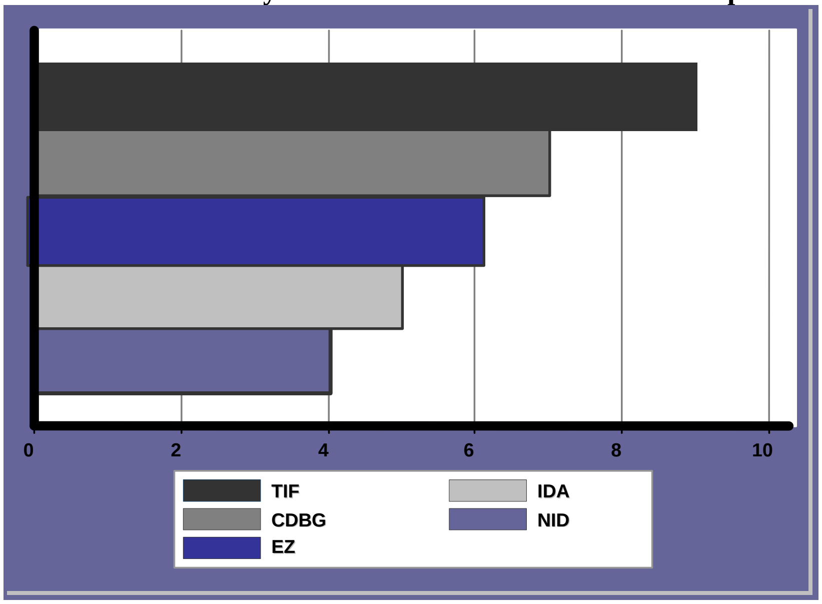
LACK OF AN ECONOMIC DEVELOPMENT PLAN

Most of the cities contacted for this report did not have an economic development plan; indeed, many did not have a city comprehensive plan. Lacking an economic plan cities are left reacting to the proposed use of an economic incentive, typically a use proposed for a single project. The city is thus unfamiliar with the requirements for and the impact of the proposed incentive. Those cities with a plan were better positioned to be proactive in attracting development opportunities and better prepared to initiate and administer economic development incentives.

MOST FREQUENTLY USED AND UNUSED INCENTIVES

Graph 1 shows that of the 13 cities surveyed and reported here, the most frequently used programs were Tax Increment Financing, the Individualized Development Agreement, and the economic development provisions of the Community Development Block Grant. Other programs that were used, but by less than a majority of the cities, included Neighborhood Improvement Districts, and the Enterprise Zone.

Graph 1:
Five Most Commonly Used Incentives for Economic Development



2005, Public Policy Research Center

A number of the economic incentive programs have not been used by the cities contacted for this report. These are:

- The Land Clearance for Redevelopment Act
- Missouri Downtown Economic Stimulus Act
- Planned Industrial Expansion District
- Specialized Sales Tax Agreement
- Accelerated Highway Improvement
- Missouri Transportation Finance Corporation

Appendix B provides a detailed summary of incentives use by the cities in this report.

ECONOMIC REGION: BOOTHEEL (KENNETT, MISSOURI)

STATE AND REGIONAL COMPARISON

With a population of 11,072 **Kennett, Missouri** is located in the **Bootheel Economic Region.** The Missouri Economic Research and Information Center (MERIC), describes the economy of this region as lagging behind Missouri with the eastern half struggling more than the western. A comparison of city, regional and state indicators is as follows:

Community and Economic Indicators – Kennett, Missouri

	Kennett	Bootheel Region	Missouri
Population Growth (1990-2000)	3.0%	1.4%	9.3%
Per Capita Income	$14,397	$19,952	$19,936
Poverty Rate	26.1%	20.4%	11.7%
Civilian Labor Force	4,722	100,810	2,806,718
Unemployment Rate	3.5%	6.9%	5.3%

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Population growth for Kennett between 1990 and 2000 was 3 percent compared to only 1.4 percent for the Bootheel Region and 9.3 percent for Missouri. At $14,397, Kennett's per capita income for 2000 fell below the region's figure of $19,952 and the Missouri figure of $19,936. The poverty rate of 26.1 percent exceeds the regional rate of 20.4 percent and far exceeds the state's rate of 11.7 percent, with a civilian labor force of 4,722; Kennett's unemployment rate for 2000, of 3.5 percent was half the region's rate of 6.9 percent and below Missouri's unemployment rate of 5.3 percent.

The top ten industries adding the most jobs to the Bootheel Region by new and expanding businesses are:

SIC	Industry	Average Quarterly Job Creation
561	Administrative and Support Services	321
326	Plastics and Rubber Products Manufacturing	169
332	Fabricated Metal Product Manufacturing	134
722	Food Services and Drinking Places	118
484	Truck Transportation	65
622	Hospitals	54
623	Nursing and Residential Care Facilities	53
446	Health and Personal Care Stores	43
621	Ambulatory Health Care Services	42
236	Construction of Buildings	41

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

KENNETT, MISSOURI ECONOMIC DEVELOPMENT

Kennett has used a number of incentive programs over the past two decades, but increasingly within the past five years. Its economic development activity began as an offspring to the building of a new community swimming pool. Having been without an operational community pool for almost 10 years, Kennett had a two-story concrete facility sitting in disrepair but could not finance demolition and construction through its current budget. Several sales tax proposals had failed over a period of eight years, the last in 2002. Kennett was without the financial resources for completing its project; but what seemed to be a recreational development would prove to be the catalyst for attracting new business and revitalizing its downtown area.

Kennett's project is somewhat nontraditional given the collaboration of partners that came together. In particular the project's stimulus was a commitment by recording artist Sheryl Crow, a native of Kennett. In

May 2003 Ms. Crow indicated her interest in funding the construction of the new pool, contacting Matt Shetley -- a law partner of her father's and the Chamber of Commerce Board President. In August of that same year Ms. Crow, Mr. Shetley and Chamber Executive Director Jan McElwrath met to discuss possible locations for the pool.

A site adjacent to the downtown square was suggested, with the intent that all private funding be leveraged toward additional incentives for the downtown area. Keith Mitchell owned the property proposed, and promptly offered to donate his land. This site, dormant after the closing of a wholesale/retail lumber company, had an appraised value of $311,000 but had several unsightly, unsafe buildings and storage sheds. However, Mr. Mitchell's generous donation would later become the basis for matched funding to accomplish redevelopment.

Jan McElwrath contacted the DED. In November 2003 the DED's Mike Downing, a Kennett area native, met with Chamber representatives and Sheryl Crow to review the overall plan. It was decided that the Kennett Community Development Corporation (KCDC), the non-profit development arm of the Kennett Chamber of Commerce, would be the entity to oversee the planning, development and construction of the pool and adjacent park.

Sallie Hemenway and Betty LeSeure of the DED met with the newly formed pool committee, recommending the most appropriate grant and tax incentive programs available. With a project timeline and proposed grant applications approved by City Council, the KCDC and Bootheel Regional Planning Commission wrote two CDBG applications, which were successfully granted to begin projects. The City Engineer provided the technical plans for the downtown improvements.

The pool site is approximately two acres and the park side of the site is now being developed. A pavilion and walking trail are currently under construction to be completed before May 2006 with fundraising for the walking trail through the Sheryl Crow fan forum. $170,000 was raised locally to purchase equipment for the pool, bathhouse and office as well as playground equipment for the park. The Sheryl Crow Aquatic Center opened as scheduled on May 28, 2005 with filming by 20/20 as Ms. Crow entertained the crowd, performing with a local band in which her father plays. "I Soaked up the Sun in Kennett" t-shirts and other items designed by Sheryl are sold to fund ongoing improvements to the facility. The aquatic center has been featured in People Magazine, VH1, 20/20, Good Morning America and many newspapers and stations throughout the world.

Downtown revitalization will begin this fall with technical plans provided by Kennett's city engineer. Five new businesses have opened and two local businesses have relocated to downtown since 2004. Although the comprehensive plan for Kennett Missouri was developed in the 1960's by a professional consultant and is not actively utilized, and no economic development plan exists for the city, Kennett Missouri has a new attitude!

The following economic development incentives have been utilized:

- Enterprise Zone Tax Credits
- Industrial Revenue Bonds
- Neighborhood Assistance Program (NAP)
- Historic Preservation Tax Credits
- Community Development Block Grants (CDBG)

Kennett's designation as an **Enterprise Zone** will expire in 2006. As an enterprise zone they were able to bring in a data processing center and an industrial company, both new employers. Kennett is preparing to apply for designation as an Enhanced Enterprise Zone.

The **Industrial Revenue Bond** was used approximately 10 years ago, but is not currently in use. While active it was used to purchase equipment for an industrial company that relocated to Kennett and created approximately 100 jobs. Equipment was also purchased for the data processing center. While the incentive was used by the data processing company for the purchase of equipment, the financial savings that resulted from the tax credit to create new jobs was never utilized.

Both the **Neighborhood Assistance Program (NAP)** and **Historical Preservation Tax Credit** were used simultaneously in 1999 for the renovation and expansion of a historic site hotel, creating apartments for low-income seniors.

The **Community Development Block Grant** was originally received in 1988 to assist with infrastructure in the industrial park. In August 2004, $250,000 was awarded under the innovative category for the demolition of dangerous buildings within a blighted area and demolition of the unsound above-ground City swimming pool. Although these properties were in two separate locations, demolition of the old pool was allowed because the demolition project in the blighted area cleared the property for construction of a new, privately funded aquatic center. The land at the new pool site, as a donation from a local community member was valued at $311,000, and received a matching $250,000 grant award. In April 2005 a new $400,000 grant was awarded for Downtown Revitalization, funding the basic infrastructure of sidewalks, lighting, parking, etc. $400,000 of private funds was used to meet the required grant match for this infrastructure funding.

Comments**:** *According to the Chamber of Commerce, the tax credit programs are not simple to use as the required formula presents a challenge for employers. The Community Development Block Grants are difficult with the initiating grant administration process but then become more user-friendly. For the CDBG it is important to know from the onset, that funding is very limited. Kennett recognizes that challenges are inherent in the incentive process for first-time participants.*

Kennett, Missouri information has been provided by:
Jan McElwrath, Exec. Director & Chief Economic Dev. Officer - Kennett Chamber of Commerce
City of Kennett (573) 888-5828

ECONOMIC REGION: LAKE OZARK-ROLLA (ROLLA, MISSOURI)

STATE AND REGIONAL COMPARISON

With a population of 17,266 **Rolla, Missouri** is located in the **Lake Ozark-Rolla Region**. The overall economy of the region, as described by the Missouri Economic Research and Information Center (MERIC), has been characterized by varied growth over the last 10 years.

Community and Economic Indicators – Rolla, Missouri:

	Rolla	Lake Ozark-Rolla Region	Missouri
Pop Growth (1990-2000)	16.2%	14.8%	9.3%
Per Capita Income	$15,916	$21,352	$19,936
Poverty Rate	22.0%	15.0%	11.7%
Civilian Labor Force	7,907	106,824	2,806,718
Unemployment Rate	5.2%	5.6%	5.3%

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

As shown here, Rolla's population growth has been 6.9 percent higher than the population growth of Missouri, and slightly higher than the Lake Ozark-Rolla Region. Per capita income for Rolla is less than both the state ($19,936) and region ($21,352), while the poverty rate of 22 percent is nearly twice the rate for Missouri (11.7 percent) and much higher than the regional rate of 15 percent. The available civilian labor force of 7,907 persons has an unemployment rate which is in line with the state's rate and minimally lower than the region's.

The top ten industries adding the most jobs to the Lake Ozark-Rolla Region by new and expanding businesses are:

SIC Industry	Average Quarterly Job Creation
622 Hospitals	1,799
722 Food Services and Drinking Places	262
813 Religious, Grantmaking, Civic, Professional, and Similar Organizations	222
561 Administrative and Support Services	188
511 Publishing Industries (except Internet)	134
441 Motor Vehicle and Parts Dealers	112
623 Nursing and Residential Care Facilities	103
541 Professional, Scientific, and Technical Services	92
517 Telecommunications	74
325 Chemical Manufacturing	68

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

ROLLA, MISSOURI ECONOMIC DEVELOPMENT

Benefiting from a campus of the University of Missouri, a hospital, and as home to the Mapping Division of the United States Geological Survey (USGS), Rolla was favored with almost effortless sustainability, and had not aggressively sought measures for economic development. Known for its outstanding scientific education, the University of Missouri at Rolla is a nationally recognized leader in science and technology, and has educated students in Rolla for 125 years. These resources consistently added jobs and municipal revenues, but with recent government plans to downsize the USGS, Rolla has begun taking a second look at a more active use of economic development incentives.

Minimal use has been accomplished, though it initially met with a typical challenge – the idea of businesses getting incentives for growth called for informing decision makers and clarifying possible outcomes. Through the Payment in Lieu of Tax (PILOT) program, Rolla initiated incentive use with Brewer Science, Inc (Brewer). The PILOT program offered abatement, and to the credit of economic development decision makers, Brewer was offered the discretion to name benefactors. With a love for arts and education, Brewer designated the Ozark Actors Theater and the school district as recipients of the resulting financial contributions.

With its changing environment, Rolla anticipates a much more aggressive use of incentives that would help replace jobs and revenues. Rolla's comprehensive plan was developed by city staff while its economic development plan was the work of a professional consultant, in 2003. Following the completion of the economic development plan, the city incorporated the Rolla Regional Economic Commission (RREC), which, for implementation of the development plan, is in the process of hiring an executive director and determining land site(s) for industrial use.

Rolla has utilized the following economic development incentives:
- Chapter 100 Bonds
- Industrial Development Authority
- Local Tax Increment Financing
- Neighborhood Improvement Districts
- Other (Enterprise Zone)

With the use of Chapter 100 Bonds, in 2002 the City Council assisted Brewer with a $13 million expansion, resulting in a 40,000 square foot laboratory building and over 75 new jobs. The incentive was used specifically to fund building improvements and to refinance debt for Brewer. Because of the savings, this company was able to keep rent costs the same as it had previously been, despite expansion costs. The flexibility of the Chapter 100 bond allowed Brewer to enter an agreement to give back about one half of the savings in the form of a Payment-in-Lieu-of-Tax (PILOT) program that benefited the City, the School District and a cultural arts program, according to the City of Rolla.

The Industrial Development Authority (IDA) was used in 2004 to construct a building for Mental Health and Juvenile Services, creating new classrooms and offices.

The Local Tax Increment Financing (TIF) incentive is currently under review by a St. Louis developer who is pursuing redevelopment for a 10-acre, $19-20 million project. If utilized, the TIF would be approximately $9 million.

The Neighborhood Improvement Districts (NID) incentive was used in 1999 for annexing a 1,300-acre area on the city's southern border, and specifically financed an upgrade of utilities.

Rolla is in its 14th year as an **Enterprise Zone**, and was just re-designated for another seven-year increment, providing for 100 percent tax abatement on the increase for 10 years. Rolla is applying for an ***enhanced zone*** designation.

Other Comments: *According to the City of Rolla, the Chapter 100 bonds is the most useful economic development incentive that Missouri offers, because it allows the abatement of taxes on both real and personal property, generally giving a better tax impact to the potential business. This allows the company using the incentive to refinance debt and/or use less out-of-pocket funds for expansion, with the flexibility to give a portion back to the city or other local entities, such as the school district, etc. In contrast, the TIF is the least favorable due to its difficulty with use; it requires a level of expertise that is sometimes beyond the capacity of smaller communities.*

Rolla, Missouri information has been provided by:
John Petersen, Director - Community Development Department
City of Rolla (573) 364-5333

ECONOMIC REGION: SOUTH CENTRAL (AVA, MISSOURI)

STATE AND REGIONAL COMPARISON

With a population of 3,063 **Ava, Missouri** is located in the **South Central Economic Region** of the state. The overall economy of the region, as described by the Missouri Economic Research and Information Center (MERIC), is keeping pace with Missouri.

Community and Economic Indicators – Ava, Missouri:

	Ava	South Central Region	Missouri
Pop Growth (1990-2000)	2.8%	11.1%	9.3%
Per Capita Income	$13,307	$16,728	$19,936
Poverty Rate	21.7%	20.3%	11.7%
Civilian Labor Force	1,180	51,721	2,806,718
Unemployment Rate	5.2%	6.2%	5.3%

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Ava's population growth was considerably less than the state and regional comparisons between 1990 and 2000. The per capita income of $13,307 falls well below the state and the regional income levels, and is reflected in the higher rate of poverty (21.7 percent) compared to the regional poverty rate of 20.3 percent and Missouri's rate of 11.7. The unemployment rate of 5.2 percent is in line with the state's rate of 5.3 percent, but below the regional unemployment rate of 6.2 percent for 2000.

The top ten industries adding the most jobs to the South Central Region by new and expanding businesses are:

SIC	Industry	Average Quarterly Job Creation
621	Ambulatory Health Care Services	55
722	Food Services and Drinking Places	45
622	Hospitals	37
624	Social Assistance	26
333	Machinery Manufacturing	25
522	Credit Intermediation and Related Activities	22
445	Food and Beverage Stores	17
441	Motor Vehicle and Parts Dealers	16
423	Merchant Wholesalers, Durable Goods	13
237	Heavy and Civil Engineering Construction	13

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

AVA, MISSOURI ECONOMIC DEVELOPMENT

Ava, like many other smaller cities throughout Missouri, needed to make infrastructure improvements to stimulate economic development. And similar to many other cities, Ava could not make the upfront outlay for these improvements through general revenue or nonsubsidized financing methods. Two Missouri programs for addressing infrastructure have proven to be effective for Ava: the Community Development Block Grant, with use initiated by the South Central Ozark Council of Governments (SCOCOG); and the use of a development agreement, initiated by Wal-Mart in its proposal to expand from a standard store to a Wal-Mart Super Center.

As a willing source of assistance, Mr. John Murrell of the SCOCOG introduced the CDBG program to Ava and has continued to provide consultation for economic development and related grants administration. Initially meeting with the Mayor and City Clerk to go over the financing scenario for the program, Mr. Murrell explained the potential for Ava to receive $1,000,000 in funding from the Economic Development

Administration and $500,000 in funding from the CDBG program. In addition to these funds, Copeland Corporation, a subsidiary of Emerson Electric was willing to commit to an investment of several million dollars and over 200 new jobs, and the use of the CDBG was welcomed by Ava decision makers. One particularly attractive aspect of the incentive was that it would give state and local governments discretionary authority regarding how the assistance could be utilized – Ava would determine the most important needs for their own community. Community Development Block Grants can be difficult to administer, but DED staff and the SCOCOG provided ample assistance to Ava for successful implementation.

Also affecting Ava's infrastructure needs, in 2002 Wal-Mart determined that many of the infrastructure improvements outlined in its plans for a Supercenter were actually to be made on public property. Wal-Mart initiated the idea that the City of Ava and Douglas County share in the cost of these public improvements by entering into a development agreement, reimbursing Wal-Mart the cost of infrastructure improvements with the incremental taxes generated by the project. Both the city and county agreed, realizing the potential to increase attractiveness to other businesses. With this decision, the public law firm of Gilmore and Bell, PC was consulted to develop the actual agreement. Through legal consulting, this process was completed without the assistance of the DED, however Ava experienced some difficulty in getting the needed information, such as invoice copies, etc., from Wal-Mart once the reimbursement period was scheduled to begin. At its discretion, Ava paid the entire reimbursement amount with the initial payment, so that future taxes could be retained locally.

Ava's comprehensive plan was developed by the South Central Ozark Council of Governments, and is currently being updated through input from community focus groups. This revised plan will include a chapter specific to economic development.

As described above, Ava has utilized the following economic development incentives:

- EDA's Sudden and Severe Economic Dislocation Program
- CDBG Grants and Loans
- Development Agreement

In 1997, through the Department of Commerce-Economic Development Administration's **Sudden and Severe Economic Dislocation Program**, the renovation of a manufacturing plant was accomplished with grant funding that paid for the remodeling. As a result the plant was remodeled and occupied.

The Community Development Block Grant has proven to be vitally important to Ava as a source of funds for infrastructure, especially water lines, sewer lines, and roads. It has also brought quality employment to the area through the financing of new and expanding businesses, such as the Copeland Corporation described above. Through the CDBG a **Float Loan** was made available in 1998, which paid for manufacturing equipment, allowing for the expansion of an existing factory. In 1999, the CDBG **Industrial Infrastructure Grant** was obtained. This incentive encouraged the development of an industrial park, financing the construction of an access road, and incoming sewer and water lines. As a result, two new businesses have located themselves in the industrial park. These projects are still current.

Through the implementation of the **Development Agreement,** the Wal-Mart Super Center was constructed in 2002, and completed the installation of a water line for public improvement. Approximately 200 jobs were created by the Wal-Mart Super Center, along with increased sales tax revenue that continues to benefit the city and its communities.

Comments**:** *The City of Ava has not used Tax Increment Financing because of the cost and complexity of the program. The CDBG is the most utilized program for economic development by the City of Ava because it is flexible, can be used for a variety of projects, and the administrative requirements are straightforward.*

Ava, Missouri information has been provided by:
Janice Lorrain, Director of Development
City of Ava (417) 683-5516

ECONOMIC REGION: CENTRAL (ST. ROBERT, MISSOURI)

STATE AND REGIONAL COMPARISON

With a population of 5,221 **St. Robert Missouri** is located in the **Central Economic Region**. The overall economy of the region, as described by the Missouri Economic Research and Information Center (MERIC), is well ahead of the economy of Missouri as a whole, with a good amount of economic growth over the last 10 years.

Community and Economic Indicators – St. Robert, Missouri:

	St. Robert	Central Region	Missouri
Pop Growth (1990-2000)	59.5%	14.7%	9.3%
Per Capita Income	$17,650	$24,904	$19,936
Poverty Rate	11.3%	11.4%	11.7%
Civilian Labor Force	1,170	198,245	3,016,881
Unemployment Rate	6.3%	4.5%	5.3%

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

St. Robert's population growth of 59.5 percent is 50 percent higher than the population growth of Missouri, and well over the growth of the Central Region, though per capita income for St. Robert is less than both the state and region's figures. The poverty rate of 11.3 percent is comparable to the regional rate of 11.4 percent, and the Missouri rate of 11.7. Of the available civilian labor force of 1,170 the unemployment rate of 6.3 percent is noticeably higher than the region's rate of 4.5 percent and higher than Missouri's rate of 5.3 percent.

The top ten industries adding the most jobs to the Central Region by new and expanding businesses are:

SIC Industry	Average Quarterly Job Creation
454 Nonstore Retailers	404
722 Food Services and Drinking Places	275
561 Administrative and Support Services	127
621 Ambulatory Health Care Services	119
336 Transportation Equipment Manufacturing	114
541 Professional, Scientific, and Technical Services	101
531 Real Estate	98
441 Motor Vehicle and Parts Dealers	93
623 Nursing and Residential Care Facilities	80
522 Credit Intermediation and Related Activities	76

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

ST. ROBERT, MISSOURI ECONOMIC DEVELOPMENT

Featured in the February-March 2004 issue of the Missouri Municipal Review, St. Robert experienced growth over the past several years – a direct opposite of the common declines experienced across other cities. In this article, ***"Grow with Us, The City of St. Robert Grows a New Municipal Center,"*** by Bruce Harrill**,** the unique circumstances surrounding the building of the City's new municipal building are detailed to portray the parallel, positive growth of the city's economic condition. Once considered a city not likely to prosper, St. Robert is home to Fort Leonard Wood, an army post which has itself evolved from a rustic post to one of the U.S. Army's premier training bases, populating up to 30,000 residents.

According to the article, which calculates population growth from 1998 to 2004, St. Robert experienced a 63 percent population increase amidst $90 million in new construction and retail business growth. During this same time period, St. Robert experienced an increase in its sales tax revenue of over 95 percent. Two main players are considered as most contributing to this dynamic change, the Wal-Mart Super Center and the City of St. Robert's municipal expansion.

Having previously purchased land for a new municipal building, the City entered an innovative deal with Wal-Mart. Desiring to expand from a standard-sized store to a new Super Center, Wal-Mart agreed to the city's proposition to exchange the land previously purchased for the new city building for the old Wal-Mart store plus a cash settlement. Mayor George Lauritson considered this a "win-win" situation. The new Super Center would increase the base for sales tax revenue, while the City gained a building for its new site. In this new location, $2.5 million would finance the municipal center with a 20-year bond.

Through the open bid process, St. Robert selected its general contractor and architecture firm and began the redesign of the old Wal-Mart into the new, innovative state-of-the-art municipal building. Comparable to the city's growth, the City's IT support has grown from one server and 12 computers to six servers and 70 computers. Through fiber-optic cable, the Local Area Network (LAN) includes four off-site locations, including the City transfer station, fire stations, and public works departments. In March 2003 St. Robert occupied its new 90,000+ square feet City Hall, with over 30,000 square-feet of space for administrative offices and its police station, a new council chamber seating 70 persons, a drive-up window for the convenience of citizen-utility customers, 20,000 square-feet for Drury University's classroom and laboratory space, and still 35,000 square-feet of unfinished space available for future growth.

St. Robert's comprehensive plan was developed in 1998 through a series of stakeholder meetings, allowing public and leadership input. The comprehensive plan for St. Robert includes an economic development plan, along with a chapter dedicated to implementation. The economic development plan was developed by a team created by the city to identify and establish economic development goals, and was last reviewed in 2002. In 2003 St. Robert's comprehensive plan was updated.

St. Robert has utilized the following economic development incentives:

- Industrial Development Authority
- Local Tax Increment Financing
- Transportation Development Districts
- Specialized Sales Tax Agreement
- Accelerated Highway Improvements (state and federal)
- Missouri Transportation Finance Corporation

St. Robert has representation from the Economic Development Council on the **Industrial Development Authority (IDA),** established by Pulaski County.

Local Tax Increment Financing has been utilized on two different occasions. In 1998 a TIF was used to finance street and sewer infrastructure surrounding the Fairfield Inn, which was the first development in Interstate Plaza. This spurred the development of many subsequent facilities, including the Ruby Tuesday's restaurant that was attracted to the area without any direct incentive. The second TIF utilization, in 2001, was for a street extension and sanitary sewer area.

The Interstate Plaza/North Town Village **Transportation Development District (TDD)** was the first in the State to be formed by election of property owners, resulting in additional development of property. This TDD originally funded a $3.5 million dollar commercial frontage road extension and additional roadways are currently being pursued. The original extension, completed in the fall of 2003 has already spurred the construction of two motels.

In 1999 North Town Village of St. Robert used a **Specialized Sales Tax Agreement** with a local business to finance infrastructure, utilizing one half of the generated sales taxes. This agreement is still in effect between St. Robert and the Western Construction Company.

Accelerated state and federal highway improvements financing was utilized in 2000 and included a $10 million dollar project for Missouri Avenue. Additionally, federal and state funding accomplished the modernization of exit 159 of Interstate 44, improving this older, previously dilapidated structure. Through the **Missouri Transportation Finance Corporation,** St. Robert obtained a special interest rate loan to accelerate Exit 159 improvements.

Additional Comments**:** *The use of TIFs assisted in the development of land that had previously been challenging in terms of its infrastructure condition, and property that had been dormant for years. Despite numerous attempts to develop the property, infrastructure improvement costs prohibited development prior to the implementation of TIFs. The end result is quality development that well serves the community, and whose increased tax base far exceeds the incentive received by the developer. The use of local TIFs has allowed an evolution from two commercial areas to three, starting an entirely new area of St. Robert, Missouri.*

Use of the economic incentives has resulted in nine lodging businesses, ten restaurants, and between fifteen and twenty retail businesses in St. Robert.

St. Robert, Missouri information has been provided by:
Chris Heard, Assistant City Administrator
City of St. Robert (573) 451-2000 Ext. 1113

ECONOMIC REGION: NORTHEAST (OWENSVILLE, MISSOURI)

STATE AND REGIONAL COMPARISON

With a population of 2,519 **Owensville Missouri** is located in the **Northeast Region**. The overall economy of the region, as described by the Missouri Economic Research and Information Center (MERIC), lags behind the economy of Missouri, with a varied amount of economic growth over the last 10 years.

Community and Economic Indicators – Owensville, Missouri:

	Owensville	Northeast Region	Missouri
Pop Growth (1990-2000)	7.5%	3.7%	9.3%
Per Capita Income	$15,208	$19,100	$19,936
Poverty Rate	15.6%	15.7%	11.7%
Civilian Labor Force	1,012	70,763	2,806,718
Unemployment Rate	6.7%	5.1%	5.3%

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Between 1990 and 2000, population growth for Owensville was 7.5 percent, twice the growth of the Northeast Region, but below Missouri's rate of 9.3 percent. Per capita income was well below both the region's figure of $19,100 and below Missouri's 2000 census figure of $19,936. The poverty rate of 15.6 percent is shared by the region (15.7 percent), but is well above Missouri's rate of 11.7 percent. The civilian labor force of 1,012 is 40 percent of Owensville's population, while the unemployment rate of 6.7 percent exceeds the 2000 rate of 5.1 percent for the Northeast Region and Missouri's unemployment rate of 5.3 percent.

The top ten industries adding the most jobs to the Northeast Region by new and expanding businesses are:

SIC Industry	Average Quarterly Job Creation
454 Nonstore Retailers	66
722 Food Services and Drinking Places	51
493 Warehousing and Storage	43
238 Specialty Trade Contractors	38
311 Food Manufacturing	37
522 Credit Intermediation and Related Activities	35
447 Gasoline Stations	27
236 Construction of Buildings	26
452 General Merchandise Stores	21
424 Merchant Wholesalers, Nondurable Goods	19

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

OWENSVILLE, MISSOURI ECONOMIC DEVELOPMENT

For the city of Owensville, low sales tax and the existence of vacant buildings presented a pair of challenges requiring special economic development efforts. Empty buildings, if approached through the use of incentives could present opportunity for growth and development, but the use of incentives initially met with resistance from city decision makers. Allowing new businesses an incentive for doing business was viewed by some as unnecessary. This is not an uncommon response until expanded economic activity and increased municipal revenue really occurs. The use of incentives was first presented by city staff to a local area business, and proved to be effective; now Owensville is much more progressive in meeting its challenges.

A collaborative relationship exists between the Meramec Regional Planning Commission, and the City of Owensville. With the assistance of the Commission, Owensville has successfully applied for and received

Community Development Block Grant (CDBG) funding, and administrative assistance for the use of other incentives.

Indicative of its proactive approach, Owensville has implemented an Economic Development Electric Rate through which new businesses receive a lower rate for electricity for five years. Rates vary and are determined by a board, based upon what would be the normal rate for wholesale electric.

The comprehensive plan for Owensville was prepared by a professional consultant; however no economic development plan exists for the city.

Owensville has utilized the following economic development incentives:

- Industrial Development Authority
- Neighborhood Improvement Districts
- Other (Sales Tax Abatement, CDBG, Enterprise Zone)

The Industrial Development Authority (IDA) was used in 2002 as an industrial development bond incentive, but had previously been inactive for fifteen years.

The Neighborhood Improvement Districts (NID) incentive was used in 2001 for the installation of new waterlines and infrastructure.

Sales Tax Abatement is currently in use for public improvements through commercial development. Owensville receives the sales taxes they would normally receive from the smaller Wal-Mart store and an additional 25 percent of the Super Center's sales taxes. Seventy-five percent of the Super Center's sales taxes go back to them for funding public improvements, until such improvements are completed, at which time Owensville will begin receiving 100 percent of the sales taxes.

A CDBG Grant through the DED allowed the expansion of Grimco Sign Company, and was just approved in April 2005. Under this grant, Grimco anticipates 12 new employees for which Owensville will receive $120,000 ($10,000 per employee) for the improvement of roads and other infrastructure improvements. This work is still in progress.

Owensville is located within the 3-county region of the **Gasconade Valley Enterprise Zone**, which will have this designation until 2008. While 2004 state legislation removed the eligibility for state tax credits, the eligibility remains for 50 percent tax abatement on new construction or the improvement of existing structures of real property. The Gasconade Valley Enterprise Zone is currently working with the DED to define an area that would meet the criteria for designation as an Enhanced Enterprise Zone.

Other Comments: *According to the City of Owensville, the Sales Tax Abatement is a beneficial incentive because it allows the completion of public improvements in a timely manner through the return of sales taxes. The CDBG is also beneficial after the initial implementation process, which is unfortunately a very time consuming process.*

Owensville, Missouri information has been provided by:
James Decker, Chairman, Industrial Development – Owensville Chamber of Commerce
City of Owensville (573) 437-2812

Economic Region: Springfield (Hollister, Missouri)

State and Regional Comparison

With a population of 3,770 **Hollister, Missouri** is located in the **Springfield Region** of Missouri. The Missouri Economic Research and Information Center (MERIC) describes the economy of the Springfield region, in many respects, as the engine driving the state's economic growth, stating that all counties in the region have experienced growth during the past ten years.

Community and Economic Indicators – Hollister, Missouri:

	Hollister	Springfield Region	Missouri
Pop Growth (1990-2000)	47.17%	26.6%	9.3%
Per Capita Income	$12,716	$23,675	$19,936
Poverty Rate	13.2%	15.7%	11.7%
Civilian Labor Force	2,179	224,428	2,806,718
Unemployment Rate	11.7%	5.7%	5.3%

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Between 1990 and 2000, population growth for Hollister Missouri was 47.15 percent – nearly twice the growth of the Springfield Region at large, and over five times the rate for the state of Missouri. Per capita income was well below both the region's 2000 census figure of $23,675 and Missouri's figure of $19,936. Hollister's poverty rate of 13.2 percent is below the rate for the region (15.7 percent), but above Missouri's rate of 11.7 percent. The 2,179-person civilian labor force for Hollister shows an unemployment rate of 11.7 percent for 2000. Comparatively, this rate far exceeds the 2000 regional unemployment rate of 5.7 percent and the 5.3 percent rate for Missouri.

The top ten industries adding the most jobs to the Springfield Region by new and expanding businesses are:

SIC Industry	Average Quarterly Job Creation
311 Food Manufacturing	416
335 Electrical Equipment, Appliance, and Component Manufacturing	314
561 Administrative and Support Services	258
337 Furniture and Related Product Manufacturing	184
423 Merchant Wholesalers, Durable Goods	110
623 Nursing and Residential Care Facilities	108
454 Nonstore Retailers	91
441 Motor Vehicle and Parts Dealers	62
622 Hospitals	46
551 Management of Companies and Enterprises	46

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators.

Hollister, Missouri Economic Development

Hollister's peculiar challenge is that it is built upon rock, literally. This underlying condition greatly increased the projected cost for what Hollister most needed to enhance its economic position, highway construction. As a small city Hollister had very limited staff resources, but it responded by establishing relationships with both public agencies and private professional specialists.

The Innovative Cost Share Program has become a catalyst for improvements in Hollister. Through participation in this program Hollister started receiving county road and bridge funds from Taney County, matched funding from the state of Missouri, and additional funding through the assistance of Senator Kit

Bond. In addition to these financial resources for its highway improvements, Hollister obtained the legal council of a Jefferson City attorney with the intent that having an external consultant would help avoid the pitfalls of erroneous rates, and bring knowledge and trust inherent in his or her legal reputation.

This kind of communal effort has proven to be necessary because Hollister, again attributable to its size, lacked the staff to develop a close relationship with larger agencies, such as DED. Previously, the DED placed regional managers in local offices around the State, making consultation and assistance readily available. But with more recent DED budgetary constraints, regional economic managers are now located in Jefferson City, and although available, are further removed from the cities that could benefit from their local involvement. Through the collective participation of the city administrator, staff, and the Ozark Economic Development Partnership, Hollister put together an effective economic development program.

Also to its credit, Hollister operates a very transparent system of communication with lots of public and business participation in decisions that affect its viability. This kind of information sharing has helped Hollister maintain the support of its community members, businesses and decision makers throughout its economic development. The comprehensive plan for Hollister was completed through a contract with the Southwest Missouri Council of Governments, and includes a chapter on Economic Development. The base document was implemented in May 2002, with subsequent public work sessions being conducted by the city's planning commission. The most recent updates were recently completed in May 2005.

Hollister has taken several steps to implement the economic development plan. Initially a validation study of key components was conducted, followed by the dissemination of economic development information and public meetings. Budgets, financial resources and infrastructure priorities have been based on the economic development plan. Financial, legal and bond councils have been formed to assist the city on an as needed basis, and have been utilized to conduct training for elected officials, board members, media and the public.

Hollister has utilized the following economic development incentives:

- Developer Agreement
- Innovative Finance Program (MoDOT)
- State Tax Increment Financing

Instituted in 1995, the **Developer Agreement** was entered with local developers for public infrastructure improvements to support site development. A large, 300,000 sq. ft. retail-shopping district has been built, and continues to attract retail businesses to the area.

The **Innovative Finance Program (MoDOT)** began in 2003 with highway construction facilitating 150,000 sq. ft. of retail development. Still underway, this incentive is currently producing $58 million dollars in highway construction, with an additional 415,000 sq. ft. of improvements made possible by a recent **TIF** request.

Other Comments: *Hollister has utilized incentives with care not to impact local school funding or to raise local taxes. Some incentives, such as special taxing districts which raise the tax levy within their boundaries, are not immediately appealing because Hollister is located only nine miles from the Arkansas border and needs to compete with a lower tax structure and attractive business incentive programs.*

According to the City, Hollister has attempted to use Federal Housing incentives, but found it difficult to qualify families. With the housing programs, while funding is available for building, it is very difficult to find people who are initially qualified, and who have the resources to maintain ownership. Hollister has decided to leave the housing subsidy program to the local financiers, rather than to participate in federal programs.

Hollister Missouri information has been provided by:
Rick Ziegenfuss, City Administrator
City of Hollister (417) 335-5327

ECONOMIC REGION: NORTHWEST (HIGGINSVILLE, MISSOURI)

STATE AND REGIONAL COMPARISON

With a population of 4,659, **Higginsville** is located in the **Northwest Economic Region** of Missouri. According to the Missouri Economic Research and Information Center (MERIC), this region's economy lags behind the state's economy. With varied growth, a portion of the region has suffered during the past ten years.

Community and Economic Indicators – Higginsville, Missouri:

	Higginsville	**Northwest Region**	**Missouri**
Pop Growth (1990-2000)	-2.3%	3.8%	9.3%
Per Capita Income	$17,982	$22,176	$19,936
Poverty Rate	8.4%	12.1%	11.7%
Civilian Labor Force	2,145	88,076	2,806,718
Unemployment Rate	3.2%	5.0%	5.3%

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Between 1990 and 2000, Higginsville experienced a small population decline of 2.3 percent. For the Northwest Region, population growth was a small 3.8 percent, compared to Missouri's 9.3 percent increase. Per capita income was well below both the region's 2000 census figure of $22,176 and slightly below Missouri's figure of $19,936. Higginsville's poverty rate of 8.4 percent falls well below the region's rate of 12.1 percent, and the state's rate of 11.7 percent poverty. The civilian labor force includes 2,145 persons. The rate of unemployment is just 3.2 percent for Higginsville, and 5.0 percent for the region compared to Missouri's rate of 5.3 percent.

The top ten industries adding the most jobs to the Northwest Region by new and expanding businesses are:

SIC Industry	**Average Quarterly Job Creation**
454 Nonstore Retailers	66
722 Food Services and Drinking Places	51
493 Warehousing and Storage	43
238 Specialty Trade Contractors	38
311 Food Manufacturing	37
522 Credit Intermediation and Related Activities	35
447 Gasoline Stations	27
236 Construction of Buildings	26
452 General Merchandise Stores	21
424 Merchant Wholesalers, Nondurable Goods	19

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

HIGGINSVILLE, MISSOURI ECONOMIC DEVELOPMENT

To its geographic advantage, the Higginsville city limits extend to include the I-70 and Missouri Highway 13 junction, two major thoroughfares within the city limits. However, at this junction prior to 2000, only two motels and a restaurant existed while the rest of it had become predominantly deteriorated. To the credit of an insightful city administrator, the Tax Increment Financing commission was put in place approximately two years before its initial use, and available for implementation. Following the TIF establishment, the Williams Travel Center, considering the prospect of locating a facility in Higginsville, presented the idea of TIF use.

The Williams Travel Center sought economic development incentives to assist them with a move. Within the next two years, $8 million dollars was invested, bringing not just the Williams Travel Center, but also a convenience store and a 500,000-gallon water tower. Following these initial investments, a McDonald's restaurant opened for business within the travel center and a retail meat market opened.

Initially, the use of incentives was a new idea, and as with new ideas, information about processes and the potential outcomes would be necessary before acceptance by decision makers. As county commissioners and the school district became educated about the use of economic development incentives, implementation was accomplished without challenge. In addition to the TIF, Higginsville made itself attractive by offering local utility incentives, installing all necessary electrical lines, poles, etc., carrying services to the front door of new businesses with no installation charges.

The internal relationship climate for economic development was progressive, while according to Donna Glover, Economic Development Director of Higginsville, not much interaction existed between the city and the DED. This seemed to be closely connected to the absence of an official, economic development-specific director on Higginsville's professional staff. Since the creation of the economic development director position, Higginsville has experienced the evolution of a positive, close communicating relationship with the Missouri-DED. Ms. Glover describes a positive experience, and with the knowledge gained using incentives for economic development, Higginsville expects to continue pursuing such opportunities.

Higginsville offers the following economic development incentives:
- Chapter 100 Bonds
- Tax Increment Financing (TIF)
- CDBG – Industrial Infrastructure
- Utility Incentives
- Customized Training Program, New Jobs Training Program

The use of **Chapter 100 Bonds** are encouraged by Higginsville, but not yet utilized by any local businesses.

Tax Increment Financing (TIF) was initially used in 2000 as a new water tower was built and infrastructure improvements were made for a travel center and a convenience store, both locating to Higginsville. The resulting infrastructure improvement has since served the area by attracting two additional new businesses, and by the creation of approximately 75 new jobs.
CDBG Grants have been received to assist the Higginsville city government in the development of public infrastructure, allowing the local economy to avoid the loss of new business while expanding existing facilities in geographic areas in need of infrastructure improvements. Higginsville received grant funding under this program for improvements initiated in 2004, and are still underway.

The municipally-owned electric utility encourages industrial and commercial development through **utility incentives,** offering rate reductions to new or expanding businesses that meet certain usage and job creation requirements. Electric service to the meter for new business is provided at no charge. These are ongoing incentives.

Employers who are hiring and training workers for newly created jobs, or retraining workers as a result of new capital investment can receive employee training assistance through the **customized training program.** The **new jobs training program** is available to employers with a sound credit rating, when creating a substantial number of new jobs. Local community colleges initially finance training through the sale of certificates. The certificates are repaid by using tax credits from the employer's regular withholding that is based on a percentage of the gross wages paid to employees in the new jobs.

Other Comments: *According to the City of Higginsville the use of the TIF and Chapter 100 Bond is most advantageous to the customer. In addition to these, the Higginsville web page lists and encourages the use of several other incentives that have not been used by local businesses to date. Less advantageous, though they appear attractive, are the employee training programs; which include so many restrictions and high qualification standards that they are difficult for an employer to take advantage of.*

Higginsville, Missouri information has been provided by:
Donna Glover, Economic Development Director
City of Higginsville (660) 584-2106

ECONOMIC REGION: SOUTHWEST (CARTHAGE, MISSOURI)

STATE AND REGIONAL COMPARISON

With a population of 13,003 **Carthage** is located in the **Southwest Economic Region** of Missouri, described by the Missouri Economic Research and Information Center (MERIC) as being far ahead of Missouri as a whole, with growth especially realized in the extreme south over the past ten years.

Community and Economic Indicators – Carthage, Missouri:

	Carthage	Southwest Region	Missouri
Pop Growth (1990-2000)	17.87%	16.6%	9.3%
Per Capita Income	$15,281	$20,863	$19,936
Poverty Rate	19.2%	14.2%	11.7%
Civilian Labor Force	5,913	146,000	2,806,718
Unemployment Rate	8.9%	5.2%	5.3%

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Between 1990 and 2000, population growth for Carthage was nearly 18 percent, compared to 16.6 percent for the Southwest Region and 9.3 percent for Missouri. Per capita income was below regional and state levels reflected in the 2000 census. Carthage's poverty rate is high; at 19.2 percent it exceeds the regional poverty rate of 14.2 percent and the rate for the state of Missouri. With a civilian labor force of 5,913 persons, the unemployment rate for Carthage was 8.9 percent according to census data, compared to 5.2 percent for the Southwest region and 5.3 percent for Missouri.

The top ten industries adding the most jobs to the Southwest Region by new and expanding businesses are:

SIC Industry	Average Quarterly Job Creation
311 Food Manufacturing	416
335 Electrical Equipment, Appliance, and Component Manufacturing	314
561 Administrative and Support Services	258
337 Furniture and Related Product Manufacturing	184
423 Merchant Wholesalers, Durable Goods	110
623 Nursing and Residential Care Facilities	108
454 Nonstore Retailers	91
441 Motor Vehicle and Parts Dealers	62
622 Hospitals	46
551 Management of Companies and Enterprises	46

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

CARTHAGE MISSOURI ECONOMIC DEVELOPMENT

The comprehensive plan for Carthage was prepared by a professional consulting firm in 1994, and includes various sections relevant to economic development; though no separate, specific economic development plan exists. Economic development in Carthage is the responsibility of the Chamber of Commerce, contracted and coordinated by the city.

Carthage utilizes the following economic development incentives:

- Local Tax Increment Financing (TIF)
- Community Improvement Districts (CID)
- Industrial Development Authority – Chapter 349
- Other: Individualized Development Agreements

The Local Tax Increment Financing (TIF) was utilized in 1995 to alleviate a blighted area, extend infrastructure, and increase tourism as a result of improvements. The use of this incentive has resulted in approximately $7 million dollars in private improvements for the developer, which helped increase tourism as planned. In addition to this, using the local TIF resulted in approximately $500,000 of public infrastructure improvements in an area of Carthage that had previously been without needed infrastructure.

Approved in 2005 but still in the development stage, a 40-acre tract in the southern part of Carthage has been designated a **Community Improvement District** for mixed-use development. This will consist of retail space, physician's offices, town homes, patio homes, assisted living apartments, restaurants, a hotel, bank, civic center, grocery and convenience stores. Results from this development are yet to be measured, but are anticipated to be an increase in tourist accommodations, retail sales, and jobs for local citizens.

The **Industrial Development Authority** was used from 1981 until 1993 when it was disbanded. The authority issued **Industrial Revenue Bonds** for various economic development projects and additionally allowed the city the opportunity to own an undivided 1/3 interest in the property comprising an approximate 40-acre industrial park.

Individualized Development Agreements are currently being negotiated with various developers and the City of Carthage.

Comments: *According to the City of Carthage, the use of Tax Increment Financing and the Community Development District have proven to be beneficial because they afford the ability to extend and construct public improvements, specifically, needed infrastructure to areas which otherwise would not have been able to grow and develop to the benefit of the entire community and region. Though an available incentive, the Missouri Downtown Economic Stimulus Act (MoDESA) has been shown to be less useful because of the requirements in establishing a development area, project and authority.*

Carthage, Missouri information has been provided by:
Tom Short, City Administrator
City of Carthage (417) 237-7003

Economic Region: Southwest (Neosho, Missouri)

State and Regional Comparison

In the **Southwest Economic Region**, the city of **Neosho, Missouri** has a population of 10,961. The region, again as described by the Missouri Economic Research and Information Center (MERIC) is far ahead of Missouri as a whole, with growth especially realized in the extreme south over the past ten years.

Community and Economic Indicators – Neosho, Missouri:

	Neosho	Southwest Region	Missouri
Pop Growth (1990-2000)	13.5%	16.6%	9.3%
Per Capita Income	$15,847	$20,863	$19,936
Poverty Rate	12.8%	14.2%	11.7%
Civilian Labor Force	4,927	146,000	2,806,718
Unemployment Rate	5.3%	5.2%	5.3%

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Between 1990 and 2000, population growth for Neosho was 13.5 percent, compared to 16.6 percent for the Southwest Region and 9.3 percent for Missouri. The per capita income, $15,847 falls below regional and state levels reflected in the 2000 census. Neosho's poverty rate of 12.8 percent is slightly higher than Missouri's 11.7 percent; but lower than the regional poverty rate of 14.2 percent. With a civilian labor force of 4,927 persons, Neosho's 5.3 percent unemployment rate is in line with the Southwest region and the State of Missouri.

The top ten industries adding the most jobs to the Southwest Region by new and expanding businesses are:

SIC Industry	Average Quarterly Job Creation
311 Food Manufacturing	416
335 Electrical Equipment, Appliance, and Component Manufacturing	314
561 Administrative and Support Services	258
337 Furniture and Related Product Manufacturing	184
423 Merchant Wholesalers, Durable Goods	110
623 Nursing and Residential Care Facilities	108
454 Nonstore Retailers	91
441 Motor Vehicle and Parts Dealers	62
622 Hospitals	46
551 Management of Companies and Enterprises	46

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

Neosho, Missouri Economic Development

The comprehensive plan for Neosho is currently being developed through the services of a professional consultant, financed by the Neosho Economic Development Department. Economic development in Neosho is a joint venture between the Neosho Area Chamber of Commerce, the City of Neosho and Newton County; with all functions and staffing provided by the Neosho Area Chamber of Commerce. Neosho has an economic development-specific plan, originally prepared by members of the Neosho Area Chamber of Commerce Economic Development Committee in 1990, then updated annually. The plan was implemented in 1990 with the designation of a Missouri Enterprise Zone. In 1991, the City of Neosho passed a 1/8¢ sales tax for economic development which provides funding for the Department of Economic Development staffing and marketing.

Neosho has utilized the following economic development incentives:

- Community Development Corporations and Bank(s)
- Community Improvement Districts
- Industrial Development Authority – Chapter 349
- Local Tax Increment Financing
- Urban Redevelopment Corporations – Chapter 353
- Other: Missouri Enterprise Zone

The implementation of the **Community Development Corporation (CDC)** began in approximately 1997 and continues currently with the cooperation of the Missouri Development Finance Board's generous contribution of $500,000 in tax credits. Used for the restoration of sidewalks and lights in the downtown area, completion will total over $2,000,000.

Neosho is currently in the final stages of a **Community Improvement District,** which helped to secure and install infrastructure for a shopping strip and several other pieces of property for retail development in front of the Wal-Mart Super Center. A second **CID** is planned to help implement improvements to the city's historic downtown square; for maintaining and servicing flower boxes characteristic of the historic area's beauty, and for public improvements.

The Newton County **Industrial Development Authority** has the power to issue industrial bonds inclusive of the Neosho area. The authority remains current, but there have been no applications of this incentive.

Now in use for six years by Neosho, the **Local Tax Increment Financing (TIF)** incentive has provided for the installation of all necessary utilities (water, sewer, and streets) on two main corridors to the new four-lane Highway 71 corridor, stretching from Kansas City to the Arkansas border. Several miles of water and sewer have been run to the major intersections of Highway 60/Highway 71 and Highway 86/Highway 71. The TIF will also be used to put streets and other infrastructure into the developments, which will be mostly retail oriented. To date Neosho has 4 industries that are expanding, creating another 100,000 square footage plus another 195-250 jobs in the industrial area. Retail sales have increased in the city by 3 to 3-1/2 percent per year from 1999 to 2005 due to the TIF attracting new retail. In some of the older parts of the former retail mainstay (Neosho Boulevard), Neosho has seen the emergence of a brand new Sonic, Walgreen's, Rent-a-Center, and the purchase and renovation of the old Wal-Mart. The result has been two additional retailers joining the eighteen retailers already doing business there. **The CID and TIF combined** have helped Neosho establish right of way, to develop drainage and surfacing, and to build street infrastructure for development in front of the Wal-Mart Super Center, an estimated value of $500,000 to be repaid to the developer through bonds.

The **Urban Redevelopment Corporations (Chapter 353)** incentive has been used in the past by Jeffrey E. Smith Companies on an historic high school that is now being restored and currently serves as affordable housing. Neosho also used Chapter 353 on one of the tallest, most historic buildings in the downtown area being renovated by the Prost Development Corporation. This structure currently houses the Missouri Department of Health & Human Services. The Urban Redevelopment Corporations incentive was implemented approximately five years ago and will be in use for another ten years.

Neosho has had a **Missouri Enterprise Zone** incentive package since 1990. Several industrial projects, including a brand new industry employing 38 people and investing over $23 million dollars, and existing industries expanding from 300,000 sq. ft. to 1,990,000 sq. ft. at Sunbeam. The Missouri Enterprise Zone has had a tremendous effect in the creation of new jobs and investment, as noted in the Missouri Department of Economic Development Industrial Report.

***Comments*:** *The tax incentives of the Missouri Development Finance Board have resulted in approximately $2 million dollars in development downtown and one block off the square in several directions, giving Neosho new sidewalks and new lights in the exact replica of the original antique street lights. It has also created* *private investment in no less than eight of the main buildings downtown being historically restored with retail or service in the lower levels and housing/apartments above the retail space. Neosho finds all the incentives to be very useful in economic development and in a wide range of areas from developing industrial jobs, infrastructure, retail development, and office and service industries with each one being unique to the incentive. The community of Neosho would be stalled and dying without the use of incentives like Chapter 353, TIF, Neighborhood Improvement Districts, and Industrial Development Bonds. Neosho describes itself as having always been an aggressive community that will continue to find ways to use these and other available incentives to build their community's economy and compete with the fastest growing part of the country…Northwest Arkansas, and with industrial competitors such as Kansas, Oklahoma, and Arkansas who are 20 miles from its borders. With the right industry, i.e. paying the required wage and skill level of employment, Neosho would utilize Chapter 100 Bonds, and plans to use Transportation Development Districts, the Missouri Rural Economic Stimulus Act, and State Tax Increment Financing.*

Neosho, Missouri information has been provided by:
Linda Redshaw, Economic Development Administrative Assistant
City of Neosho (417) 451-1925

ECONOMIC REGION: WEST CENTRAL (WARRENSBURG, MISSOURI)

STATE AND REGIONAL COMPARISON

Warrensburg, Missouri has a population of 17,452 and is located in the **West Central Economic Region** of the state. The Missouri Economic Research and Information Center (MERIC) describes this region as one keeping pace with Missouri as a whole, however a look at the U.S. Census data shows it to be slightly ahead of Missouri.

Community and Economic Indicators – Warrensburg, Missouri:

	Warrensburg	West Central Region	Missouri
Pop Growth (1990-2000)	7.2%	11.7%	9.3%
Per Capita Income	$14,714	$20,499	$19,936
Poverty Rate	24.3%	14.5%	11.7%
Civilian Labor Force	8,757	86,969	2,806,718
Unemployment Rate	9.3%	5.5%	5.3%

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Between 1990 and 2000, population growth for Warrensburg was only 7.2 percent, slightly behind that of Missouri and well behind the regional growth. Per capita income was also below regional ($20,499) and state levels ($19,936) as reflected in the 2000 census. The 24.3 percent poverty rate in Warrensburg is well above the regional rate of 14.5 percent and more than doubles the rate for Missouri. With a civilian labor force of 8,757 persons, the unemployment rate for Warrensburg was 9.3 percent, compared to 5.5 percent for the West Central Region and 5.3 percent for Missouri.

The top ten industries adding the most jobs to the West Central Region by new and expanding businesses are:

SIC Industry	Average Quarterly Job Creation
622 Hospitals	104
211 Utilities	68
336 Transportation Equipment Manufacturing	63
722 Food Services and Drinking Places	58
333 Machinery Manufacturing	50
311 Food Manufacturing	46
327 Nonmetallic Mineral Product Manufacturing	45
624 Social Assistance	27
561 Administrative and Support Services	24
424 Merchant Wholesalers, Nondurable Goods	22

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

WARRENSBURG, MISSOURI ECONOMIC DEVELOPMENT

Through economic development teamwork, including the approach of potential developers and the proactive efforts of its city staff, Warrensburg Missouri has expanded its knowledge and use of economic development incentives. Warrensburg experiences the infrastructure improvement needs and resource limitations existent in other cities in other regions of Missouri, but has become savvy in knowing which incentives result in effective solutions for its potential retail developers. This knowledge has been born out of experience. Initially, each incentive used was at the request of private developers, proposing to locate or expand business should incentives make assistance available for infrastructural improvement.

In the spring of 2004, Lowe's Home Improvement, Inc. approached the City of Warrensburg about the possibility of a sales tax sharing agreement incorporated into development agreement between the city and a developer specifically for public improvements. The developer completes pre-defined infrastructure improvements, then one half (½) cent of the sales tax generated by a retail store in the development is used as a mechanism for reimbursement. In response to Lowe's request, the City of Warrensburg created its first sales tax sharing incentive for commercial developments, and has since entered into two subsequent uses of this incentive.

In 2005 Warrensburg was again approached by a private commercial developer proposing the use of a Neighborhood Improvement District (NID) for public improvements in an approximately 100-acre commercial project. The city's response was to pass a resolution to create the NID; typical of the progressive response by Warrensburg's decision makers. Later in this same year, as another approach by this developer, Warrensburg was encouraged to initiate a petition to create a Transportation Development District (TDD) for the same development project, this time including Wal-Mart within the boundaries of the TDD. Implementation of the agreement was successful, with this incentive paying for public transportation improvements to address safety and traffic congestion concerns in the development area.

As evident in these instances, the general climate for engaging the use of economic development incentives is positive in Warrensburg. Recognizing the challenge and potential outcomes of meeting the demands for infrastructure improvements, staff has worked with professional bond counsel for assistance on these matters. Through experience Warrensburg's staff has become more aware of the details and uses of the financing tools available, developing the knowledge for suggesting suitable incentives when working with new developments and projects.

Warrensburg has not worked directly with the Missouri Department of Economic Development for assistance, but notes the usefulness of information available through the DED website. Seminars offered by the Missouri Department of Transportation (MoDOT) have been attended by the Director and Assistant Director of Public Works and Community Development, which have made information available regarding the use of incentives for transportation improvements. Warrensburg's comprehensive plan was prepared by the Show-Me Regional Planning Commission without a specific plan for economic development. Ongoing economic development is a coordinated effort of both the Economic Development Coordinating Board and the City of Warrensburg.

As described above, Warrensburg utilizes the following economic development incentives:

- Neighborhood Improvement Districts (NID)
- Other: Commercial Development Agreement

The **Neighborhood Improvement District** is an incentive currently used for the improvement of streets, storm and sanitary systems and a public park. Infrastructure is currently being installed, improvements are ongoing; all of the benefits of this incentive are yet to be measured.

In 2004, Warrensburg entered into a **Commercial Development Agreement** with Lowe's Home Improvement Centers to accomplish necessary street and intersection improvements, which will improve the flow of traffic to local area businesses.

Warrensburg, Missouri information has been provided by:
Barbara Carroll, Assistant Director of Community Development
City of Warrensburg (660) 747-9131

ECONOMIC REGION: SAINT LOUIS METROPOLITAN (LAKE SAINT LOUIS, MISSOURI)

STATE AND REGIONAL COMPARISON

Lake Saint Louis, Missouri has a population of 12,893 and is located in the **Saint Louis Metropolitan Economic Region**. According to the Missouri Economic Research and Information Center (MERIC), this region is generally trailing Missouri's economy. Over the last ten years, there has been extremely varied growth, with the slowest occurring in the urban core and the greatest in the outlying counties.

Community and Economic Indicators – Lake Saint Louis, Missouri:

	Lake Saint Louis	Saint Louis Metro Region	Missouri
Pop Growth (1990-2000)	37.4%	5.1%	9.3%
Per Capita Income	$32,064	$33,533	$19,936
Poverty Rate	3.9%	9.6%	11.7%
Civilian Labor Force	5,625	1,033,079	2,806,718
Unemployment Rate	2.7%	5.5%	5.3%

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Lake Saint Louis experienced a 37.4 percent population growth between 1990 and 2000; far surpassing the growth of the Saint Louis Metropolitan Region (5.1 percent) and the state's rate of 9.3 percent. Per capita income of $32,064 is about four percent less than the region's ($33,533), but far exceeds the state per capita income of $19,936. Lake Saint Louis has a much lower incidence of poverty (3.9 percent) than the region (9.6 percent) and the state (11.7 percent). With a civilian labor force of 5,625 persons, the unemployment rate for Lake Saint Louis was only 2.7 percent, compared to 5.5 percent for the region and 5.3 percent for Missouri.

The top ten industries adding the most jobs to the St. Louis Metropolitan Region by new and expanding businesses are:

SIC Industry	Average Quarterly Job Creation
518 Internet Service Providers, Web Search Portals, Data Processing Serv.	365
522 Credit Intermediation and Related Activities	334
722 Food Services and Drinking Places	320
541 Professional, Scientific, and Technical Services	130
561 Administrative and Support Services	118
622 Hospitals	63
236 Construction of Buildings	62
621 Ambulatory Health Care Services	58
517 Telecommunications	51
713 Amusement, Gambling, and Recreation Industries	51

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

LAKE SAINT LOUIS, MISSOURI ECONOMIC DEVELOPMENT

A private retail developer initiated the use of tax incentives for economic development in Lake St. Louis. The site proposed for a retail center with Walmart as the anchor tenant needed road improvements. Although MODOT was already making substantial roadway upgrades, a crossover bridge and other realignments would be necessary for access to the retail site.

Such access improvements often are made with TIF financing, but the Lake St. Louis board of aldermen did not welcome the idea of a TIF district. Lake St. Louis City Administrator Paul Markworth proposed instead a Transportation Development District (TDD). Both the board and the developer readily supported the TDD.

Professional services for implementation of the TDD were provided by Armstrong Teasdale, LLP. Jim Mello of Armstrong Teasdale had become known statewide as an expert in the use of TDDs and he was familiar with the political and economic climate of Lake St. Louis.

Even with the endorsement of the concept of a TDD and the use of experienced professional services, there was an extended process determining the structure of the board for the district. After a series of meetings an agreement was reached on the balance between representation by the city and representation by the developer. At the developer's urging, the city assumed responsibility for much of the administration of the district, including tax collections and maintaining district records.

Other than legal services, Lake St. Louis did not rely on other external economic development professional assistance for its project, either from DED or St. Charles County. On the county level, while a county economic development agency does exist, it is primarily focused on the growth of small businesses, rather than large scale development projects that require incentives such as TIF and TDD.

Lake Saint Louis has neither a formal, comprehensive plan nor an economic development plan. The functions of economic development are conducted by the City Administrator with assistance from the Mayor and Community Development Director.

Through a **Transportation Development District (TDD)** Lake Saint Louis began the construction of a 700,000 square foot retail development, with the incentive financing the needed road improvements. This is currently underway with full build out as the anticipated outcome, though it will be several years before results can be determined.

Other Comments: *According to the City of Lake Saint Louis, recent changes in legislation have made it easier to use the Transportation Development District incentive. It is also a more attractive tool for political leaders and the public when compared to the use of a Tax Increment Financing (TIF) incentive. The use of the TDD has added feasibility to coordinating the Lake Saint Louis road improvements with improvements to Highway 40, concurrently underway by MODOT.*

Lake Saint Louis, Missouri information has been provided by:
Bryan Richison, Assistant to the City Administrator
City of Lake Saint Louis (636) 625-1200

ECONOMIC REGION: SAINT LOUIS METROPOLITAN (BALLWIN, MISSOURI)

STATE AND REGIONAL COMPARISON

Ballwin, Missouri has a population of 30,778 in the **Saint Louis Metropolitan Economic Region** of the state. According to the Missouri Economic Research and Information Center (MERIC), this region is generally trailing Missouri's economy. Over the last ten years, there has been extremely varied growth, with the slowest occurring in the urban core and the greatest in the outlying counties.

Community and Economic Indicators – Ballwin, Missouri:

	Ballwin	Saint Louis Metro Region	Missouri
Pop Growth (1990-2000)	43.4%	5.1%	9.3%
Per Capita Income	$29,520	$33,533	$19,936
Poverty Rate	3.2%	9.6%	11.7%
Civilian Labor Force	16,617	1,033,079	2,806,718
Unemployment Rate	2.0%	5.5%	5.3%

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Ballwin's population increased 43.4 percent between 1990 and 2000; which is over 8 greater than the regional growth, and far surpasses the growth of Missouri during this time period. The city's per capita income of $29,520 is lower than the region's per capita income ($33,533), but far ahead of the state per capita income of $19,936. Ballwin has a much lower incidence of poverty (3.2 percent) than the region (9.6 percent) and the state (11.7 percent). With a civilian labor force of 16,617 persons, the unemployment rate for Ballwin is a mere 2.0 percent compared to 5.5 percent for the region and 5.3 percent for Missouri.

The top ten industries adding the most jobs to the St. Louis Metropolitan Region by new and expanding businesses are:

SIC Industry	Average Quarterly Job Creation
518 Internet Service Providers, Web Search Portals, Data Processing Serv.	365
522 Credit Intermediation and Related Activities	334
722 Food Services and Drinking Places	320
541 Professional, Scientific, and Technical Services	130
561 Administrative and Support Services	118
622 Hospitals	63
236 Construction of Buildings	62
621 Ambulatory Health Care Services	58
517 Telecommunications	51
713 Amusement, Gambling, and Recreation Industries	51

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

BALLWIN, MISSOURI ECONOMIC DEVELOPMENT

The comprehensive plan for Ballwin was developed by a professional consultant working closely with city staff. No formal economic development plan exists for the city to date, however economic development is primarily a function of the city with limited assistance from the West County Chamber of Commerce.

Ballwin, Missouri has used the following economic development incentives:

- Local Tax Increment Financing (TIF)
- Transportation Development District (TDD)

- Industrial Development Authority – Chapter 349
- Neighborhood Improvement Districts (NID)

Local Tax Increment Financing (TIF) was initiated in 1999 to write down the cost of land acquisition and the cost of public improvements such as roadways and storm water systems. As a result, a 285,000 square foot retail center with associated public roadway and storm water improvements was constructed. The anticipated outcome was that this modern retail center, replacing an existing commercial land use, would eliminate the deteriorated and poorly utilized commercial development and provide an economic boost to the city, while increasing overall sales tax revenues. The deteriorated commercial properties were replaced under the TIF but the revenue boost, according to the city, has been less than anticipated. The TIF continues to date.

A **Transportation Development District (TDD)** was initiated in 1999 to accomplish public roadway improvements which were completed through these funds.

Other incentives previously utilized by Ballwin, but which are no longer in effect, include the **Industrial Development Authority** (used in the middles 1980's), and the **Neighborhood Improvement Districts** incentive, which was used over a five-year period, from 1990 to 1995.

Comments: *A TIF is a negotiation between a developer and the City. The problem with the process is that all negotiations are completed in advance of the work being done, with no way to know with any certainty if the revenue projections are accurate. By the time the development is constructed and revenue is realized the developer is gone. If the revenues were overly optimistic there may not be enough to cover the bond debt. Although the City may not be technically responsible to pay the deficiency, a default would be a serious black mark on the city's credit record. The law would be stronger if the developer was required to remain an equity partner in the development until the bonds are retired. Furthermore, the developer should be required to be financially responsible if the revenue projections that he provided were seriously flawed.*

Ballwin, Missouri information has been provided by:
Thomas Aiken, Assistant City Administrator
City of Ballwin (636) 227-8580

Economic Region: Kansas City Metropolitan (North Kansas City, Missouri)

State and Regional Comparison

North Kansas City, Missouri, with a population of 4,917 is in the **Kansas City Metropolitan Economic Region,** described by the Missouri Economic Research and Information Center (MERIC), as generally keeping pace with the economy of Missouri. Urban areas of the region in Jackson County have grown at a slower pace than the Cass and Platte County areas.

Community and Economic Indicators – North Kansas City, Missouri:

	North Kansas City	Kansas City Metro Region	Missouri
Pop Growth (1990-2000)	14.1%	9.2%	9.3%
Per Capita Income	$18,967	$29,736	$19,936
Poverty Rate	12.5%	10.4%	11.7%
Civilian Labor Force	2,870	610,713	2,806,718
Unemployment Rate	5.0%	4.7%	5.3%

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Between 1990 and 2000, North Kansas City experienced a population increase of 14.1 percent, which far exceeds both the region's rate of 9.2 percent and the Missouri rate of 9.3 percent. Per capita income, at $18,967 is not characteristic of the overall regional figure of $29,736, but only slightly lower than the per capita income for Missouri. North Kansas City has a higher incidence of poverty (12.5 percent) than both the region and state of Missouri. The civilian labor force of 2,870 persons has an unemployment rate of 5.0 percent, only slightly above the rate of the Kansas City Metro Region, and minimally lower than the state's rate of 5.3 percent.

The top ten industries adding the most jobs to the Kansas City Metropolitan Region by new and expanding businesses are:

SIC Industry	Average Quarterly Job Creation
622 Hospitals	1,912
221 Utilities	518
561 Administrative and Support Services	505
551 Management of Companies and Enterprises	478
517 Telecommunications	299
525 Funds, Trusts, and Other Financial Vehicles	289
485 Transit and Ground Passenger Transportation	287
722 Food Services and Drinking Places	247
621 Ambulatory Health Care Services	189
446 Health and Personal Care Stores	183

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

North Kansas City, Missouri Economic Development

North Kansas City, Missouri, one of the first commercialized areas of metropolitan Kansas City, is located along the Missouri river bottoms just north of downtown Kansas City Missouri. Lewis and Clark noted a small development of white settlers along the bluffs in North Kansas City's current territory during their landmark voyage that first explored the Louisiana Purchase over 200 years ago. Approximately twenty years later the first commercial development in the region was set up by François Chouteau as a fur-trading depot – also along the North banks of the Missouri River near the existing Chouteau Bridge area. Since then, North Kansas City's geography has offered one of the most fertile business climates in the Midwest.

Its leadership role was fueled largely by its superior transportation infrastructure, including the first bridge across the Missouri River, which experts agree to have been the turning point catapulting the Kansas City area as the largest metropolitan area for hundreds of miles. Still, development would not happen without effort; the early planners of North Kansas City were some of the most astute professionals of the early 1900's bringing newfound wisdom from major commercial centers like Chicago to develop one of the first fully "planned" cities in the United States.

North Kansas City's streets were laid out; its water works plant constructed, and specific areas designated for intended uses even before inhabitants came to the area to live. Since most of the area was in a flood plain, a levy system was also developed. Not only were the man-made improvements absolutely essential to future development, public and private leaders of the city embarked on some of the most proactive marketing efforts in the 1910's and 1920's targeted to bring development to the Kansas City area. One example was the North Kansas City Industrial District Magazine, distributed far and wide to invite others to join the burgeoning development underway in this remarkable City, "where east meets west and north meets south."

The transportation advantage of the bordering Missouri River and railroads began to lose significance for economic development. Expanding interstates and expressways allowed the sprawl of suburban housing and commercial facilities further and further away from the urban core. Manmade improvements would ironically prove to be the city's undoing, and require intervention for continued growth. The population of the city that had peaked to some 6,000 residents in the 1950's, began a steady downward decline. By the 1970's, all but one of the major retail franchise outlets had left the downtown commercial area. Northtown, once the region's largest shopping district, became stagnant despite desperate urban renewal attempts at trying to make the city's quaint streetscapes look like homogeneous suburban malls. By the 1980's, North Kansas City's government had begun spending more money than it was taking in for the first time in history. Retail sales taxes were sharply declining along with the city's long time mainstay, manufacturing and industrial development.

In response, studies commissioned by city leaders in the early eighties recommended the appointment of a public/private ombudsman who would serve as what's now called an Economic Development Coordinator. But, many leaders of the community, proudly remembering the city's hey days of the fifty's and earlier, shunned the idea of progress all together. But as the economic situation grew worse throughout the eighties, the city council of North Kansas City filled the first city-sponsored Economic Development position in Kansas City's Northland. The city was well aware that neighboring communities in Johnson County, Kansas and others, were stealing away scores of businesses from North Kansas City with tax abatement programs. One report concluded that only three of North Kansas City's top ten tax revenue producers of the 1980's remained by the end of that decade. This newly created professional economic development position would become an intervention.

As the new professional added to city staff, Jeff Samborski began as Economic Development Director at age 24. A native of the area familiar with the predicament of the city, and cognizant of the local view that "North Kansas City was dying on the vine," Mr. Samborski's challenge was to change the negative mindset. With a Master's degree in Government Business Relations from Park College and prior experience with fine-tuning the media message, Samborski endeavored to change the perception of the community, considering this the highest priority if economic improvement was to occur. Jeff brought his experience as a state and federal elections press agent to work with him for North Kansas City.

Fortunately, there were many tax benefits and location advantages that just needed to be promoted, so that managers would begin looking at the city in a different light. Also, the economy that was filled with bad news in the early eighties, had began giving way to a more expansionary period. Communicating this good news began to help change the perception of North Kansas City, including that of leadership. City government had come to realize change -- no longer could government simply enforce ordinances and regulations. Rather, in the competitive environment, the survival of the city required partnering with business. From decorative banners with enthusiastic slogans throughout the retail district, to advertisements targeting local decision makers, messages continuously promoted the positive changes underway in North Kansas City.

In 1991, Barnett Helzberg, then president and CEO of Helzberg's Diamond Corporation had taken notice of the changing outlook of North Kansas City. Catching his eye was an abandoned J.C. Penny store which had set vacant for over ten years and it continued to scare off many potential investors over the years like a boarded up house in any neighborhood would. Helzberg and his advisors reasoned that if a real property tax abatement program could be implemented, the building could become a good investment and serve as the home for Helzberg Diamond Shops Corporate Headquarters. This project had all the elements needed to get the city and private sector working in partnership, plus the high visibility of a relocating corporate headquarters with hundreds of employees meant that the positive message the city was proclaiming would be confirmed publicly.

The City Council after considerable discussion passed the first RSMo 353 real property tax abatement program for Helzberg's and many in the community now agree that this was probably a landmark turning point for both the city's economy and its philosophy of Economic Development. As in subsequent 353 tax abatement programs, the city made sure that before approving the abatement, there was discussion with the affected taxing jurisdictions and that a redevelopment agreement called for payments in lieu of taxes for all existing real property improvements to continue being paid by the developer. Being the first abatement program in Kansas City's northland, the school district noted its reservations concerning the abatement. Fortunately, the project brought all the benefits to the area that were promised and the leadership of the local school district also began understanding that the working with private business sometimes may require concessions in turn for long term gains and the general health of its service area.

The second abatement program approved by the city was for Cook Composites and Polymers, (CCP). Formerly known as Cook Paint, Cook had been a long time North Kansas City Business for some 80 years. The abatement called for rehabilitating the old Wheeling Corrugating building to CCP's Corporate headquarters as well as Cook's manufacturing facilities in order to retain their presence in Missouri. The old 1920's vintage Wheeling building was brought up to National Historic Preservation standards from a blighted, derelict state that was dangerously close to demolition. CCP is now the world's largest producer of gel coatings and has invested an estimated $40 million in their plant since the approval of their abatement.

The third abatement program was approved for the ten story Sear's Catalog building constructed in 1912, which was also on the brink of demolition due to broken glass, literally falling down from the building, and a host of other physical problems. The building along Armour Road, North Kansas City's major east west artery had become a major eyesore. However, a $13 million redevelopment plan added the building to the National Register of Historic Places and converted all levels into a total of 152 residential lofts.

Four other 353 tax abatement programs were subsequently approved by the city for commercial / industrial use and all mirror the same parameters as those described above.

More specifically, the buildings and/or land had undisputable findings of blight and the economic return for all affected tax jurisdictions was shown to be greater with approval of the project than if not approved.

The last major abatement program approved / amended was used to retain Cerner Corporation, which is now reportedly Missouri's fastest growing employer. This is the only time that a city tax abatement had been approved without the presence of a clearly obsolete, blighted structure. However, the city was very careful in connecting the abatement amount with the actual cure costs for efficiently developing the site. More specifically, the unique terrain and geophysical conditions of the Cerner Campus made it extraordinarily difficult to develop the area as compared with a typical green field commercial site. The city and Cerner agreed upon a certification process whereby the abatement value would not rise above the actual cure costs for making the site developable for their use. Since the approval of the abatement Cerner has agreed to make nearly $200 million in capital improvements at their North Kansas City headquarters. They also have added thousands of new jobs, and recently announced that they will be investing over a billion dollars in new research and development at their NKC location.

To address its population decline, and sustain its economic development success, North Kansas City began an initiative to improve its residential housing stock. An area that hosted 666 garden styled apartments had become seriously blighted; Census data showed the average length of stay for residents of this community was less than one year. In other areas of the city, housing stock was 50 years old or older, and ownership was low; most were renter occupied units. Questions asked were, "how could the city fill relevant board positions and local businesses be able to attract top talent for information-age businesses, when virtually all of the city's housing stock was designed for low income, blue-collar workers of a past industrial era?"

In response, the Northgate Village project was proposed, and included a mix of 800 housing units to appeal to various types of residents. Multifamily, senior citizens, single family, and condominium - all types were represented in the plan, along with an adjacent retail area, which was of great need the community. Still underway, Northgate's total project cost is estimated to be about $100 million, and so relevant to the city that the government purchased the entire 50 acres of land to help clear the way for a master developer. By using Tax Increment Financing, the city's portion of the costs should eventually be paid back minus interest expenses. The project is now about 75% complete and its new urbanism approach has become a model for other communities in the area. It is the only case in the city by which eminent domain had to be enforced in order for the previous landowner to sell the property for a new development.

The comprehensive plan for North Kansas City was developed by a city staff with a consultant's guide and public input. The city has several redevelopment plans, development planning areas, and creates an annual economic development agenda. For implementation of its economic development plan, North Kansas City appropriates its annual budget with a full-time IEDC –certified Economic Development Director.

North Kansas City has used the following economic development incentives:

- Local Tax Increment Financing – Local TIF
- Urban Redevelopment Corporations – Chapter 353
- Other: Industrial Redevelopment Bonds
- Other: Historic Preservation Tax Credits
- Other: Community Development Block Grants

North Kansas City used the local **Tax Increment Financing (TIF)** incentive in 1999, which has resulted in a $100 million dollar mixed-use development with approximately 800 housing units and five retail pad sites.

The **Urban Redevelopment Corporations – Chapter 353 tax abatement** has been utilized several times, after its initial use in 1991, for converting a blighted, former J.C. Penny's store into the world headquarters for Helzberg's Diamond Stores. It was later used in 1997 for a 151-unit loft conversion of a 1910's vintage ten story warehouse. The total investment was approximately $13 million dollars on this housing project; for which the Chapter 353 was used in conjunction with federal **Historic Preservation Tax Credits** and **Missouri Housing Development Corporation** assistance. Use of the Chapter 353 was critical in the retention/attraction of over 4,000 jobs, over $200 million dollars in new capital building projects, and about one million sq. ft. of new building space for Cerner Corporation.

Industrial Revenue Bonds were used in 1992 by North Kansas City for the purchase of approximately $2 million in industrial equipment.

The **Community Development Block Grant (CDBG)** was used for intersection improvements in 2003, for the Cerner Corporation Campus development.

Comments: *The commercial and industrial situation has effectively been reversed in the city. North Kansas City is once again the rising star of the Midwest. Based on a study by Governing Magazine, North Kansas*

City falls in the top three jurisdictions in the United States for generating tax revenues to federal, state and local jurisdictions on a per capita basis. The City of Valdez, Alaska, and City of Industry, California being the only other two cities that can match North Kansas City's unique prosperity for public coffers. This small city of only four square miles now pumps out an estimated $100 million + annually for the benefit of government programs. The most useful tool by far has been the Chapter 353 because of its ease of implementation. Most other tools, like the MoDESA for instance, have been too cumbersome for small communities. According to North Kansas City, they have been blessed with excellent location; therefore public incentives are used rarely and as a last resort.

North Kansas City, Missouri information has been provided by:
Jeffrey Samborski, Economic Development Director
City of North Kansas City (816) 274-6040

ECONOMIC REGION: NORTH CENTRAL (TRENTON, MISSOURI)

STATE AND REGIONAL COMPARISON

Trenton has a population of 6,033 in the **North Central Economic Region** of Missouri. This region generally lags well behind the state's economy, according to the Missouri Economic Research and Information Center (MERIC), with farming counties that have struggled considerably.

Community and Economic Indicators – Trenton, Missouri:

	Trenton	North Central Region	Missouri
Pop Growth (1990-2000)	1.4%	-0.4%	9.3%
Per Capita Income	$15,834	$21,740	$19,936
Poverty Rate	17.1%	14.1%	11.7%
Civilian Labor Force	2,842	34,724	2,806,718
Unemployment Rate	4.8%	4.03%	5.3%

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Trenton's population growth of only 1.4 percent, well below the state's growth rate of 9.3 percent, is an increase in lieu of the 0.4 percent population decline experienced by the North Central Region. With a per capita income of $15,834, the city trails far behind the regional per capita income of $21,740 and behind Missouri's figure of $19,936. Trenton has a high incidence of poverty compared to the region's rate of 14.1 percent, and the state's rate of 11.7 percent. With a civilian labor force of 2,842, the unemployment rate for Trenton is 17.1 percent, compared to 4.03 percent for the North Central Region and 5.3 percent for Missouri.

The top ten industries adding the most jobs to the North Central Region by new and expanding businesses are:

SIC Industry	Average Quarterly Job Creation
335 Electrical Equipment, Appliance, and Component Manufacturing	31
311 Food Manufacturing	10
322 Paper Manufacturing	10
561 Administrative and Support Services	10
623 Nursing and Residential Care Facilities	6
721 Accommodation	5
541 Professional, Scientific, and Technical Services	5
722 Food Services and Drinking Places	4
814 Private Households	4
336 Transportation Equipment Manufacturing	3

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

TRENTON, MISSOURI ECONOMIC DEVELOPMENT

Trenton does not have a comprehensive plan, but rather a comprehensive development ordinance for planning and zoning. Economic development is a function of local government as the City of Trenton employs a full-time Community/Economic Developer. An economic development plan is underway, currently being prepared by the Community/Economic Developer with oversight from the Economic Development Committee consisting of council members.

Trenton has used the following incentives for economic development:

- Local Tax Increment Financing (TIF)
- Neighborhood Improvement Districts (NID)

The **Local Tax Increment Financing** incentives were initiated in September 1995, with one having been completed four years later, and one currently in use. The completed TIF was used to fund the relocation of a MODOT maintenance building and for the development of the initial building's site for retail business. The end result was as anticipated, the location of retail establishments, including one discount store (Pamida), one salon, and Orschelin's, a home and farm store into the new retail site. The second TIF allowed for the creation of a mall located on a site that was previously a Middle School and Junior College. The incentive for this retail development is still in use.

The **Neighborhood Improvement Districts** incentive is currently in use, having been instituted by the Downtown Improvement Group, allowing for the establishment of a revolving loan fund.

Trenton, Missouri information has been provided by:
Sean Burge, Community Development Director
City of Trenton (660) 359-4310

ECONOMIC REGION: LOWER EAST CENTRAL – CAPE (FREDERICKTOWN, MISSOURI)

STATE AND REGIONAL COMPARISON

Fredericktown has a population of 3,930 in the **Lower East Central - Cape Economic Region** of Missouri. According to the Missouri Economic Research and Information Center (MERIC), this region generally outpaces the economy of Missouri, with the northern half seeing good progress while the southern half's growth has occurred at a subdued pace.

Community and Economic Indicators – Fredericktown, Missouri:

	Fredericktown	Lower East Central – Cape Region	Missouri
Pop Growth (1990-2000)	-0.56%	10.6%	9.3%
Per Capita Income	$13,512	$20,962	$19,936
Poverty Rate	22.3%	12.9%	11.7%
Civilian Labor Force	1,678	106,304	2,806,718
Unemployment Rate	11.0%	5.8%	5.3%

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Fredericktown's population declined by 0.56 percent between 1990 and 2000, while the population of the Lower East Central-Cape region increased by 10.6 percent and the state's population increased by 9.3 percent. The per capita income of $13,512 is well below both the region's per capita income of $20,962 and Missouri's per capita income of $19,935. At 22.3 percent, Fredericktown's poverty rate far exceeds the rates of the region and state. The civilian labor force consists of 1,678 persons, with an unemployment rate of 11.0 percent – twice the unemployment rate of both the region (5.8 percent) and the state of Missouri (5.3 percent).

The top ten industries adding the most jobs to the Lower East Central Region by new and expanding businesses are:

SIC Industry	Average Quarterly Job Creation
561 Administrative and Support Services	321
326 Plastics and Rubber Products Manufacturing	169
332 Fabricated Metal Product Manufacturing	134
722 Food Services and Drinking Places	118
484 Truck Transportation	65
622 Hospitals	54
623 Nursing and Residential Care Facilities	53
446 Health and Personal Care Stores	43
621 Ambulatory Health Care Services	42
236 Construction of Buildings	41

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

FREDERICKTOWN, MISSOURI ECONOMIC DEVELOPMENT

The comprehensive plan for Fredericktown was developed by the Southeast Missouri Regional Planning and Economic Development Commission (SEMO RP & EDC). This initial comprehensive plan included only an overview of the city's economic sector with several general recommendations for future economic growth. In March of 1993, the SEMO RP & EDC completed a study titled, *An Economic Redevelopment Strategy for Madison County, Missouri*, (Fredericktown is the county seat for Madison County). This study was compiled through Economic Adjustment Assistance funding received from the U. S. Economic Development Administration, and includes an Implementation Plan that focused on recommended capital projects that would further economic development. The responsibility for economic development is jointly shared between the City Administrator and the Director of Economic Development. With its plan originally developed in 1980, Fredericktown continues to pursue capital improvement projects, including a northern bypass around the town and a large business park development as implementation strategies.

Fredericktown has used the following incentives for economic development:

- Industrial Development Authority – Chapter 349
- Local Tax Increment Financing – Local TIF
- Certificates of Participation (COPS) Funds
- State Community Development Block Grant (CDBG)
- Rural Business Enterprise Grant (United States Department of Agriculture)
- Public Works and Development Facilities Grant (United States Department of Commerce, Economic Development Administration)

Fredericktown has used the **Industrial Development Authority (IDA)** on an as-needed basis, but this incentive has otherwise been inactive.

The **Local Tax Increment Financing (TIF)** is currently being utilized by Fredericktown in an effort to assist with the development of a business park with acreage available for the immediate construction of new facilities. Prior to this business park development, the city had no suitable acreage available for economic development purposes. TIF funds assisted with the construction of roadways and storm sewers. Grant funds awarded through the **Community Development Block Grant (CDBG)** program, the **Rural Business Enterprise Grant** program and the **Public Works and Development Facilities Grant** program were also utilized for roadway and storm sewer infrastructure.

In addition, Fredericktown used **Certificates of Participation (COPS) funds** to construct drinking water infrastructure serving the entire park and beyond. The city used **existing funds** to construct a new electrical substation to serve the new business park and surrounding area.

The business park project has resulted in the location of a 75,000 sq. ft. manufacturing facility, the relocation of a Ford automobile dealership to the area, and the location of a Cracker Barrel-style family restaurant. Further development is pending.

Comments: *According to Fredericktown economic developers, an attempt was made for the use of a Transportation Development District (TDD) in conjunction with the TIF. However, the Wal-Mart Super Center, as the driving force behind the development effort, voiced strong opposition to participation in a TDD. The TDD effort was therefore terminated.*

Fredericktown, Missouri information has been provided by:
Tim Morgan, City Administrator
City of Fredericktown (573) 783-3683

OZARK FOOTHILLS REGIONAL PLANNING COMMISSION

The Ozark Foothills Regional Planning Commission serves the western half of the Bootheel economic development region of Missouri, specifically a five county area including Ripley, Butler, Carter, Wayne, and Reynolds counties. The planning commission is responsible for the overall economic development of the cities within its borders, with the exception of Poplar Bluff. Of the 16 cities within its jurisdiction, only Poplar Bluff has a comprehensive plan, which was developed through a joint effort of city staff and professional consultants. In 1992, the Ozark Foothills Regional Planning Commission (RPC) developed an economic development plan for its cities, and has pursued grant funding for industrial park development, participated in the EDA strategic planning processes and marketed its region through public and private sources.

In 2004 the Ozark Foothills RPC used the **Community Development Corporations and Bank(s) (CDCs)** incentive in conjunction with the USDA for Rural Development, resulting in the construction of a 40,000 sq. ft. warehouse for Nordyne, an existing manufacturer in the Poplar Bluff Industrial Park. The incentive for the new warehouse was a loan guarantee from the USDA – Rural Development, through which Nordyne would seek conventional financing. This guarantee provided an increased comfort level for banks to participate in the loan. Five (5) banks in Poplar Bluff participated in the $4.5 million project. Without the loan guarantee, or the backing of the federal government, the banks may not have made such a substantial loan -- the loan guarantee by Rural Development consummated the project.

Nordyne, a company manufacturing air conditioning and heating components and systems was then able to construct the new warehouse as an attachment to their existing building, allowing the movement of storage as well as business expansion through the addition of an assembly line. This new assembly line created job opportunities as well as additional tax revenue both from the construction and new payroll.

Also, in this same year, the commission used a **Transportation Corporation** incentive, as a method to advance improvements to Highway 67 between Poplar Bluff and Fredericktown. The establishment of the corporation provided a legal entity to which the Missouri Department of Transportation could attach a contractual agreement for completion of the improvements. Also, the Transportation Corporation created an avenue for the passage of a sales tax and payment of one-half of the cost for making Highway 67 a four-lane highway. Without it, improvements to Highway 67 would have been much later, if at all. The Missouri Department of Transportation did not have expansion of Highway 67 to four lanes within its plans. Therefore, only the creation of the Transportation Corporation and passage of a one-half cent sales tax by the residents of Poplar Bluff moved Highway 67 onto the list of Missouri Department of Transportation projects.

Ozark Foothills Regional Planning Commission:
3019 Fair Street; Poplar Bluff, Missouri 63901
Phone: (573) 785-6402 – Fax: (573) 686-5467
Dr. Greg Batson, Executive Director

COMMUNITY ECONOMIC DEVELOPMENT FINANCE GUIDE CASE STUDY
MISSOURI ECONOMIC DEVELOPMENT - REGIONAL PLANNING COMMISSION PERSPECTIVE

MO-KAN REGIONAL COUNCIL

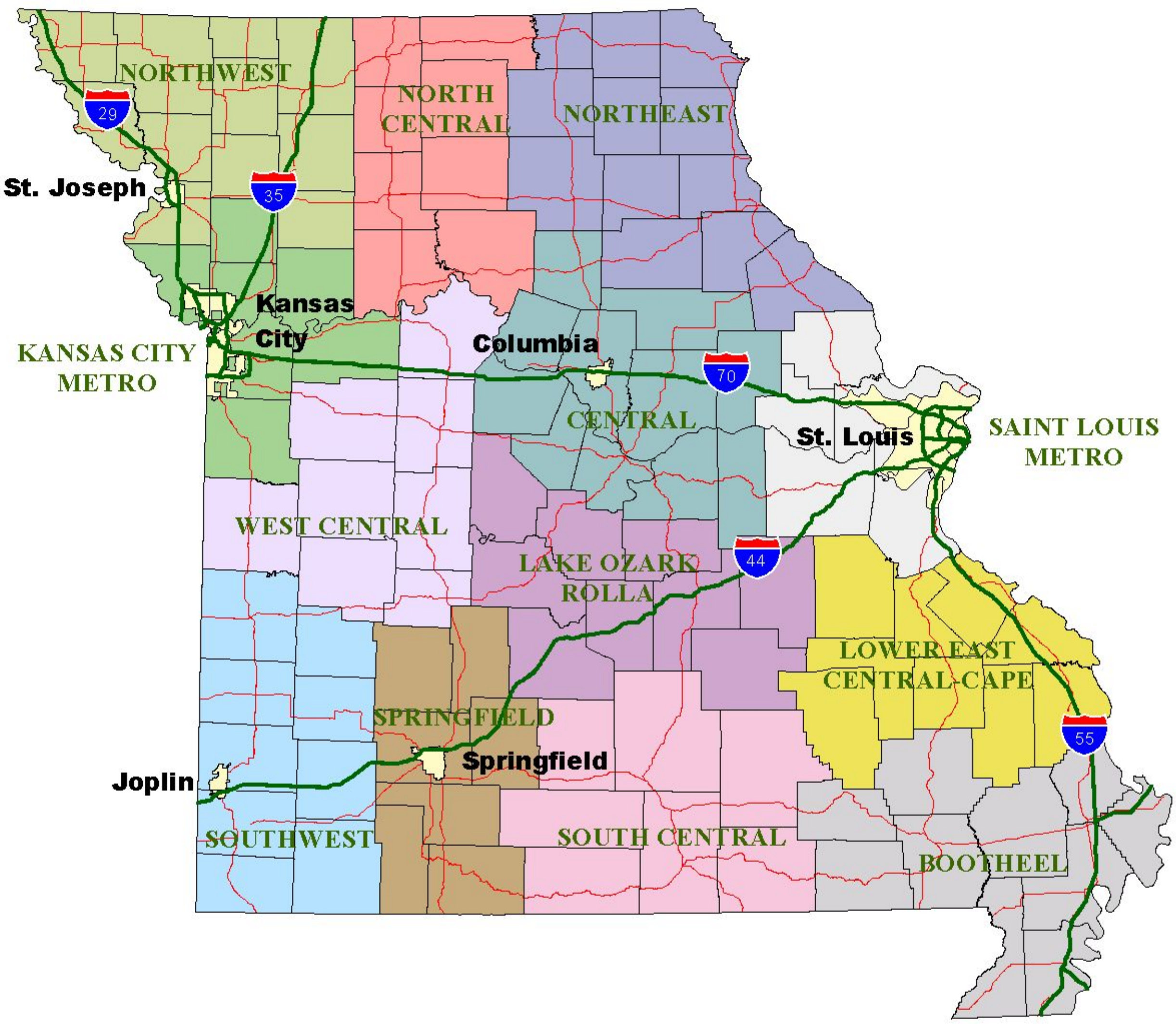
The MO-KAN Regional Council serves a four county area in the lower northwest region of Missouri that includes Andrew, Buchanan, Clinton, DeKalb counties, and a two county area of Kansas, from which it derives its name (MO-KAN). Generally the individual cities within its jurisdictional borders are responsible for their economic development programs, while MO-KAN assists with specific projects as needed. The administration of economic development programs within this jurisdiction is a concerted effort of chambers, city functions, utilities, etc. While dated, MO-KAN assisted with comprehensive plans for cities within its region, and subsequent revisions have been the responsibility of those cities. A city-specific economic development plan doesn't fall under the authority of MO-KAN, however this designated regional council does work on a daily basis to implement the regional economic development plan. Much of this implementation is accomplished in providing small business loans, transportation planning, and grant writing to cities and counties within its borders.

Mo-Kan Regional Council:
1302 Faraon Street
St. Joseph, Missouri 64501
Phone: (816) 233-3144 - Fax: (816) 233-8498

Appendix A

Map of
Missouri Economic Development Regions

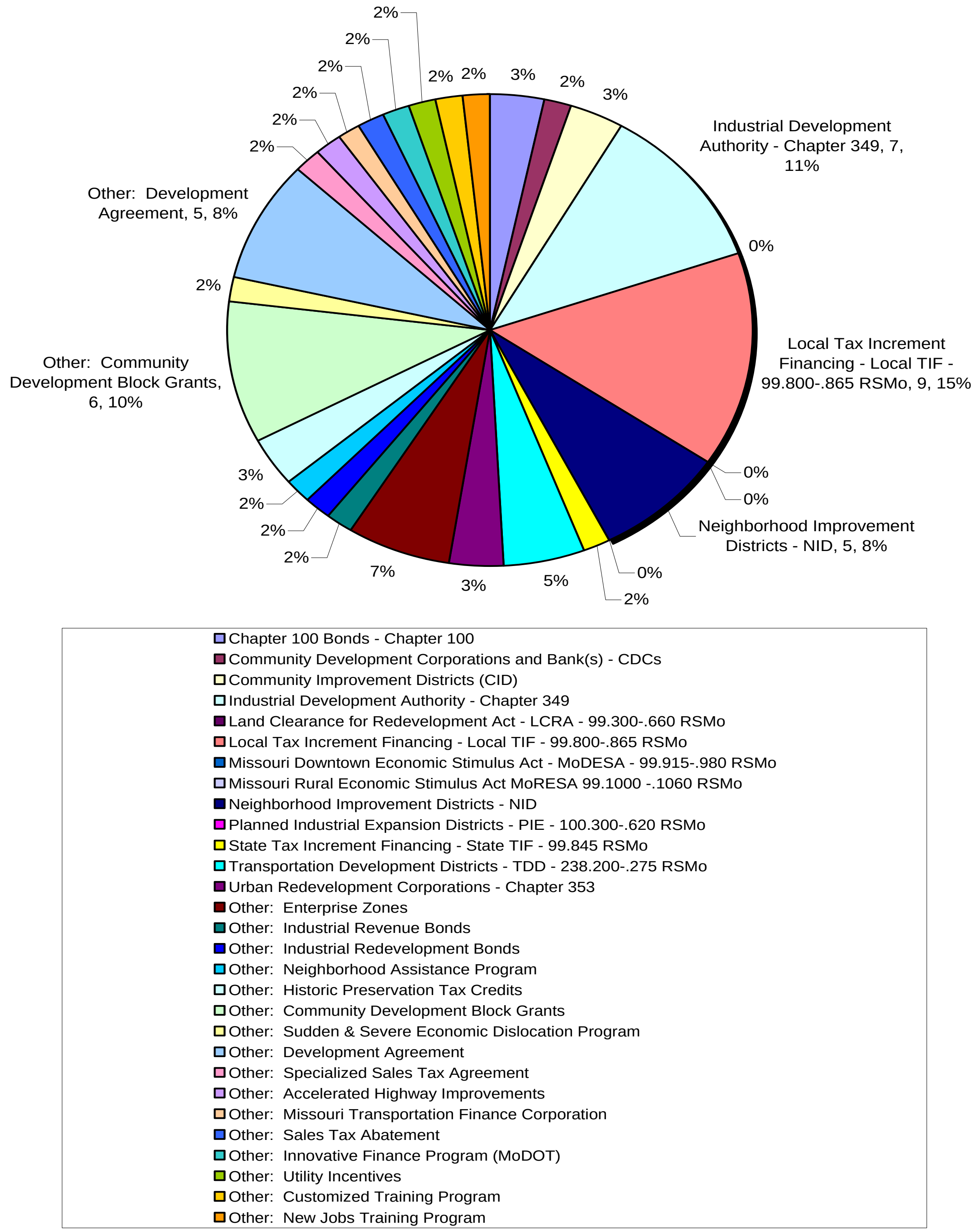
MISSOURI ECONOMIC REGIONS



Appendix B

Pie Chart of
Economic Development Incentives
Percentages of Use

Missouri Economic Development Incentives – Percentages of Use



Note: Other - Development Agreement, includes Developer Agreements, Individualized Development Agreements, and Commercial Development Agreements.

Appendix C

Table of
Missouri Regional Planning Commissions
and the Economic Development Regions within their Boundaries

Regional Planning Commission	Economic Development Region(s)
Boonslick Regional Planning Commission 122 East Boonslick Road; P.O. Box 429 Warrenton, MO. 63383	Upper Northwest Economic Development Region
Bootheel Regional Planning & Economic Development Commission P.O. Box 397 Malden, MO 63863	Lower Bootheel Economic Development Region
East-West Gateway Council of Governments One Memorial Drive, Suite 1600 St. Louis, MO 63102	Metropolitan St. Louis Economic Development Region and Portions of Illinois
Green Hills Regional Planning Commission 1104 Main St.; P.O. Box 28 Trenton, MO 64683	North Central Economic Development Region and Harrison, Davies and Caldwell Counties of the Northwest Region
Harry S. Truman Coordinating Council 24943 DeMott; P.O. Box 388 Webb City, MO 64870	Eastern half of the Southwest Economic Development Region
Kaysinger Basic Regional Planning Commission 213 S. Washington Clinton, MO 64735	Lower West Central and upper Southwest Economic Development Regions
Lake of the Ozarks Council of Local Governments P.O. Box 786 Camdenton, MO 65020	Western half of the Lake Ozarks-Rolla Economic Development Region
Mark Twain Regional Council of Governments 42494 Delaware Lane Perry, MO 63462	Lower Northeast with Randolph and Audrain counties of the Central Economic Development Region
Meramec Regional Planning Commission #4 Industrial Drive St. James, MO 65559	Eastern half of the Lake Ozark-Rolla Region, Osage and Gasconade Counties of the Central Region, and Washington County of the Lower East Central-Cape Economic Development Region
Mid-America Regional Council 600 Broadway; Suite 300 Kansas City, MO 64105	Kansas City Metro Economic Development Region (excluding Lafayette County), with portions of Kansas
Mid-Missouri Regional Planning Commission 206 E. Broadway, P.O. Box 140 Ashland, MO 65010	Central Economic Development Region, excluding Osage, Gasconade and Montgomery counties

Regional Planning Commission	Economic Development Region(s)
Mo-Kan Regional Council 1302 Faraon St. Joseph, MO 64501	Lower Northwest Economic Development Region, and Clinton County of the Metro Kansas City Region
Northeast Missouri Regional Planning Commission P.O. Box 248; 326 East Jefferson Memphis, MO 63555	The upper portion of the Northeast Economic Development Region
Northwest Missouri Regional Council of Governments 114 West Third St. Maryville, MO 64468	Upper Northwest Economic Development Region
Ozark Foothills Regional Planning Commission 3019 Fair Street Popular Bluff, MO 63901	Western half of the Bootheel Economic Development Region
Pioneer Trails Regional Planning Commission 802 South Gordon Concordia Community Center, Rm LL-1 P.O. Box 123 Concordia, Missouri 64020	Upper West Central Economic Development Region and Lafayette County of the Kansas City Metro Region
South Central Ozark Council of Governments P.O. Box 100 Pomona, MO 65789	South Central Economic Development Region
Southeast Missouri Regional Planning & Economic Development Commission P.O. Box 366 Perryville, MO 63775	Lower East Central-Cape Economic Development Region, excluding Reynolds and Washington counties
Southwest Missouri Council of Governments 901 S. National Ave. Springfield, MO 65804	Springfield Economic Development Region and the eastern half of the Southwest Economic Development Region

CHAPTER V

ECONOMIC DEVELOPMENT PRACTITIONERS

Economic Development Practitioners

One of the key rules to navigating through the over 70 different economic development initiatives in Missouri is to remember that there is no need to understand every program. As this Guide has illustrated, the programs are far too diverse and complex. There are, however, a large number of both public and private resources available to help you.

Public Resources

Department of Economic Development
Missouri Development Finance Board
Environmental Improvement and Energy Resources Authority
Missouri Agriculture and Small Business Development Authority
Missouri Department of Transportation
Missouri Housing Development Commission
Missouri Municipal League
Regional Planning Commissions
Local Chambers of Commerce
Local Economic Development Professionals
Colleges and Universities

Private Resources

Law Firms with Economic Development Practices

- Armstrong Teasdale LLP
- Blackwell Sanders Peper Martin LLP
- Bryan Cave LLP
- Gilmore & Bell, P.C.
- Greensfelder, Hemker & Gale, P.C.
- Husch & Eppenberger, LLC
- King Hershey, P.C.
- Lewis, Rice & Fingersh, L.C.
- Polsinelli Shalton Welte Suelthaus
- Stinson Morrison Hecker LLP
- The Stolar Partnership LLP
- Thompson Coburn LLP
- Van Matre, Harrison & Volkert, P.C.
- White Goss Bowers March Schulte & Weisenfels, P.C.

Investment Banking Firms

- A.G. Edwards & Sons, Inc.
- Banc of America Securities LLC
- Commerce Bank, National Association
- D.A. Davidson & Co.
- Edward D. Jones & Co., L.P.
- First St. Louis Securities, Inc.
- George K. Baum & Company
- McLiney and Company
- Piper Jaffray & Co.
- Stern Brothers & Co.
- Stifel, Nicolaus & Company, Incorporated

Planning Consultants

- Development Dynamics
- Development Strategies
- Economic Development Resources
- Peckham Guyton Albers & Viets, Inc.

Professional Trade Associations

- Missouri Economic Development Council (MEDC)
- Missouri Economic Development Financing Association (MEDFA)
- Missouri Association of Municipal Utilities (MAMU)

Utility Companies

PUBLIC RESOURCES

Missouri Department of Economic Development
301 West High Street
P.O. Box 1157
Jefferson City, Missouri 65102
Phone: 573-751-4962
Fax: 573-526-7700

Missouri Development Finance Board
Business and Community Services
301 W. High Street, Rooms 720, 770,
Jefferson City, Missouri 65102
Phone: 800-523-1434
Fax: 573-751-7384

Environmental Improvement and Energy Resources Authority
P.O. Box 744
235 Jefferson Street
Jefferson City, Missouri 65102
Phone: 573-751-4919
Fax: 573-635-3486

Missouri Agriculture and Small Business Development Agency
P.O. Box 630
1616 Missouri Boulevard
Jefferson City, Missouri 65102
Phone: 573-751-2129
Fax: 573-522-2416

Missouri Department of Transportation
Central Office
P.O. Box 718
1511 Missouri Boulevard
Jefferson City, Missouri 65102
Phone: 573-526-8106
Fax: 573-526-2819

Missouri Housing Development Commission
3435 Broadway
Kansas City, Missouri 64111
Phone: 816-759-6600
Fax: 816-759-6878

Missouri Municipal League
1727 Southridge Drive
Jefferson City, Missouri 65109
Phone: 573-635-9134
Fax: 573-635-9009

REGIONAL PLANNING COMMISSIONS

Boonslick Regional Planning Commission
111 Steinhagen, P.O. Box 429
Warrenton, Missouri 63383
Phone: 636-456-3473
Fax: 636-456-2329

Bootheel Regional Planning Commission
P.O. Box 397
Malden, Missouri 63863
Phone: 573-276-2242
Fax: 573-276-6034

East-West Gateway Coordinating Council
One South Memorial Drive, Suite 1600
St. Louis, Missouri 63102
Phone 314-421-4220
Fax: 314-231-6120

Green Hills Regional Planning Commission
1104 Main Street
Trenton, Missouri 64683
Phone: 660-359-5636
Fax: 660-359-3096

Harry S. Truman Coordinating Council
P.O. Box 388
Webb City, Missouri 64870
Phone: 417-782-3515
Fax: 417-782-2043

Kaysinger Basin Regional Planning Commission
213 South Washington
Clinton, Missouri 64735
Phone: 660-885-3393
Fax: 660-885-4166

Lake of the Ozarks Council of Local Governments
P.O. Box 786
Camdenton, Missouri 65020
Phone: 573-346-5616
Fax: 573-346-2007

Mark Twain Regional Council of Governments
42494 Delaware Lane
Perry, Missouri 63462
Phone: 573-565-2203
Fax: 573-565-2205

Meramec Regional Planning Commission
4 Industrial Drive
St. James, Missouri 65559
Phone: 573-265-2993
Fax: 573-265-3550

Mid-America Regional Council
600 Broadway, Suite 300
Kansas City, Missouri 64105
Phone: 816-474-4240
Fax: 816-474-7758

Mid-Missouri Regional Planning Commission
206 East Broadway, P.O. Box 140
Ashland, Missouri 65010
Phone: 573-657-9779
Fax: 573-657-2829

MO-KAN Regional Council
1302 Faraon Street
St. Joseph, Missouri 64501
Phone: 816-233-3144
Fax: 816-233-8498

Northeast Missouri Regional Planning Commission
326 East Jefferson, P.O. Box 248
Memphis, Missouri 63555
Phone: 660-465-7281
Fax: 660-465-7163

Northwest Missouri Regional Council of Governments
114 West Third
Maryville, Missouri 64468
Phone: 660-582-5121
Fax: 660-582-7264

Ozark Foothills Regional Planning Commission
3019 Fair
Poplar Bluff, Missouri 63901
Phone: 573-785-6402
Fax: 573-686-5467

Pioneer Trails Regional Planning Commission
802 South Gordon Street, P.O. Box 123
Concordia, Missouri 64020
Phone: 660-463-7934
Fax: 660-463-7944

South Central Ozark Council of Governments
4407 County Road 2340, P.O. Box 100
Pomona, Missouri 65789
Phone: 417-256-4226
Fax: 417-256-6188

Southeast Missouri Regional Planning and Economic Development Commission
One West St. Joseph Street, P.O. Box 366
Perryville, Missouri 63775
Phone: 573-547-8357
Fax: 573-547-7283

Southwest Missouri Council of Governments
901 South National Avenue
Springfield, Missouri 65804
Phone: 417-836-6900
Fax: 417-836-4146

PRIVATE RESOURCES

LAW FIRMS WITH ECONOMIC DEVELOPMENT PRACTICES

Armstrong Teasdale LLP

Kansas City Office
2345 Grand Boulevard, Suite 2000
Kansas City, Missouri 64108
Phone: 816-221-3420
Fax: 816-221-0786

St. Louis Office
One Metropolitan Square, Suite 2600
211 North Broadway
St. Louis, Missouri 63102
Phone: 314-621-5070
Fax: 314-621-5065

Blackwell Sanders Peper Martin LLP

Kansas City Office
4801 Main Street, Suite 1000
Kansas City, Missouri 64112
Phone: 816-983-8000
Fax: 816-983-8080

St. Louis Office
720 Olive Street, Suite 2400
St. Louis, Missouri 63101
Phone: 314-345-6000
Fax: 314-345-6060

Springfield Office
901 St. Louis Street, Suite 1900
Springfield, Missouri 65806
Phone: 417-268-4000
Fax: 417-268-4040

Bryan Cave LLP

Kansas City Office
One Kansas City Place
1200 Main Street, Suite 3500
Kansas City, Missouri 64105
Phone: 816-374-3200
Fax: 816-374-3300

St. Louis Office
One Metropolitan Square
211 North Broadway, Suite 3600
St. Louis, Missouri 63102
Phone: 314-259-2000
Fax: 314-259-2020

Gilmore & Bell, P.C.

Kansas City Office
2405 Grand Boulevard, Suite 1100
Kansas City, Missouri 64108
Phone: 816-221-1000
Fax: 816-221-1018

St. Louis Office
One Metropolitan Square, Suite 2350
211 North Broadway
St. Louis, Missouri 63102
Phone: 314-436-1000
Fax: 314- 436-1166

Greensfelder, Hemker & Gale, P.C.
10 South Broadway, Suite 2000
St. Louis, Missouri 63102
Phone: 314-241-9090
Fax: 314-241-8624

Husch & Eppenberger, LLC

Kansas City Office
1200 Main Street, Suite 2300
Kansas City, Missouri 64105
Phone: 816-421-4800
Fax: 816-521-0596

St. Louis Office
The Plaza in Clayton Office Tower
190 Carondelet Plaza, Suite 600
St. Louis, Missouri 63105
Phone: 314-480-1500
Fax: 314-480-1505

Springfield Office
1949 East Sunshine Street
Suite 2-300
Springfield, Missouri 65804
Phone: 417-862-6726
Fax: 417-862-6948

King Hershey, P.C.
2345 Grand Boulevard, Suite 2100
Kansas City, Missouri 64108
Phone: 816-842-3636
Fax: 816-842-2414

Lewis, Rice & Fingersh, L.C.

Kansas City Office
One Petticoat Lane
1010 Walnut, Suite 500
Kansas City, Missouri 64106
Phone: 816-421-2500
Fax: 816-472-2500

St. Louis Office
500 North Broadway, Suite 2000
St. Louis, Missouri 63102
Phone: 314-444-7600
Fax: 314-241-6056

Polsinelli Shalton Welte Suelthaus

Kansas City Office
700 West 47th Street, Suite: 1000
Kansas City, Missouri 64112
Phone: 816-753-1000
Fax: 816-753-1536

St. Louis Offices
7733 Forsyth Boulevard, Suite 1200
St. Louis, Missouri 63105
Phone: 314-889-8000
Fax: 314-727-7166

100 South Fourth Street, Suite 1100
St. Louis, Missouri 63102
Phone: 314-889-8000
Fax: 314-231-1776

Stinson Morrison Hecker LLP

Kansas City Office
1201 Walnut, Suite 2900
Kansas City, Missouri 64106
Phone: 816-842-8600
Fax: 816-691-3495

St. Louis Office
100 South Fourth Street, Suite 700
St. Louis, Missouri 63102
Phone: 314-259-4500
Fax: 314-259-4599

The Stolar Partnership
911 Washington Avenue
St. Louis, Missouri 63101
Phone: 314-231-2800
Fax: 314-436-8400

Thompson Coburn LLP
One US Bank Plaza
St. Louis, Missouri 63101
Phone: 314-552-6000
Fax: 314-552-7000

Van Matre, Harrison, and Volkert, P.C.
1103 East Broadway, Suite 101
Columbia, Missouri 65205
Phone: 573-874-7777
Fax: 573-875-0017

White Goss Bowers March Schulte & Weisenfels, P.C.
4510 Belleview, Suite 300
Kansas City, Missouri 64111
Phone: 816-753-9200
Fax: 816-753-9201

INVESTMENT BANKING FIRMS

A.G. Edwards & Sons, Inc.
1 North Jefferson Avenue
Mail Stop E-260
St. Louis, Missouri 63103
Phone: 314-955-4201
Fax: 314-955-5606

Banc of America Securities LLC
800 Market Street, 11th Floor
M01-800-11-03
St. Louis, Missouri 63101
Phone: 314-466-8387
Fax: 314-466-8390

Commerce Bank, National Association

Kansas City Office
Commerce Bank, N.A.
922 Walnut, 10th Floor
Kansas City, Missouri 64106
Phone: 816-234-2000
Fax: 816-234-2562

St. Louis Office
8000 Forsyth, Suite 1200
St. Louis, Missouri 63105
Phone: 800-442-1083
Fax: 314-746-8737

D.A. Davidson &Co.
One Ward Parkway, Suite 215
Kansas City, Missouri 64112
Phone: 800-206-0634
Fax: 816-360-2274

Edward D. Jones & Co., L.P.
12555 Manchester Road
St. Louis, Missouri 63131
Phone: 314-515-2000
Fax: 314-515-2674

First St. Louis Securities, Inc.
8860 Ladue Road, Suite 100
St. Louis, Missouri 63124
Phone: 888-726-2880
Fax: 314-726-5771

George K. Baum & Company
Plaza Colonnade, Suite 500
4801 Main Street
Kansas City, Missouri 64112
Phone: 800-821-7195
Fax: 816-283-5326

McLiney & Company
2800 McGee Trafficway
Kansas City, Missouri 64108
Phone: 800-432-4042
Fax: 816-221-4048

Piper Jaffray & Co.

Kansas City Office
11150 Overbrook Road, Suite 300
Leawood, Kansas 66211
Phone: 913-345-3300
Fax: 913-345-3393

St. Louis Office
7733 Forsyth Boulevard, Suite 750
St. Louis, Missouri 63105
Phone: 314-727-2295
Fax: 314-727-2622

Stern Brothers & Company
8000 Maryland Avenue, Suite 800
St. Louis, Missouri 63105
Phone: 314-727-5519
Fax: 314-727-7313

Stifel, Nicolaus & Company, Incorporated
501 North Broadway, 8th Floor
St. Louis, Missouri 63102
Phone: 314-342-2166
Fax: 314-342-2179

PLANNING CONSULTANTS

Development Dynamics, L.L.C.
1001 Boardwalk Springs Place, Suite 50
O'Fallon, Missouri 63366
Phone: 636-561-8602
Fax: 636-561-8605

Development Strategies, Inc.
10 South Broadway, Suite 1500
St. Louis, Missouri 63102
Phone: 314-421-2800
Fax: 314-421-3401

Economic Development Resources
200 South Hanley Road
Clayton, Missouri 63105
Phone: 314-231-4720
Fax: 314-727-5544

Peckham Guyton Albers & Viets, Inc.
200 North Broadway, Suite 1000
St. Louis, Missouri 63102
Phone: 314-231-7318
Fax: 314-231-3158

PROFESSIONAL TRADE ASSOCIATIONS

Missouri Economic Development Council
204 East High Street
Jefferson City, Missouri 65101-3287
Phone: 573-636-7383
Fax: 573-636-5783

Missouri Economic Development Financing Association (MEDFA)
10 Petticoat Lane, Suite 250
Kansas City, Missouri 64106
Phone: 816-221-0636
Fax: 816-221-0189

Missouri Association of Municipal Utilities (MAMU)
2407 West Ash
Columbia, Missouri 65203
Phone: 573-445-3279
Fax: 573-445-0680

CHAPTER VI

STATUTES