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SPECIAL CITY COUNCIL MEETING AGENDA

City Council Chambers
Municipal Building
Monday, November 23, 2015
6:30 p.m.

A. SILENT PRAYER & PLEDGE OF ALLEGIANCE

B. ROLL CALL

I. PUBLIC COMMENTS ON ITEMS BEFORE THE COUNCIL

II. OLD BUSINESS

1. Wilson Engineering – Traffic Report

III. NEW BUSINESS

1. Report from Staff and City Consultants on the TIF
   a. Joe Lauber - Lauber Municipal Law
   b. Tom Kaleko - Springsted Inc

IV. QUESTIONS AND DISCUSSION

V. ORDINANCES AND RESOLUTIONS

O Approving and accepting the 50 Highway Tax Increment Financing Plan, Designating a Redevelopment Area, Declaring the Proposed Redevelopment a Blighted Area, and Designating Star Acquisitions, Inc., as the Developer of the Redevelopment Project. (1st and 2nd Reading)

O Approving and accepting the Redevelopment Project of the 50 Highway Tax Increment Financing Redevelopment Plan as a Redevelopment Project and Adopting Tax Increment Financing Therein. (1st Reading Only)

VI. ADJOURN

IF YOU HAVE SPECIAL NEEDS, WHICH REQUIRE ACCOMMODATION, PLEASE NOTIFY THE CITY CLERK'S OFFICE. ACCOMMODATIONS WILL BE MADE FOR YOUR NEEDS.

BILL NO. ____ ORDINANCE NO. ____

AN ORDINANCE APPROVING THE 50 HIGHWAY TAX INCREMENT FINANCING PLAN, DESIGNATING A REDEVELOPMENT AREA, DECLARING THE PROPOSED REDEVELOPMENT AREA A BLIGHTED AREA, AND DESIGNATING STAR ACQUISITIONS, INC., AS THE DEVELOPER OF THE REDEVELOPMENT PROJECT.

WHEREAS, on September 18, 2015, the 50 Highway Tax Increment Financing Plan (the "Redevelopment Plan") was submitted by Star Acquisitions, Inc. (the "Developer") requesting the City Council of the City of Sedalia, Missouri (hereinafter referred to as the "City Council" or "City") to establish a tax increment financing district on two areas of land connected by Highway 50 right-of-way and totaling approximately 5.1 acres pursuant to the provisions of the Real Property Tax Increment Allocation Act, Sections 99.800 to 99.865, RSMo (the "Act").

WHEREAS, the two areas referred to above are: 1) land generally located north of Highway 50, east of Oak Grove Lane, and south of W. Main Street; and 2) land generally located south of Highway 50, east of Westwood Avenue, and west of Winchester Road, all located within the City (the "Redevelopment Area"); and

WHEREAS, the Redevelopment Plan provides for the redevelopment of the Redevelopment Area as one Redevelopment Project; and

WHEREAS, pursuant to the Act, the City on behalf of the Sedalia Tax Increment Financing Commission (the "Commission") notified the affected taxing jurisdictions of their right to designate representatives to serve as members of the Commission for the purpose of conducting a public hearing and making recommendations with respect to the Redevelopment Plan to the City Council; and

WHEREAS, the Sedalia School District 200 and the Pettis County R-XII School District each designated one representative, Pettis County designated two representatives, and the other affected taxing jurisdictions designated a representative to serve as members of the Commission; and

WHEREAS, notice of a public hearing on October 21, 2015 before the Commission to discuss the proposed Redevelopment Plan and the Redevelopment Project included therein, was provided in accordance with the provisions of the Act; and

WHEREAS, on October 21, 2015, the Commission opened the public hearing, and received testimony and other evidence from all interested parties who came forward to speak regarding the proposed Redevelopment Plan and Redevelopment Project and, on said date, the Commission having heard and considered the comments, testimony, and other evidence adduced at the public hearing, closed the public hearing and made a motion to recommend in opposition of the Redevelopment Plan; and

WHEREAS, a change was made to the Redevelopment Plan after the Commission public hearing, correcting a miscalculation in the payment of interest on the TIF amortization schedule found in Exhibit 7 of the Redevelopment Plan (the "Amended

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Redevelopment Plan") and said notice of this change was sent to the taxing jurisdictions on November 6, 2015, pursuant to the Act; and

WHEREAS, pursuant to the Act, if the Commission makes a recommendation in opposition to the Redevelopment Plan, the City Council can approve said Redevelopment Plan upon a two-thirds majority vote; and

WHEREAS, on November 23, 2015, the City Council considered the Amended Redevelopment Plan and the recommendations of the Commission recommending opposition to the Redevelopment Plan; and

WHEREAS, having heard and considered the comments, testimony, and other evidence adduced at the meeting, and the evidence and testimony submitted at the Commission public hearing, the City Council desires to approve the Amended Redevelopment Plan, designate the Redevelopment Area, designate the Redevelopment Area a blighted area, and designate Developer as the developer for the Redevelopment Project.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SEDALIA, MISSOURI, as follows:

SECTION 1: That the Amended Redevelopment Plan, including its component project, a copy of which is attached hereto and incorporated herein as **Exhibit A**, is hereby approved and adopted.

SECTION 2: That the tracts of land legally described in **Exhibit B**, which is attached hereto and incorporated herein are hereby designated as the Redevelopment Area. The legal description in Exhibit B is identical to the legal description in Exhibit 1 of the Amended Redevelopment Plan.

SECTION 3: That the City Council hereby finds that:

1. The Redevelopment Area on the whole is a blighted area and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing pursuant to the Amended Redevelopment Plan, and such fact is acknowledged by the Developer in an affidavit submitted to the City. The area selected for the Redevelopment Project includes only those parcels of real property and improvements thereon which will be directly and substantially benefited by the Redevelopment Project improvements. The following factors, as further outlined in the Blight Study in Exhibit 6 of the Redevelopment Plan, are found to exist within the Redevelopment Area:

    a. Defective or inadequate street layout;

    b. Unsanitary or unsafe conditions;

    c. Deterioration of site improvements;

    d. Improper subdivision and obsolete platting;

    e. Economic and social liability; and

f. Menace to the public health, safety, morals or welfare.

2. The Amended Redevelopment Plan conforms to the Sedalia Master Plan, as amended 2014, which plan is the comprehensive plan for the City as a whole.

3. The estimated dates of completion of the Redevelopment Project included in the Amended Redevelopment Plan and retirement of obligations incurred to finance development project costs associated with the Redevelopment Project have been stated in the Amended Redevelopment Plan and are not more than twenty-three (23) years from the adoption of any ordinance approving a Redevelopment Project within the Redevelopment Area. The completion of the project included in the Amended Redevelopment Plan and retirement of obligations incurred to finance development project costs will occur no later than thirty-three (33) years from the adoption of the ordinance approving the Amended Redevelopment Plan. No property for a project will be acquired by eminent domain later than five years from the adoption of the ordinance approving the project.

4. The Amended Redevelopment Plan includes a plan for relocation assistance for businesses and residences located in the Redevelopment Area.

5. A cost-benefit analysis showing the impact of the Amended Redevelopment Plan on each taxing district which is at least partially within the boundaries of the Redevelopment Area has been prepared in accordance with the Act. The analysis shows the impact on the economy if the Redevelopment Project is not built, and is built pursuant to the Amended Redevelopment Plan. The cost-benefit analysis includes a fiscal impact study on every affected political subdivision, and sufficient information for the City Council to evaluate whether the Amended Redevelopment Plan as proposed is financially feasible.

6. The Amended Redevelopment Plan does not include the initial development or development of any gambling establishment.

SECTION 4: That Developer is hereby designated as developer of the Redevelopment Project.

SECTION 5: That the designation of the Developer as the developer of the Redevelopment Project and any reimbursement to the Developer of TIF revenues for reimbursable project expenses from the special allocation fund is conditioned upon the execution of a Tax Increment Financing Contract between the City and the Developer approved by the City Council by ordinance, upon terms and conditions as agreed upon by the parties to carry out the goals and objectives of the Amended Redevelopment Plan.

SECTION 6: This ordinance shall be in full force and effect from and after its passage and approval by the Mayor and City Council.

PASSED by the City Council of the City of Sedalia, Missouri, and approved by the Mayor of Sedalia, this 23rd day of November, 2015.

_____

Stephen Galliher, Mayor

ATTEST:

_____

Arlene Silvey, MPCC, City Clerk

1st reading _____

2nd reading _____

EXHIBIT A

50 HIGHWAY TAX INCREMENT FINANCING PLAN – AS AMENDED

SEE ATTACHED

EXHIBIT B

LEGAL DESCRIPTION OF REDEVELOPMENT AREA

The Redevelopment Area is the area that is the subject of the City's RFP issued August 24, 2015.

WEST PARCEL

COMMENCING AT THE NORTHWEST CORNER OF SECTION 6, TOWNSHIP 45 NORTH, RANGE 21 WEST, SEDALIA, PETTIS COUNTY, MISSOURI; THENCE S 87 °19'30" E ALONG THE NORTH LINE OF SAID SECTION, 526.25 FEET; THENCE S 2 °40'30" W 38.24 FEET TO A POINT OF BEGINNING; THENCE S 81 °39'10" E 267.58 FEET; THENCE N 3 °10'10" E 15.37 FEET; THENCE S 87 °19'30" E 541.59 FEET; THENCE S 25 °12'20" W 386.20 FEET TO THE NORTHERLY RIGHT OF WAY OF U.S. HIGHWAY 50; THENCE ALONG THE LINES OF SAID RIGHT OF WAY N 64 °53'00" W 2.88 FEET; THENCE N 53 °22'50" W 302.55 FEET; THENCE N 72 °03'50" W 202.47 FEET; THENCE N 64 °53'00" W 200.46 FEET; THENCE N 18 °05'10" W 72.65 FEET TO THE POINT OF BEGINNING;

BEING ALL OF TRACT "A" AS SHOWN ON SURVEY RECORDED NOVEMBER 25, 2014 AS DOCUMENT NO. 2014-6117 IN THE PETTIS COUNTY RECORDER'S OFFICE.

AND

EAST PARCEL

Lot 3 and 4, HSB 2nd Subdivision, an addition to the City of Sedalia, Pettis County, Missouri.

AND

RIGHT-OF-WAY

All that public right-of-way for Highway 50 between the place where the Highway 50 right-of-way intersects the southeast corner of the "West Parcel" described above and the place where the Highway 50 right-of-way intersects the northeast corner of the "East Parcel" described above.

BILL NO. ____ ORDINANCE NO. ____

AN ORDINANCE APPROVING THE REDEVELOPMENT PROJECT OF THE 50 HIGHWAY TAX INCREMENT FINANCING REDEVELOPMENT PLAN AS A REDEVELOPMENT PROJECT AND ADOPTING TAX INCREMENT FINANCING THEREIN.

WHEREAS, on September 18, 2015, the 50 Highway Tax Increment Financing Plan (the "Redevelopment Plan") was submitted by Star Acquisitions, Inc. (the "Developer") requesting the City Council of the City of Sedalia, Missouri (hereinafter referred to as the "City Council" or "City") to establish a tax increment financing district on two areas of land connected by Highway 50 right-of-way and totaling approximately 5.1 acres pursuant to the provisions of the Real Property Tax Increment Allocation Act, Sections 99.800 to 99.865, RSMo (the "Act").

WHEREAS, the two areas referred to above are: 1) land generally located north of Highway 50, east of Oak Grove Lane, and south of W. Main Street; and 2) land generally located south of Highway 50, east of Westwood Avenue, and west of Winchester Road, all located within the City (the "Redevelopment Area"); and

WHEREAS, the Redevelopment Plan provides for the redevelopment of the Redevelopment Area as one Redevelopment Project; and

WHEREAS, on October 21, 2015, the Commission opened the public hearing, and received testimony and other evidence from all interested parties who came forward to speak regarding the proposed Redevelopment Plan and Redevelopment Project and, on said date, the Commission having heard and considered the comments, testimony, and other evidence adduced at the public hearing, closed the public hearing and made a motion to recommend in opposition of the Redevelopment Plan; and

WHEREAS, the Redevelopment Plan was amended in order to correct a miscalculation in the payment of interest on the TIF amortization schedule found in Exhibit 7 of the Redevelopment Plan (the "Amended Redevelopment Plan"); and

WHEREAS, on November 23, 2015, the City Council approved the Amended Redevelopment Plan by two-thirds majority vote;

WHEREAS, the City Council desires to activate tax increment allocation financing for the Redevelopment Project of the Amended Redevelopment Plan.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SEDALIA, MISSOURI, as follows:

SECTION 1: All terms used in this ordinance not otherwise defined herein shall be construed as defined in the Act or Amended Redevelopment Plan.

SECTION 2: The area selected for the Redevelopment Project legally described in **Exhibit A** attached hereto is approved and designated as the Redevelopment Project (hereinafter referred to as "Redevelopment Project Area"). Redevelopment Project Area includes only those parcels of real property and improvements thereon which will

be directly and substantially benefited by the Redevelopment Project improvements therein.

SECTION 3: Tax increment allocation financing is hereby adopted for taxable real property in the above-described area selected for the Redevelopment Project Area. Pursuant to the Act, after the total equalized assessed valuation of the taxable real property in the Redevelopment Project Area exceeds the certified total initial equalized assessed valuation of the taxable real property in the Redevelopment Project Area, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon the taxable real property in such project by taxing districts and tax rates determined in the manner provided in subsection 2 of Section 99.855, RSMo, each year after the effective date of the ordinance until the sooner of the expiration of 23 years, or when redevelopment costs have been paid and all reimbursable project costs have been reimbursed pursuant to the Amended Redevelopment Plan shall be divided as follows:

a. That portion of taxes, penalties and interest levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the initial equalized value of each such taxable lot, block, tract or parcel of property in the area selected for the Redevelopment Project Area shall be allocated to and, when collected, shall be paid by the Pettis County Collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

b. Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the area selected for the Redevelopment Project Area, and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property shall be allocated to and, when collected, shall be paid to the Director of Finance who shall deposit such payment in lieu of taxes into a special fund called the "Special Allocation Fund" of the City for the purpose of paying Redevelopment Project Costs and obligations incurred in the payment thereof and for the collection of payments in lieu of taxes, as applicable. Any payments in lieu of taxes which are not paid within 60 days of the due date will be deemed delinquent and assessed a penalty of one percent (1%) per month.

SECTION 4: That in addition to the payments in lieu of taxes described in subsection b of Section 3 above, fifty percent (50%) of the total additional revenue from taxes, penalties and interest which are imposed by the City or taxing districts, and which are generated by economic activities within the area selected for the Redevelopment Project over the amount of such taxes generated by economic activities within such area in the calendar year prior to the adoption of this ordinance, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales of charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 RSMo, taxes levied for the purpose of public transportation pursuant to Section 94.660, RSMo, licenses, fees or special

assessments, other than payments in lieu of taxes, and penalties and interest thereon, or any sales tax imposed by a county with a charter form of government and with more than six hundred thousand but fewer than seven hundred thousand inhabitants, for the purpose of sports stadium improvement, shall be allocated to, and paid by the local political subdivision collecting officer to the Director of Finance or other designated financial officer of the City, who shall deposit such funds in a separate segregated account within the Special Allocation Fund.

SECTION 5. That if any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions thereof.

SECTION 6. That all ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed.

SECTION 7: This ordinance shall be in full force and effect from and after its passage and approval by the Mayor and City Council.

PASSED by the City Council of the City of Sedalia, Missouri, and approved by the Mayor of Sedalia, this ____day of _____, 20__.

_____

Stephen Galliher, Mayor

ATTEST:

_____

Arlene Silvey, MPCC, City Clerk

1st reading _____

2nd reading _____

EXHIBIT A

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