

City of Blue Springs, Missouri

Main Center Redevelopment Corporation Incentive Policy

I. Program Statement

The intent of the Main Center Redevelopment Corporation (MCRC) is to strengthen the economic viability of the Main Center area by providing financial incentives for improving the appearance and structural conditions of its buildings and increasing the infill development of vacant parcels and population density to further support commercial properties. Additionally, this policy is designed to encourage new investment and re-development not associated with deferred routine maintenance neglected by the current property owner. As such, the policy is not intended to serve as routine maintenance relief (HVAC, paint, gutters, roofing), but rather a catalyst to blight removal and district betterment.

Main Center has been at the heart of Blue Springs development since early 1880's. Twelve of the 126 buildings in the redevelopment area were constructed prior to 1900, while buildings in the entire area average over 50 years old. The maturity of the area brings with it both charm as well as challenges in that many of the buildings and land parcels do not conform to current standards and practices. The Main Center Redevelopment Corporation was incorporated to allow the City of Blue Springs to assist business and property owners in meeting these challenges.

The ultimate success of the Main Center is dependent on private sector commitment. It is up to the merchants, building owners, residents, professionals and investors to improve the value of their businesses and the condition of their buildings.

These incentive programs are intended to stimulate improvements to the Main Center Corridor by providing innovative financing mechanisms. It presents an opportunity to preserve our community's heritage, and to enhance and promote the unique atmosphere which Main Center can provide. Successful implementation will result in a stronger Main Center and a stronger Blue Springs community.

II. Downtown Master Plan

A number of downtown buildings have been altered in a manner that does not contribute to the appearance or the image of Main Center. In some cases, alteration is not consistent with the overall design of the structure itself. Such building treatments are in direct conflict with the need for a comprehensive, coordinated approach to improvements.

Several guiding documents have been developed with public input for the downtown area. In January 2007, the City adopted the Downtown Master Plan and in 2017 Downtown Design Guidelines were established. It is important that structures, both in their design and use, conform to the Downtown Master Plan and Design Guidelines. Accordingly, no incentive program shall be granted unless, at a minimum, the proposed Redevelopment Project conforms to these standards as determined by the Downtown Review Board. This Policy provides for two types of incentives: (1) real property tax abatement and (2) a reduction in permit fees which would be applicable to

new development and redevelopment under the city code. It is contemplated that development may request and receive one, or both incentive programs. The two are not considered mutually exclusive.

III. Description of Tax Abatement Program

Pursuant to Chapter 353, RSMo, the Main Center Redevelopment Corporation has the ability to abate real property taxes for redevelopment projects. The amount and length of the tax abatement is dependent on which “Level” applies to the project: A, B or C. The incentive amount varies with each Level depending upon the investment amount.

Level A

The purpose of Level A is to attract sizable (market shifting) investments. There are two classes within Level A:

Investment Threshold:	Minimum \$750,000
Incentive Amount	10 years 100% abatement + 15 years at 75% abatement

Investment Threshold	Minimum \$1,000,000 – Requires “But for” economic analysis, paid for by the applicant
Incentive Amount	10 years 100% abatement + 15 years at 100% abatement

Level B

The purpose of Level B is to attract mid-market investments (market stimulating):

Investment Threshold	\$100,000 - \$749,999
Investment Amount	10 years 100% abatement + 15 years at 50% abatement

Level C

The purpose of Level C is to attract market stabilizing investments (market stabilization):

Investment Threshold	\$5,000 - \$99,999
Incentive Amount:	Equal to cost of improvements or 100% abatement for 10 years, whichever occurs first

Determination of qualified investment threshold. If the project involves new construction, or rehabilitation of an existing structure, interior and exterior costs may count towards the investment range. The total project budget for the investment should look to allocate 50% to exterior costs and 50% to interior costs, subject to the MCRC Board of Directors review. Interior costs shall not include furniture, appliances, inventory, trade or display fixtures. The MCRC Board of Directors shall review the project budget and make a recommendation to the City Council for approval.

Project density. A project shall generally relate to an individual land parcel, but treating multiple properties as if assembled may be appropriate depending upon the circumstances. This policy shall not generally apply to individual single family residential structures, unless it is appropriate to treat a project involving multiple structures as a whole. Commercial projects may have one or more units per structure.

Impact on School District Because new residential projects which qualify for Levels A or B have the potential to significantly generate students into the school district, affected parties shall confer with the District to identify mitigating factors, such as entering into a PILOT Agreement, as may be appropriate given such a project's financial viability. For example, one new residential single family dwelling would not generally be expected to qualify at Levels A or B, and requiring a PILOT on this lower investment amount may render this Policy's abatement inconsequential as a means to incenting development which conforms to the Downtown Master Plan. However, a multiple family residential structure (e.g., attached housing, four-plex, etc.) may well qualify at Levels A or B and, given this higher investment amount, a PILOT Agreement would be appropriate.

“*PILOT*” refers to payments in lieu of taxes to be made to all taxing authorities whose property tax revenues are affected by the abatement on the same pro rata basis and in the same manner as the ad valorem property tax revenues received by each taxing authority from such property in the year such payments are due.

But-for economic analysis means that, with respect to a particular Redevelopment Project, the applicant would not reasonably be anticipated to undertake the Redevelopment Project without the tax abatement incentive, which may be evidenced by an applicant’s affidavit attesting to this fact. The cost of the but-for economic analysis will be paid for by the applicant.

IV. Description of Permit Fee Program

[City Code Section 805.030](#) provides the public purpose and framework for a partial waiver of building, plan review, and sign permit fees inclusive of water and sewer system development fees (Fees) to encourage in-fill development and redevelopment in the Main Center area.

In each situation, upon request, the Fees within the district will be reduced by one-half (½), or 50%.

V. Eligible Property

Redevelopment projects may be located on any parcel within the MCRC Redevelopment Area. See attached Exhibit B for the redevelopment area boundaries.

VI. Tax Abatement Application Process:

Applications for the program will be accepted by the City Staff on behalf of Main Center Redevelopment Corporation. A \$250.00 filing fee to MCRC is required with the application for investment Level “C” or a filing fee of \$750.00 for investment Level “A” and “B”.

The Application will first be reviewed by the Downtown Review Board for a determination of whether the proposed Redevelopment Project conforms to the Downtown Master Plan. If the Downtown Review Board determines that the proposed Redevelopment Project conforms to the Downtown Master Plan, then the application will be considered by the MCRC Board of Directors for recommendation to the City Council, including a recommendation as to the appropriate incentive Level. The City Council shall then consider the MCRC recommendation. If the City Council favorably considers the application, it will adopt an ordinance approving the redevelopment project and authorizing the tax abatement. The property owner and MCRC will then enter into a Memorandum of Understanding setting forth program responsibilities and expectations and execute deeds conveying the property – albeit briefly – to MCRC and then back to the property owner, which then serves as the statutory trigger for the tax abatement.

The tax incentive is available for only those projects that have been approved by the City Council before the project is started. The project is considered started when the applicant has received one or more building permits for the project.

VII. Permit Fee Reduction Process

Requests for reduction in Fees can be made to the Community Development Department along with the submission of applicable Permit Application materials.

VI. Expiration

This Policy expires five (5) years from the date of City Council approval. No applications will be accepted after this five-year period, but applications submitted before the end of the five-year period will be processed in accordance with this Policy. The next date this policy is to be reviewed by the City Council is November 2023.

VII. Performance Audit

To assist in measuring the effectiveness of this Policy, City Staff shall collect the following benchmark data: baseline annual assessed valuation of the Redevelopment Area; number of building permits issued with and without abatements within the

Redevelopment Area identifying the number of projects (and units) completed per parcel; capital investment amount; amount of square feet built or rehabilitated. This data shall be documented annually.

City Staff shall present to the MCRC Board of Directors and the City Council a Performance Audit that quantifies and analyzes the program results. City Staff shall also make a recommendation whether the program should be continued or modified. All affected taxing jurisdictions shall be provided with a copy of the Performance Audit and notified of the date that it will be presented to the City.