BILL 2014-35
BILL 2014-36

****** Full Readings ******

Agenda Item

TO: Mayor and City Council

FROM: Mark S. Gaugh, City Manager

DATE: August 18, 2014

RE: Ordinances (2)-Manion Tax Increment Financing (TIF) Proposal

Issues

Gary and Sue Manion (Manion Development) are requesting TIF assistance for a commercial development on the west end of their existing development. It is a phased plan, and qualifies as a blighted area, since the terrain there is in poor shape and will need infrastructure improvements. The amount of tax reimbursement assistance ($750,000 + financing costs) requested is roughly 25% of the project cost. This is a typical amount requested for projects of this type. The development is planned for businesses that will generate sales taxes. A portion of the tax collected will go toward the reimbursement amount. Specific details of the project have been provided to Council.

The TIF Commission met on the development on two occasions and unanimously approved the development for consideration by Council.

Recommendation

Staff recommends that the Council pass the ordinances for the TIF Development Plan and Development Agreement.

Bill 2014-35

AN ORDINANCE FOR THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI MAKING CERTAIN FINDINGS WITH RESPECT TO AND APPROVING THE MANION PLAZA REDEVELOPMENT PLAN, THE REDEVELOPMENT AREA, THE REDEVELOPMENT PROJECT AREA AND THE REDEVELOPMENT PROJECT; AND APPROVING OTHER ACTIONS RELATED THERETO

WHEREAS, the City Council of the City of Cameron, Missouri (the "City") established the Tax Increment Financing Commission of Cameron, Missouri (the "TIF Commission") pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the "TIF Act"); and

WHEREAS, in compliance with the TIF Act, and after provision of all notices and publications required by the TIF Act, the TIF Commission held a public hearing (opened on July 24, 2014 and continued to and closed on July 29, 2014) on a redevelopment plan entitled "Manion Plaza Redevelopment Plan" (the "TIF Plan"); and

WHEREAS, at the public hearing, all interested parties had an opportunity to be heard and the TIF Commission heard and considered all protests and objections concerning the TIF Plan, the Redevelopment Area, the Redevelopment Project and the Redevelopment Project Area; and

WHEREAS, after the close of the public hearing, the TIF Commission recommended, pursuant to Resolution 2014-07-01 adopted on July 29, 2014, the approval thereof; and

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF CAMERON, MISSOURI, AS FOLLOWS:

Section 1. The City Council hereby finds, with respect to the TIF Plan presented with this Ordinance (a copy of which is on file in the records of the City Clerk), that:

a. The existing conditions of the Redevelopment Area described in the TIF Plan are a fair depiction of the Redevelopment Area and cause the Redevelopment Area on the whole to be a "blighted area" as defined in the TIF Act. These conditions include inadequate street layout, improper subdivision, obsolete platting, and lack of utilities, and further such conditions also result in economic underutilization and an inability to generate reasonable taxes;

b. the Redevelopment Area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing (the Developer Affidavit is attached to the TIF Plan);

Full Reading

c. the TIF Plan does not include the initial development or redevelopment of any gambling establishment;

d. the TIF Plan conforms to the comprehensive plan for development of the City as a whole;

e. the Redevelopment Project Area is directly and substantially benefited by the Redevelopment Project;

f. the estimated date, which shall not be more than 23 years from the adoption of the Resolution approving the Redevelopment Project, of completion of the Redevelopment Project has been stated in the TIF Plan;

g. there are no relocations of businesses and residences anticipated nor is the use of eminent domain anticipated; and

h. a cost-benefit analysis showing the economic impact of the TIF Plan has been included in the TIF Plan which provides sufficient information to evaluate whether the Redevelopment Project as proposed is financially feasible.

Section 2. The TIF Plan is hereby approved pursuant to the TIF Act.

Section 3. The Redevelopment Area and the Redevelopment Project Area are each approved and the Redevelopment Area is designated as a redevelopment area and the Redevelopment Project Area is designated as a redevelopment project area, all pursuant to the TIF Act.

Section 4. The Redevelopment Project is approved as a redevelopment project and the Reimbursable Project Costs set forth in the TIF Plan are approved as reimbursable from tax increment financing revenues pursuant to and in accordance with the TIF Plan, the Development Agreement and the TIF Act.

Section 5. Tax increment financing in accordance with the TIF Plan is approved and it is provided that:

(1) after the total equalized assessed valuation of the taxable real property in the Redevelopment Project Area exceeds the certified total initial equalized assessed valuation of the taxable real property in such Redevelopment Project Area, the ad valorem taxes and payments in lieu of taxes, if any, arising from the levies upon taxable real property in such Redevelopment Project Area by taxing districts and tax rates determined in the manner provided in subsection 2 of the Section 99.855 of the TIF Act as adjusted by the TIF Plan each year after the effective date of this Ordinance adopting tax increment financing for the Redevelopment Project Area until the Reimbursable Project Costs pursuant to the TIF Plan have been paid, shall be divided as follows:

- That portion of taxes, penalties and interest levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in the Redevelopment Project Area, shall be allocated to, and when collected shall be paid by the County Collector to, the respective affected taxing districts in the

Full Reading

manner required by law in the absence of the adoption of tax increment allocation financing;

- The payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the Redevelopment Project Area (and any applicable penalty and interest) over and above the initial equalized assessed value of each such unit of property in the Redevelopment Project Area shall be allocated to, and when collected shall be paid to, the City Treasurer who shall deposit such payment in lieu of taxes into a special fund called the "Special Allocation Fund" of the City for the purpose of paying Reimbursable Project Costs under the TIF Plan. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the redevelopment project from which they are derived and shall be collected in the same manner as the real property tax, including the assessment of penalties and interest where applicable. The City may, in an Ordinance, pledge the funds in the special allocation fund for the payment of such costs and provide for the collection of payments in lieu of taxes, the lien of which may be foreclosed in the same manner as a special assessment lien as provided in Section 88.861, RSMo. No part of the current equalized assessed valuation of each lot, block, tract, or parcel of property in a Redevelopment Project Area attributable to any increase above the total initial equalized assessed value of such properties shall be used in calculating the general state school aid formula provided for in Section 163.031, RSMo., until such time as all reimbursable redevelopment costs have been paid as provided for in the TIF Act.

2. in addition to the payments in lieu of taxes described in Section 99.845.1(2) of the TIF Act, the total additional revenues from taxes generated by economic activities in the Redevelopment Project Area, as described in Section 99.845.3 of the TIF Act, over the amount of economic activity taxes generated by an establishment in the calendar year prior to the effective date of this Ordinance adopting tax increment financing for the Redevelopment Project Area shall be allocated as set forth in Section 99.845.3 of the TIF Act and the TIF Plan.

Section 6. The City officers and employees are authorized to take such actions and execute such documents as are necessary or desirable to effectuate the intent of this Ordinance.

Section 7. This Ordinance shall be in full force and effect from and after its passage and approval.

INTRODUCED IN WRITING, READ BY TITLE TWO TIMES, PASSED AND APPROVED THIS 18th DAY OF AUGUST 2014.

_____

Dennis M. Clark, Mayor

Attest:

_____

Barbara J. O'Connor, City Clerk/Finance Clerk

Full Reading