MAIN CENTER REDEVELOPMENT CORPORATION MEETING

Thursday, October 17, 2024 – 9:30 A.M.

Training Room - 210
Blue Springs City Hall
903 W Main St.
Blue Springs, Missouri

1. Call Meeting to Order
2. Confirmation of Quorum
3. Approval of October 16, 2023 Meeting Minutes
4. Consideration of Recommendation of a one year extension of Main Center Redevelopment Corporation Incentive Policy
    a. Action: Motion to Recommend approval of a one year extension of Main Center Redevelopment Corporation Incentive Policy
5. Consideration of Recommendation of extension of Section 805.0303.D of the Code of Ordinances for Credits for Certain Fees for one year.
    a. Action: Motion to Recommend approval of extension of Section 805.0303.D of the Code of Ordinances for Credits for Certain Fees for one year.
6. Adjourn

Posted October 14, 2024, at Blue Springs City Hall and on the City's website.

A quorum of the City Council may be in attendance; however, no City Council votes will be taken.

MCRC BOARD OF DIRECTORS MEETING
MINUTES OF MEETING
October 16, 2023

A meeting of the Main Center Redevelopment Corporation Board of Directors was held on Monday, October 16, 2023 at 8:30 a.m. in at Blue Springs City Hall with Chair Gailen Snyder presiding.

BOARD MEMBERS IN ATTENDANCE

Gailen Snyder
Jen Hauschild
Jake Greco
Dacia Rzchowski
Lyle Shaver

City Administrator Christine Cates, Council Liaison Kent Edmondson, Attorney Sarah Granath from Gilmore and Bell, Community Development Director Mike Mallon, City Attorney Sarah Carnes and Economic Development Director Jason Norbury.

CALL TO ORDER AND CONFIRMATION OF QUORUM

Chair Snyder called the meeting to order at 8:30 a.m. and confirmed a quorum of the Board was present.

APPROVAL OF MINUTES

Board Member Shaver moved to approve the Minutes of the May 10, 2022, 2022 Main Center Redevelopment Corporation meetings. Motion seconded by Board Member Hauschild and carried unanimously.

CONSIDERATION OF AMENDMENTS TO THE BYLAWS OF THE CORPORATION

Attorney Granath provided an overview of the proposed changes to the Bylaws. They include correction of errors, removal of references to committees, moving the date of the annual meeting, clarification of the definition of shareholder, change of the director selection process, adding approval of the bylaws by City Council and other changes to align with Board and Commission procedures. Board Member Hauschild moved to approve the amendments to the Bylaws of the Corporation. Motion seconded by Board Member Shaver and carried unanimously.

CONSIDERATION OF RECOMMENDATION OF A ONE YEAR EXTENSION OF MCRC INCENTIVE POLICY

Economic Development Director Norbury provided an overview of the proposed extension. In light of the ongoing Downtown Master Plan process, staff recommended a one year extension of the current policy with no other changes, with an anticipated review after the Downtown Master Plan adoption. The Policy would, upon approval by City Council, expire on November 6, 2024. Board Member Hauschild moved to recommend approval of the one year extension of the MCRC Incentive Policy. Board Member Rzchowski seconded the Motion, which carried unanimously.

CONSIDERATION OF RECOMMENDATION OF EXTENSION OF SECTION 805.0303.D OF THE CODE OF ORDINANCES FOR ONE YEAR

Director Norbury provided an overview of the proposed extension. This ordinance is the statute that provides the fee credit for projects in the MCRC district. The one year extension is to pair with the extension of the Incentive Policy. Board Member Hauschild moved to recommend approval of the one year extension of the Section 805-0303-D. Board Member Rzchowski seconded the Motion, which carried unanimously.

DRAFT

CONSIDERATION OF INTERGOVERNMENTAL COOPERATIVE AGREEMENT BETWEEN MAIN CENTER REDEVELOPMENT CORPORATION AND THE CITY OF BLUE SPRINGS, MISSOURI

Attorney Granath provided an overview of the proposed Agreement. The Agreement states explicitly the relationship between the City and the MCRC corporate entity. The City provides basic services such as administrative support, payment of legal fees, as well as meeting space at City Hall. Board Member Shaver Moved to approve the Intergovernmental Agreement. Motion was seconded by Board Member Hauschild and carried unanimously.

ADJOURNMENT

At 8:45 a.m., there was no further business to come before the Board, Board Member Shaver moved the meeting be adjourned. Motion seconded by Board Member Hauschild and carried unanimously.

ATTEST:

_____
Gailen Snyder, Chair

_____
Sheryl Morgan, City Clerk

DRAFT

Resolution No. __-2024

A RESOLUTION APPROVING A ONE-YEAR EXTENSION OF THE MAIN CENTER REDEVELOPMENT CORPORATION INCENTIVE POLICY

WHEREAS, WHEREAS the City of Blue Springs has a sincere interest in maintaining and redeveloping its Downtown in a manner that is both aesthetically and economically viable; and

WHEREAS, the City recognizes the need to promote the welfare of the Downtown business base; and

WHEREAS, the City recognizes redevelopment is more challenging than conventional development and often requires incentives to assist in redevelopment; and

WHEREAS, the City has implemented a Main Center for Redevelopment Corporation Incentive Policy, which is revised periodically; and

WHEREAS, the City wishes to extend the policy while allowing for the review of the policy as part of the implementation steps of the new Downtown Master Plan adopted by City Council March, 18, 2024.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BLUE SPRINGS, MISSOURI, as follows:

Section 1. That the Main Center Redevelopment Corporation Incentive Policy, which is attached hereto as Exhibit A and incorporated herein by reference, is hereby adopted and extended for one additional year through November 5, 2025.

Section 2. Scrivener's Errors. Typographical errors and other matters of a similar nature that do not affect the intent of this Resolution, as determined by the City Clerk, may be corrected with the endorsement of the City Administrator without the need to come before the City Council.

PASSED by the City Council of the City of Blue Springs, Missouri, and approved by the Mayor of Blue Springs, this ____ day of _____ 2024.

CITY OF BLUE SPRINGS

_____
Chris Lievsay, Mayor

ATTEST:

_____
Erin Ford, City Clerk

EXHIBIT A

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 original Downtown Master Plan, in 2017 Downtown Design Guidelines were established, and in 2024 a new Downtown Master Plan was adopted by the City. 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 November 5, 2025. No applications will be accepted after this period, but applications submitted before November 5, 2025 will be processed in accordance with this Policy.

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.

Introduced by Councilmember _____ BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE
AN ORDINANCE AMENDING SECTION 805.030.D OF THE CODE OF ORDINANCES, CITY OF BLUE SPRINGS, MISSOURI TO ALLOW FOR THE CONTINUATION OF CREDITS FOR CERTAIN FEES IN THE MAIN CENTER REDEVELOPMENT CORPORATION FOR A PERIOD OF ONE YEAR

WHEREAS, WHEREAS the City of Blue Springs added a new Section 805.030: Credits for Permit Fees in the Main Center Redevelopment Corporation Area to the Code of Ordinances, by Ordinance No. 4676 on August 7, 2017; and

WHEREAS, it is advisable to amended Section 805.030.D to extend the credits for a period of one year; and

WHEREAS, extending the credits to expire in one year will align with the expiration of the Main Center Redevelopment Corporation Incentive Policy and allow alignment with the upcoming Downtown Master Plan; and

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

NOTE: LANGUAGE TO BE ADDED IS UNDERLINED. LANGUAGE TO BE DELETED IS SHOWN AS STRICKEN. Sections and Subsections not set out herein are not amended or changed

Section 1. That Section 805.030.D shall be amended as follows:

D. This Section shall expire on ~~November 5, 2023~~ November 5, 2025 unless extended by action of the City Council.

Section 2. That this Ordinance shall be in full force and effect from and after its passage and approval.

Section 3. Scrivener's Errors. Typographical errors and other matters of a similar nature that do not affect the intent of this Ordinance, as determined by the City Clerk, may be corrected with the endorsement of the City Administrator without the need to come before the City Council.

PASSED by the City Council of the City of Blue Springs, Missouri, and approved by the Mayor of Blue Springs, this ___ day of _____ 2024.

CITY OF BLUE SPRINGS

_____
Chris Lievsay, Mayor

ATTEST:

Rev. 01/01/2024

_____
Erin Ford, City Clerk

1st Reading: _____
2nd Reading: _____