**CITY OF JOPLIN**
**COUNCIL AGENDA ITEM**

**ITEM:**
Council Bill No. 2023-297

**MEETING DATE:**
December 4, 2023

**ORIGINATING DEPARTMENT:**
Planning, Development and Neighborhood Services

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

**SUMMARY REQUEST:**
Request the approval of the redevelopment plans for the abatement of ad valorem taxes on improvements made to real property located at 320 S. Moffet Ave. also know as the Olivia Apartment Building.

**BACKGROUND:**
The attached Council Bill states that the City Council has reviewed the redevelopment plan for the rehabilitation of the Olivia Building located at 320 S. Moffet Ave. The proposed redevelopment project was recommended for approval by the Joplin Redevelopment Corporation (JRC), Inc., at their meeting on November 14, 2023. 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 property proposed to be redeveloped is part of a "spot" blight designation approved by city council in 2008. Approval of the redevelopment plan will allow the owners (Bykota REI, LLC: Chris and Sawyer Smith) to receive a tax abatement on the property conditioned upon their investment and improvements to the property.

The Olivia Building is currently under rehabilitation. The building started to fall into disrepair in the 1990's and more recently suffered a structure fire in December of 2020. The property owners want to create a mixed-use building containing 34 apartments and 3 commercial spaces for lease. Savings accrued from the ad-valorem tax abatement will be reinvested into the construction project.

The estimated project cost is approximately $10,000,000. The Joplin Redevelopment Corporation recommended that 100% of the increase in ad valorem taxes on the real property resulting from the improvements be abated for 10 years and 50% of the increase in ad valorem taxes resulting from 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 $2,631,334. The owners currently pay approximately $6,000 in ad-valorem taxes per annum on the property. The current ad-valorem property taxes on the properties will continue to be paid by the owners to the county and distributed to the taxing jurisdictions.

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 the property back to the property owner with the proposed property tax abatement. The redevelopment plan will become part of the title transfer and recorded which will require the property owners and/or their successors to follow the recorded redevelopment plan to continue to be eligible for the property tax abatement.

**PUBLIC COMMENT;**

No public comments were submitted or received during the Joplin Redevelopment Corporation meeting.

**FUNDING SOURCE**

N.A.

**RECOMMENDATION:**

Staff recommends approval of Council Bill No. 2023-297

**ATTACHMENTS**

Council Bill No. 2023-297, Abatement Application, Redevelopment Plan (Exhibit A), Legal Description (Exhibit B)