City of Joplin City Council Agenda Item

REQUESTED COUNCIL MEETING DATE: JANUARY 3, 2017

COUNCIL BILL 2017-500
ORIGINATING DEPARTMENT: FINANCE DEPARTMENT
ATTACHMENT: 510 RANGELINE COMMUNITY IMPROVEMENT DISTRICT PETITION, EXHIBIT "A"; BLIGHT STUDY

Finance Director: Leslie Haase
Community Planning Director: Troy Bolander
City Attorney: Peter Edwards
City Manager: Sam Anselm

INTRODUCTION:
This Council Bill approves a Community Improvement District Petition for the property located at 510 Rangeline.

DISCUSSION:
EVC-Woodsonia Joplin, LLC (the developer) and Community Bank of Raymore, Trustee (the owner) submitted a petition to the City to form a community improvement district (CID) for a proposed development at 510 Rangeline. The developer seeks a blighted designation with the CID petition in order to make certain improvements, including rehabilitating the structure. A CID is a commonly used financing tool to fund public improvements. This district only includes the property located at 510 Rangeline.

The petition proposes to add a 1% sales tax within the district to fund the improvements listed in the petition. The improvements will be for demolition, parking lot and site work, utilities, landscaping, and structure rehabilitation. According to the developer, the CID does not seek to issue bonds in order to make the improvements. However, if the district wishes to issue bonds in the future, city approval will be required.

The additional sales tax will end at the ***earlier*** of twenty years from the effective date, or until the entire cost of the CID Services and CID projects are repaid, or until any bonds issued are fully repaid. The budget included in the petition for the CID Services and CID Projects is $990,000.00. It is projected the additional 1% sales tax annually will generate approximately $61,180 by 2019 and $70,663 by 2021.

This District will be a separate political subdivision governed by a board of directors, appointed by the Mayor, with the consent of the City Council. The petition includes the board appointments. Additionally, the City will be entitled to appoint an ex-officio representative to attend meetings of the Board.

According to Missouri Revised Statutes, blight is defined as follows:

> “Blighted area”, an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition or use.

A blight study by Valbridge Property Advisors rated the property condition as “fair (badly worn)” in need of much repair, many items need refinishing or overhauling, with deferred maintenance obvious. The study concludes the following blight factors are present:

- Unsanitary or unsafe conditions
- Deterioration of site improvements
- Conditions which endanger life or property by fire and other causes

This property is located at one of the busiest commercial intersections in Joplin. Given the building’s location, the property should be a sales tax producer for the community rather than sitting unoccupied in a deteriorating state.

RECOMMENDATION:
City Staff recommends this Council Bill be approved on first reading.