

**CITY OF JOPLIN
COUNCIL AGENDA ITEM**

ITEM:

Council Bill No. 2018-275

MEETING DATE:

December 3, 2018

ORIGINATING DEPARTMENT:

Planning, Development and Neighborhood Services

REVIEWED BY:

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

SUMMARY REQUEST:

Request for the abatement of ad valorem taxes on improvements made to real property located at 901 through 907 S. Main St.

BACKGROUND:

The attached Council Bill states that the City Council has reviewed and approved the redevelopment plan for the rehabilitation of two downtown buildings addressed as 901 through 907 S. Main St. The proposed redevelopment project was recommended for approval by the Joplin Redevelopment Corporation (JRC), Inc., at a public hearing on November 13, 2018. The JRC is a corporation authorized by Chapter 353 of the Missouri State Statutes which has the authority to abate property (ad valorem) taxes in designated "blighted" areas to encourage redevelopment and reinvestment opportunities. The properties proposed to be redeveloped is part of an area that was declared "blighted" by City Council in 2003. The area was reaffirmed by Council as "blighted" as a result of an expansion of the blighted area in 2007. Approval of the redevelopment plan will allow the owners to receive a tax abatement on the property conditioned upon their investment and improvements to the property.

Jeremy and Lori Haun are the current owners of the buildings. They are rehabilitating the building into loft apartments and commercial retail space on the first floors. Savings accrued from the ad-valorem tax abatement will be reinvested into the rehabilitation project.

The property owners are investing approximately \$1.5 million (including property purchase) into the buildings. The Joplin Redevelopment Corporation is recommending that 100% of the increase in ad valorem taxes to the real property as a result of the improvements be abated for 10 years and 50% of the increase in ad valorem taxes as a result of the improvements be abated an additional 15 years. The abatement on the real property over the life of the 25-year program is estimated at \$452,000. The owners currently pay approximately \$830 in ad-valorem taxes per annum on the buildings. The current ad-valorem taxes on the properties will continue to be paid by the owners.

Approval of the Council Bill will allow the property owners to enter into a property exchange agreement with the Joplin Redevelopment Corporation. After the exchange is complete and the Redevelopment Corporation takes title to the property, the property is eligible for tax

abatements. The Redevelopment Corporation will immediately transfer the property back to the property owner with the proposed property tax abatement. The redevelopment plan will become part of the title transfer and recorded which will require the Haun's and/or future successors to follow the redevelopment plan to be eligible for the property tax abatement.

PUBLIC COMMENT:

No public comments were submitted or made during the public hearing during the Joplin Redevelopment Corporation meeting. Jasper County has submitted a letter of support for the project.

FUNDING SOURCE

N.A.

RECOMMENDATION:

Staff recommends approval of Council Bill No. 2018-275

ATTACHMENTS

Council Bill No. 2018-275, Abatement Application and Redevelopment Plan (Exhibit A), Legal Description (Exhibit B)