Requested Council Meeting Date: November 7, 2016

City of JOPLIN

City Council Agenda Item

Item: Council Bill No. 2016-379
Originating Department: Planning, Development & Neighborhood Services

Attachments: 1) Exhibit "A" -Redevelopment Plan
2) Exhibit "B" – Legal Description
3) Council Bill 2016-379

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

SUMMARY

This Council Bill provides that the City Council has reviewed the redevelopment plans for the rehabilitation of two downtown buildings located at 215 S. Wall Ave. and 212 S. Joplin Ave (Project name is 200 Block Commons). The 200 Block Commons project was recommended for approval by the Joplin Redevelopment Corporation (JRC), Inc., at a public meeting on October 11, 2016. The JRC is a corporation authorized by Chapter 353 of the Missouri State Statutes which has the authority to abate property (ad valorem) taxes in designated 'blighted" areas to encourage redevelopment and reinvestment opportunities. The properties to be developed were declared 'blighted" by the City Council in 2003 and reaffirmed in 2007 as result of an expansion of the designated blighted area. Approval of the redevelopment plan will allow the owners to receive a tax abatement on the property as a result of their investment and improvements to the properties.

The Developer is Common Based, LLC which is comprised of Jeff and Carolina Neal. They are rehabilitating the buildings into office space and commercial retail space with indoor parking. Savings accrued from the ad-valorem tax abatement will be reinvested into the rehabilitation project.

The property owners are personally investing over $1,300,000 into the buildings. The Joplin Redevelopment Corporation is recommending that 100% of the increase in ad valorem taxes to the real property as a result of the improvements be abated for 10 years and 50% of the increase in ad valorem taxes as a result of the improvements be abated an additional 15 years. The abatement on the real property over the life of the 25-year program is estimated at approximately $358,00.00. It is also estimated the owners currently pay approximately $1,050.00 in ad-valorem taxes on the building. The current ad-valorem taxes on the property will continue to be paid by the owners.

Approval of the Council Bill will allow the property owners to enter into a property exchange agreement with the Joplin Redevelopment Corporation. After the exchange is complete and the Redevelopment Corporation takes title to the property, the property is eligible for tax abatements. The Redevelopment Corporation will immediately transfer both properties back to Common Based LLC with the proposed property tax abatement schedule.

RECOMMENDATION:

Staff recommends placing Council Bill No. 2016-379 on First Reading.