

**TIF COMMISSION MEETING  
CITY OF KEARNEY, MISSOURI**

**November 3, 2009**

The TIF Commission, City of Kearney, Missouri, held a meeting at Kearney City Hall, 100 East Washington, November 3, 2009 at 6:30 P.M. with Chairman Chuck Davis opening the meeting. Members present were Wade Maupin, Lee Meyer, Jim Brown, Ken Meinert and Ron Reckrodt. Other representatives were Larry Larson, Steve Potter and Dr. Bill Nicely. Staff members present were Jim Eldridge, Shirley Zimmerman and David Pavlich.

**OATH OF OFFICE** Jim Eldridge, City Administrator, administered the Oath of Office to the members whose terms have expired or were newly appointed. Their terms are as follows:

Lee Meyer expires June 1, 2011

Chuck Davis and Jim Brown expires June 1, 2012

Ken Meinert and Ron Reckrodt expires June 1, 2013

**ELECTION OF OFFICERS**

**Chairperson:** Chairperson, Chuck Davis opened the floor for nominations for Chairperson.

A motion was made by Ken Meinert and seconded by Ron Reckrodt to nominate Lee Meyer as Chairperson. The motion carried unanimously.

**Vice Chairperson:** Chairperson, Lee Meyer opened the floor for nominations for Vice Chairperson.

A motion was made by Jim Brown and seconded by Larry Larson to nominate Chuck Davis as Vice Chairperson. The motion carried unanimously.

**Secretary:** Chairperson, Lee Meyer opened the floor for nominations for Secretary.

A motion was made by Chuck Davis and seconded by Ken Meinert to nominate Jim Brown as Secretary. The motion carried unanimously.

**APPROVAL OF MINUTES** A motion was made by Chuck Davis and seconded by Wade Maupin to approve the minutes of the April 28, 2005 meeting as presented. The motion carried unanimously.

**OLD BUSINESS**

**REPORT ON PROGRESS OF CURRENT TIF PLANS-MOLLY MCGOVERN**

**Platte Clay Electric TIF** Molly McGovern, Kearney Area Development Council, presented a chart showing the progress of the Platte Clay Electric TIF. She said this TIF was approved in 1995 and will end in 2018.

**Platte Clay Electric TIF-cont** Ms. McGovern said this TIF was important because it brought infrastructure to the West side of I-35. She said the strength of this TIF was that only PCEC taxes were captured for TIF. All the other development went to the taxing entities.

Ms. McGovern said this TIF included 86 acres with an assessed valuation of \$8,860 and brought in \$13,365 in taxes. In 2008 the assessed valuation was \$7,153,000 and brought in \$606,000 in taxes.

**Old Church Plaza** Ms. McGovern presented a chart showing the progress of the Old Church Plaza TIF. She said it was started in 2000 and is scheduled to end in 2012.

Ms. McGovern said this TIF included five acres with an assessed valuation of \$82,000 and now has an assessed valuation of \$557,000. It has seen a \$60,000 increase in taxes.

Ms. McGovern said this TIF consists of 20,000 square feet of retail and office space with twelve new businesses.

Ms. McGovern said there was no enclosed storm water detention in downtown until this project came in. As a result of this improvement, the City got grant funding for turning lanes on 33 Highway.

Lee Meyer asked if both of these projects are on their time lines. Ms. McGovern said PCEC has generated more revenue than expected and could have been paid off early. In 2001 a second project was added and that put them back onto the original schedule. She said Old Church Plaza had some delays in that project so it has been slower in getting paid off.

### **NEW BUSINESS**

**REVIEW OF THE TIF PROCESS** Rich Wood, Gilmore and Bell, City's Bond Counsel said this meeting tonight is to review the TIF process. He said he advised the developer and attorneys for the upcoming project to not be in attendance, because there would be no discussion in regard to that project. He said there will be a public hearing on November 9, 2009 to present the Plan.

Mr. Wood said Tax Increment Financing is a method of diverting taxes to pay for costs associated with building the project.

Mr. Wood said there are two components of TIF. PILOTS, which is payment in lieu of taxes and is one hundred percent captured for TIF. EATS, which is economic activity taxes (sales taxes, utility taxes) and permits up to fifty percent captured for TIF. This money is deposited in a Special Allocation Fund created for the TIF Plan.

Mr. Wood said a TIF Plan is a concept of what is to be there but won't name specific names of businesses. The Commission can make a list of businesses, etc. it wants to allow and a list that is not allowed.

**REVIEW OF THE TIF PROCESS-CONT** Mr. Wood said the reimbursable funds could be used for land acquisition, demolition of buildings, relocation, financing costs, etc. The City can place limits on these amounts.

Mr. Wood explained how a TIF Plan is approved. He said there will be a public hearing where the developer presents his TIF Plan (land use, development, financing, etc.) to the Commission.

At this meeting there will also be a presentation by the Economic Development Group. Any organized group can make a presentation or ask questions. The Commission will analyze the Plan and then make a recommendation to the Board of Aldermen.

In two weeks this would go to the Board of Aldermen but wouldn't be a public hearing. The Board of Aldermen would adopt an ordinance approving the Plan and that would start the TIF "clock".

Mr. Wood said the Commission consists of eleven members. Six members represent the City, two represent the School, two represent the County and one represents all the other taxing entities in the County.

Mr. Wood said the role of the Commission is to review the TIF Plan and supporting documents and ask questions. The Commission then makes a recommendation to the Board of Aldermen.

The role of the governing body is to approve the TIF Plan, select a developer and enter into a TIF contract. The governing body also manages the special allocation fund.

Mr. Wood said the required findings to adopt a TIF Plan are:

1. Determine that area is blighted or a conservation area
2. **"But for" test:** Area has not and "would not reasonably be anticipated to be developed without adoption of tax increment financing"
3. Estimated redevelopment project completion date be done in 23 year limit
4. Relocation plan has been developed
5. Cost-benefit analysis & financial feasibility
6. No development or redevelopment of any gambling establishment

Mr. Wood said once TIF has adopted the resolution approving the Plan they are done. If there are any amendments to the Plan it comes back to the Commission. The Commission can suggest conditions to be put on the Plan.

Mr. Wood said the TIF contract includes terms of land acquisition, developer obligation to build and maintain project, project schedule and budget, financing obligations for City and developer, procedures for imposing and administering TIF, other restrictions such as land use, insurance, etc. and coordination of other financing tools (TDD, CID).

Mr. Wood said you can use layering financing tools such as TFF/CID. TIF captures half of the normal sales tax. If you impose a CID tax that revenue is not subject to use limitations for TIF.

**REVIEW OF THE TIF PROCESS-CONT** Steve Potter asked if there are any existing City ordinances or policies in regard to TIF. Staff said we don't have any. He said he would get the library policy on TIF and give it to the City.

Chuck Davis asked what kind of items the Commission can control. Mr. Wood said the Commission can decide what items they want to be reimbursed as well as an allowable amount. There would be an overall amount for the TIF. The developer can choose items in the list but the overall amount of the project can't be more than allowed.

Dr. Bill Nicely asked what happens if the costs are higher than expected. Mr. Wood said the project would have to come back to the TIF Commission.

**ADJOURNMENT** There being no further business appearing on the agenda, a motion was made by Wade Maupin and seconded by Dr. Bill Nicely to adjourn. The motion carried unanimously.

Approved: \_\_\_\_\_ Attest: \_\_\_\_\_  
Lee Meyer, Chairperson Jim Brown, Secretary