



# City of Belton Economic Development Incentives Policy

*Date Approved: February 9, 2021*

*Resolution: R2021-08*

## TABLE OF CONTENTS

Vision and Mission	Page 1
Economic Development Objectives	Page 2
Tax Increment Financing (TIF)	Page 4
Tax Increment Financing (TIF) <b>MAP</b>	Page 9
Enhanced Enterprise Zone (EEZ)	Page 10
Enhanced Enterprise Zone (EEZ) <b>MAP</b>	Page 14
Chapter 100 Industrial Development Bonds	Page 15
Chapter 353 Tax Abatement	Page 18
Chapter 353 Tax Abatement <b>MAP</b>	Page 22
Neighborhood Improvement District (NID)	Page 23
Community Improvement District (CID)	Page 25
Transportation Development District (TDD)	Page 27
Sales Tax Reimbursement Agreements	Page 29
Application Worksheet	Page 31

***This document will be reviewed and amended as needed, at minimum, every three years.***



## VISION AND MISSION

---

In 1992 the City of Belton adopted its Comprehensive Plan. Belton became a Charter City effective November 25, 2008. The City Council, elected by the citizens, performs the legislative duties of the city. The Mayor, also elected by the citizens, is a voting member of the City Council and retains the veto power. The Mayor and City Council set forth the policies of the City, which are implemented by the City Manager, who carries out the day-to-day administrative duties. All public economic development incentives granted are governed by Belton's Comprehensive Plan, Official Zoning Map, Zoning Code and Future Land Use Map, which was adopted in 2011.

Belton is a city that is proud of its past but has always been focused on its vision for the future. In 2004, City leaders and Belton residents worked in collaboration and created the Belton Vision Team, establishing the long-term vision for the City as a whole, as well as its economic development initiatives.

### VISION

*"The City of Belton is a city that creates opportunities for diversified residential growth and successful business development. This attitude and environment will be maintained by providing a highly diversified commercial base that will result in employment that minimizes the impact of economic cycles. This will create a desirable atmosphere that attracts residential development conducive to a diversified population. Belton's economic climate will afford more opportunity for people to live, work and shop locally. It also will make our city a welcoming destination for those who live and work in outside communities."*

With this vision in mind, the Economic Development Department's mission statement was created.

### MISSION STATEMENT

*"It is our mission to work proactively to support a healthy business environment that will strengthen existing businesses and attract new investment; and to aggressively promote a vibrant local economy that will ensure a high quality of life."*



## ECONOMIC DEVELOPMENT OBJECTIVES

---

Various economic incentives are available under Missouri law to help municipalities achieve their public objectives. This Policy establishes the policy, procedures and requirements to govern the fair, effective and judicious use of these incentives by the City in order to help meet its economic development goals.

The City works in cooperation with the Missouri Department of Economic Development, Kansas City Area Development Council, Cass County Corporation of Economic Development and the Belton Chamber of Commerce. These partnerships enable the community to maximize its resources and to develop a consensus regarding the kind of economic development that best advances the interests of the entire community.

All of the partners in this effort share a commitment to:

- promote, stimulate and develop the economic welfare of the City,
- encourage the training and development of Belton's workforce,
- facilitate the creation and retention of jobs at or above a family supporting wage,
- encourage the location and retention of businesses which are good corporate citizens that will add to the quality of life in Belton through their leadership and support of local civic and philanthropic organizations,
- encourage existing industry to expand,
- assist new business start-ups,
- recruit new companies from out-of-state and internationally,
- encourage the use of public economic incentives in locations and situations that provide the maximum public benefit, and
- limit the use of public economic incentives for the shortest duration.

Achieving these objectives can lead to significant public benefit, retention of existing quality jobs, construction of public improvements, creation of new jobs, elimination of blight, increase in property values, increase in tax revenues, and economic stability throughout the City. When appropriate, the City may utilize incentives in order to achieve its economic development goals. One or more incentives may be utilized, depending on the application. The granting of public economic incentives will be made according to the goals, processes and procedures of this policy.

**THE CITY IS UNDER NO OBLIGATION TO APPROVE THE USE OF A PUBLIC INCENTIVE FOR ANY APPLICANT. THE CITY RESERVES THE RIGHT TO MODIFY OR WAIVE ON A CASE-BY CASE BASIS ANY OF THE PROCEDURES OR LIMITATIONS OF THIS POLICY, PROVIDED ALL STATE AND STATUTORY REQUIREMENTS ARE FULFILLED.**

#### **APPLICATION AND REVIEW PROCESS**

1. Applicants shall notify the City of their intent to pursue a development project that will make use of incentives. The pre-application worksheet, attached to this document, shall accompany this notification. The Application must be submitted to the City Manager's office for review and processing.
2. Applicants are required to first meet with City staff in a pre-qualification conference to determine the project eligibility.
3. Should a request for incentives be determined to require a funding agreement to cover the City's costs and expenses, including legal fees and other third-party expenses, the funding agreement must be submitted to the City Manager's office for review and processing. If a public hearing is required, it will not be scheduled until a funding agreement has been executed and fully funded.
4. As determined by the Funding Agreement, an application deposit shall be paid to the City prior to initiating any work on a project.
5. Any application that may be required by this policy may be obtained on the City's website ([www.belton.org](http://www.belton.org)) within the economic development section of the City's web page ([www.choosebelton.org](http://www.choosebelton.org)).
6. Annually, City staff will be responsible for reviewing the performance of each recipient of funds for the previous year. The purpose of this review is to check for compliance with any documents related to the use of incentives and to gather information regarding cumulative job creation, wage structure, and other such information necessary to gauge the performance of the company. The accountability review may include a site visit.
7. Projects receiving the benefits of any economic development incentives for a project shall be required to include in the budget art or decorative improvements in the total construction budget of the private improvements.



## TAX INCREMENT FINANCING

---

### OVERVIEW

Tax Increment Financing (TIF) is a public funding mechanism to assist private development of an area within the City. TIF may only be used when there is evidence the development would not occur without public assistance (But/For Test); and when the project area qualifies as a blighted or conservation area.

TIF is a financial tool used to capture the increase in real property taxes and sales taxes created from new construction. Up to 100% of the increase in real property taxes and 50% of the increase in local sales taxes (the “increment”) can be captured within the TIF project area. The real property tax and sales tax increment may then be used to reimburse a private developer for eligible expenses or to repay principal and interest on bonds used to finance the eligible expenses for up to 23 years.

### 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 of the Revised Statutes for the State of Missouri (RSMo).

### POLICY GUIDELINES

In addition to meeting the statutory requirements referenced above, the City has established several criteria that will be applied in the review and evaluation of applications for TIF financing. In general, applications that meet **each** of the evaluation criteria will be viewed most favorably. However, TIF applications that do not meet some of these criteria may be approved if the application clearly demonstrates that the project, as a whole, is important to the City.

Expenses eligible for reimbursement under TIF include but are not limited to the following:

- Studies, surveys, plans and specifications.
- Professional services such as architectural, engineering, legal, marketing, financial, and planning.
- Site preparation, including demolition of structures, clearing and grading of land, and acquisition of land.
- Constructing public infrastructure such as streets, sewers, utilities, parking, and lighting.
- Rehabilitating and repairing existing buildings.
- Financing costs including bond issuance.
- Relocation costs if persons or businesses within the redevelopment area are displaced.

## EVALUATION CRITERIA

1. Each TIF application must demonstrate that “but for” the use of TIF, the project is not feasible and would not be completed without the proposed TIF assistance.
2. Demonstrates a substantial and significant public benefit by constructing public improvements that strengthen the economic and employment base of the City; and serves as a catalyst for further high-quality development or redevelopment. Development proposals under a TIF application are expected to meet high development standards and demonstrate innovative design. A TIF project requires high quality building materials and architectural design.
3. TIF assistance will be provided for improvements that create significant public benefit(s) by creating new jobs and retaining existing employment, strengthening the economic base of the City, increasing property values and tax revenues, reducing poverty, upgrading older developments, and facilitating economic self-sufficiency.
4. TIF applications seeking public assistance to cure blighted areas will be viewed more favorably if more than one “blighted area” condition exists.
5. Applications which include TIF assistance for land acquisition and residential development will be discouraged unless creatively integrated into a large scale mixed-use project.
6. TIF applications requesting the issuance of bonds or notes shall be required to demonstrate that the payments-in-lieu of taxes and/or economic activity taxes and revenues from special purpose districts expected to be generated will be sufficient to provide debt service coverage required by current market conditions (but not less than 1.25 times) in excess of the projected debt service on any tax increment bonds or notes. Additionally, bonds and notes will not be issued until there the project has at least 90% occupancy. In no event shall the credit of the city be put at risk for the payment of debt service on bonds issued to financed redevelopment projects.
7. TIF assistance to the project should generally not exceed 15% of total project costs, excluding public improvements. However, this threshold may be waived in circumstances where the developer:
  - a. has a proven track record in completing successful projects comparable in scope and scale;
  - b. documents the developer’s financial capacity to complete the proposed project;
  - c. demonstrates that tenant commitments are already in place for a significant portion of the proposed project;

- d. documents evidence of substantial public benefit (ex: infrastructure), and other key components of the street master plan; and
  - e. a reasonable rate of return for the developer is generated.
- 8. The projected term of the TIF project will be considered on the economic payoff expectations of the project with shorter terms being viewed more favorably than longer terms. TIF Applications which provide for the use of not more than 12 years of tax increment generated by each project is strongly encouraged.
- 9. TIF Plans should contemplate that at least 25% of the Payments in Lieu of Taxes shall be declared as a surplus and distributed to the taxing districts.
- 10. The TIF statute provides that redevelopment project costs can include all or a portion of a taxing district's capital costs resulting from a redevelopment project that are necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the City by written agreement accepts and approves such costs. Taxing districts' capital costs are defined as those costs of taxing districts for capital improvements that are found by the City to be necessary and to directly result from the redevelopment project. In accordance with these statutory provisions, any affected taxing district may submit a detailed request for reimbursement of its capital costs associated with a redevelopment plan or project and the City will consider such request in accordance with these statutory standards and requirements. Any taxing district submitting such a request shall carry the burden of proof to demonstrate to the City's satisfaction that the capital improvements are necessary and directly result from the redevelopment project.
- 11. Applications that include the utilization of a Community Improvement District (CID), Neighborhood Improvement District (NID), Transportation Development District (TDD) or other private or public financing special purpose districts which result in reducing the term of the TIF project will be viewed more favorably.
- 12. Evidence the applicant has thoroughly explored alternative financing methods and has a track record which demonstrates the financial and technical ability to complete the project.
- 13. Generally, TIF applications which encompass a project area of less than 10 acres will be discouraged.



14. 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 project are appropriate for the cost which will result, and that they are equitable to the City as a whole.

## **SUBMISSION REQUIREMENTS**

1. The City may require an independent analysis(s) of the TIF application submittal. The cost of such study shall be paid by the applicant. The City shall administer the contract and the study shall be prepared by a professional consultant having a favorable reputation for the preparation of such studies. The study shall be submitted to the TIF Commission prior to the public hearing and the cost shall be reimbursed to the City prior to the City Council action on the TIF project.
2. IRR (Internal Rate of Return) or similar pro forma modeling is used by firms to decide whether they should make investments. TIF applications shall include a reasonable IRR calculation identifying IRR with TIF assistance and without TIF assistance.
3. Following a public hearing before the City's TIF Commission and approval of the TIF plan by the City Council, the City and applicant shall enter into a Redevelopment Agreement for the purposes of accountability and governing the implementation of the TIF plan.
4. An annual administration fee will be required as stipulated in the redevelopment agreement. The annual administration fee will be up to 5% of the TIF Revenue collected with a minimum of \$20,000.

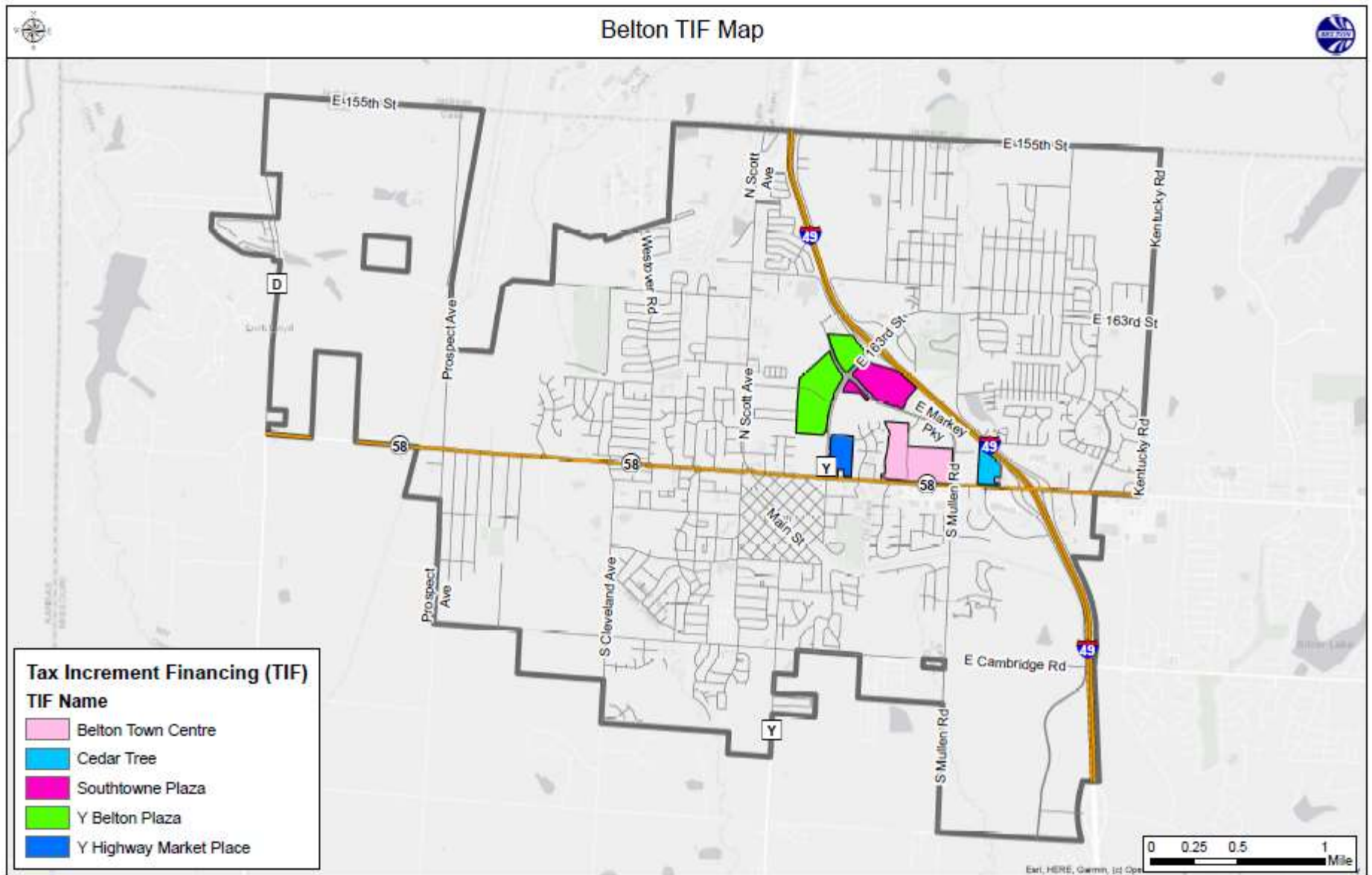
## **ACCOUNTABILITY**

If the TIF application is being recommended based upon job creation criteria, language will be included in the development contract which stipulates that the City's assistance to the developer may be reduced if satisfactory evidence is not shown that the indicated number and quality of jobs have been generated.

If businesses are to be relocated from other areas of the City, sufficient justification will be included to indicate why this relocation should be considered. If existing businesses are to be relocated to the TIF area, the base year of activity for purposes of determining the tax increment for both real property and economic activity taxes is the last twelve-month period at the businesses current location, immediately preceding the relocation. To accomplish this intent, a

surplus will be declared which will have the same effect as if the previous level of taxes in the last full year at the previous location continued to be available to all taxing entities after the relocation.

***Approved Belton Tax Increment Financing locations are displayed on the map on page 9.***





## **ENHANCED ENTERPRISE ZONE ABATEMENT AND MISSOURI WORKS**

---

### **OVERVIEW**

The Enhanced Enterprise Zone (EEZ) program provides financial incentives for certain qualifying projects by providing real property tax abatement for improvements to real property made within the EEZ. For the City of Belton, in its endeavors to provide a tool box of alternate incentives, this would provide a stimulus for new or expanding businesses to create jobs and make investments in targeted industry sectors provided they are located within the EEZ.

### **STATUTORY REQUIREMENTS**

Development projects and businesses proposed for EEZ local abatement benefits must meet certain statutory conditions required by the State of Missouri in Sections 620.2000 to 620.2020 and 135.950 to 135.973, RSMo. Projects must also meet conditions adopted by Ordinance No. 2009-3548 of the City of Belton.

### **REQUIREMENTS OF ELIGIBLE APPLICANTS**

In order to obtain local real property tax abatement of 50% for 10 years:

1. The business must be located within an approved Enhanced Enterprise Zone area.
2. The business must be one of the approved business clusters.
3. A qualified business must create and maintain new employees with an average wage of at least 100% of the County Average Wage and new investment in the business. “New jobs” are defined as full-time (average 35 or more hours/week each year and for whom the company offers/pays 50% of health insurance) employees of the company located at the project facility, based on the increase from the base employment.
4. A business must provide health insurance and pay at least 50% of the premium for all full-time employees.

## **BENEFITS**

1. At least 50% property tax abatement on the new improvements for a minimum of 10 years.
  - A business may qualify for an additional abatement if criteria are met as outlined within the City of Belton EEZ Tax Abatement Policy.

## **APPROVED BUSINESS CLUSTERS**

Projects must be for business and industry types specifically authorized by the State of Missouri and the City of Belton. Businesses must fall within the North American Industry Classification system (NAICS) industry codes as approved by the City of Belton. The business clusters approved by Belton are broad, allowing for a wide variety of business types.

### ***Industry codes ELIGIBLE are:***

<b>Sector Name</b>	<b>NAICS</b>
Accommodation & Food Services	72*
Administrative & Support	56**
Arts, Entertainment & Recreation	71*
Construction	23
Finance & Insurance	52
Information	51
Management of Companies & Enterprises	55
Mining Activities	21
Professional, Scientific and Technical Services	54
Transportation & Warehousing	48/49
Utilities	22*
Whole Trade	42

\*As stipulated in Section 620.2005(23), RSMo, industry codes listed below are not eligible.

\*\*As stipulated by the Belton Enhanced Enterprise Zone, industry codes listed below are not eligible.

Certain types of businesses and industry clusters are not available for participation in Zone Works programs and are prohibited by state statute from receiving the state tax credits.

***Industry Codes NOT ELIGIBLE are:***

<b>Sector Name</b>	<b>NAICS</b>
Educational Services	61
Food and Drinking Establishments	722
Gaming Establishments	7132
Health Care and Social Services	62
Public Administrators	92
Public Utilities	221
Religious Organizations	8131
Retail Trade	44 & 45
Ethanol Distillation or Production	
Biodiesel Production	
Real Estate and Rental and Leasing	53
Hazardous Waste Collection	562112
Other Waste Collection	562119
Hazardous Waste Treatment	562211
Solid Waste Landfill	562212
Solid Waste Combustor and Incinerators	562213
Other Nonhazardous Waste Treatment and Disposal	562219

**LOCAL PROPERTY TAX ABATEMENT**

A business facility meeting the above criteria, and containing a targeted industry with an approved Notice of Intent (NOI) by the Missouri Department of Economic Development (DED), will receive a real property tax abatement equal to 50% of the increase in ad valorem taxes for a period of 10 years following the date such improvements were assessed. Awarding tax abatement is at the discretion of the City Council. Upon meeting further criteria outlined within the City of Belton's EEZ Tax Abatement Policy, the City Council, at its discretion, may approve a larger abatement.

**\*A business may qualify for additional EEZ tax abatement** if criteria are met as outlined within the City of Belton EEZ Tax Abatement Policy, as amended.

## **ACCOUNTABILITY**

Minimum investment levels:

Investment: The qualified company's capital investment (real and/or personal property) equals or exceeds the amounts required by the City at the project facility.

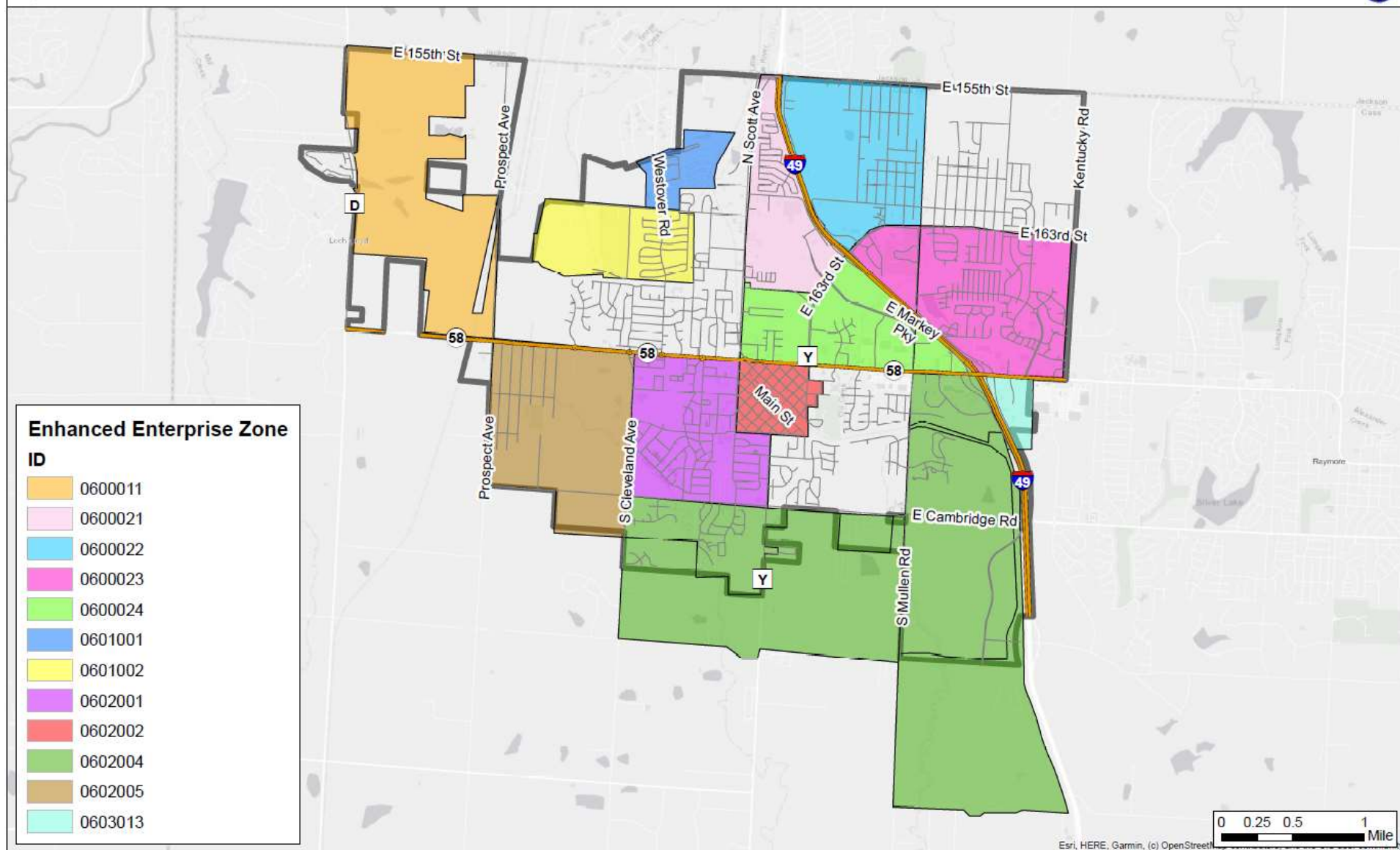
Jobs: Create a minimum of new full-time jobs, averaging 35 or more hours/week each year with an average wage of at least 100% of the County Average Wage as required by the City.

Health Insurance: Must maintain health insurance at all times, of which at least 50% of premiums are paid by employer.

***Approved Belton Enhanced Enterprise Zone is displayed on the map on page 14.***



# Belton EEZ Map







## CHAPTER 100 INDUSTRIAL DEVELOPMENT BONDS

---

### OVERVIEW

Sections 100.010 to 100.200 of the Revised Statutes of Missouri (“Chapter 100”), and Article VI § 27 of the Missouri Constitution, authorizes municipalities, counties, towns and villages to issue revenue bonds to finance industrial development projects for private corporations, partnerships or individual companies. Under Chapter 100, the City issues revenue bonds to finance real and/or personal property for eligible development projects. Eligible projects are established by law and include warehouses, distribution facilities, research and development facilities, office industries and manufacturing plants and commercial activities; and may apply to the financing of land, buildings, fixtures, and machinery.

Under this type of financing, the company passes title in the real or personal property involved to the City pursuant to a deed and/or bill of sale. The City will issue the revenue bonds in the amount necessary to finance the purchase, new construction, or expansion contemplated for the project. The City will retain ownership of the real and/or personal property and lease it to the company. The rent charged to/paid by the company will be an amount sufficient to pay the principal and interest on the bonds as they come due. Most commonly, the bonds are purchased by the company. The lease-purchase agreement will also provide for the company to resume or assume ownership of the real and/or personal property once the bonds have been paid off.

Because title to the property is held in the name of the City during the lease term, the property acquired with the bond proceeds is tax exempt, which effectively results in tax abatement for the company. Under the City’s program, the company will be required to make payments in lieu of taxes (PILOTs) for a portion of the taxes it would have otherwise been required to pay. This is described in more detail in the Abatement Guidelines section below. In addition to property tax abatement, the company may also benefit from a sales tax exemption for construction materials and/or equipment for the project.

### STATUTORY REQUIREMENTS

According to Missouri law, the city must approve a “plan for industrial development” pursuant to Section 100.050 of the Revised Statutes for the State of Missouri (RSMo).

## **POLICY GUIDELINES**

In addition to complying with the statutory requirements referenced above, the City has established several criteria that will be used to review and evaluate applications for Chapter 100 financing and tax abatement. Each of the following should be satisfied:

1. Show a clear demonstration of public purpose and economic benefit through the advancement of the City's economic development goals, which include expanding the tax base, creating new job opportunities and expanding the tax base from targeted industrial areas.
2. Demonstrate the project would not occur "but for" the incentives offered. The incentive should make a difference in determining the decision of the business to locate, expand or remain in the City; and would not otherwise occur without the availability of the abatement.
3. Demonstrate that the applicant has a sound financial base and has the capacity to complete the project. The amount of abatement provided will be influenced by the amount of investment being made, the number of high quality jobs being created and whether sales tax revenue will be generated as a result of the project for local jurisdictions.
4. Not result in the City, County, Belton School District or any other taxing jurisdiction affected by the incentive receiving less total real and personal property tax revenue from the property than was received prior to the granting of tax abatement.
5. Comply with the City's Comprehensive Plan and be appropriately zoned.
6. Be environmentally compatible with the specific location and the surrounding area. The proposed use must be clean, nonpolluting and consistent with all development ordinances and codes. The applicant is responsible for providing a Phase I environmental audits for projects providing abatement to real property and taking any and all remedial action necessary as required by the City or any other governmental entity.
7. Comply with statutory requirements set forth in Sections 100.010 to 100.200 RSMo. Applications that do not meet all of these criteria may be approved if the application clearly demonstrates that the project, as a whole, is of important economic interest to the City.
8. The portion of property taxes not abated pursuant to this program shall be paid to the City as PILOTs for distribution to the appropriate taxing jurisdiction(s).

## **CITY APPLICATION & APPROVAL PROCESS**

The authority and decision to issue revenue bonds and grant tax abatements is vested solely with the Belton City Council. The decision to issue revenue bonds and/or tax abatements is discretionary and shall be considered on a case-by-case basis. The City Council is under no obligation to approve any requested bond issuance and/or tax abatement and reserves the right to deviate from the policies and criteria contained herein if, in the opinion of the Belton City Council, circumstances exist to warrant such deviation, as long as any deviation does not conflict with state law. Property owners, applicants and others are cautioned not to rely upon receipt of abatement until all steps for granting an exemption have been approved.

## **ACCOUNTABILITY**

If the project meets the policy guidelines outlined above, a “plan for industrial development” as outlined under Section 100.050 RSMo will be developed. The “plan for industrial development” will then be considered for formal approval by the Belton City Council. Following approval of the “plan for industrial development”, the City and the applicant shall enter into a Chapter 100 performance agreement which will govern the terms of the abatement. The agreement shall require that an annual report be submitted to the City on or before March 1 following the end date of construction. Each year, the report shall cover the time period of January 1 through December 31 of the previous year and include a detailed accounting of the project, including certification on the number of employees (newly added during that period and existing) and associated wages.



## TAX ABATEMENT CHAPTER 353 / REDEVELOPMENT

---

### OVERVIEW

Chapter 353 tax abatement is an incentive allowed by Missouri law to encourage the redevelopment of blighted areas through the abatement of real property taxes and, where appropriate, the use of eminent domain. To be eligible for tax abatement, either the City or a private entity must form a 353 Urban Redevelopment Corporation (353 Corporation) pursuant to the Urban Redevelopment Corporations Law (Chapter 353) of the Revised Statutes of Missouri.

Under Chapter 353, tax abatement on real property taxes is available for a period up to 25 years. During the first 10 years, the property is not subject to real property taxes except in the amount of real property taxes assessed on the land, exclusive of improvements, during the calendar year preceding the calendar year during which the 353 Corporation acquired title to the real property. During the next 15 years, the real property may be assessed up to 50% of its true value. Under Chapter 353, tax abatement is not available for personal property taxes such as equipment or machinery. The length of time abatements shall be permitted will be outlined for each area or project designated.

Payments in lieu of taxes (PILOTS) may be imposed on the 353 Corporation or private entity by contract with the city. PILOTS are paid on an annual basis to replace all or part of the real estate taxes which are abated.

### STATUTORY REQUIREMENTS

Tax abatement is only available to a 353 Corporation pursuant to the Urban Redevelopment Corporations Law. In order to implement a Chapter 353 tax abatement district, the City may establish the Belton Municipal Redevelopment Corporation or, if appropriate, the property owner may establish its own Urban Redevelopment Corporation. Tax abatement is only extended to real property that has been found to be a “blighted area” by the City. Real property may be found to be blighted even though it contains improvements, which by themselves do not constitute blight. Tax abatement may also be extended to a tract of real property, which by itself does not meet the definition of a blighted area if such tract is necessary to the redevelopment project and the area on a whole constitutes a blighted area.

## **POLICY GUIDELINES**

In accordance with Missouri law, the City of Belton will consider in its discretion the granting of Chapter 353 partial real property tax abatement within established boundaries approved by the City Council. In addition to this statutory requirement, each of the following criteria should be satisfied:

1. Show a clear demonstration of public purpose and economic benefit through the advancement of the City's economic development goals which include expanding the tax base, creating quality jobs, and spurring development or redevelopment in targeted City locations.
2. Demonstrate the project would not occur "but for" the incentives offered. The incentive should make a difference in determining the decision of the property owner to improve the property.
3. Include evidence that the property owner has the financial ability and capacity to complete the project.
4. Include a capital investment as outlined within the abatement guidelines of each Redevelopment Area established by the City Council.
5. Be compatible with the specific location and the surrounding area. The proposed use must be clean, nonpolluting and consistent with all development ordinances and codes. The applicant is responsible for conducting all necessary environmental audits and taking any and all remedial action necessary as required by the City or any other governmental entity.
6. The improvements included within the request for abatement for commercial properties shall be at least 50% exterior improvements so as to be visible to the public.
7. Payments in lieu of taxes (PILOTS) may be imposed by the City and paid by the property owner if deemed appropriate for the project. PILOTS are paid on an annual basis to replace all or part of the real estate taxes, which are abated. PILOTS shall be made to the County Collector by December 31st of each year. The City Clerk shall furnish the Collector with a copy of the agreement by which the PILOTS are imposed. The PILOTS must be allocated to each taxing district according to their proportionate share of ad valorem property taxes. 353.110.4, RSMo.

8. Comply with the statutory requirements set forth in Sections 353.010 – 353.150 RSMo.
9. Properties receiving tax abatement must be maintained in compliance with minimum standards, codes, and ordinances of the City.
10. Upon determination that the provisions within the development plan are not being satisfied (i.e. use, operate, maintain), the City may proceed with revocation of tax abatement.
11. Subject to the statutory requirements of Chapter 353, applications for Chapter 353 partial real property tax abatement may be approved where not all of the above criteria are met if the application clearly demonstrates that the project, as a whole, is of important economic interest to the City. Because the approval of such partial real property tax abatement is granted within the discretion of the City Council, an application's satisfaction of the above criteria does not guarantee that City Council approval will be granted. Projects that produce other forms of additional revenue (e.g., an increase in City's sales tax revenue) may be considered for a longer tax abatement period upon City Council approval.

## **GENERAL ABATEMENT PROCEDURES**

Development Plan: Urban redevelopment corporations have the power to operate one or more redevelopment projects pursuant to a development plan which has been authorized by the City after holding a public hearing. The City may assist in the preparation of a development plan. The City must make a finding of blight regarding the area included within the development plan.

It is anticipated that each redevelopment area may have several projects; the number, location and construction details of which may not be determined at the time of the application. Developers and/or property owners shall prepare a project plan for each project that will implement the development plan approved for the redevelopment area. Each project plan will require its own public hearing and approval by the City Council. The City may require that substantial changes to the overall development plan after the development plan is approved must be accomplished by an amendment to the development plan.

Tax Impact Analysis: The Missouri State Statute requires the governing body to hold a public hearing regarding any proposed development plan. Before the public hearing, the governing body must furnish to the political entities whose boundaries include any portion of the property to be affected by tax abatement notice of the scheduled public hearing and a written statement of the impact on ad valorem taxes such tax abatement will have on the taxing entities. When

establishing a redevelopment area with several properties, a tax impact analysis will be prepared at the time the specific project is considered by the City Council.

Abatement Program: Once a project has been approved, and the redevelopment corporation has taken title to real property, that real property shall not be subject to assessment or payment of general ad valorem taxes for a period of 10 years after the date upon which the corporation became owner of such property, except the amount of the assessed value of the land exclusive of improvements determined by the county assessor during the calendar year preceding the calendar year in which the corporation acquired title to the property.

The City may, as included within a project's development performance agreement allow abatement for up to the next 15-year period of 50% of the actual assessed value on land and improvements. The City Council shall determine the length of time for this period of abatement based upon the amount of investment and adherence to the policy guidelines. A standard abatement period during this second period shall be from 1 to 5 years except as allowed within the policy guidelines above.

#### **CITY APPLICATION & APPROVAL PROCESS**

Applications for the program will be accepted by the City staff on behalf of the 353 Corporation. A final application may then be submitted to the City for processing.

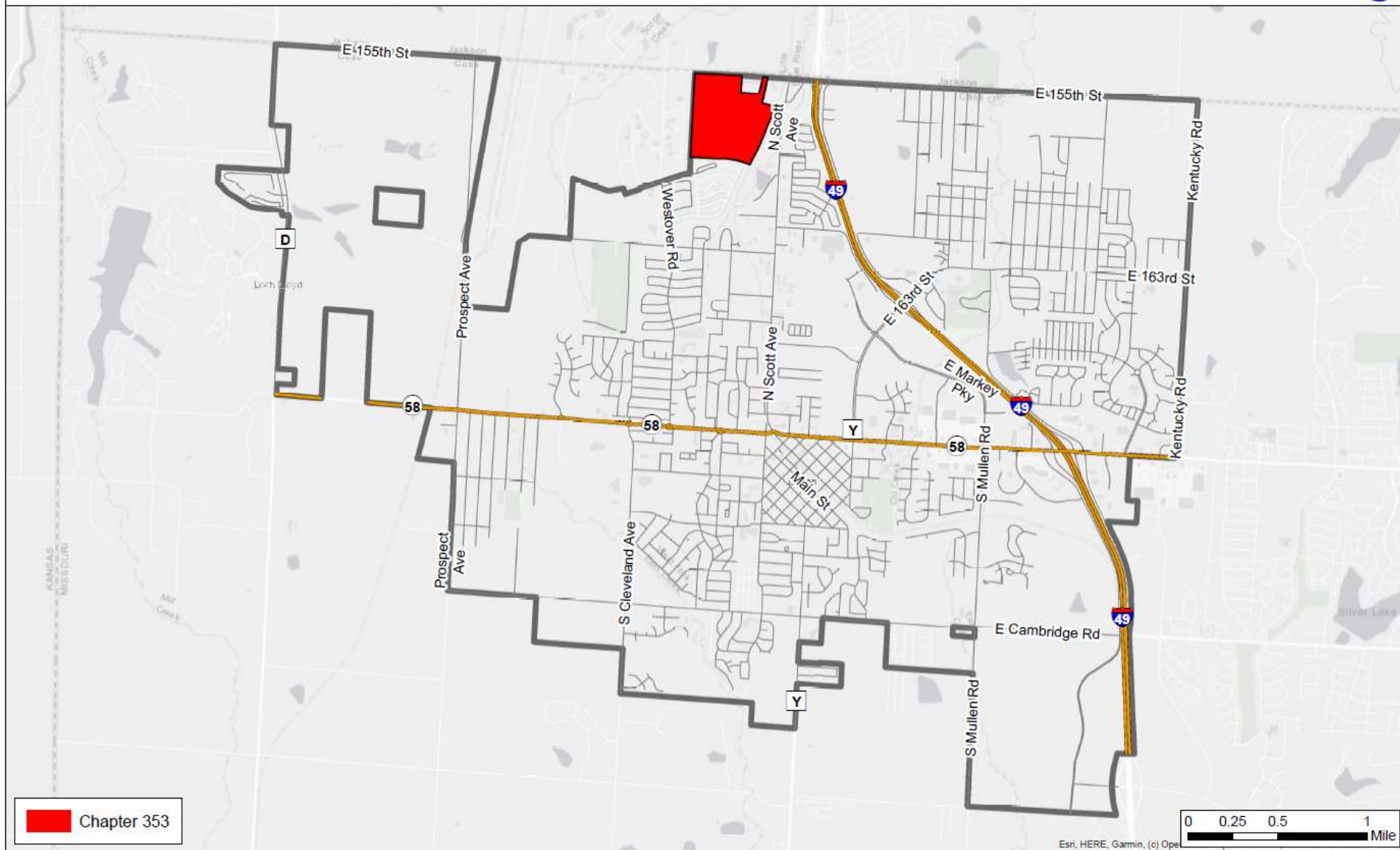
#### **ACCOUNTABILITY**

A development performance agreement, among the City, the property owner and the 353 Corporation, will be required to describe the obligations to carry out the development plan. Among the provisions that are included in the development performance agreement are procedures for acquiring property, the tax abatement period, the schedule for construction, and procedures for the transfer of title to the property. The agreement shall require that an annual report be submitted to the City on or before March 1 following the end date of construction. Each year that the abatement is in place, a report must be submitted to the City on or before March 1. The report shall cover the time period of January 1 through December 31 of the previous year and include a detailed accounting and status of the project.

***Belton's Existing Chapter 353 locations are displayed on the map on page 22.***



# Belton 353 Map







## NEIGHBORHOOD IMPROVEMENT DISTRICTS

---

### OVERVIEW

A Neighborhood Improvement District (NID) is an area designated to finance public improvements, including acquisition, construction, engineering, legal and related costs. General obligation bonds may be issued by the City and retired through special assessments against property owners in the area benefited by the improvements made. The cost of the public improvements assessed against property owners in the area are apportioned in a manner commensurate to the amount of benefit received from such improvements.

The creation of a NID may be established by one of two methods. The first is by a favorable vote of qualified voters living within the boundaries of the proposed area. The second is through a proper petition signed by at least two-thirds of the owners of record of all real property within the proposed area. In both instances, approval by the City Council is required in order to establish the NID.

### STATUTORY REQUIREMENTS

By law, the City must determine that certain requirements have been met before approving the establishment of a Neighborhood Improvement District (NID). These requirements are set forth under Sections 67.453 to 67.475 of the Revised Statutes for the State of Missouri (RSMo).

### POLICY GUIDELINES

The City is prepared to approve petitions for a NID to facilitate business activity and economic development within Belton. Because the municipality may issue general obligation bonds backed by the full faith and credit of the City, decisions to approve the establishment of a NID will be determined on a case-by-case basis and approved only where there is a clear demonstration of substantial and significant public benefit. At a minimum, all statutory requirements must be met.

## **CITY APPLICATION & APPROVAL PROCESS**

The applicant is required to first meet with staff in a pre-qualification conference to determine project eligibility. Once deemed eligible, the property owner(s) may file a petition or submit a written request for an election to be held pursuant to RSMo 67.453 - 67.475. The petition or request for an election should be submitted to the City Clerk. Petitions that comply with the statutory requirements will be forwarded to the City Council for consideration. Under certain conditions a cooperative agreement may be required to establish the terms of the relationship between the City and the property owners within the NID area.



## COMMUNITY IMPROVEMENT DISTRICTS

---

### OVERVIEW

A Community Improvement District (CID) is a special purpose district in which property owners voluntarily tax themselves to fund a broad range of public improvements and/or services to support business activity and economic development within specified boundaries. Created by an ordinance of the City Council, establishment of the CID would be considered upon receipt of a petition, signed by owners of real property, representing more than 50 percent of the assessed valuation within the proposed CID boundary *and* more than 50 percent per capita of all owners of real property.

### STATUTORY REQUIREMENTS

By law, the City must determine that certain requirements have been met before approving the establishment of a Community Improvement District. These requirements are set forth under Sections 67.1401 - 67.1571 of the Revised Statutes for the State of Missouri (RSMo).

### POLICY GUIDELINES

The City of Belton is prepared to approve petitions for Community Improvement Districts (CID) to facilitate business activity and economic development within Belton provided the petition meets the statutory requirements referenced above.

The petition must include:

- A five-year plan describing the purpose of the district, the services that it will provide, the improvements it will make and an estimate of costs or improvements.
- Information as to whether the district will be a political entity or a non-profit corporation.
- The maximum rates of real property taxes and / or special assessments.
- The limitations on the borrowing capacity and revenue generation of the district.

The district will be allowed to exist for 30 years. Improvements that can be financed, include, but are not limited to:

- If the district is declared a blighted area, the demolition, removal, renovation, reconstruction, or rehabilitation of a building or structure, and
- Street, sidewalk or parking lot construction, maintenance and cleaning, and
- Landscaping
- Traffic signs and signals, utilities, drainage, water, storm and sewer systems
- Trash collection and disposal services
- Marketing
- Safety officers, district management, and
- Legal fees, interest, engineering and architectural fees

#### **CITY REPRESENTATION ON FUNDING DISTRICT BOARD OF DIRECTORS**

Most favorable consideration will be given to a CID where the majority control of the board of director's rests with persons designated by the City, including City staff and elected or appointed City officials.

#### **CITY APPLICATION & APPROVAL PROCESS**

Once a project is deemed eligible, the property owner(s) may file a petition pursuant to RSMo 67.1401 - 67.1571 to the office of the City Clerk. Upon receipt of the petition, the City Clerk shall determine whether the petition substantially complies with statutory requirements. Following confirmation that the petition complies with these requirements; a public hearing will be held by the City Council. The City Council would then consider whether to approve an ordinance to establish the CID.

Once established, the applicant will either seek to impose a sales tax, a property tax, or a special assessment within the district in accordance with the procedures and provisions set forth in the state statutes. Following the approval of the tax or assessment, the City and the CID board shall enter into a cooperative agreement for the purpose of establishing the terms of the relationship between the City and the CID.



## TRANSPORTATION DEVELOPMENT DISTRICTS

---

### OVERVIEW

Transportation Development Districts (TDD) are independent political subdivisions organized to impose sales taxes, property taxes or special assessments to pay for the construction of roads, bridges, interchanges, intersections, parking facilities or other transportation related improvements. TDDs are approved and organized by order of a circuit court. As long as the TDD is proposed to construct transportation related improvements, any property is eligible to be included in a TDD.

TDDs may generate revenues through sales taxes (up to 1%); ad valorem taxes on real and personal property (up to ten cents per \$100 assessed valuation); special assessments; or tolls. The TDD is authorized to issue bonds on its own behalf, utilizing these taxes and assessments to pay debt service on bonds issued to construct transportation projects. Either MoDOT or the City are required to sponsor the project(s) and must agree to accept a completed project for maintenance. When the bonds are paid off or a project is otherwise completed and funded, the TDD is terminated.

### STATUTORY REQUIREMENTS

By law, the City must determine that certain requirements have been met before approving the establishment of a TDD. These requirements are set forth under Sections 238.200 – 238.275 of the Revised Statutes for the State of Missouri (RSMo) (the “TDD Act”).

### POLICY GUIDELINES

The City may pass a resolution endorsing (or opposing) a project prior to the time of the circuit court review of the petition filed to establish the TDD.

## **CITY APPLICATION & APPROVAL PROCESS**

Once a project is deemed eligible, a petition may be filed in the circuit court and in the office of the City Clerk by the following:

1. 50 registered voters (as defined by the TDD Act);
2. If no registered voters resided within the TDD, the owner(s) of all real property of record with the TDD;
3. The governing body of any local transportation authority (as defined by the TDD Act);
4. Two or more local transportation authorities; or
5. 50 registered voters from each of two or more counties.

Upon receipt of the petition, the City shall determine whether the request substantially complies with statutory requirements and City policy and will then forward the matter to the City Council. The City Council will then consider a resolution of support in favor of the TDD.

Once established and approved by the circuit court, the City and the TDD board shall enter into a cooperative agreement for the purpose of establishing the terms of the relationship between the City and the TDD.

## **CITY REPRESENTATION ON FUNDING DISTRICT BOARD OF DIRECTORS**

Most favorable consideration will be given to a TDD where the majority control of the board of directors rests with persons designated by the City, including City staff and elected or appointed City officials.



## SALES TAX REIMBURSEMENT AGREEMENTS

---

### OVERVIEW

Sales Tax Reimbursement agreements are a funding mechanism allowed by Missouri law that may be used to achieve a public benefit through funding public infrastructure. Under such an agreement, municipalities have the ability to annually appropriate the increase in City sales or property taxes created by new private capital investment to offset a portion of their investment costs. The sales tax increment must be used for a public purpose, primarily through the funding of public improvements. Under such an agreement, a portion of City sales or property taxes captured from the *increased sales* generated by the project may be paid to the company to reimburse eligible public improvement costs.

### STATUTORY REQUIREMENTS

Under Section 70.220 of the Revised Statutes of the State of Missouri (RSMo), municipalities are authorized to contract and cooperate with private firms or corporations for the planning, development, construction, acquisition or operation of public improvements.

### POLICY GUIDELINES

The City of Belton may approve sales tax reimbursement agreements that would result in the stabilization of a strategically important under-utilized retail center or which would facilitate the adaptive re-use of historic properties. In addition, the following criteria should be satisfied:

1. Demonstration that the project would prevent a significant loss in existing sales tax revenue or make a significant contribution to the overall health and well-being of the local economy.
2. Show a clear demonstration of public purpose and economic benefit through the advancement of the City's economic development goals, which include the retention and expansion of the tax base and job retention and creation.
3. Demonstrate that the project would not occur "but for" the incentives offered. The incentive should make a difference in determining the decision of the business to expand or remain in the City and would not otherwise occur without the availability of the sales tax reimbursement.

4. Include evidence provided by the company that demonstrates the firm's financial stability and capacity to complete the project.
5. Not result in the City or any other taxing jurisdiction affected by the incentive receiving less total sales tax revenue from the property than was received prior to the granting of the sales tax reimbursement.
6. The term of the reimbursement should not extend beyond 10 years from approval.

## **ACCOUNTABILITY**

Upon consent from the City Council, the City and the applicant would enter into a performance agreement. The agreement shall require that an annual report be submitted to the City on or before March 1 following the end date of construction. Each year, the report shall cover the time period of January 1 through December 31 of the previous year and include a detailed accounting of the project. The agreement may include a claw-back provision requiring specified performance on issues such as new jobs created as a condition for granting and maintaining the abatement.





## Economic Development Incentive Pre-Application Worksheet

DATE: \_\_\_\_\_ APPLICANT: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PHONE #: \_\_\_\_\_ EMAIL: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

COUNSEL: \_\_\_\_\_

COUNSEL PHONE #: \_\_\_\_\_ COUNSEL EMAIL: \_\_\_\_\_

PROJECT NAME: \_\_\_\_\_

### PROJECT TYPE:

Check all that apply and fill in the SIC/NAICS code, if known.

☐ Industrial, Manufacturing, Technology SIC/NAICS code: \_\_\_\_\_

- ☐ New building, no existing Missouri operations
- ☐ New building, other Missouri operations already in existence
- ☐ Expanding existing facility
- ☐ Retaining existing facility

☐ Retail/Restaurant/Hotel SIC/NAICS code: \_\_\_\_\_

- ☐ New freestanding building
- ☐ New multi-use tenant building
- ☐ Remodel, addition or expansion of existing building

☐ Office

- ☐ New freestanding building
- ☐ New multi-use tenant building
- ☐ Remodel, addition or expansion of existing building

☐ Residential

- ☐ New freestanding residential units
- ☐ New residential units in a multi-use building
- ☐ Remodel, addition or expansion of existing building

☐ Other \_\_\_\_\_

PROPERTY FOR WHICH INCENTIVES ARE BEING SOUGHT

Attach map and legal description of property.

ADDRESS: \_\_\_\_\_

CURRENT PROPERTY OWNER: \_\_\_\_\_

WILL APPLICANT BE PURCHASING THE PROPERTY: \_\_\_\_\_ YES \_\_\_\_\_ NO

TOTAL ACRES: \_\_\_\_\_ Building Sq. Ft. \_\_\_\_\_

**INVESTMENT**

Total new investment: \$ \_\_\_\_\_

Acquisition of land/existing buildings: \$ \_\_\_\_\_  
Annual lease of land/existing buildings: \$ \_\_\_\_\_  
Preparation of plans, studies, surveys: \$ \_\_\_\_\_  
Site preparation costs: \$ \_\_\_\_\_  
Building improvements: \$ \_\_\_\_\_  
Site improvements: \$ \_\_\_\_\_  
Utilities/Infrastructure Costs: (streets, sewer, etc.): \$ \_\_\_\_\_

**TIMELINE**

Calendar year in which applicant plans to begin construction: \_\_\_\_\_

Approximate opening date: \_\_\_\_\_

**WAGE & BENEFITS**

	Job Category (executive, professional, clerical, general labor, etc.)	# new full-time employees	#new part-time employees	Average hourly wage/employee
Year 1				
Year 2				

% of health care premium paid for by the employer: \_\_\_\_\_

**TYPE OF FINANCIAL INCENTIVE DESIRED**

TAX REDIRECTION OR ABATEMENT

- ☐ Tax Increment Financing  
☐ Chapter 100 Industrial Revenue Bonds  
☐ Chapter 353 Tax Abatement  
☐ Neighborhood Improvement District

- ☐ Community Improvement District
- ☐ Transportation Development District

Local Incentive Tools

- ☐ Sales Tax Reimbursement Agreements

**SALES TAXES REVENUES**

Expected amount of retail sales subject to sales and use taxes by the City of Belton and other local taxing districts: \$\_\_\_\_\_.