

**The City of Sedalia, Missouri**  
**Economic Development Incentives Policies and Procedures**



**Adopted and approved by the City Council**  
**this \_\_\_ day of \_\_\_\_\_, 2016**

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## PURPOSE STATEMENT

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The City of Sedalia is dedicated to achieving the highest quality of development, services, infrastructure, and quality of life for its citizens. One of the primary keys for achieving these goals is to enhance and expand the local economy. Competition for attracting new businesses and employers, as well as retaining the ones already in existence in the community, can be aggressive from time to time at national, regional, interstate, and intrastate levels. For this reason, the City recognizes that the appropriate use of economic development incentives may be necessary in the correct circumstances to aid the City in reaching its full economic potential.

The purpose of this document is two-fold: First, the policy component of this document establishes the goals, standards, guidelines, and preferences of the City to direct the use of economic incentives to ensure that these incentives are used in a way that advances the City's social and economic goals. These policies allow the City to be proactive (not reactive) with respect to requests from developers and businesses to create the public-private partnerships, which are the real result of granting incentives in any instance. These policies serve as a guide to developers and businesses far and wide to attract those having concepts, ideas, and plans that closely match the development goals of the City. Conversely, these policies also inform the development and business community that incentives for businesses already supported in the City, or for which there is no longer a community need, may be more difficult to obtain.

Second, the procedures component of this document establishes a uniform, transparent, and well-informed path for businesses and developers to follow when seeking economic development incentives of the City. We believe that through a standard approach the expectations of applicants can be managed at reasonable levels, which leads to a more positive experience for those seeking incentives. Further, this provides a better avenue for the City to garner a good reputation with the business and development community as one that is easy to work with and thereby looked at positively when considering where they would like to develop. The uniform application of these procedures ensures that the goals and needs of the City are being specifically considered for each economic development incentives request, which leads to greater long-term success of the program as a whole. Finally, these procedures address the ongoing execution of each approved incentive application thereby confirming that the applicant will be held accountable for delivering the promised investment in the community, which in turn builds confidence in the City's incentives program by its citizens and the other affected taxing jurisdictions that are the City's neighbors and have a vested interest.

Nevertheless, the applicability of the differing incentives programs often varies from project to project, and the City Council's decision to grant incentives is discretionary, based upon one or more of the criteria set forth in this document and other outside factors. The City Council is under no obligation to approve any requested incentives that are not required by state or local laws, and it reserves the right to deviate from these policies and procedures at its sole discretion when doing so is deemed to be in the best interests of the City.



## GENERAL POLICY AND PROCEDURE GUIDELINES

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To implement the City's economic development incentive program, certain overarching concepts apply. These concepts, which are listed in detail below, fall into the categories of both the policy and procedural components of the City's overall program. Applicants with the highest likelihood of success will address each of these general policy issues and procedural steps in addition to the policy issues and procedural steps that apply to the specific economic incentive tool or tools applied for and described in more detail in this document.

### **General Policy Matters**

- When funds exist, either from the City's budget or supplementary grants or other funding sources, or a combination thereof, the City should obtain, maintain, and update a market study designed to identify the economic development needs of the City for utilization in the review of economic development requests.
- Applicants must demonstrate that the private investment (through equity, private financing, or a combination thereof) is greater than the incentives requested. The preferred ratio of investment to incentive is 3:1 (i.e., the incentives request should be 25% or less of the total proposed project costs).
- The purpose of any requested incentive is to provide additional funding for a specific City-designated economic development goal; or, if not, the applicant has provided justification and supporting documents (e.g., third-party market studies, etc.) explaining why the purpose of the request should be a City-designated economic development goal.
- To ensure that the City's interests are adequately protected and that the citizens and current business partners of the City of Sedalia are not bearing the burden of the costs to review requests for public investment through economic development incentives, applicants will be required to enter into a funding agreement whereby the applicant provides funds to the City to obtain professional consultants necessary to aid in determining the appropriate levels of assistance for the proposal, project feasibility, developer's financial capacity, and a legal review of the application, the approval process, and the negotiation and implementation of applicable agreements. The City's expenses may include, but is not limited to, fees for special legal and financial consultation, market study reviews, appraisal reviews, and if applicable, bond underwriters and bond counsel. These costs may be reimbursed through the incentive program as allowed by law.
- When the level and type of economic development incentives reaches or exceeds an appropriate amount, the City will conduct, and the applicant should expect to provide, a review of its relevant business experience, financial condition, ability to carry out the proposed project, and criminal background. Applicants are notified that the level of scrutiny into the applicant's background will vary ratably with the amount of public incentives and public risk associated with the level of incentives requested in the application. In performing this function, the City recognizes and supports the need in many instances for

confidentiality. Therefore, the City will often utilize its economic development partners to conduct such analysis in a way that protects the confidential aspects of the potential project, developer, and business to the extent allowable under applicable law.

- Projects utilizing funds created from the development to reimburse development costs (“pay-as-you-go”) are highly encouraged. The use of public debt should be limited to only that amount absolutely necessary, which fact will be the applicant’s responsibility to justify in the approval process. Further, any debt that involves the full faith and credit of the City is highly discouraged and would only be considered in extremely unusual circumstances.
- Incentive requests for projects that involve property acquisition by eminent domain will be considered for approval at the sole discretion of the City Council on a case-by-case basis.

### **General Procedural Requirements**

- Applicants for any economic development incentive program granted by the City must participate in a pre-application meeting with City staff prior to submitting an application.
- The City will provide basic forms, a summary of the application, review, and consideration process, applicable statutory requirements, and an estimated timeline for the approval process, in addition to other relevant information, at the pre-application meeting.
- Applicants will be expected to work with City staff and, when applicable, City consultants, while preparing the applicable “official” document to be placed on file with the City, thus triggering the applicable statutory review process.
- Applicants will be required to enter into a funding agreement whereby the applicant provides funds to the City to obtain professional consultants necessary to aid in determining the appropriate levels of assistance for the proposal, project feasibility, developer’s financial capacity, and a legal review of the application, the approval process, and the negotiation and implementation of applicable agreements. An initial deposit will be required before the City’s staff and consultants will begin work processing the applicant’s proposal. The amount of the funding agreement deposit will vary depending upon the application or applications filed, and applicants are hereby notified that the funding agreement will contain an “evergreen” clause whereby the applicant must replenish the fund as it is used to ensure the full amount of the deposit is available to the City for use in reviewing the application. Applicants are placed on notice that the costs associated with a funding agreement are not refundable in the event that the application is not approved. Payment of the associated costs does not guarantee approval of the application by any TIF Commission or City Council, whose decisions shall remain at their sole discretion.
- Applicants shall consider reimbursement of the City’s costs to review and consider the approval of the application, and in the event the application is approved, to administer the incentive program while it remains active, as a component of the overall project costs. Applicants also shall provide a mechanism for the prompt payment of the City’s costs in its application. The City’s costs associated with the consideration of the approval of an application shall be paid in full at the time of any applicable hearing or meeting to consider a recommendation of approval or the approval of the application. The City reserves the right to postpone such hearing or meeting until the necessary payments have been made.



## **POLICY AND PROCEDURE GUIDELINES FOR TAX INCREMENT FINANCING (TIF) INCENTIVES**

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### **Overview**

Tax Increment Financing (TIF) is a public funding mechanism to assist development of an area within the City. TIF may only be used: 1) when there is evidence the development would not occur without public assistance; and 2) when the project area qualifies as a blighted or conservation area in accordance with state statutes.

TIF is a financial tool used to capture the increase in property taxes revenues and a portion of sales tax revenues created as a result of the development or redevelopment of an approved area within the City. TIF by itself does not cause an increase in property or sales tax rates. 100% of the incremental increase in real estate property tax revenues (known as payments in lieu of taxes or “PILOTs”) and 50% of the incremental increase in local sales and use tax revenues (known as economic activity taxes or “EATs”) generated in an approved TIF redevelopment area as a result of the completion of a development project will be captured and directed to a TIF special allocation fund established and maintained by the City. The PILOTs and EATs may then be used to reimburse a developer for eligible expenses or to repay principal and interest on bonds used to finance the eligible expenses for a maximum of 23 years from the date a TIF redevelopment project was activated by City ordinance.

### **Statutory Requirements**

By law, the City must determine that certain requirements have been met before approving a Tax Increment Financing Plan filed by the applicant. These requirements are set forth under Sections 99.805 to 99.865 of the Revised Statutes of the State of Missouri (RSMo) (the “TIF Act”). The City will retain legal, financial, and other consultants to assist in ensuring that any proposed TIF redevelopment application meets the statutory requirements. The costs of such consultants will be borne by the applicant through the preliminary funding agreement as provided below.

### **Policy Guidelines**

In addition to meeting the statutory requirements referenced above, the City has established several criteria that will be applied in the review and evaluation of applications for TIF financing. In general, applications that meet each of the evaluation criteria will be viewed most favorably. However, TIF applications that do not meet all of the criteria listed herein may be approved if the application demonstrates that the TIF Plan and project or projects on the whole is of vital economic interest to the City. The City’s evaluation criteria for TIF applications are as follows:

1. The proposal must demonstrate a substantial and significant public benefit by eliminating blight (as defined by statute), financing desirable public improvements, strengthening the City’s economic and employment

base through the creation of new jobs or retention of existing employment, positively impacts surrounding areas, creates economic stability, facilitates economic self-sufficiency, aids in the implementation of the City's comprehensive development plan and economic development strategies, and serves as a catalyst for further high quality development or redevelopment in the City.

2. Proposals for the redevelopment and/or infill of deteriorating areas within the City will be given more favorable consideration than projects for the redevelopment of "green field" areas.
3. The applicant must provide evidence that the applicant has thoroughly explored alternative financing methods and has a track record which demonstrates the financial and technical ability to complete the project.
4. TIF assistance to the project should generally not exceed 25% of total project costs. However, project assistance of up to 50% may be considered in circumstances where the developer:
  - a. has a proven track record in completing successful projects comparable in scope and scale;
  - b. documents the developer's financial capacity to complete the proposed project;
  - c. demonstrates that tenant commitments are already in place for a significant portion of the proposed project;
  - d. demonstrates the need for additional assistance in order to achieve a reasonable rate of return of the proposed project; and
  - e. is seeking to develop land that is identified as highly desirable for TIF assistance as indicated on the map separately approved and updated from time to time by the City Council and on file with the City Clerk.
5. Proposals requesting TIF assistance should have a ratio of three to one (3:1) in comparing potential increased revenue to the City from all sources to the value of the incentives provided, measured over the term of the TIF project.
6. Generally, TIF applications which encompass a project area of less than 10 acres will be discouraged.
7. In evaluating the employment potential of a proposed redevelopment, the following shall be taken into consideration: (a) number of additional employees that will be hired as a result of the project and whether they are likely to be hired from the local population; (b) skill and education levels required for the jobs expected to be created by the project; (c) range of salary and compensation for jobs expected to be created by the project; and (d) potential for executive relocation. TIF projects that create jobs with wages that exceed the community average will be viewed favorably.
8. TIF applications for new or expanded retail projects will be viewed more favorably than new or expanded office, commercial, or industrial and manufacturing projects. TIF applications for retail and service commercial projects should be limited to those projects that encourage an inflow of new customers from outside the City as well as within the City or that will provide services or fill retail markets that are currently unavailable or in short supply in the City as documented in a credible market study. TIF applications anticipating the relocation of businesses already located within the City are strongly discouraged. New or expanded industrial and manufacturing projects will be given more favorable consideration than new or expanded warehouse type uses based upon the projected employment levels as it relates to the incentive amounts.
9. TIF applications for the development of commercial, office and industrial projects that would stabilize existing commercial, office and industrial areas that have or will likely experience deterioration will be favored.

10. TIF applications that include the development of business areas, or the redevelopment of existing business areas, shall include information as to the business type of the major tenants of the TIF area. In addition, a thorough market analysis should be completed that identifies: (1) the population areas from which the project will draw; and (2) the businesses of similar types that would be competing with the TIF area businesses.
11. TIF applications for new residential development projects (other than a limited number of residential units which are creatively integrated into commercial or retail projects) will be strongly disfavored. TIF applications for the redevelopment of existing residential areas will generally be disfavored; however, those projects addressing infill projects in areas with housing stock that is on average greater than 50 years old will be considered.
12. Government-issued financing related to TIF applications.
  - a. If an applicant's financing plan includes a request for the City or another governmental entity at the City's request (e.g., an industrial development authority or the Missouri Economic Development Financing Board ("MDFB")) to issue notes and/or bonds to finance the project, the applicant shall enter into an agreement with the City regarding the terms of such financing prior to the consideration of the approval of the application, which financing terms shall be incorporated into a redevelopment agreement for the implantation of the redevelopment plan upon the approval of the application, as applicable.
  - b. TIF applications requesting the issuance of bonds or notes shall be required to demonstrate using a third-party revenue consultant selected by the City that the payments-in-lieu of taxes and/or economic activity taxes expected to be generated will be sufficient to provide debt service coverage of at least 1.30 times the projected debt service on any tax increment financing bonds or notes, subject to input from the City's bond underwriter or other consultant on a case-by-case basis. This limitation may be modified for projects that involve the redevelopment of existing structures or the assembly and clearance of land upon which existing structures are located. The debt service coverage ratio provided in this subsection is for guidance only, the actual ratio will be determined through negotiations of the parties in the context of an actual request for incentives through an application.
  - c. Applications requesting the City to issue annual-appropriation backed bonds are highly discouraged. In the event that the applicant justifies why annual-appropriation backed bonds are necessary for the project, the applicant shall be required to demonstrate using a third-party revenue consultant selected by the City that the payments-in-lieu of taxes and/or economic activity taxes expected to be generated will be sufficient to provide debt service coverage of at least 1.70 times the projected debt service on any tax increment financing bonds or notes. The debt service coverage ratio provided in this subsection is for guidance only, the actual ratio will be determined through negotiations of the parties in the context of an actual request for incentives through an application.
13. If the TIF application is being recommended based upon specifically delineated benefits that are projected to flow to the City as a result of the development, such as increased employment opportunities, increased ad valorem or economic activity taxes, or construction of public infrastructure, language will be included in the development agreement that stipulates that the City's assistance to the developer may be reduced if satisfactory evidence is not shown that the degree, nature and/or quality of the benefits have been generated to the City by the project in accordance with the timeline provided in the application.

14. Applications that include the utilization of a Community Improvement District (CID), Transportation Development District (TDD), Neighborhood Improvement District (NID), or other private or public financing mechanisms that result in reducing the term of the TIF project and/or reduce the burden on affected taxing jurisdictions will be viewed more favorably.
15. Notwithstanding the foregoing, TIF applications that, based upon the above guidelines, would not otherwise be favorably considered or do not meet any of the above referenced criteria, may be viewed favorably by the City if the application clearly demonstrates that the project as a whole or a portion of it is of vital interest to the City and will significantly assist the City by eliminating blight, financing desirable public improvements, strengthening the City's economic and employment base through the creation of new jobs or retention of existing employment, positively impacting surrounding areas, creating economic stability, facilitates economic self-sufficiency, aiding in the implementation of the City's comprehensive development plan and economic development strategies, and serving as a catalyst for further high quality development or redevelopment in the City.

### **Expenses Eligible for Reimbursement**

Subject to the requirements of the TIF Act, expenses eligible for reimbursement under a TIF proposal may include, but are not limited to, the following:

- a. Studies, surveys, plans and specifications.
- b. Fees incurred by either the City or the applicant, or both, for professional services such as architectural, engineering, legal, marketing, financial, and planning.
- c. Site preparation, including demolition of structures, clearing and grading of land.
- d. Constructing public infrastructure such as streets, sewers, utilities, parking, and lighting.
- e. Financing costs including bond issuance and interest costs on debt related to reimbursable expenses.
- f. Relocation costs if persons or businesses within the redevelopment area are displaced.

### **City Application/Approval Process**

The applicant is required to first meet with staff in a pre-qualification conference to determine project eligibility. An application may then be submitted to the City's administrative Economic Development Committee, which will consist of the Mayor, City Administrator, Community Development Director, Finance Director, and City Attorney or their designees (the "Economic Development Committee") for review and processing. A copy of the formal application may be obtained through the Community Development Department.

Provided that the application exhibits initial feasibility in the opinion of City staff as determined by the information exchanged in the pre-qualification conference, the applicant will be required to enter into a funding agreement with the City to cover the City's expenses associated with the TIF consideration and approval process, as provided in the City's General Policy and Procedural Guidelines. The initial deposit required in such funding agreement shall be twenty-thousand dollars (\$20,000). The City's expenses may include, but is not limited to, fees for special legal and financial consultation, market study reviews, appraisal reviews, and if applicable, bond underwriters and bond counsel, all of which may be considered as a reimbursable project cost. Applicants are placed on notice that the costs associated with a funding agreement are not refundable in the event that the application is not approved. Payment of the associated costs does not guarantee approval of the application by the TIF Commission or City Council, whose decisions shall remain at their sole discretion.

Care will be exercised in the use of TIF incentives to thoroughly evaluate each project to ensure that the benefits that will accrue from the approval of the project are appropriate, in relation to the TIF incentive provided, and that the project, when viewed from this prospective, benefits the City as a whole.

Each project, and the location at which it is proposed, is unique and, therefore, every proposal shall be evaluated on its individual merit, including its potential economic benefit, potential impact on the City's service levels, its overall contribution to the City's economy and its consistency with the City's goals and objective as expressed in the Comprehensive Plan and other adopted or City endorsed planning or strategic documents. The applicant is expected to work with the City's staff and consultants to prepare the TIF Plan prior to the applicant's formal submittal of the final TIF Plan for TIF Commission and City Council review and approval.

Following a public hearing before the City's TIF Commission and approval of the TIF Plan by the City Council, the City and the applicant shall enter into a redevelopment agreement for the purpose of governing the implementation of the TIF Plan. Such redevelopment agreement may be subject to certain terms and conditions agreed by the City and the applicant prior to the TIF Commission hearing process, which terms and conditions will be set forth in a "terms sheet".



## **GENERAL POLICY AND PROCEDURE GUIDELINES FOR THE USE OF COMMUNITY IMPROVEMENT DISTRICT (CID) INCENTIVES**

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### **Overview**

A Community Improvement District (CID) is a special purpose district in which property owners voluntarily impose a funding mechanism upon themselves to fund a broad range of public improvements and/or services to support business activity and economic development within specified boundaries. Created by an ordinance of the City Council, establishment of the CID is considered after the receipt of a petition, signed by owners of real property, representing more than 50 percent of the assessed valuation within the proposed CID boundary and over 50 percent per capita of all owners of real property.

A CID may be established either as a separate political subdivision that is distinct from the municipality or as a not-for-profit corporation. If the CID is organized as a political subdivision, the District can impose a sales tax in 1/8% increments up to 1% on most retail sales and/or a real property tax. If the CID is organized as a non-profit corporation, it may only impose special assessments to finance the cost of improvements and services. The District, if desired, may issue tax-exempt revenue bonds to finance capital improvement projects for up to 20 years.

In the event CID Bonds are issued, responsibility for repayment of such bonds lies solely with the District. As such, the City does not pledge its full faith and credit behind the repayment of the bonds. In terms of governance, a board of directors made up of the representatives of business owners, property owners, and voters either elected or appointed by the City of Sedalia City Council oversees District activities.

If the District is funded solely through special assessments, a not-for-profit agency can serve as the administrator. Although the CID is established with the approval of the City Council, once formed the District operates independently in accordance with the provisions set forth in the petition and Missouri State Law.

### **Statutory Requirements**

By law, the City must determine that certain requirements have been met before approving the establishment of a Community Improvement District. These requirements are set forth under Sections 67.1401 - 67.1571 of the Revised Statutes of the State of Missouri (RSMo) (the “CID Act”). The City will retain legal, financial, and other consultants to assist in ensuring that any proposed CID application meets the statutory requirements. The costs of such consultants will be borne by the applicant through the preliminary funding agreement as provided below.

## **Policy Guidelines**

In addition to meeting the statutory requirements referenced above, the City has established several criteria that will be applied in the review and evaluation of applications for the establishment of a CID. In general, applications that meet each of the evaluation criteria will be viewed most favorably. However, CID applications that do not meet all of the criteria listed herein may be approved if the application demonstrates that the CID proposal on the whole provides a substantial and significant public benefit to meet identified economic development needs in the City. The City's evaluation criteria for CID applications are as follows:

1. CIDs which are established for the purpose of: (1) reducing the time a TIF project is active and/or offsetting the burden of TIF incentives on the affected taxing jurisdictions; or (2) providing all or a portion of the funding needed to construct public improvements that have been identified as a long-term goal of the City's capital improvements plan are highly favored.
2. The applicant should work with City staff and consultants to ensure that a proposed sales tax would not cause the cumulative sales tax rate within the proposed CID boundaries to exceed nine and one-half percent (9.5%).
3. Perpetual CIDs having a sales tax as a funding mechanism are disfavored; CIDs having a term of existence of twenty-five (25) years or less are preferred.
4. CIDs formed primarily for the purpose of funding common area maintenance costs are discouraged.
5. The CID petition shall require that at least forty percent (40%) of the members of the Board of Directors shall be an elected or appointed official or employee of the City.
6. The CID petition shall provide that the City Council must review and approve the CID's annual budget before it is presented for approval by the CID's Board of Directors.
7. CID petitions which provide that the CID Board of Directors will be appointed by the Mayor with the consent of the City Council are favored.
8. Petitions which propose the issuance of CID bonds are discouraged.
9. The use of a CID as a substitute for traditional homeowners associations is encouraged; provided that the proposed CID is established as a not-for-profit corporation.

## **City Application/Approval Process**

CID applicants are required to first meet with staff in a pre-qualification conference to determine project eligibility. An application may then be submitted to the City's administrative Economic Development Committee, which will consist of the Mayor, City Administrator, Community Development Director, Finance Director, and City Attorney or their designees (the "Economic Development Committee") for review and processing. A copy of the formal application may be obtained through the Community Development Department. Applicants may be required to enter into a preliminary funding agreement with the City pursuant to the General Policy and Procedure Guidelines provided as a component of the City of Sedalia's Economic Development Policies and Procedures.

Prior to the applicant's formal submittal of the final CID Petition with the City Clerk for City Council review and approval, the applicant is expected to work with the City's staff and consultants to prepare the CID petition to ensure that it substantially complies with statutory requirements. Once the review process has been completed, the petitioner(s) may file the petition pursuant to the CID Act in the office of the City Clerk. Upon receipt of the petition, the City Clerk, upon the advice of the City Attorney or Special Counsel, or his or her

designee, shall make a final determination of whether the petition substantially complies with statutory requirements. Following confirmation that the petition complies with these requirements, a public hearing will be held by the City Council. The City Council would then consider whether to approve an ordinance to establish the CID.

Following the establishment of the CID, the City and the CID board shall enter into a cooperative agreement for the purpose of establishing the terms of the relationship between the City and the CID board. Once established, the CID applicant will either seek to impose a sales tax and/or a property tax within the district, or to levy a special assessment within the district in accordance with the procedures and provisions set forth in the CID Act.



## **GENERAL POLICY AND PROCEDURE GUIDELINES FOR THE USE OF TRANSPORTATION DEVELOPMENT DISTRICT (TDD) INCENTIVES**

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### **Overview**

Transportation Development Districts (TDD) are independent political subdivisions organized to levy sales taxes, property taxes, or special assessments to pay for the construction of roads, bridges, interchanges, intersections, parking facilities or other transportation related improvements. Unlike CIDs, TDDs are approved and organized by order of the circuit court. A TDD petition is a law suit filed by the petitioners against the Missouri Highways and Transportation Commission and the affected local transportation authority, which may include the City (provided that the City is not the petitioner). Property owners may petition for the creation of a district as large as several counties or as small as a single parcel of property. The TDD Act also allows for the governing body of local transportation (in the City’s case, the City Council) to file a petition to form a TDD. As long as the TDD is proposed to construct transportation related improvements, any property is eligible to be included in a TDD.

TDDs may generate revenues through sales taxes (up to 1%), ad valorem taxes on real and personal property (up to ten cents per \$100 assessed valuation), special assessments, or tolls. The TDD is authorized to issue bonds on its own behalf, utilizing these captured taxes and assessments to pay debt service on bonds issued to construct transportation projects. Either the Missouri Department of Transportation (MoDOT) or the City are required to sponsor projects and must agree to accept maintenance responsibilities for completed projects. When the project costs are paid off (or if applicable, the bonds financing the project costs are paid off), the TDD is terminated.

### **Statutory Requirements**

While City approval of a TDD is not specifically required by law, it is in an applicant’s best interest to coordinate the filing of a petition for the formation of a TDD for which the City is a local transportation authority with the City before doing so. The City will aid the applicant in determining whether the requirements for a valid TDD have been met before asking the City Council to adopt a resolution in support of the formation of the proposed TDD. These requirements are set forth under Sections 238.200 – 238.275 of the Revised Statutes of the State of Missouri (RSMo) (the “TDD Act”). The City will retain legal, financial, and other consultants to assist in ensuring that any proposed TDD application meets the statutory requirements. The costs of such consultants will be borne by the applicant through the preliminary funding agreement as provided below.

## **Policy Guidelines**

The City may pass a resolution endorsing (or opposing) projects prior to the time of the circuit court review of petitions filed to establish a proposed TDD. Additionally, for proposed TDDs which include the City as a local transportation authority, the City has a statutory right to file a petition in support of or opposing the formation of the TDD. The City will support the formation of a TDD only in circumstances where projects create substantial public benefits by advancing the City's goals.

In addition to meeting the statutory requirements referenced above, the City has established several criteria that will be applied in the review and evaluation of applications for the formation of a TDD within the City's jurisdictional boundaries. In general, applications that meet each of the evaluation criteria will be viewed most favorably. However, TDD proposals that do not meet all of the criteria listed herein may be approved if the application demonstrates that the TDD proposal on the whole provides a substantial and significant public benefit to meet identified economic development needs in the City. The City's evaluation criteria for TDD applications are as follows:

1. TDDs which are established for the purpose of: (1) reducing the time a TIF project is active and/or offsetting the burden of TIF incentives on the affected taxing jurisdictions; or (2) providing all or a portion of the funding needed to construct public improvements that have been identified as a long-term goal of the City's capital improvements plan are highly favored.
2. The applicant should work with City staff and consultants to ensure that a proposed sales tax would not cause the cumulative sales tax rate within the proposed TDD boundaries to exceed nine and one-half percent (9.5%).
3. TDD petitions requiring that at least forty percent (40%) of the members of the TDD Board of Directors shall be an elected or appointed official or employee of the City are highly favored.
4. TDD petitions that require the City Council to review and approve the TDD's annual budget before it is presented for approval by the TDD's Board of Directors are highly favored.
5. Petitions which propose the issuance of TDD bonds are discouraged.

## **City Application/Approval Process**

TDD applicants are required to first meet with staff in a pre-qualification conference to determine project eligibility. An application may then be submitted to the City's administrative Economic Development Committee, which will consist of the Mayor, City Administrator, Community Development Director, Finance Director, and City Attorney or their designees (the "Economic Development Committee") for review and processing. A copy of the formal application may be obtained through the Community Development Department. Applicants may be required to enter into a preliminary funding agreement with the City pursuant to the General Policy and Procedure Guidelines provided as a component of the City of Sedalia's Economic Development Policies and Procedures.

Prior to the applicant's formal submittal of the final TDD Petition with the Circuit Court Clerk, the applicant shall work with the City's staff and consultants to prepare the TDD petition to ensure that it complies with statutory requirements and City policy. Among the issues to be resolved in this process is whether the City will be the petitioner as the local transportation authority, or whether the property owners will file the petition.

Once the review process has been completed, City staff will forward the matter to the City Council, which will consider a resolution of support in favor of the formation of the TDD.

After the City Council's determination, the petitioner(s) may file the petition with the Circuit Court Clerk pursuant to the TDD Act. If the City Council has approved a resolution of support in favor of the formation of the TDD, the City will cooperate with the petitioners in the prosecution of the case, as is required by whether the City is the petitioner or a respondent. If the City Council has not approved a resolution of support in favor of the formation of the TDD, the City reserves its right to file an answer in opposition to the petition.

Once the TDD is formed by the circuit court, the City and the TDD board should enter into a cooperative agreement for the purpose of establishing the terms of the relationship between the City and the TDD Board of Directors.



## **GENERAL POLICY AND PROCEDURE GUIDELINES FOR THE USE OF NEIGHBORHOOD IMPROVEMENT DISTRICT (NID) INCENTIVES**

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### **Overview**

Unlike the CID or TDD, a Neighborhood Improvement District (NID) is not an entity separate from the City, but rather the designation of a special district in which special assessments are imposed to finance public improvements, including acquisition, construction, engineering, legal and related costs. Temporary notes are issued by the municipality to pay the costs of the improvements and related costs. Once the construction of the improvements is completed, the temporary notes are paid by the NID bonds, which are in turn retired through special assessments against property owners in the area in which the improvements are made. NID bonds cannot exceed 125% of the estimated cost of the improvements established in the NID petition. The cost of the public improvements assessed against property owners in the district are apportioned in a manner commensurate to the amount of benefit received from such improvements. NID bonds are counted against the City's constitutional debt limits.

The creation of a NID may be established by one of two methods. The first is by a favorable vote of qualified voters living within the boundaries of the proposed district. The second is through a proper petition signed by at least two-thirds of the owners of record of all real property within the proposed district. In both instances, approval by the City's City Council is required in order to establish the NID.

### **Statutory Requirements**

By law, the City must determine that certain requirements have been met before approving the establishment of a Neighborhood Improvement District (NID). These requirements are set forth under Sections 67.453 to 67.475 of the Revised Statutes for the State of Missouri (RSMo) (the "NID Act"). The City will retain legal, financial, and other consultants to assist in ensuring that any proposed NID application meets the statutory requirements. The costs of such consultants will be borne by the applicant through the preliminary funding agreement as provided below.

### **Policy Guidelines**

The City of Sedalia is prepared to approve petitions for Neighborhood Improvement Districts (NID) to facilitate business activity, economic development, and expedited neighborhood improvement through the participation of property owners to fund public infrastructure within the City. Because the City issues special obligation bonds that count against its constitutional debt limits, decisions to approve the establishment of a NID will be determined on a case-by-case basis and approved only where there is a clear demonstration of substantial and significant public benefit. Improvements funded by a NID must be purely public in nature, meaning that the improvement will be owned, operated, and maintained by the City after completion and must remain open for public use. At a minimum, all statutory requirements must be met.

## **City Application/Approval Process**

NID applicants are required to first meet with staff in a pre-qualification conference to determine project eligibility. An application may then be submitted to the City's administrative Economic Development Committee, which will consist of the Mayor, City Administrator, Community Development Director, Finance Director, and City Attorney or their designees (the "Economic Development Committee") for review and processing. A copy of the formal application may be obtained through the Community Development Department. Applicants may be required to enter into a preliminary funding agreement with the City pursuant to the General Policy and Procedure Guidelines provided as a component of the City of Sedalia's Economic Development Policies and Procedures.

Prior to the applicant's formal submittal of the final NID Petition with the City Clerk for City Council review and approval, the applicant is expected to work with the City's staff and consultants to prepare the NID petition to ensure that it substantially complies with statutory requirements. Once the review process has been completed, the petitioner(s) may file the petition pursuant to the NID Act in the office of the City Clerk. Upon receipt of the petition, the City Clerk, upon the advice of the City Attorney or Special Counsel, or his or her designee, shall make a final determination of whether the petition substantially complies with statutory requirements. Petitions that comply with the statutory requirements will be forwarded to the City Council for consideration, subject to the procedural requirements established in the NID Act. Under certain conditions a cooperative agreement may be required to establish the terms of the relationship between the City and the applicants filing the NID petition.



## **GENERAL POLICY AND PROCEDURE GUIDELINES FOR THE USE OF CHAPTER 100 INDUSTRIAL DEVELOPMENT INCENTIVES**

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### **Overview**

Missouri law, specifically, Chapter 100 RSMo, establishes a framework by which cities may issue industrial revenue bonds to finance industrial development projects for private companies. Under Chapter 100, the city issues bonds to finance the acquisition, construction, or expansion of real and/or personal property for eligible development projects. Eligible projects include warehouses, distribution facilities, research and development facilities, office industries (such as national headquarters or credit card processing center), agricultural processing facilities, service facilities which provide interstate commerce; and manufacturing plants.

Through Chapter 100, the city also may provide “tax abatement” for land, improvements, or personal property related to the industrial development project. Whether by purchase financed through industrial revenue bonds or conveyance of a fee interest in the subject property, the City obtains ownership of the real and/or personal property and leases it back to the company under a lease-purchase agreement. In the event that the property is financed by industrial revenue bonds, the lease agreement will require the company to make rent payments that are sufficient to pay the principal and interest on the bonds as they come due. Most commonly, the bonds are purchased by the company, but can be sold on the open market. If industrial revenue bonds are not used to finance the acquisition of the property, rents are otherwise established in the lease-purchase agreement.

In the event that the property is held in the name of the city during the lease term, such property is tax exempt, thus creating “tax abatement” for the company. The company later assumes or regains ownership of the property at the end of the term of the bonds and/or lease-purchase agreement. In addition to property tax “abatement,” the company also may benefit from a sales tax exemption for construction materials and/or equipment for the project; provided the city will own the property being constructed or purchased. If the full “abatement” of taxes is more than is warranted by the nature of the project, the company may be required to make payments in lieu of taxes (“PILOTs”) to make up the difference. Chapter 100 requires PILOTs to be paid to all affected taxing jurisdictions in proportion to their ad valorem tax levies.

### **Statutory Requirements**

The city must approve a “plan for industrial development” pursuant to Section 100.050 of the Revised Statutes for the State of Missouri (RSMo). These plans are typically drafted by the applicant, with input from the city’s staff and consultants, for approval by the City Council. All Chapter 100 Plans must include, at a minimum, a description of the project and its estimated costs, a statement of the source of funds to be expended for the project, and a statement of the terms upon which the facilities to be provided by the project will be leased or otherwise disposed by the City.

If the Chapter 100 Plan will involve the issuance of revenue bonds or the conveyance of a fee interest in real property to the City, the plan must also include a statement identifying each taxing district affected by the project, the most recent equalized assessed valuation of the property included in the project and an estimate of the projected assessed valuation at the completion of the project, a cost benefit analysis for each taxing jurisdiction, and a statement identifying any PILOTs to be made.

### **Policy Guidelines**

In addition to complying with the statutory requirements, to include those referenced above, the City has established criteria that will be used to review and evaluate applications for Chapter 100 financing and tax abatement. These criteria are set with the balancing of the community's ability to invest in the public / private partnership to create economic development to the degree of which the community is expected to benefit from such development. Stated another way, our goal is deriving the maximum benefit from inherently limited investment abilities through identifying and measuring expected returns on such investment. To qualify for Chapter 100 tax abatement, each of the following should be satisfied:

1. Show a clear demonstration of public purpose and economic benefit through the advancement of the City's economic development goals, which include expanding the tax base, creating quality jobs, and spurring development in targeted City locations which are identified as highly desirable for Chapter 100 assistance as indicated on the map on file with the City Clerk.
2. Demonstrate the project would not occur "but for" the incentives offered. The incentive should make a difference in determining the decision of the business to locate, expand or remain in the City; and would not otherwise occur without the availability of the abatement.
3. Include evidence provided by the business that demonstrates the company's financial stability and capacity to complete the project. The City may utilize a financial advisor of its choosing to assist in this determination and protect any necessity of confidentiality for the business.
4. Ensure the City, County, School District, or any other taxing jurisdiction affected by the incentive would realize long-term benefit without short-term untenable hardship.
5. Comply with the City's Comprehensive Plan.
6. Be environmentally compatible with the specific location and the surrounding area. Preference will be given to businesses that do their own pre-treatment or do not require extensive environmental controls. Projects proposing to eliminate brownfield conditions within the City are highly favored.
7. Comply with the statutory requirements set forth in Sections 100.010 to 100.200 RSMo.

Note that potential projects will be reviewed with a holistic approach in that those that do not meet all of these criteria may be approved if the application clearly demonstrates that the project, as a whole, is of vital economic interest to the City.

### **Abatement Guidelines**

The City will gauge potential projects against these guidelines to determine if and to what level incentives under this policy are awarded.

## 1. Standard Abatement Levels

10% to 50% property tax abatement for five (5) to ten (10) years for projects that make a capital investment at least \$2,000,000 or more for a new business or at least \$1,000,000 or more for expansion of an existing business.

## 2. Enhanced Abatement Levels

51% to 75% property tax abatement for ten (10) to fifteen (15) years for businesses that invest at least \$4,000,000 or more for a new business or at least \$2,000,000 or more for expansion of an existing business; create at least 20 new full time employment opportunities at a wage equal to or exceeding the County average; and meet at least some of the enhancement criteria.

## 3. Premium Abatement Levels

76% to 100% property tax abatement for ten (10) to fifteen (15) years for businesses that invest at least \$6,000,000 or more for a new business or at least \$3,000,000 or more for expansion of an existing business; create at least 20 new full time employment opportunities at a wage equal to or exceeding the County average; and meet at least some of the enhancement criteria.

4. Enhancement Criteria – the criteria that will be considered in reviewing the potential project include but are not limited to the following. The more desirable criteria that the project meets, the higher the level of and length of abatement that will be considered. Note that levels of investment and employment may substitute for or be substituted by some or all of these criteria.
  - a. Projects that include locating or relocating here the headquarters of a business engaged in international or interstate commerce, to include having the top management executives based out of the Sedalia location. The number and relative level of management employees being based out of Sedalia will contribute to the level of enhancement of the incentive.
  - b. Projects that include expansion of a business already here that would result in increased investment and employment and / or moving operations from another location to Sedalia.
  - c. Projects that serve to further anchor current business in the community or region, such as major suppliers or major customers.
  - d. Major manufacturer in the automotive, aerospace, or defense industries, to include their tier 1 providers.
  - e. Projects that diversify and expand the current employment base in the community through other industry sectors.
  - f. Projects environmentally friendly in relationship to the economic activity.
  - g. Projects that involve the increase of the overall public infrastructure capacities or capabilities beyond their consumption. The relative weight given in this area may be dependent upon the funding sources of such public infrastructure investments.

The portion of property taxes not abated pursuant to this program shall be paid to the City as PILOTs for distribution to the appropriate taxing jurisdiction(s). The level of enhanced abatement may increase or decrease annually based upon the satisfaction of the standards identified in these Abatement Guidelines.

## **City Application/Approval Process**

The applicant is encouraged to first meet with City staff and/or consultants in a pre-qualification conference to determine project eligibility. An application may then be submitted to the City Administrator for review and processing. A copy of the formal application may be obtained through the Department of Community Development or the Economic Development Sedalia-Pettis County organization. Applicants may be required to enter into a funding agreement with the City pursuant to the General Policy and Procedure Guidelines provided as a component of the City of Sedalia's Economic Development Policies and Procedures.

Potential projects will first be reviewed by a committee made up of the Mayor, City Administrator, Community Development Director, City Attorney, and Finance Director. This committee will likely also consult with Economic Development Sedalia-Pettis County, as well as, legal, and financial consultants. If the project meets the policy guidelines outlined above, and this committee determines the application to be worthy of consideration, the company will be invited to submit a plan for industrial development ("Chapter 100 Plan") as outlined under Section 100.050 RSMo. The Chapter 100 Plan will then be considered by the Sedalia City Council.

Following approval of the Chapter 100 Plan, the City and the applicant shall enter into a Chapter 100 lease-purchase agreement which will govern the terms of the abatement. The agreement shall require that an annual report be submitted to the City by March 1 of each year. The report shall cover the time period of January 1 through December 31 of the previous year and include a detailed accounting of project. The agreement may include a claw-back provision requiring specified performance on issues such as investment levels, new jobs created, etc. as conditions for granting and maintaining the abatement.



## GENERAL POLICY AND PROCEDURE GUIDELINES FOR THE USE OF CHAPTER 353 URBAN REDEVELOPMENT INCENTIVES

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### **Overview**

Chapter 353, RSMo, encourages the redevelopment of blighted areas through the abatement of real property taxes and, where appropriate, the use of eminent domain. To be eligible for tax abatement, either the City or a private entity must form an Urban Redevelopment Corporation (URC) pursuant to the Urban Redevelopment Corporations Law. In order to establish an URC, articles of association must be prepared in accordance with the general corporations law of Missouri.

Chapter 353 authorizes tax abatement on real property taxes for a period up to 25 years. For up to the first 10 years, the statute provides for 100% abatement on the increased assessed value of the improvements on the property (excluding land). For a period of up to an additional 15 years, Chapter 353 allows for abatement of 50% to 100% on the actual assessed value of the property (land and improvements). Payments in lieu of taxes may be required by the City to reduce the amount of the abatement authorized by statute and to ensure no loss of existing property tax revenues by taxing jurisdictions such as the City and school district. Tax abatement is not available for personal property taxes on equipment or machinery.

### **Statutory Requirements**

By law, the City must determine that certain requirements have been met before approving a development plan (“353 Plan”) filed by the Urban Redevelopment Corporation (URC). These requirements are set forth under 353.020 to 353.150 of the Revised Statutes for the State of Missouri (RSMo).

### **General Abatement Procedures**

1. **Development Plan:** Urban redevelopment corporations have the power to operate one or more redevelopment projects pursuant to a development plan which has been authorized by the City after holding a public hearing. The City may assist in the preparation of a development plan. The City must make a finding of blight regarding the area included within the development plan. This finding will be based on a blight study provided by the applicant and approved by City staff and consultants.

It is anticipated that each redevelopment area (district) may have several projects; the number, location and construction details of which cannot be predicted at this time. Each project shall prepare a project plan that will implement the development plan approved for the redevelopment area. Preparation of each project plan within a redevelopment district shall be the responsibility of the developer/property owner and require its own public hearing and is included as an amendment to the development plan. Each individual project within a larger district covered by a development plan need not make a blight finding each time a project is considered.

2. Tax Impact Analysis: Chapter 353 requires the governing body to hold a public hearing regarding any proposed development plan. Before the public hearing, the governing body must furnish to the political entities whose boundaries include any portion of the property to be affected by tax abatement notice of the scheduled public hearing and a written statement of the impact on ad valorem taxes such tax abatement will have on the taxing entities. When establishing a district with several properties, a tax impact analysis will be prepared at the time the specific project is considered by the City Council.
3. Development Performance Agreement: The development performance agreement, between the City, the property owner and the URC, describes the obligations to carry out the development plan. Among the provisions that are included in the redevelopment performance agreement are procedures for acquiring property, the tax abatement period, the schedule for construction, and procedures for the transfer of title to the property. The agreement shall require that an annual report be submitted to the City by March 1 of each year the abatement is in place. The report shall cover the time period of January 1 through December 31 of the previous year and include a detailed accounting and status of the project.
4. Abatement Program: Once a project has been approved, and the redevelopment corporation has taken title to real property, that real property shall not be subject to assessment or payment of general ad valorem as provided in the Plan and consistent with Chapter 353.

The City may, as included within a project's Development Performance Agreement allow abatement at a rate and for an additional number of years provided in the Plan and consistent with Chapter 353. The City Council shall determine the length of time for this period of abatement based upon the amount of investment and adherence to the Policy Guidelines. A standard abatement period during this second period shall be from 1 to 5 years except as allowed within the Policy Guidelines below.

### **Policy Guidelines**

In accordance with Missouri law, the City of Sedalia will consider the granting of Chapter 353 abatement incentives where the property has been found to be a "blighted area." In addition to this statutory requirement, each of the following criteria should be satisfied:

1. Show a clear demonstration of public purpose and economic benefit through the advancement of the City's economic development goals which include expanding the tax base, creating quality jobs, and spurring development in targeted City locations, which are identified as highly desirable for Chapter 100 assistance as indicated on the map on file with the City Clerk.
2. Demonstrate the project would not occur "but for" the incentives offered. The incentive should make a difference in determining the decision of the business to locate, expand or remain in the City and would not otherwise occur without the availability of the abatement.
3. Include evidence provided by the business that demonstrates the company's financial stability and capacity to complete the project.
4. Ensure the City, County, School District, or any other taxing jurisdiction affected by the incentive would realize long-term benefit without short-term untenable hardship.
5. Include a capital investment valued at \$6 million or more for a new business or \$3 million or more for expansion of an existing business.

6. Be compatible with the specific location and the surrounding area. The proposed use must be clean, nonpolluting and consistent with all development ordinances and codes. The applicant is responsible for conducting all necessary environmental audits and taking any and all remedial action necessary as required by the City or any other governmental entity. Projects proposing to eliminate brownfield conditions within the City are highly favored.
7. Properties receiving tax abatement must be maintained in compliance with minimum standards, codes, and ordinances of the City.
8. The improvements included within the request for abatement shall be at least 50% exterior improvements so as to be visible to the public.
9. Comply with the statutory requirements set forth in Sections 353.020 - 353.150 RSMo. Chapter 353 applications which do not meet some of these criteria may be approved if the application clearly demonstrates that the project, as a whole, is of vital economic interest to the City.
10. Payments in lieu of taxes (PILOTs) may be imposed by the City and paid by the property owner if deemed appropriate for the project. PILOTs are paid on an annual basis to replace all or part of the real estate taxes, which are abated. PILOTs shall be made to the County Collector by December 31st of each year according to the City's normal tax collection and submittal procedures. The City Clerk shall furnish the Collector with a copy of the agreement by which the PILOTs are imposed. The PILOTs must be allocated to each taxing district according to their proportionate share of ad valorem property taxes. 353.110.4, RSMo.
11. Upon determination that the provisions within the development plan are not being satisfied (i.e. use, operate, maintain), the City may proceed with revocation of tax abatement.
12. Subject to the statutory requirements of Chapter 353, applications for Chapter 353 partial real property tax abatement may be approved where not all of the above criteria are met if the application clearly demonstrates that the project, as a whole, is of vital economic interest to the City. Because the approval of such partial real property tax abatement is granted within the discretion of the City Council, an application's satisfaction of the above criteria does not guarantee that City Council approval will be granted. Projects that produce other forms of additional revenue (e.g., an increase in City's sales tax revenue) may be considered for a longer tax abatement period upon City Council approval.

### **City Application/Approval Process**

The applicant is required to first meet with staff in a pre-qualification conference to determine project eligibility. Applications for the City's 353 program will be accepted by the City staff on behalf of the Urban Redevelopment Corporation for review by the City's administrative Economic Development Committee, which will consist of the Mayor, City Administrator, Community Development Director, Finance Director, and City Attorney or their designees (the "Economic Development Committee"). Filing fees as established in the City's schedule of fees and charges are required with the application to cover the cost of staff and/or City consultants' time for review and processing the application and mailings and public notices. An application may then be submitted to the office of the City Clerk for review and processing. A copy of the formal application form may be obtained from the Community Development Department. Applicants may be required to enter into a preliminary funding agreement

with the City pursuant to the General Policy and Procedure Guidelines provided as a component of the City of Sedalia's Economic Development Policies and Procedures.

If the project meets the policy guidelines outlined above, the URC will be invited to submit a redevelopment plan covering the area proposed for redevelopment. The redevelopment plan, which shall include a blight study, will then be considered for formal approval by the Sedalia City Council after a required public hearing.

Following approval of the redevelopment plan, the City and the URC shall enter into a performance agreement which will govern the terms of the abatement. The agreement shall require that an annual report be submitted to the City by March 1 of each year. The report shall cover the time period of January 1 through December 31 of the previous year and include a detailed accounting of project. The agreement may include a claw-back provision requiring specified performance on issues such as new jobs created as a condition for granting and maintaining the abatement.



## GENERAL POLICY AND PROCEDURE GUIDELINES FOR THE USE OF TAX REIMBURSEMENT INCENTIVES

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### Overview

Tax Reimbursement agreements are a funding mechanism allowed by Missouri law that may be used to achieve a public benefit through funding public infrastructure. Under such an agreement, municipalities have the ability to annually appropriate the increase in tax revenues created by new private capital investment to offset a portion of their project investment costs. The tax increment must be used for a public purpose, primarily through the funding of public improvements. Under such an agreement, a portion of City taxes captured from the increased tax revenues generated by the project would be reimbursed to the company for eligible expenses.

### Statutory Requirements

Under Section 70.220 of the Revised Statutes of the State of Missouri (RSMo), municipalities are authorized to contract and cooperate with private firms or corporations for the planning, development, construction, acquisition or operation of public improvements.

### Policy Guidelines

The City of Sedalia is prepared to approve tax reimbursement agreements that would result in the stabilization of a strategically important under-utilized retail center or which would facilitate the adaptive re-use of historic properties. In addition, the following criteria should be satisfied:

1. Demonstrate that the project would prevent a significant loss in existing tax revenue or make a significant contribution to the overall health and well-being of the local economy.
2. Show a clear demonstration of public purpose and economic benefit through the advancement of the City's economic development goals, which include the retention and expansion of the tax base and job retention and creation.
3. Demonstrate that the project would not occur "but for" the incentives offered. The incentive should make a difference in determining the decision of the business to expand or remain in the City and would not otherwise occur without the availability of the tax reimbursement.
4. Include evidence provided by the company that demonstrates the firm's financial stability and capacity to complete the project.
5. Ensure the City or any other taxing jurisdiction affected by the incentive is not receiving less total tax revenue from the property than was received prior to the granting of the sales tax reimbursement.
6. Generally ensure the term of the reimbursement should not extend beyond 10 years from approval.

## **City Application/Approval Process**

Tax reimbursement applicants are required to first meet with staff in a pre-qualification conference to determine project eligibility. An application may then be submitted to the City's administrative Economic Development Committee, which will consist of the Mayor, City Administrator, Community Development Director, Finance Director, and City Attorney or their designees (the "Economic Development Committee") for review and processing. A copy of the formal application may be obtained through the Community Development Department. Applicants may be required to enter into a preliminary funding agreement with the City pursuant to the General Policy and Procedure Guidelines provided as a component of the City of Sedalia's Economic Development Policies and Procedures.

Upon consent from the City Council, the City and an applicant will enter into a performance agreement. The agreement shall require that annual reports be submitted to the City by March 1 of each year. The report shall cover the time period of January 1 through December 31 of the previous year and include a detailed accounting of project. The agreement may include a claw-back provision requiring specified performance on issues such as new jobs created as a condition for granting and maintaining the abatement.