

**CITY OF JOPLIN
COUNCIL AGENDA ITEM**

ITEM

Council Bill 2020-502 – Terminating the Joplin Recovery TIF Project and Area

MEETING DATE

April 20, 2020

ORIGINATING DEPT

Finance

ATTACHMENTS

CB 2020-502 Ordinance

REVIEWED BY

Department Head: Leslie Haase; Planning and Development Director: Troy Bolander; City Attorney: Peter Edwards; City Manager: Nick Edwards

SUMMARY

This Council Bill dissolves the Special Allocation Fund for the Joplin Recovery TIF Plan and Redevelopment Project and terminates the designation of the Redevelopment Area.

BACKGROUND

Following the devastating EF-5 tornado that struck on May 22, 2011 and damaged or destroyed 30% of the community, the City adopted the Joplin Recovery Tax Increment Financing (TIF) Plan to help facilitate recovery and economic revitalization. The Plan called for land acquisition, market rate housing, affordable housing, and a new library. The Joplin Redevelopment Corporation (JRC) was named as the Developer of the Project.

The JRC issued bonds in July 2013 to acquire land for redevelopment, as well as for the matching portion of the EDA grant to build the new library. The bonds were broken into two series. Series “A” was for the acquisition of land in the amount of \$12,415,000.00, while Series “B” was for the matching portion of the grant for the library in the amount of \$5,835,000.00, resulting in bonds in the total amount of \$18,250,000.00. Series “A” netted approximately \$8.5 million in proceeds, while Series “B” netted about \$4.5 million in proceeds. The bonds paid off on April 1, 2020. With final payment of the bonds, all outstanding obligations under the Redevelopment Plan have been met. As such, the City is seeking to terminate the Redevelopment Project and Area set forth in the Joplin Recovery TIF.

The JRC spent over \$9.5 million to purchase and lease land, along with related land fees and costs. The JRC has sold several pieces of property that have been developed or will be developed, while actively marketing the remaining parcels for future development.

Total revenues collected in the Joplin Recovery TIF from inception through January 2020 is \$20,167,157.00, of which economic activity taxes (EATS) totaled \$8.9 million and payments in

lieu of taxes (PILOTS) were over \$11.2 million. Interest in the amount of just over \$6.1 million was paid, in addition to the principal amount. The bonds were originally issued at different times, resulting in varying maturity dates. However, the last scheduled maturity date for Series “A” was April 1, 2027 and Series “B” was April 1, 2029. If the repayment of bonds had gone until maturity, interest in the amount of just over \$14.1 million would have been paid. As a result of the early payment of the bonds, just over \$8 million in interest was saved.

The original Joplin Recovery TIF Plan included projections for EATS and PILOTS collections through the illustration of a “zero case”, “middle case” and “best case” scenarios. Here is a summary of the best-case scenario as compared to actual TIF revenue collections from inception to January 2020:

Description	EATS Collections	PILOTS Collections	Total Collections
Best-Case Projection	\$5,178,000	\$12,140,200	\$17,318,200
Actual Collections	\$8,913,665	\$11,253,491	\$20,167,157
Collections Over/(Under) Projections	\$3,735,665	\$(886,709)	\$2,848,957

Based on fiscal year 2019 EATS tax collections in the Recovery TIF District, approximately \$1.3 million annually will be returned to the City. Of this amount, approximately \$600,000.00 is general fund monies, while about \$200,000.00 will go to public safety and transportation funds each, around \$150,000.00 is capital improvement sales tax, and approximately \$100,000.00 is parks/stormwater monies.

FUNDING SOURCE

This item is not applicable for this council bill.

RECOMMENDATION

Staff recommends approval of this council bill on an emergency basis to cease the collection of TIF revenues from the taxing jurisdictions.