CITY OF JOPLIN
COUNCIL AGENDA ITEM

ITEM
Council Bill 2023-509 – Approving the second amendment to the 32nd Street Place Tax Increment Financing (TIF) District

MEETING DATE
June 5, 2023

ORIGINATING DEPT
Finance

ATTACHMENTS
CB 2023-509 Ordinance; Exhibit "A" Second Amendment to the 32nd Street Place Tax Increment Financing (TIF) District; Exhibit "B" Side Letter for Project Area 4; Exhibit "C" Side Letter for Project Area 5; TIF Commission Resolution 2023-001; Baker Tilly's Need for Assistance Analysis; Revised Site Plan

REVIEWED BY
Department Head: Leslie Haase; Planning Director: Troy Bolander; City Attorney: Peter Edwards; City Manager: Nick Edwards

SUMMARY
This Council Bill approves the second amendment to the 32nd Street Place Tax Increment Financing (TIF) District for Project Area 4. It also approves a side letter with the Developer, Woodsonia, of Project Area 4 and a side letter with the Developer, HDDA, of Project Area 5.

BACKGROUND
On May 12, 2022, the Developer filed a proposed First Amendment to the 32nd Street Place TIF Plan. The First Amendment provided for reconfiguration of the boundaries of Project Areas 3 and 4 within the existing Redevelopment Area to build the apartment units based upon the existing topography. The first amendment also removed the Movie Theater that was originally proposed in Project Area 4.

A proposed second amendment to the 32nd Street Place TIF Redevelopment Plan to reinstate a proposed movie theater into Redevelopment Project Area 4 was submitted to the Joplin Tax Increment Financing Commission for consideration. Woodsonia has stated their intention to build a new Movie Theater/Family Entertainment Complex in Project Area 4 and have B&B Theatres operate the new facility. As described above, the proposed Second Amendment would reinstate a proposed movie theater in Redevelopment Project Area 4. The proposed land use in Redevelopment Project Area 4 has been modified in the Second Amendment for the proposed movie theater but remains consistent with the use originally contemplated by the Redevelopment Plan.

Overall, the Second Amendment is consistent with the approved Redevelopment Plan, as amended by the First Amendment, and reflects changes necessary to reinstate the movie theater project back in Redevelopment Project Area 4. No changes are being made to the overall TIF project budget, reimbursable project costs, or other land uses included in the Redevelopment Plan, as amended by the First Amendment.

The TIF Commission held a hearing on the proposed Second Amendment on April 27, 2023. The TIF Commission passed the resolution recommending to the City Council approval of the Second Amendment by a vote of six in favor, none opposed and five absent.

Additionally, this Council Bill includes side letter agreements to address the funding mechanism for the teardown of the former Holiday Inn, as well as additional upfront funding to build the movie theater/entertainment complex. The total financing package will utilize an additional approximate $2,350,000 available funds from the 32nd Street Place Community Improvement District (CID), as well as create a new Community Improvement District (CID) just within the boundaries of the proposed movie theater site, which will impose an additional 1-cent sales tax for a certain period of time.

The existing 32nd Street Place CID will fund the teardown of the former Holiday Inn at a cost not to exceed $540,000.00. The City will front $1,840,000.00 to build public parking lot improvements associated with the movie theater project. As shown in Baker Tilly's independent "Need for Assistance Analysis", the movie theater project would not be feasible without assistance and would likely not have sufficient debt-coverage ratio to qualify for financing to do the project. The City will be repaid with interest through 90% of the TIF revenue from Project Area 5, as well as from 100% of the newly added Theatre CID sales tax. The City plans to utilize fund balance of the general fund to front these funds.

If a new hotel is not built in Project Area 5 within 36 months, the City will have the right to file a lien on the property. It is projected that with a new hotel in Project Area 5 and a movie theater/entertainment complex in Project Area 4, the City will be repaid in approximately seven to nine years, depending on EATS and PILOTS generated in the areas.

FUNDING SOURCE

Not applicable for this item.

RECOMMENDATION

Staff recommends approval of this council bill on an emergency basis in order to advance this project.