

EXPANDING YOUR ECONOMIC DEVELOPMENT TOOL BOX

by Joe Bednar and Craig Davis

Most economic developers are familiar with the standard tools in the economic development tool box, but some projects require a different approach and outside-the-box thinking. Spencer Fane partners Joe Bednar and Craig Davis have highlighted four often-overlooked incentive tools that can be leveraged to move your project from the drawing board to completion. Contact them at jbednar@spencerfane.com, (573) 634-8116 or mdavis@spencerfane.com, (816) 292-8231.

STATE ADMINISTERED JOB INCENTIVE TOOLS

*Highlights**
§§135.950-135.973 RSMo

- **Type Of Benefits:** Tax credits.
- **Description Of Benefits:** Tax credits and real property tax abatement of at least 50 percent for 10 years on improvements to the real property.
- **Allowed Uses Of Benefits:** Tax credits may be transferred, sold or assigned. The sale price cannot be less than 75 percent of the par value of such tax credits.
- **Eligible Business Types:** An eligible business must be located in a Missouri Enhanced Enterprise Zone (EEZ). 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.

REAL PROPERTY TAX INCREMENT ALLOCATION REDEVELOPMENT ACT

aka Tax Increment Financing
§§99.800 to 99.865
Overview

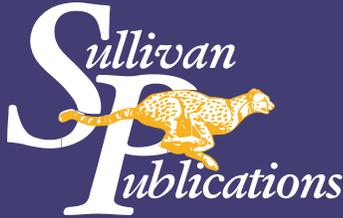
LOCAL AREAS, PLANS AND PROJECTS

- The TIF Program comprehensive program ... to reduce or eliminate those conditions, ... that qualified the redevelopment area as blighted area, conservation area, economic development area, or combination thereof, and to thereby enhance the tax bases of the taxing districts that extend into the redevelopment area. §99.805 RSMo
- Allows the capture of 100 percent of the incremental property taxes and 50 percent of the incremental economic activities taxes (sales tax, earnings tax, etc.) to be directed to the development of the project (either directly or to support bond debt service).
- Term of 23 years.

STATE SUPPLEMENTAL TAX INCREMENT FINANCING ASSISTANCE

- Recovery of sales tax up to 50 percent of all incremental sales tax paid within the project, or
- An amount equal to 50 percent of the state withholding on all employees employed at the project through the year 2029.

** All of the tools identified have significant legal requirements. The elements highlighted are not intended to be, nor should they be utilized as legal advice in regard to the use of incentives.*



The Missouri Company
serving you locally since 1968

- ▶ Ordinance Codification
- ▶ Update Service
- ▶ Legal Review
- ▶ Sample Ordinances
- ▶ Code Watch (legislative review)

- ▶ Code On Computer:
Word or WordPerfect, QuickCode
(folio infobase), Code-on-Line
- ▶ Document management
solutions for all City records



For more information: 13610 Barrett Office Dr. Suite 202, Manchester, Missouri 63021
voice:314 775 0092 fax:314 775 0094 mail@sullivanpublications.com

SPECIAL TAXING DISTRICTS

*Highlights**

CID – Community Improvement District
§§67.1401 to 67.1571 RSMo

- Special assessments against real property; and/or real property tax and/or retail sales and use tax.
- Within its boundaries, to provide assistance to or to construct, reconstruct, install, repair, maintain and equip any of the following public improvements:
 - Pedestrian or shopping malls and plazas;
 - Parks, lawns, trees and any other landscape;
 - Convention centers, arenas, aquariums, aviaries and meeting facilities;
 - Sidewalks, streets, alleys, bridges, ramps, tunnels, overpasses and underpasses, traffic signs and signals, utilities, drainage, water, storm and sewer systems and other site improvements;
 - Parking lots, garages or other facilities;
 - Lakes, dams and waterways;
 - Streetscape, lighting, benches or other seating furniture, trash receptacles, marques, awnings, canopies, walls and barriers;
 - Telephone and information booths, bus stop and other shelters, rest rooms and kiosks;
 - Paintings, murals, display cases, sculptures and fountains;
 - Music, news and child-care facilities; and any other useful, necessary or desired improvement.

SPECIAL TAXING DISTRICTS

TDD – Transportation Development District
§§238.200-275 RSMo

*Highlights**

“Project” includes 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.
- Sales tax may be imposed in increments up to 1 percent.
- Special Assessments may establish different classes or subclasses of real property for purposes of levying differing rates. The rate may vary for each class or subclass based on the level of benefit derived from projects funded by the district.
- Property Tax. If approved by at least four-sevenths of the qualified voters voting on the question in the district, the district may impose a property tax in an amount not to exceed the annual rate of .10 cents on the hundred dollars assessed valuation.