

One-rdg. _____
P. Hrngs. X
Pgs. 8
Filed: 12-06-16

Sponsored by: Fulnecky

First Reading: _____

Second Reading: _____

COUNCIL BILL NO. 2016-292

SPECIAL ORDINANCE NO. _____

AN ORDINANCE

1 APPROVING Redevelopment Project 1 for the Springfield Plaza Tax Increment
2 Financing Plan and initiating tax increment financing therein.
3 _____
4

5 WHEREAS, by adoption of Ordinance No. 26231 on May 6, 2013, City Council
6 approved the Springfield Plaza Tax Increment Financing Plan (“TIF Plan”) pursuant to
7 the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to
8 99.865 of the Revised Statutes of Missouri, and designated an area generally lying
9 southwest of West Sunshine Street and West Bypass (Highway 160) containing
10 approximately 96 acres of land as the Redevelopment Area, declared the
11 Redevelopment Area to be a blighted area, and designated Springfield Plaza Real
12 Estate, LLC, as the developer of record for the Redevelopment Plan; and
13

14 WHEREAS, the Springfield Tax Abatement and Tax Increment Financing
15 Commission conducted a public hearing on November 28, 2016 and approved
16 Resolution 2016-1 regarding the approval and activation of the Redevelopment Projects
17 for the TIF Plan which recommended that City Council approve the Redevelopment
18 Projects by Ordinance; and
19

20 WHEREAS, City Council now desires to approve Redevelopment Project 1 for
21 the TIF Plan and activate the collection of tax increment financing revenues within
22 Redevelopment Project 1.
23

24 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF
25 SPRINGFIELD, MISSOURI, as follows, that:
26

27 Section 1 - The area selected for Redevelopment Project 1, as legally described
28 in “Exhibit A” and as depicted in “Exhibit B,” both being attached hereto and
29 incorporated herein by reference, is approved as a redevelopment project pursuant to
30 the TIF Act.
31

32 Section 2 - Tax increment allocation financing is hereby adopted for taxable real
33 property in the above-described area selected for Redevelopment Project 1. After the

34 total equalized assessed valuation of the taxable real property in Redevelopment
35 Project 1 exceeds the certified total initial equalized assessed valuation of the taxable
36 real property in Redevelopment Project 1, the ad valorem taxes, and payment in lieu of
37 taxes, if any, arising from the levies upon the taxable real property in such project by
38 taxing districts and tax rates determined in the manner provided in subsection 2 of
39 Section 99.855 each year after the effective date of the Ordinance until redevelopment
40 costs have been paid shall be divided as set forth in this section.

- 41
- 42 1. That portion of taxes, penalties and interest levied upon each taxable lot, block,
43 tract, or parcel of real property which is attributable to the initial equalized assessed
44 value of each such taxable lot, block, tract, or parcel of real property in the area
45 selected for Redevelopment Project 1 shall be allocated to and, when collected,
46 shall be paid by the Greene County Collector and the City Finance Director or other
47 designated financial officer of the City to the respective affected taxing districts in the
48 manner required by law in the absence of the adoption of tax increment allocation
49 financing.
 - 50
 - 51 2. Payments in lieu of taxes attributable to the increase in the current equalized
52 assessed valuation of each taxable lot, block, tract, or parcel of real property in the
53 area selected for Redevelopment Project 1, and any applicable penalty and interest
54 over and above the initial equalized assessed value of each such unit of property
55 shall be allocated to and, when collected, shall be paid to the City Finance Director
56 or other designated financial officer of the City who shall deposit such payment in
57 lieu of taxes into the Springfield Plaza Special Allocation Fund of the City for the
58 purpose of paying Redevelopment Project Costs and obligations incurred in the
59 payment thereof.
 - 60

61 Section 3 - In addition to the payments in lieu of taxes described in Section 2
62 above, fifty percent (50%) of the total additional revenue from taxes, penalties and
63 interest which are imposed by the City or taxing districts, and which are generated by
64 economic activities within Redevelopment Project 1 over the amount of such taxes
65 generated by economic activities within such area in the calendar year prior to the
66 adoption of this Ordinance, while tax increment financing remains in effect, but
67 excluding personal property taxes, taxes imposed on sales or charges for sleeping
68 rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section
69 70.500 RSMo, and licenses, fees or special assessments, other than payments in lieu
70 of taxes, and penalties and interest thereon shall be allocated to, and paid by the local
71 political subdivision collecting officer to the City Finance Director or other designated
72 financial officer of the City, who shall deposit such funds in a separate segregated
73 account within the Springfield Plaza Special Allocation Fund.

74

75 Section 4 - City staff, the City Attorney or his designated legal counsel, and other
76 appropriate City officials are hereby authorized to take any and all actions as may be
77 deemed necessary or convenient to carry out and comply with the intent of this
78 Ordinance, to create those funds and accounts required by the Act to implement the TIF
79 Plan, and to execute and deliver for and on behalf of the City all certificates,

80 instruments, and agreements or other documents as may be necessary, desirable,
81 convenient, or proper to perform all matters authorized herein.

82
83 Section 5 - It is hereby declared to be the intention of the City Council that each
84 and every part, section and subsection of this Ordinance shall be separate and
85 severable from each and every other part, section and subsection hereof and that City
86 Council intends to adopt each said part, section and subsection separately and
87 independently of any other part, section and subsection. In the event that any part,
88 section or subsection of this Ordinance shall be determined to be or to have been
89 unlawful or unconstitutional, the remaining parts, sections and subsections shall be and
90 remain in full force and effect, unless the court making such finding shall determine that
91 the valid portions standing alone are incomplete and are incapable of being executed in
92 accord with the legislative intent.

93
94 Section 6 - This Ordinance shall be in full force and effect from and after
95 passage.

96
97 Passed at Meeting: _____

98
99 _____
100 Mayor

101
102 Attest: _____, City Clerk

103
104 Filed as Ordinance: _____

105
106 Approved as to form: A. Chalot, Wiedner, Assistant City Attorney

107
108 Approved for Council action: Greg B. Smith, City Manager

EXPLANATION TO COUNCIL BILL NO: 2016- 292

FILED: 12-06-16

ORIGINATING DEPARTMENT: Planning and Development

PURPOSE: To approve and activate the collection of tax increment financing revenues within Redevelopment Project Area 1 of the Springfield Plaza Tax Increment Financing Plan.

BACKGROUND INFORMATION: City Council approved the Springfield Plaza Tax Increment Financing Plan (the "TIF Plan") by Ordinance No. 26231 on May 6, 2013, and a copy of this Ordinance is on file in the office of the City Clerk. The City and Springfield Plaza Real Estate, LLC (the "Developer") also executed the Tax Increment Financing Redevelopment Agreement for the Springfield Plaza Redevelopment Area dated May 6, 2013 (the "TIF Agreement").

Council Bill Nos. 2013-084 and 2013-085 to activate the two Redevelopment Project Areas within the Springfield Plaza TIF were introduced at the same meeting as the TIF Plan, but were immediately tabled as the developer was not yet ready to start the clock running on the available 18 years of TIF revenue collection

By operation of City procedural rules, Bill Nos. 2013-084 and 2013-085 have died on the table because the bill sponsors are no longer on City Council. The TIF Commission held a new public hearing on the redevelopment projects on November 28, 2016 to initiate a new time period (14-90 days following the conclusion of the TIF Commission hearing) during which bills to approve the Redevelopment Projects may again be introduced to City Council for action. The TIF Commission recommends that Council approve the Redevelopment Projects.

REMARKS: The Redevelopment Area is generally located southwest of West Sunshine Street and West Bypass (Highway 160) and contains approximately 96 acres of land (the "Redevelopment Area"). The TIF Plan provides that the Redevelopment Area contains two Redevelopment Project Areas in which TIF collection will be activated (please see maps in "Exhibit 4" of the TIF Plan on file in the office of the City Clerk). Redevelopment Project 1 is the northern, approximately 35.5 acres of property within the Redevelopment Area that is expected to be developed first, with approximately 182,500 square feet of commercial retail development. Redevelopment Project 2 is the southern, approximately 61.8 acres of property within the Redevelopment Area that is expected to develop later, with approximately 250,000 square feet of office uses. Each redevelopment project area is limited to a 23-year TIF collection period by state statute, and Developer requested a delay in the adoption of the Redevelopment Project ordinances in order to maximize the collection of TIF revenues during the 23-year time period associated with each Redevelopment Project. The Developer is ready to move forward with development in the Redevelopment Project 1 area, and has requested

approval of the project ordinance related to Redevelopment Project 1 in order to initiate collection of TIF revenues in that area. The Redevelopment Agreement itself restricts the collection of TIF revenues within each redevelopment area to 18 years.

The total project costs for the entire TIF Plan are projected to be about \$78.5 million (please see budget in “Exhibit 7” of the TIF Plan on file in the office of the City Clerk). The Reimbursable Project Costs are projected to be about \$9.58 million (approximately 12 percent of total project costs), which consist of the costs of the primary road improvements that serve the development, utility costs, the cost of a detention basin, and professional fees and capitalized interest on Developer’s private construction loan. Developer will incur one or more private loans or use private equity to pay for all project costs including the Reimbursable Project Costs, and TIF revenues will be used to reimburse Developer as those revenues are collected by the City under the TIF Plan. The TIF revenues that are collected under the TIF Plan will be used to reimburse Developer on a “pay as you go” basis as TIF revenues are generated by the new development. The City will not issue bonds to finance the Reimbursable Project Costs. TIF revenues will be collected for 18 years within each Redevelopment Project, after which each Redevelopment Project will be terminated.

The revenues to be collected under the TIF Plan consist of: (1) 75 percent of the incremental increase in annual real property tax revenues generated by the project, over and above the annual base amount of taxes generated by the property before the project was approved, which are called Payments In Lieu of Taxes (PILOTs); and (2) 50 percent of the incremental increase in City and County sales taxes, over and above the amount of sales taxes generated by the project in the year before each Redevelopment Project is approved by ordinance (please see Cost Benefit Analysis in “Exhibit 8” of the TIF Plan on file in the office of the City Clerk). Each year, 25 percent of the incremental increase in real property taxes will be declared as “Surplus PILOTs” and disbursed to the real property taxing districts along with the base real property taxes.

The TIF Agreement provides that the maximum principal amount of reimbursement to be provided to Developer is \$9,963,000, which is the estimated cost of the public improvements that will be constructed for the project which consists primarily of road improvements. The Agreement provides that Developer will also receive interest on the Reimbursable Project Costs that are certified by the City, until those principal costs have been fully reimbursed, at the actual interest rate associated with the private loans incurred by Developer to finance the improvements that are the Reimbursable Project Costs. The Agreement also provides for reimbursement to Developer for certain designated Financing Costs incurred by Developer, the Administrative Costs incurred by the City and paid by Developer, and certain costs which may be incurred by Developer in defense of the plan or indemnification to the City for actions brought in connection with the TIF Plan.

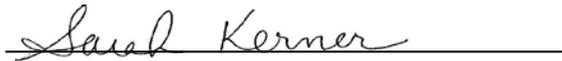
Reimbursement will be provided only as TIF revenues are generated by the project and collected by the City in the Special Allocation Fund that is created for the TIF Plan. No bonds will be issued by the City pursuant to the TIF Agreement unless the City elects in

its sole discretion to issue bonds at a future date, and the City is not obligated to make payments from the City's General Fund or any other source of funds other than the TIF revenues which are collected in the Special Allocation Fund for the TIF Plan. The Agreement provides for an ongoing source of funds to reimburse the City for all costs incurred by the City to implement the TIF Plan and the TIF Agreement.

Staff recommends approval of the Redevelopment Project 1 Ordinance in order to initiate the collection of TIF revenues in the Redevelopment Project 1 area and provide a source of reimbursement to Developer pursuant to the TIF Plan and TIF Agreement.

This Ordinance supports the following Field Guide 2030 goal(s): Chapter 3, Economic Development; Major Goal 2, Aggressively use Economic Development Incentives to encourage investment in the community and to encourage job creation and retention; Objective 2b, Continue to explore creative and flexible methods to attract and retain jobs and business investment in the community.

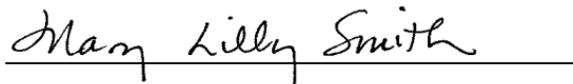
Submitted by:



Sarah Kerner,

Interim Economic Development Director

Recommended by:



Mary Lilly Smith, Director

Approved by:



Greg Burris, City Manager

Exhibit A

Legal Description of Redevelopment Project 1

A tract of land being a part of property described in Book 2007 at Page 032908-07 of the Greene County Deed Records and lying in the Northwest Quarter of the Northeast Quarter of Section 32, Township 29 North, Range 22 West of the Fifth Principal Meridian, City of Springfield, Greene County, Missouri, and being more particularly described as follows:

Commencing at the Northeast corner of the Northeast Quarter of said section 32; thence North 89°22'30" West, along and with the North line of said Quarter section, a distance of 1321.98 feet to the Northeast corner of the Northwest Quarter of the Northeast Quarter of said Section 32; thence South 01°38'48" West, along and with the East line of said Northwest Quarter of the Northeast Quarter, a distance of 130.45 feet to a point on the South right-of-way line of relocated U.S. Highway 60; thence continue South 01°38'48" West, along and with said East line, a distance of 317.86 feet to the POINT OF BEGINNING; thence, continue South 01°38'48" West, along and with said East line, a distance of 885.21 feet to the Southeast corner of the Northwest Quarter of the Northeast Quarter of said Section 32; thence, South 82°05'59" West, leaving said East line, a distance of 1177.61 feet; thence, North 00°13'54" West, a distance of 603.42 feet; thence, South 67°27'24" West, a distance of 626.62 feet; thence, North 01°52'51" East, a distance of 468.80 feet to the Southerly right-of-way line of relocated U.S. Highway 60; thence, along and with said Southerly right-of-way on a curve to the right having a radius of 4867.23 feet, an included angle of 16°38'45" and a chord bearing of North 70°03'04" East, an arc distance of 1414.06 feet; thence, South 11°37'31" East, leaving said Southerly right-of-way line, a distance of 272.43 feet to the North right-of-way line of future Washita Street; thence, along and with said future right-of-way line on a curve to the right having a radius of 1027.50 feet, an included angle of 06°24'36" and a chord bearing of North 87°36'21" East, an arc distance of 114.95 feet; thence, South 89°11'21" East, continuing along and with said future right-of-way line and the extension thereof, a distance of 263.46 feet to the East line of the Northwest Quarter of the Northeast Quarter of said Section 32 and the POINT OF BEGINNING, containing **35.55 acres**, subject to easements, restrictions and rights-of-way, if any.

Bearings are based on Grid North of the Missouri State Plane Coordinate System of 1983, Central Zone.

Exhibit B

Map of Redevelopment Project 1

