Katherine M. DeGraff

321 Virginia Avenue Joplin, MO 64801

kate@kmguru.com

Joplin City, JRC, and City Council:

Please find the enclosed application for property tax abatement via the Chapter 353 program.

The proposed project will take place on the 9th block of Main Street in Joplin, MO. The addresses are: 906 Main Street, 912 Main Street, and 914 Main Street. The current land is vacant, and we will build new - to provide commercial and residential space.

To our knowledge, the property was the Rains Brothers Building, which was constructed in 1902. It housed Miner's Hardware Company (906-908 Main Street).

Rains Brothers Building, also known as **Miner's Hardware Company** and **Roosevelt Hotel**, was a historic commercial building located at Joplin, Jasper County, Missouri. It was built in 1900–1901, and was a three-story, three bay, two-part commercial building with Renaissance Revival style detailing.[2]:2 It was destroyed by fire on March 1, 2012.[3]

It was listed on the National Register of Historic Places in 1990.[1] It was located in the Main and Eighth Streets Historic District.

Source: https://en.wikipedia.org/wiki/Rains_Brothers_Building

With the new construction, I plan to build two buildings with a large courtyard in between. Each building will have two commercial spaces on the street/main level floor, and three residential loft apartments on the 2nd/top floor.

The addition of new commercial spaces for working tenants, and the increase in client traffic will bring much new and exciting professional energy to downtown, as well as increase the job market.

The residential lofts/apartments will add new addition to the commerce of restaurants, bars, nightlife, social events, and shops. This will benefit everyone who works, lives, and travels to downtown Joplin.

I am currently requesting 10 years at 100% of improvements abated via Chapter 353, and another 15 at 50%.

Thank you kindly for your consideration, and with your help I hope to be able to continue to invest in downtown Joplin's growth.

Project Overview

Construct two new buildings to house two commercial spaces each, as well as three residential spaces each.

Project Mission Statement

The Moss DeGraff Building will provide additional jobs, commerce, residential living areas for new tenants to occupy, and add to the already existing growing energy of downtown Joplin.

Expected Customer Base

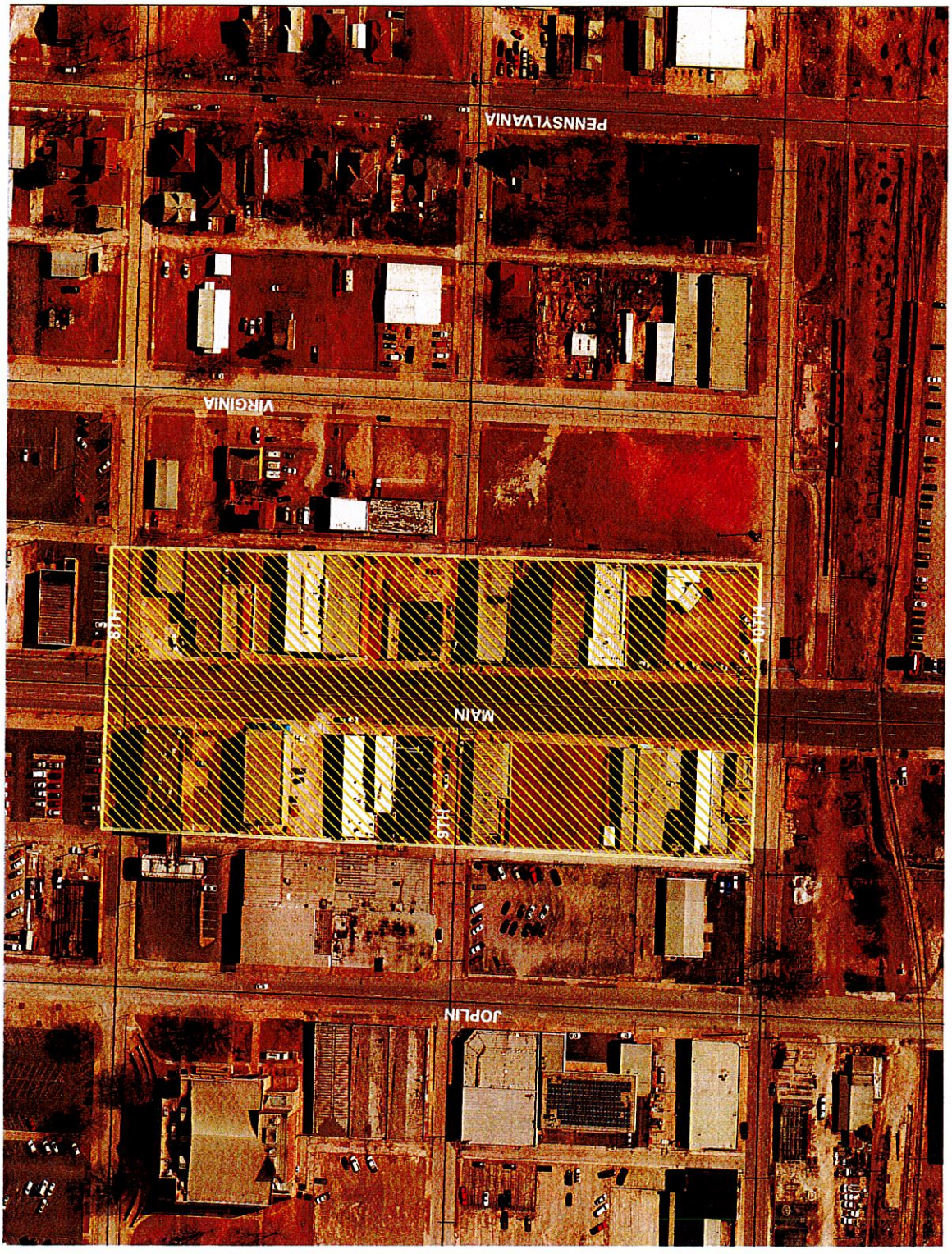
New additions to downtown, and more specifically blocks away from the 9th block of downtown Joplin may include - The Cornell Complex, which will house Spiva Center for the Arts, as well as the relocation of Souls Harbor. With this expansion, there will be more of demand than ever before in recent years for downtown living.

Project Description

The project timeline is projected for two years, with a construction start date of January 1, 2022.

Photographs

Please see below.


PENNSYLVANIA
VIRGINIA
MAIN
JOPLIN


Pub


The Future Home of KM Guru Marketing and the
Moss-DeGraff Building
Commercial & Residential Space Coming Soon
MossDeGraffBuilding.com
Guru
Marketing






MOSS DEGRAFF BUILDING 2020


MOSS DEGRAFF BUILDING 2020



Moss-DeGraff Building Estimated Project Costs

General Contracting	$1,500,000
Contingency	$500,000
Property Purchase	$ 27,500
Title Clearance	$1,500
Debt Service	$1,400,000
TOTAL	$3,429,000

Commercial property is double net

	2022	2023	2024	2025	2026	2027
Gross Resedential Rent	$0	$27,000	$55,080	$55,080	$57,305	$57,305
Gross Commercaial Rent	$0	$15,000	$60,000	$60,000	$60,000	$60,000
GROSS INCOME	$0	$42,000	$115,080	$115,080	$117,305	$117,305
Vacancy Resedential (8%)	$0	($2,160)	($4,406)	($4,406)	($4,584)	($4,584)
Vacancy Commercial (10%)	$0	($1,500)	($6,000)	($6,000)	($6,000)	($6,000)
EFFECTIVE GROSS RENT	$0	$38,340	$104,674	$104,674	$106,721	$106,721
Operating Expenses	($3,750)	($59,812)	($54,812)	($54,065)	($54,267)	($55,568)
NET OPERATING INCOME	($3,750)	($21,472)	$49,862	$50,608	$52,453	$51,152
Debt Service	($80,000)	($115,974)	($115,974)	($115,974)	($115,974)	($115,974)
CASH FLOW	($83,750)	($137,446)	($66,113)	($65,366)	($63,521)	($64,822)
OPERATING EXPENSES						
Property Taxes(no Abatement)	$1,250	$27,312	$27,312	$28,415	$28,415	$29,563
Insurance	$500	$5,000	$5,000	$5,000	$5,202	$5,202
Maintenance/Repairs	$1,000	$15,000	$10,000	$8,000	$8,000	$8,000
Utilities	$0	$7,500	$7,500	$7,650	$7,650	$7,803
Reserves/Misc.	$1,000	$5,000	$5,000	$5,000	$5,000	$5,000
TOTAL OPERATING EXPENSES	$3,750	$59,812	$54,812	$54,065	$54,267	$55,568

3 Resedential Units @ $1500 per unit starting 2023 and a 2 year lease. Adjusted for inflation(2%per year) every 2 years
2 Commercial Units @ $2500 per unit starting 2023 and a 5 year lease. Adjusted for inflation(2%per year) every 5 years

Total estimated Tax Abatemnet over first 10 years $265,347

Total estimated Tax Abatemenet for last 15 years $279,278.96

	2028	2029	2030	2031	2032	2033	2034
Gross Resedential Rent	$59,620	$59,620	$62,029	$62,029	$64,535	$64,535	$67,142
Gross Commercaial Rent	$66,245	$66,245	$66,245	$66,245	$66,245	$73,140	$73,140
GROSS INCOME	$125,865	$125,865	$128,274	$128,274	$130,780	$137,675	$140,282
Vacancy Resedential (8%)	($4,770)	($4,770)	($4,962)	($4,962)	($5,163)	($5,163)	($5,371)
Vacancy Commercial (10%)	($6,624)	($6,624)	($6,624)	($6,624)	($6,624)	($7,314)	($7,314)
EFFECTIVE GROSS RENT	$114,471	$114,471	$116,687	$116,687	$118,993	$125,198	$127,597
Operating Expenses	($55,935)	($54,451)	($54,669)	($56,246)	($54,974)	($57,115)	($57,351)
NET OPERATING INCOME	$58,536	$60,021	$62,018	$60,441	$64,019	$68,083	$70,245
Debt Service	($115,974)	($115,974)	($115,974)	($115,974)	($115,974)	($115,974)	($115,974)
CASH FLOW	($57,438)	($55,954)	($53,956)	($55,533)	($51,955)	($47,891)	($45,729)
OPERATING EXPENSES							
Property Taxes(no Abatement)	$29,563	$30,758	$30,758	$32,000	$32,000	$33,293	$33,293
Insurance	$5,412	$5,412	$5,631	$5,631	$5,858	$5,858	$6,095
Maintenance/Repairs	$8,000	$5,000	$5,000	$5,000	$3,500	$4,000	$4,000
Utilities	$7,959	$8,281	$8,281	$8,615	$8,615	$8,963	$8,963
Reserves/Misc.	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000
TOTAL OPERATING EXPENSES	$55,935	$54,451	$54,669	$56,246	$54,974	$57,115	$57,351

6 Resedential Units @ $1500 per unit starting 2023 and a 2 year lease. Adjusted for inflation(2%per year) every 2 years
4 Commercial Units @ $2500 per unit starting 2023 and a 5 year lease. Adjusted for inflation(2%per year) every 5 years

	2035	2036	2037	2038	2039	2040	2041	2042
Gross Resedential Rent	$67,142	$69,855	$69,855	$72,677	$72,677	$75,613	$75,613	$78,668
Gross Commercaial Rent	$73,140	$73,140	$73,140	$80,752	$80,752	$80,752	$80,752	$80,752
GROSS INCOME	$140,282	$142,994	$142,994	$153,429	$153,429	$156,365	$156,365	$159,420
Vacancy Resedential (8%)	($5,371)	($5,588)	($5,588)	($5,814)	($5,814)	($6,049)	($6,049)	($6,293)
Vacancy Commercial (10%)	($7,314)	($7,314)	($7,314)	($8,075)	($8,075)	($8,075)	($8,075)	($8,075)
EFFECTIVE GROSS RENT	$127,597	$130,092	$130,092	$139,540	$139,540	$142,241	$142,241	$145,051
Operating Expenses	($59,558)	($59,805)	($62,081)	($62,337)	($64,685)	($64,951)	($67,374)	($67,651)
NET OPERATING INCOME	$68,038	$70,287	$68,011	$77,203	$74,855	$77,289	$74,867	$77,400
Debt Service	($115,974)	($115,974)	($115,974)	($115,974)	($115,974)	($115,974)	($115,974)	($115,974)
CASH FLOW	($47,936)	($45,687)	($47,963)	($38,772)	($41,120)	($38,685)	($41,107)	($38,574)
OPERATING EXPENSES								
Property Taxes(no Abatement)	$34,638	$34,638	$36,038	$36,038	$37,494	$37,494	$39,008	$39,008
Insurance	$6,095	$6,341	$6,341	$6,597	$6,597	$6,864	$6,864	$7,141
Maintenance/Repairs	$4,500	$4,500	$5,000	$5,000	$5,500	$5,500	$6,000	$6,000
Utilities	$9,325	$9,325	$9,702	$9,702	$10,094	$10,094	$10,502	$10,502
Reserves/Misc.	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000
TOTAL OPERATING EXPENSES	$59,558	$59,805	$62,081	$62,337	$64,685	$64,951	$67,374	$67,651

6 Resedential Units @ $1500 per unit starting 2023 and a 2 year lease. Adjusted for inflation(2%per year) every 2 years
4 Commercial Units @ $2500 per unit starting 2023 and a 5 year lease. Adjusted for inflation(2%per year) every 5 years

	2043	2044	2045	2046
Gross Resedential Rent	$78,668	$81,846	$81,846	$85,153
Gross Commercaial Rent	$89,157	$89,157	$89,157	$89,157
GROSS INCOME	$167,825	$171,003	$171,003	$174,309
Vacancy Resedential (8%)	($6,293)	($6,548)	($6,548)	($6,812)
Vacancy Commercial (10%)	($8,916)	($8,916)	($8,916)	($8,916)
EFFECTIVE GROSS RENT	$152,616	$155,539	$155,539	$158,582
Operating Expenses	($70,152)	($70,440)	($73,021)	($73,321)
NET OPERATING INCOME	$82,464	$85,099	$82,518	$85,260
Debt Service	($115,974)	($115,974)	($115,974)	($115,974)
CASH FLOW	($33,510)	($30,875)	($33,456)	($30,714)
OPERATING EXPENSES				
Property Taxes(no Abatement)	$40,584	$40,584	$42,224	$42,224
Insurance	$7,141	$7,430	$7,430	$7,730
Maintenance/Repairs	$6,500	$6,500	$7,000	$7,000
Utilities	$10,926	$10,926	$11,367	$11,367
Reserves/Misc.	$5,000	$5,000	$5,000	$5,000
TOTAL OPERATING EXPENSES	$70,152	$70,440	$73,021	$73,321

3 Resedential Units @ $1500 per unit starting 2023 and a 2 year lease. Adjusted for inflation(2%per year) every 2 years
2 Commercial Units @ $2500 per unit starting 2023 and a 5 year lease. Adjusted for inflation(2%per year) every 5 years

TAX IMPACT STATEMENT
Estimate of 353 Redevelopment Impact on Local Taxes

Tax Levy by District	Levy 2020 (per $100)	2020 Assessed Value	2020 Tax
State	0.03	$ 7,830.00	$ 2.35
County	0.1061	$ 7,830.00	$ 8.31
SHFL	0.087	$ 7,830.00	$ 6.81
Mental Health	0.087	$ 7,830.00	$ 6.81
R8	3.6964	$ 7,830.00	$ 289.43
JORD	0.2284	$ 7,830.00	$ 17.88
CJOP	0.4351	$ 7,830.00	$ 34.07
SRTX	1.02	$ 7,830.00	$ 79.87
Total Annual			**$ 445.53**

Tax Levy by District	Estimated Assessed Value 2022 (assuming fair markt value of $1.5Million)	Annual Estimated Taxes (post development) 2022	Estimated Annual Tax Abatement 2022-2031 (100% for 10 years) adjusted for inflation	Estimated Annual Tax Abatement 2032-2046 (50% for 15 years) adjusted for inflation	Estimated Total Tax Abatement 2022-2046
	$480,000				
State		$144	$1,327	$1,396	$2,723
County		$509	$4,776	$5,027	$9,803
SHFL		$418	$3,980	$4,189	$8,169
Mental Health		$418	$3,980	$4,189	$8,169
R8		$17,742.72	$172,476	$181,531	$354,007
JORD		$1,096.32	$10,614	$11,171	$21,785
CJOP		$2,088.48	$21,228	$22,342	$43,570
SRTX		$4,896.00	$47,762	$50,270	$98,033
Total per time period		**$27,312**	**$265,347**	**$279,279**	**$544,626**

25 Year Scenarios

1. No abatement/No development results in a tax levy of $11,138.25
2. Abatement/Development results in a tax levy of $283,734.26