

City of Warrensburg Incentive Program

Tax Increment Financing (TIF)

Overview

Tax Increment Financing (TIF) permits the use of a portion of state and local property and sales taxes to assist funding the redevelopment of certain designated areas within a community. A TIF area must contain property classified as blighted or conservation areas. A TIF area can have multiple Project Areas within a Redevelopment Area. A City appointed TIF Commission is charged with all the responsibilities for bringing a TIF redevelopment project to completion. Sections 99.800 to 99.865 of the Revised Statutes for the State of Missouri (RSMo) authorize Missouri municipalities to implement tax increment financing and provide more detailed information regarding the use of this tool.

Revenues

Increases in property taxes due to new construction, rehabilitation and infrastructure improvements from the project are deposited in a special allocation fund for up to 23 years.

Fifty percent (50%) of all local Economic Activity Taxes (EATS) (e.g. sales taxes) generated within the project area are also deposited in a special allocation fund.

Eligible costs

Include professional fees, studies, surveys, plans, land acquisition, site preparation, and construction costs of both public and private improvements.

Examples

Lee's Summit, Summit Woods Crossing—Redevelopment Area with 3 Project Areas each with their own 23 year sunset. TIF is paying for improvements at Highway 50 and Chipman Road and improvements to Chipman and Pryor Roads.

Statutory Requirements

By law, the City must determine that certain requirements have been met before approving a Tax Increment Financing Plan filed by the applicant. These requirements are set forth under Sections 99.805 to 99.865 RSMo.





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Policy Guidelines

In addition to the General Policy Guidelines provided earlier, the City has separately adopted specific TIF Policies which are copied below:

I. General Policy

A. It is the policy of the City to consider the judicious use of TIF to construct public improvements in support of those projects which demonstrate a substantial and significant public benefit by:

1. Creating new jobs and retaining existing employment;
2. Eliminating blight;
3. Strengthening the employment and economic base of the City;
4. Increasing property values and tax revenues;
5. Reducing poverty;
6. Enhancing economic stability;
7. Upgrading deteriorating neighborhoods;
8. Facilitating economic self-sufficiency;
9. Furthering the Comprehensive Plan and economic development strategy of the City.

B. Care will be exercised in the use of TIF to thoroughly evaluate each project to ensure that the benefits which will accrue from the approval of the Redevelopment Agreement are appropriate for the costs which will result, and that they are equitable to the City as a whole.

City Application/Approval Process

The TIF Commission and City Council have previously adopted specific application procedures for the consideration of a TIF project. The application along with more detailed information can be found in the City of Warrensburg's adopted Economic Development Incentive Policy and Considerations.

Depending on the project, the TIF process can be complex. The City of Warrensburg is your partner in navigating this process.

For more information, please contact the City of Warrensburg. We look forward to assisting with your business needs.

**City of Warrensburg
102 South Holden Steet
Warrensburg, MO 64093
(660) 747-9131**

www.warrensburg-mo.com