CITY OF JOPLIN
COUNCIL AGENDA ITEM

ITEM
Council Bill No. 2024-003 – authorizing & approving an Agreement between the COJ and the JIDA relating to the financing for acquisition of land for future development.

MEETING DATE
October 7, 2024

REVIEWED BY:
Peter Edwards, City Attorney; Troy Bolander, Director of Planning, Development & Neighborhood Services; Leslie Haase, Finance Director; Nicholas Edwards, City Manager.

SUMMARY:

This Council Bill approves the City of Joplin to enter into an Agreement with the Industrial Development Authority of the City of Joplin (JIDA), for the City to loan $1,150,000.00 to the JIDA for the purchase of approximately 330 acres of land.

BACKGROUND:
The JIDA has entered into a real estate contract with a third party to purchase a parcel of land for a future industrial park that will be annexed into the City of Joplin. This Agreement outlines the funding, purchase, and development of the approximately 330 acres of land (the "Land") to be utilized as an industrial development park. Under this Agreement, the City will provide to JIDA $1,150,000.00 in funds in the form of a loan, bearing no interest, from the City's Urban Development Action Grant ("UDAG") Fund for the purchase of the Land. The JIDA will also contribute funds towards purchase of the Land in the amount of $750,000.00 and apportioned closing costs as set forth in the Land Purchase Agreement between JIDA and the seller of the Land. The City and the JIDA will each be paid back their respective contributions/loans for the purchase of the Land from future land sales on a pro-rata basis.

This loan structure was used before with the JIDA to purchase and build out the infrastructure in the area industrial parks, most recently the Crossroads Industrial and Development Park. The City's loan was paid back in full from property sales. With the Crossroads Park nearing the point where it will be fully built out and developed, the City and JIDA recognize a need for additional industrial park land for future development.

RECOMMENDATION:
Staff recommends this council bill be placed on First Reading.

ATTACHMENTS:
Council Bill No. 2024-003; Agreement (Exhibit "A")

PCE:ab

AGREEMENT

This AGREEMENT (this "**Agreement**") is entered into this ____ day of _____, 2024 by and between the City of Joplin, Missouri, a municipal corporation (the "**City**") and The Industrial Development Authority of the City of Joplin, Missouri, a statutory corporation organized pursuant to the provisions of Chapter 349 RSMo., ("**JIDA**").

RECITALS

WHEREAS, the JIDA has entered into a real estate contract with a third party to purchase a parcel of land for a future industrial park that will be annexed into the City of Joplin and this Agreement outlines the funding, purchase, and development of the approximately 330 acres of land (the "**Land**") to be utilized as an industrial development park; and

WHEREAS, under this Agreement, the City will provide to JIDA $1,150,000.00 in funds in the form of a loan, bearing no interest, from the City's Urban Development Action Grant (**"UDAG"**) for the purchase of the Land; and

WHEREAS, the JIDA will also contribute funds towards purchase of the Land in the amount of $750,000.00 and apportioned closing costs as set forth in the Land Purchase Agreement between JIDA and the seller of the Land; and

WHEREAS, the City and the JIDA will each be paid back their respective contributions/loans for the purchase of the Land from future land sales on a pro-rate basis; and

WHEREAS, the City and JIDA desire to memorialize the terms of their agreement in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and JIDA hereby agree as follows:

1. The City will loan the JIDA the sum of One Million One Hundred Fifty Thousand Dollars ($1,150,000.00) for the purchase of approximately 330 acres of land adjacent to the City. Once the Closing on the Land occurs, the legal description will be incorporated into Exhibit A of this Agreement. The JIDA will contribute Seven Hundred Fifty Thousand Dollars ($750,000.00) towards the purchase of the Land. The Land will be used for an Industrial Park, with uses that are the same or similar to uses found in the Crossroads Business and Distribution Park.

2. The City and JIDA desire for the JIDA to develop, market, and sell parcels of the Land to industrial development prospects in accordance with the authority granted to JIDA under Chapter 349 RSMo.

3. JIDA shall use its best efforts to take actions necessary to provide for the sale or conveyance of the Land to an industry or industries, who shall endeavor to utilize said Land or portions thereof to create jobs, at least 51% of which shall be committed to or offered to low and moderate income persons as defined by the United States Department of Housing and Urban

Exhibit "A"

Development. JIDA shall make a good faith effort to document the type, the number and the average wages paid by the new jobs created in the industrial park.

4. JIDA shall be the owner of the land and shall be responsible for maintaining liability insurance covering the Land in an amount acceptable to the City and shall be responsible for payment of any real estate taxes or other assessments that are due on the Land.

5. The JIDA shall use its best judgment, based upon its market experience, to determine the size of the parcels in the Land, the resale price of those parcels, the uses of the parcels, and the types of industries to which such parcels shall be resold.

6. City and JIDA may contribute money to help build out the Industrial Park and to build infrastructure. It is the intent of the City and JIDA for each party to be repaid for their cash contributions related to infrastructure costs and reimbursement for those contributions shall be second in priority to the City and JIDA contribution/loan for the purchase of the Land.

7. So long as there remains any unpaid balance on UDAG funds provided by the City to JIDA and funds provided by the JIDA for the purchase of the Land, upon the sale of any portion of the Land, the net purchase price shall be apportioned between the City and the JIDA as provided herein. The net purchase price shall be the total price paid by the purchaser less any amounts for customary closing costs. Unless otherwise agreed to by the City and the JIDA, the net purchase price for the sale of any portion of the Land shall be apportioned with 60% paid to the City and 40% paid to JIDA. This procedure shall continue until the City and JIDA have been fully repaid their contributions to the purchase price of the Land. Once the City and JIDA are repaid in full for their purchase price contributions, the City and JIDA shall be reimbursed prorata for any infrastructure costs that are advanced/provided by each entity. The prorata amount shall be determined as those costs are incurred. Once those infrastructure costs are fully repaid, all sale proceeds from all remaining Land shall be retained solely by the JIDA.

8. The JIDA will complete a voluntary annexation of the Land into the City of Joplin once the Land is contiguous with the City of Joplin city limits.

9. A Notice of Due on Sale document will be recorded against the Land, to reflect the loan made by the City of Joplin and obligations that are due under this Agreement.

10. The parties agree to execute such other and further documents, including encumbrances or other notices to be placed of record upon the realty as may be required to effectuate the purposes and intents of this Agreement.

11. This Amendment shall be effective upon the approval of the City Council and the Board of Directors of JIDA. It may be amended at any time by written agreement executed pursuant to authority granted by the City Council and the Board of Directors of JIDA.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

CITY OF JOPLIN, MISSOURI

By: _____
Nick Edwards, City Manager

ATTEST:

By: _____
Holly Nagy, City Clerk

THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF JOPLIN, MISSOURI

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

COUNCIL BILL NO. 2024-003 ORDINANCE NO. _____

AN ORDINANCE approving and authorizing the City of Joplin to enter into an Agreement with the Industrial Development Authority of the City of Joplin (JIDA), for the City to loan $1,150,000.00 to the JIDA for the purchase of approximately 330 acres of land adjacent to the City to be utilized as an industrial park; and, authorizing the City Manager to execute said Agreement by and on behalf of the City of Joplin, Missouri.

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

Section 1. That the Agreement by and between the City of Joplin, Missouri, and the Industrial Development Authority of the City of Joplin (JIDA), for the City to loan $1,150,000.00 to the JIDA for the purchase of approximately 330 acres of land adjacent to the City to be utilized as an industrial park, and authorizing the City Manager to execute the same by and on behalf of the City of Joplin, a true and accurate copy of said agreement being attached hereto and incorporated as Exhibit "A," be, and the same is, hereby approved.

Section 2. That the City Manager of the City of Joplin, Missouri, is hereby authorized and directed to execute said Agreement by and on behalf of the City of Joplin.

PASSED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI this _____ day of _____, 2024, by a vote of _____.

_____
Keenan T. Cortez, Sr., Mayor

ATTEST:

_____
Holly Nagy, City Clerk

APPROVED AS TO FORM:

_____
Peter C. Edwards, City Attorney