CITY OF JOPLIN
COUNCIL AGENDA ITEM

ITEM:
Council Bill No. 2018-275

ORIGINATING DEPARTMENT:
Planning, Development, and Neighborhood Services

MEETING DATE:
December 17, 2018

REVIEWED BY;
Director of Planning, Development and Neighborhood Services- Troy Bolander, Director of Finance-Leslie Haase, City Attorney- Peter Edwards, City Manager-Sam Anselm.

SUMMARY REQUEST;
A request by Crossroad's Realty (Mr. Lou Vlasaty) for the abatement of ad valorem taxes on a building located in the Crossroads Industrial Park. The taxes will be abated through the Joplin Area Enhanced Enterprise Zone (EEZ) Program that was approved by City Council in 2007.

BACKGROUND;
Crossroad's Realty, L.L.C. purchased a new building located at 2205 S. Prigmore Road in the Crossroads Industrial Park. The building contains two businesses. The first business is Midland Paper. Midland Paper is the Midwest's largest distributor of paper and photo stock. The Joplin operation currently serves several printers and photographers in the tri-state area. They currently employee six people. The second company is Douglass Companies. Douglass Companies is the largest convenience store supplier in the "midsouth" region. The company is a 45-year-old company based in Arkansas. They typically supply stores with gum, beverages, small auto parts, groceries and other items you typically see in a convenience store. The company currently employees 16 employees in their Joplin operation.

The minimum requirements in the state statute that created the EEZ Program requires the governing body to offer a minimum of a 50% tax abatement for 10-years for the creation of at least two jobs. There are currently 22 employees in the building and the companies in this facility will create an additional 2 jobs. There is the potential for creating more jobs since there is additional tenant space in the building. But, the owner is not requesting additional abatement on the potential for creating more jobs in the empty tenant space. The average annual wages of the two new jobs created are at least $48,000. The minimum abatement under the EEZ program is being offered to Crossroad's Realty, L.L.C.

The amount of abatement offered is based upon the minimum program requirements under the state statue and a sliding scale (see Exhibit B) that was developed and approved by the Joplin Area Enhanced Enterprise Zone Board. Staff is recommending that Crossroad's Realty ad valorem taxes on the building be abated at 50% for 10 years. The recommendation is based on the data submitted by the property owner that the companies will pay an average wage of $48,000 per job which is approximately 17.5% more than the current county average wage of $40,871 for Jasper County. The companies will create a minimum of 2 jobs within two years and provide employee benefits.

FUNDING SOURCE
N.A.

RECOMMENDATION
Staff recommends approval of this council bill.

ATTACHMENTS
CB 2018-275, Exhibit A-Legal Description, Exhibit B-Enhanced Enterprise Zone Tax Abatement Guidelines, Exhibit C-Property Location Map, Enhanced Enterprise Zone Location Map.