City of Joplin

City Council Agenda Item

REQUESTED COUNCIL MEETING DATE: FEBRUARY 5, 2018

ITEM: COUNCIL BILL NO. 2018-500
ORIGINATING DEPARTMENT: FINANCE DEPARTMENT
ATTACHMENTS: 1) Copy of Council Bill

Department Head: Leslie Haase
City Attorney: Peter Edwards
City Manager: Sam Anselm
Director of Planning: Troy Bolander

INTRODUCTION:
This Council Bill approves an addendum to the original agreement to transfer the repayment rights of the 1717 Marketplace TIF and TDD revenue stream.

DISCUSSION:
In the late summer of 2012, the developer for the 1717 Market Place TIF filed bankruptcy. During 2013, the court ordered the City to make the TIF payments to a receivership for the bank holding the loan on the development. The receivership then placed the property and the TIF/TDD revenue stream up for auction on May 19, 2014.

As a result of the auction, the court approved the assets to be split and sold to three different buyers. The successful bidder for the TIF/TDD revenue stream was WBB, LLC. As set forth in the TIF Redevelopment Agreement, the City approved the sale of the project property and entered into an agreement to transfer repayment rights.

This TIF is nearly completely constructed. However, there is one major piece of the development that is not complete. The 15th Street access easement from Rangeline Road to the Wal-mart property has not been built to city street specifications and dedicated to the City. The original transfer agreement with WBB set forth certain stipulations in completing the TIF projects, specifically 15th Street.

Staff recently presented options to Council to complete the construction of 15th Street. The projected costs are more than the amount set forth in the agreement with WBB. In order to complete the construction in the most cost effective manner and without incurring additional interest costs and extending the time of the TIF, Council informally agreed to have the City complete the work ourselves and be reimbursed by the TIF once WBB's original obligation has been repaid. Therefore, this addendum to the original agreement solidifies that WBB will no longer be required to complete the construction of 15th Street, as well as sets out the remaining final costs to be paid to them under the TIF agreement.

In order for the City to complete the construction of 15th Street, the TIF will need to be increased to cover the additional cost. Staff is working on the required notice to the taxing jurisdictions and establishing a TIF Commission meeting in early April. The

increase in the TIF would then need to be formally ratified by the City Council following the action taken by the TIF Commission.

RECOMMENDATION:
City Staff recommends this Council Bill be approved on an emergency basis.