CITY OF JOPLIN
COUNCIL AGENDA ITEM

ITEM:
Council Bill No. 2018-275

ORIGINATING DEPARTMENT:
Planning, Development, and Neighborhood Services

MEETING DATE:
December 17, 2018

REVIEWED BY;
Director of Planning, Development and Neighborhood Services- Troy Bolander, Director of Finance-Leslie Haase, City Attorney- Peter Edwards, City Manager-Sam Anselm.

SUMMARY REQUEST;
A request by Crossroad's Realty (Mr. Lou Vlasaty) for the abatement of ad valorem taxes on a building located in the Crossroads Industrial Park. The taxes will be abated through the Joplin Area Enhanced Enterprise Zone (EEZ) Program that was approved by City Council in 2007.

BACKGROUND;
Crossroad's Realty, L.L.C. purchased a new building located at 2205 S. Prigmore Road in the Crossroads Industrial Park. The building contains two businesses. The first business is Midland Paper. Midland Paper is the Midwest's largest distributor of paper and photo stock. The Joplin operation currently serves several printers and photographers in the tri-state area. They currently employee six people. The second company is Douglass Companies. Douglass Companies is the largest convenience store supplier in the "midsouth" region. The company is a 45-year-old company based in Arkansas. They typically supply stores with gum, beverages, small auto parts, groceries and other items you typically see in a convenience store. The company currently employees 16 employees in their Joplin operation.

The minimum requirements in the state statute that created the EEZ Program requires the governing body to offer a minimum of a 50% tax abatement for 10-years for the creation of at least two jobs. There are currently 22 employees in the building and the companies in this facility will create an additional 2 jobs. There is the potential for creating more jobs since there is additional tenant space in the building. But, the owner is not requesting additional abatement on the potential for creating more jobs in the empty tenant space. The average annual wages of the two new jobs created are at least $48,000. The minimum abatement under the EEZ program is being offered to Crossroad's Realty, L.L.C.

The amount of abatement offered is based upon the minimum program requirements under the state statue and a sliding scale (see Exhibit B) that was developed and approved by the Joplin Area Enhanced Enterprise Zone Board. Staff is recommending that Crossroad's Realty ad valorem taxes on the building be abated at 50% for 10 years. The recommendation is based on the data submitted by the property owner that the companies will pay an average wage of $48,000 per job which is approximately 17.5% more than the current county average wage of $40,871 for Jasper County. The companies will create a minimum of 2 jobs within two years and provide employee benefits.

FUNDING SOURCE
N.A.

RECOMMENDATION
Staff recommends approval of this council bill.

ATTACHMENTS
CB 2018-275, Exhibit A-Legal Description, Exhibit B-Enhanced Enterprise Zone Tax Abatement Guidelines, Exhibit C-Property Location Map, Enhanced Enterprise Zone Location Map.

Exhibit "A"

CROSSROADS REALTY, LLC BOUNDARY

PROPERTY DESCRIPTION:

A TRACT OF LAND IN THE NORTHWEST QUARTER (NW-1/4) OF SECTION 14, TOWNSHIP 27 NORTH, RANGE 32 WEST, IN JASPER COUNTY, MISSOURI, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER (W-1/4) CORNER OF SAID SECTION 14, A FOUND 5/8 INCH IRON PIN;
THENCE NORTH 00°54'45" EAST ALONG THE WEST LINE OF SAID QUARTER SECTION A DISTANCE OF 1,064.48 FEET;
THENCE SOUTH 89°05'15" EAST, A DISTANCE OF 80.00 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF PRIGMORE AVENUE (COUNTY ROAD 190), THE POINT OF BEGINNING;
THENCE NORTH 00°54'45" EAST ALONG SAID RIGHT-OF-WAY LINE, A DISTANCE OF 609.96 FEET;
THENCE SOUTH 89°04'46" EAST, LEAVING SAID RIGHT-OF-WAY LINE, A DISTANCE OF 389.68 FEET;
THENCE SOUTH 00°54'45" WEST, A DISTANCE OF 609.91 FEET;
THENCE NORTH 89°05'15" WEST, A DISTANCE OF 389.68 FEET TO THE POINT OF BEGINNING.
CONTAINING 5.46 ACRES, MORE OR LESS.

BASIS OF BEARINGS: WEST LINE OF NW-1/4 OF SECTION 14 AT A BEARING OF NORTH 00°54'45" EAST.

Exhibit "B"

Enhanced Enterprise Zone Tax Abatement Guidelines

Number of Jobs / Wages	10	50	100	250	500	750
80% CAW	10 yr / 60%	10 yr / 70%	10 yr / 80%	10 yr / 90%	10 yr / 100%	10 yr / 100% 5 yr / 50%
90% CAW	10 yr / 70%	10 yr / 80%	10 yr / 90%	10 yr / 100%	10 yr / 100% 5 yr / 50%	10 yr /100% 5yr / 75%
County Avg.	10 yr / 80%	10 yr / 90%	**10 yr / 100%**	10 yr / 100% 2 yr / 50%	10 yr / 100% 5 yr / 75%	15 yr / 100%
120% CAW	10 yr / 90%	10 yr / 100%	10 yr / 100% 2 yr / 50%	10 yr / 100% 5 yr / 50%	15 yr / 100%	15 yr / 100% 5yr / 50%
140% CAW	10 yr / 100%	10 yr / 100% 2 yr / 50%	10 yr / 100% 2 yr / 75%	10 yr / 100% 5 yr / 75%	15 yr / 100% 5 yr / 50%	20 yr / 100%

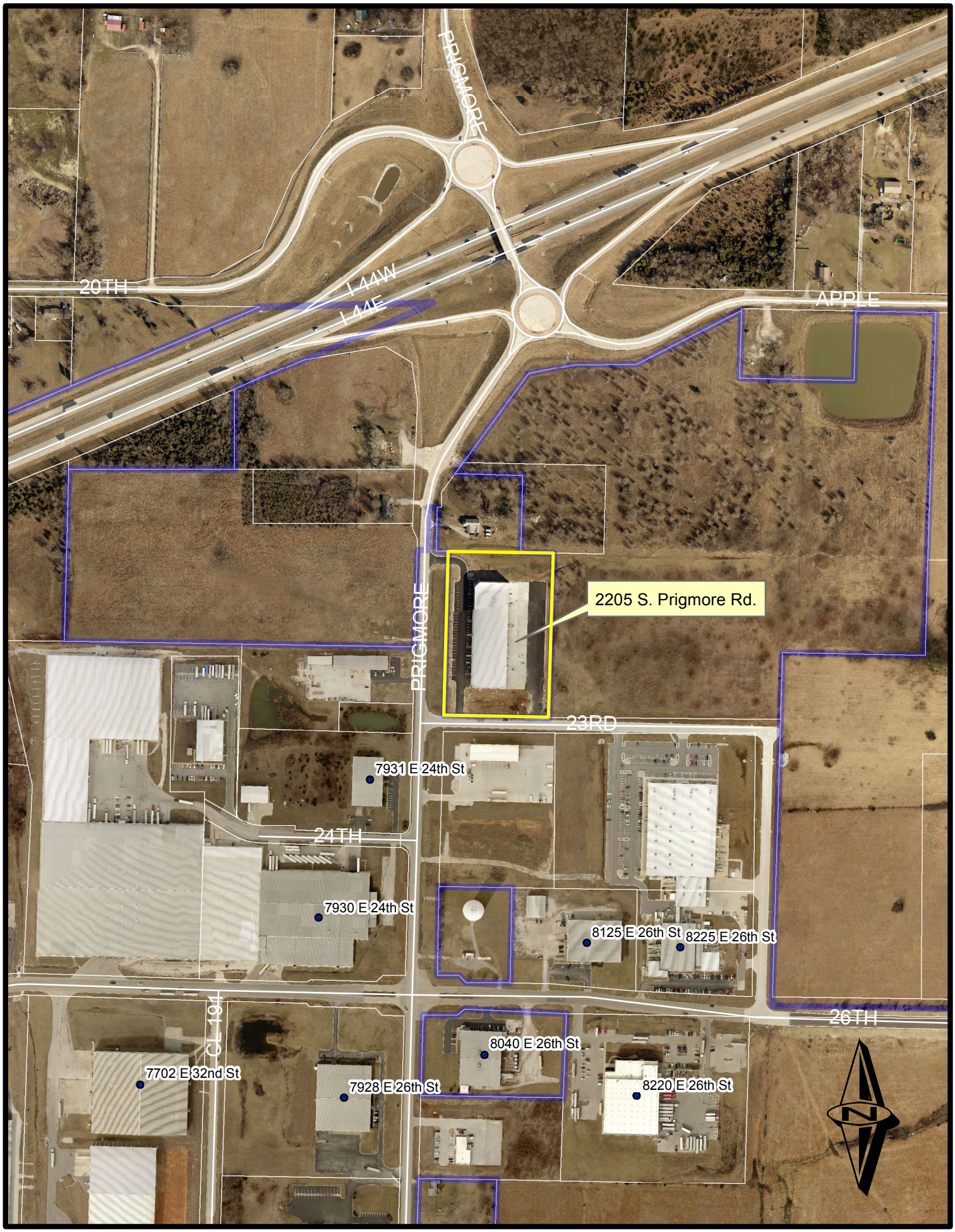
Base: 10 yr / 50% for companies creating a minimum of two jobs and not in the targeted clusters, with approval of EEZ Adv Brd.

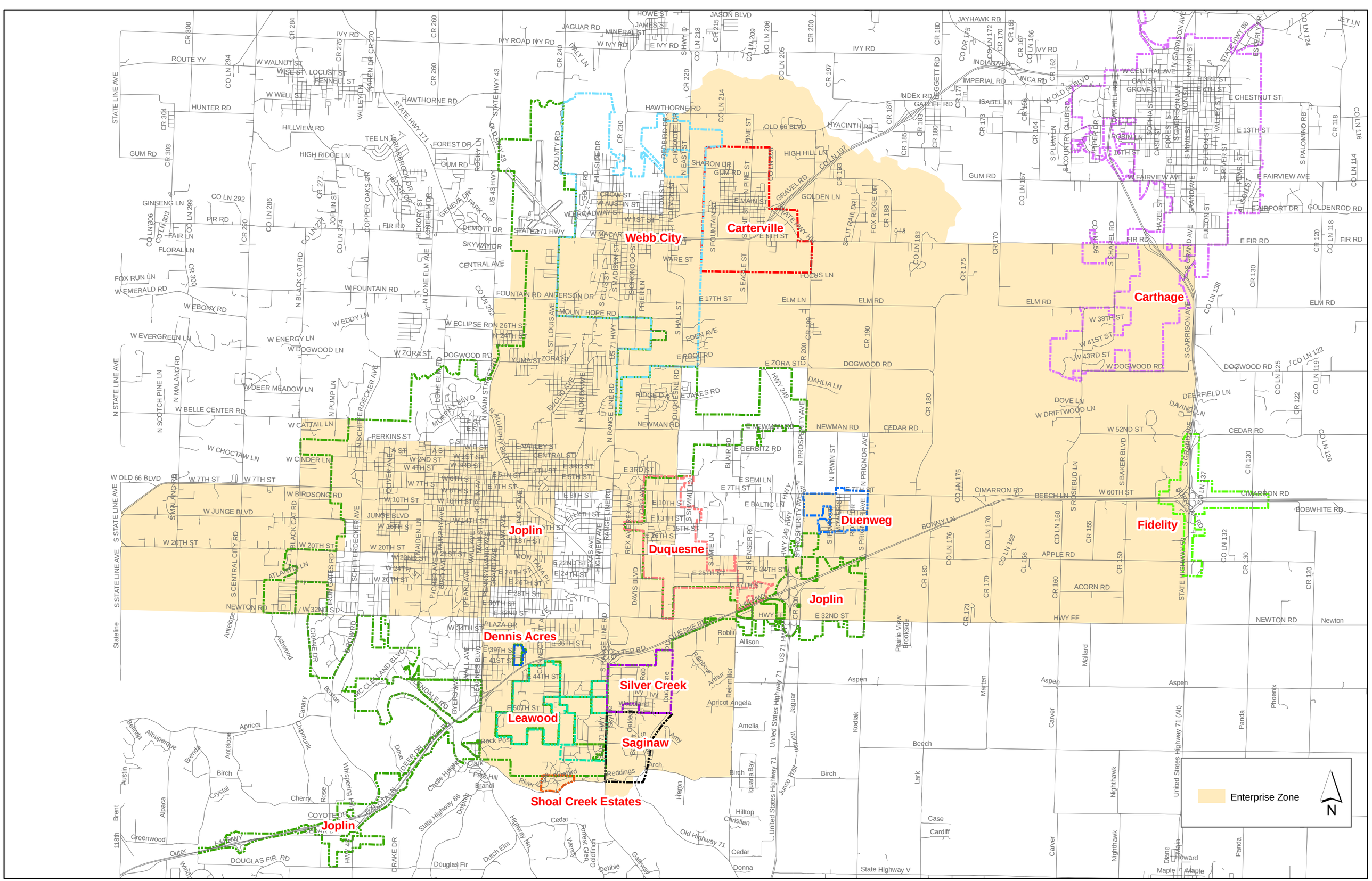
Enhanced: As per chart above, for companies in the targeted clusters.

County Avg. Wage: Average of Jasper and Newton County avg. wages, as defined by state DED. New companies must meet CAW as avg. of all employees in new operation. Existing firms qualify based on avg. wage of existing employment base.

Job Creation: Number of FTE in twenty-four months after beginning new/expanded operation.

EXHIBIT C


PRIGMORE
20TH
I-44W
I-44E
APPLE
2205 S. Prigmore Rd.
PRIGMORE
23RD
7931 E 24th St
24TH
7930 E 24th St
8125 E 26th St
8225 E 26th St
26TH
CL 191
8040 E 26th St
7702 E 32nd St
7928 E 26th St
8220 E 26th St
N


Webb City
Carterville
Carthage
Joplin
Duquesne
Duenweg
Fidelity
Dennis Acres
Silver Creek
Leawood
Saginaw
Shoal Creek Estates
Joplin
Joplin
Enterprise Zone
N

COUNCIL BILL NO. 2018-275 ORDINANCE NO.

AN ORDINANCE authorizing the City council to issue the abatement of ad valorem taxes to real property located in the Joplin Area Enhanced Enterprise Zone; generally described as located at 2205 S. Prigmore Rd. and owned by Crossroads Realty, LLC.

WHEREAS, the Department of Economic Development of the State of Missouri has confirmed that the area known as the Joplin Area Enhanced Enterprise Zone which includes portions of the City of Joplin, Jasper County, Newton County, and other participating communities meets the guidelines for the designation as an Enhanced Enterprise Zone, as set forth in 135.953, RSMo; and

WHEREAS, the jobs to be created are in the field of distribution.

WHEREAS, Sections 135.950 to 135.973, RSMo, provides a means and opportunity for the City of Joplin, to cooperate with the State of Missouri to relieve economic distress and attract new jobs to our area; and

WHEREAS, IT IS IN THE INTEREST OF THE City of Joplin, that efforts be made to encourage economic development within the Joplin Area Enhanced Enterprise Zone.

NOW THEREFORE BE IT ORDAINED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, as follows:

Section 1. That the Council does hereby grant a tax abatement of the ad valorem real property taxes for property located at 2205 S. Prigmore Rd, Joplin, MO more particularly described being attached hereto as Exhibit "A" hereinafter "the Property", in the amount of fifty percent (50%) commencing January 1, 2019 and continuing to and ending after December 31, 2028.

Section 2. That the City Council supports and endorses the recommendation of the Enhanced Enterprise Zone Board of Directors regarding the level of benefit based upon *Benefit Level Options* as noted on Exhibit B (Enhanced Enterprise Zone Tax Abatement Guidelines).

Section 3. That Crossroads Realty is required to file an application requesting abatement with the designated Administrator of the Joplin Area Enhance Enterprise Zone and with the Jasper County Assessor prior to the end of the tax year.

Section 4. That Crossroads Realty has twenty-four months beginning January 1, 2019 to create 2 jobs.

Section 5. That the Administrator of the Joplin Area Enhanced Enterprise Zone is hereby authorized to execute said abatement of ad valorem taxes for aforementioned property by and on behalf of the City of Joplin, Missouri.

PASSED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, this _____ day of _____, 2018.

_____
Gary L. Shaw, Mayor

ATTEST:

_____
Barbara J. Gollhofer, City Clerk

APPROVED AS TO FORM:

_____
Peter C. Edwards, City Attorney