

**SMITHVILLE TAX INCREMENT FINANCING COMMISSION
PUBLIC HEARING**

March 30, 2023 6:00 p.m.
City Hall Council Chambers

1. Call to Order

Megan Miller, Gilmore and Bell, called the meeting to order at 6:00 p.m. A quorum of the TIF Commission was present: Kelly Kobylski, Adam Royds, Jerry Nolte, Melissa Wilson, Don Hanks, Jennifer Langston-Justus, Bruce Cramer, Linda Buckmiller, Denise Harwood, Scott Jacoby and Jim Staley. Steve Sarver was present via Zoom.

Staff present: Cynthia Wagner, Gina Pate, Chief Lockridge, Linda Drummond and John Reddock, City Attorney.

2. Adjournment to Executive Session Pursuant to Section 610.021(1)RSMo.

Jennifer Langston-Justus moved to adjourn to Executive Session Pursuant to Section 310.021(1)RSMo. Melissa Wilson seconded the motion.

Upon roll call vote:

Kelly Kobylski - Aye, Adam Royds - Aye, Steve Sarver – Aye, Jerry Nolte - Aye, Melissa Wilson - Aye, Don Hanks - Aye, Jennifer Langston-Justus - Aye, Bruce Cramer - Aye, Linda Buckmiller - Aye, Denise Harwood - Aye, Scott Jacoby – Aye, Jim Staley - Aye.

Ayes – 12, Noes – None. Motion carried.

The meeting was adjourned to Executive Session at 6:02 p.m.

The meeting was reconvened at 6:33 p.m.

View the video of the [TIF Commission Public Hearing](#)

3. Election of Officers

Scott Jacoby nominated Jerry Nolte for TIF Commission Chair. Don Hanks seconded the nomination.

No other nominations.

Ayes- 11, Noes – 0, Nomination carried. Jerry Nolte is the TIF Commission Chair.

Kelly Kobylski nominated Jennifer Langston-Justus for TIF Commission Vice-Chair. Melissa Wilson seconded the nomination.

No other nominations.

Ayes – 11, Noes – 0. Nomination carried. Jennifer-Langston-Justus is the TIF Commission Vice-Chair.

Don Hanks nominated Denise Harwood for TIF Commission Secretary. Linda Buckmiller seconded the motion.

No other nominations.

Ayes – 11, Noes – 0. Nomination carried. Denise Harwood is the TIF Commission Secretary.

4. Public Hearing for the Smithville Commons Tax Increment Financing Plan

Megan Miller, Gilmore and Bell, highlighted the memo that was sent to the Commission.

The TIF Timeline

- Developer approaches City with proposal; City staff initiates negotiations
- Developer approaches taxing jurisdictions
- Plan prepared and filed by Developer
- Request for bids and proposals
- Mailed notice to taxing jurisdictions
- Publication notice (twice)
- Mail notice to property owners
- TIF Commission public hearing

What Happens Next

- The meeting can be continued
 - Must occur within 30 days after original hearing opened unless the Mayor requests an extension and the Commission approves
- Recommendation of Approval
- Recommendation of Opposition

Role of the TIF Commission

- Recommend that the Board of Aldermen
 - (1) Adopt an ordinance to make the required findings
 - (2) Approve the Redevelopment Project and the collection of tax increment financing within
 - (3) Designate the Developer as the developer of record

Required Findings

(1) The TIF Plan includes:

- General Description of the program to be undertaken to accomplish its objectives
- Estimated Redevelopment Costs
- Anticipated Sources of Funds to Pay the Costs
- Anticipated Type and Term of the Sources of Funds to Pay Costs
- Evidence of Commitments to Finance the Project Costs
- Anticipated Type & Term of Obligations
- Most Recent Equalized Assessed Valuation
- Estimate of the Equalized Assessed Valuation after Redevelopment
- General land used to apply

(2) The Redevelopment Area is blighted

(3) The proposed Redevelopment Area satisfies the “but for” test in that the area has not been subject to growth and development through investment by private enterprise and

would not reasonably be anticipated to be developed without the adoption of tax increment financing

(4) The TIF Plan is in conformance with the City's Comprehensive Plan for the development of the City as a whole

(5) TIF Plan includes estimated dates of completion of the project and estimated dates for the retirement of obligations to be incurred

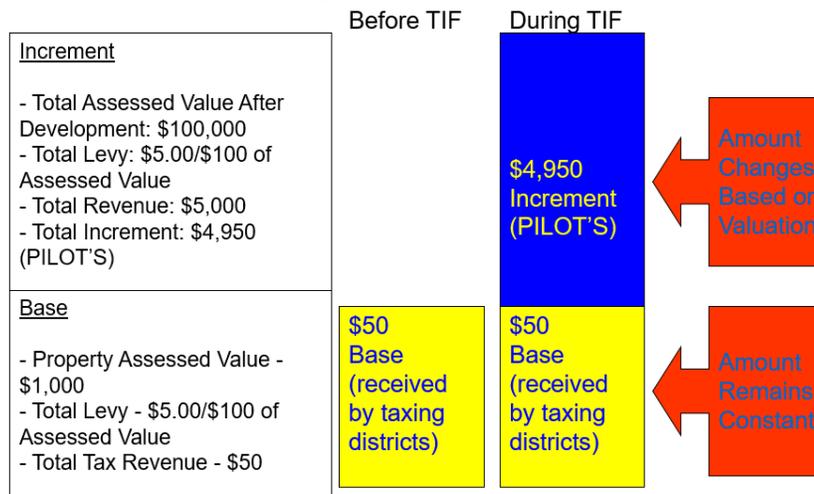
(6) A Relocation Assistance Plan has been developed

(7) Cost Benefit Analysis is included showing the economic impact of the TIF Plan on each taxing district and political subdivision within the Redevelopment Area if the Project is built pursuant to the TIF Plan or is not built

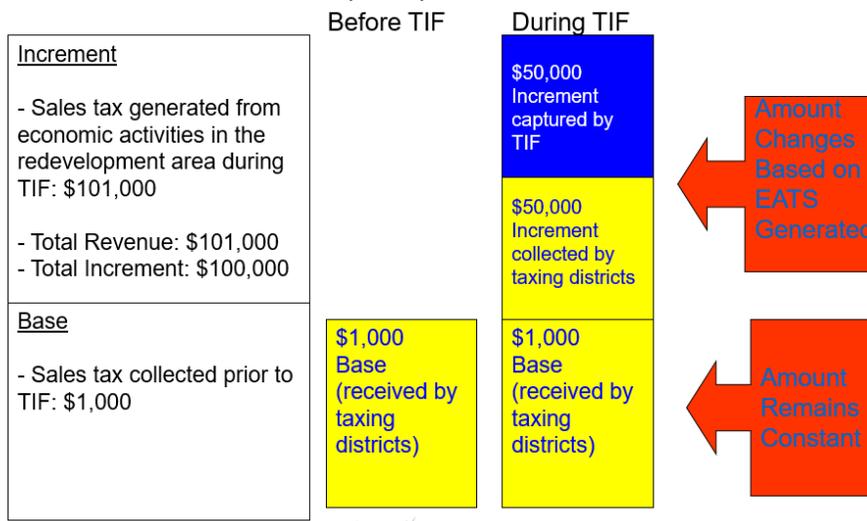
(8) The Plan does not include the initial development or redevelopment of any gambling institution

(9) The area selected for the Redevelopment Project includes only those parcels of real property and improvements thereon which will be directly and substantially benefited by the Project Improvements

The Base and the Increment (PILOTS)



The Base and the Increment (EATS)



The Developer's Presentation

Andrew Lonard, Attorney with the Levy Craig Law Firm in Kansas City gave a brief introduction and made a few comments. Mr. Lonard and his colleague Daniel Yoza have been working with 110 Smithville on this project.

Mr. Lonard noted that in the last 48 hours, it had come to their attention that there were conversations among various TIF Commission members that occurred outside of the meeting. He stressed the importance of those conversations taking place in the open forum to give the developer a chance to respond and discuss. He noted that the development team would possibly make a record request for the information and conversations that happened outside of the meeting.

Eric Craig gave a brief background of himself and growing up in Smithville. He noted that his partners in the project are a group out of Kansas City that have been a part of several successful projects, including apartment buildings, residential properties and commercial real estate.

Mr. Craig said that their goal for this project is to provide housing for seniors, people in the workforce and for individuals that want to live in this community but cannot afford to buy a home or do not want to commit to long-term housing. They also want to provide more commercial space for restaurants. They also want to remove a blighted property that has received over 40 code violations from the City. Eric noted that this would also generate more tax dollars for the city and the schools. He noted that the property currently only generates about \$3,500 a year.

Don Coleman explained that he works as a financial consultant for the development group. Mr. Coleman explained the financials of this project.

[Main & Mill Proposal Presentation](#)

The TIF Commission asked several questions of the developer. The School District appointed TIF Commission members questioned the figures that the developers provided for the cost benefit analysis and disagreed with the number of children predicted with this development. The TIF commission asked for the developer to come back to the commission with scenarios of surplus payment in lieu of taxes for them to review.

Public Comment

Jennifer Pease, 206 Hampton Drive, said that she was not against the development, she is against the TIF request. She said that the old hospital is unsafe, and an eyesore and it has asbestos. She asked why a developer would plan a 90 percent residential development and want the city to hold the tax revenues for them exclusively. Ms. Pease stated that she is a single mother with three children and she has lived in a cramped one-bedroom apartment, and she slept on the couch. She said she would not have been qualified to live there. Ms. Pease said that every taxpayer needs to pay their taxes to the school. She asked about the utility upgrades needed for an apartment building that size. Ms. Pease also had an issue with the number of parking spaces. She did not think 92 parking spaces for 85 apartments was sufficient. She also felt that the price point for the apartments was too expensive.

Alice Neth, 7008 Quincy Boulevard, said that she is for this project. She is a Smithville resident and business owner downtown and she thinks that the old hospital has to go and if a TIF is necessary to make it happen then it should be seriously considered. The old hospital has been vacant for over 10 years and has changed ownership several times. The residents complain about it being an eyesore, the kids break into it, and it is a complete safety hazard. Ms. Neth said that we also need more retail downtown. She said that she is excited about having more retail and restaurants even if it is only 10 percent. Ms. Neth said that we have someone trying to fix all of those things and we still have people trying to object to the idea. This is a great opportunity for Smithville. She said that she believes that Eric will do his best to find common ground and he has done a lot of great things for the community and thinks that he will take everyone's considerations into mind.

Weldon Wright, 423 Fletcher Drive, said that he thinks the TIF will take funding away from the schools. Mr. Wright said that the project will happen whether the TIF is voted in or not. He also said that the parking they are taking from downtown will close the funeral home. He explained that if they buy the parking lots from the city for what they say is public parking the only way for that to happen is to request it as part of the TIF for the 23 years otherwise it will become private. He said that rental property does not pay sales tax so the only sales tax will come from the restaurant that he thinks is an already established Smithville restaurant. (KoZaks – Mr. Craig clarified it is not). If this is a \$14.3 million project they should not need \$1.2 million of his money. Mr. Wright said that this should be more affordable housing, the median rent for Smithville is \$630 and that is listed on the school's website.

Mike Garbus, 106 Basswood Court, said that the downtown of Smithville pretty much looks the same as it did when he moved here in 1995. He has seen a bevy of businesses come and go. Mr. Garbus said that he cannot understand why the downtown has not flourished and why there is no signage at each end of town and in the middle to let people know that we have a quaint historic and somewhat vibrant downtown. He said that this four-story apartment building would then become the skyline of Smithville. He asked that the commission think about the impact that this project would have on downtown with the traffic and the hustle and bustle.

Scott Haggerty, 18165 South Ridgley Road, said that he agreed with a lot of the things people have said this evening and agrees that the old hospital is an eyesore and needs to come down. He agrees that it is in the best public interest that the old hospital needs to come down and that the public needs to help pay for the old hospital to come down. He noted that the cost for it to be torn down is going to cost about \$220,000 to \$250,000 far less than what the TIF will cost the community. He said that once the blight is removed the project should stand on its own. If it does not work out financially it is not a good project for the developers or the taxpayers.

Denise Asgian, 211 West Main Street, has been active in many events in the downtown area and has assisted in rejuvenating the Farmers Market. The issue she sees with promoting these for senior citizens is there are only four dedicated handicap parking spots. She asked if this would be ADA compliance per number of parking spots for dwelling units. She said the 173 spots seems to be a false presentation of what is to be provided to the people that are going to live there. Ms. Asgian said that for 85 units there should be 170

dedicated parking spots not to mention the city street front parking spots for commercial businesses for their employees and patrons. She said if they are going to take away the city spots for parking and make them dedicated then where are the city spots for parking going to be.

Following discussion, Don Hanks moved to ask the developer team to revise the 110 Smithville redevelopment plan to include scenarios of surplus payment in lieu of taxes. Linda Buckmiller seconded the motion.

Ayes – 12, Noes – 0, motion carried.

Linda Buckmiller moved that the public hearing remain open and be continued to Monday, April 24, 2024 at 6:00 p.m., in this room at City Hall. Melissa Wilson seconded the motion.

Ayes – 12, Noes – 0, motion carried.

Public Hearing Continued April 24, 2023 6:00 p.m.

1. Call to Order

TIF Commission Chair Jerry Nolte called the meeting to order at 6:00 p.m. A quorum of the TIF Commission was present: Kelly Kobylski, Adam Royds, Jerry Nolte, Melissa Wilson, Don Hanks, Jennifer Langston-Justus, Bruce Cramer, Linda Buckmiller, Denise Harwood and Scott Jacoby. Steve Sarver was present via Zoom. Jim Staley joined the meeting via Zoom at 6:04 p.m.

Staff present: Cynthia Wagner, Gina Pate, and Linda Drummond.
City Economic Development Counsel, Megan Miller, Gilmore and Bell.

Upon roll call:

Kelly Kobylski - Here, Adam Royds - Here, Steve Sarver – Here (Zoom), Jerry Nolte - Here, Melissa Wilson - Here, Don Hanks - Here, Jennifer Langston-Justus - Here, Bruce Cramer - Here, Linda Buckmiller - Here, Denise Harwood – Here, Scott Jacoby – Here

2. City's Economic Development Counsel Presentation of Revisions

Megan Miller, Gilmore and Bell went over her memo of revisions of the 110 Smithville TIF Plan.

Megan noted that the requirements to notify DOR and DED that we had a continued hearing, the revised TIF Plan, the notice the taxes entities was mailed out and then the notification again to DOR and DED of the notice of revisions that was mailed out. Megan noted that she would give that to Linda Drummond, City Clerk, at the end of the meeting for the record.

Definitions:

- 1. Page 3,4: Economic Activity Taxes has been updated to include the statutory provisions of the treatment of sales taxes if a retail establishment is relocated from within Clay County to the Redevelopment Area. The Developer has stated that the retail establishments are not being relocated from within Clay County.*

2. *Page 6: Special Allocation Fund has been updated to include that "at least" two separate segregated accounts will be created.*

Jerry Nolte had a question concerning the bringing in of an existing business from other parts of the county and the time limit or if there is a time limit.

Megan explained that there is a time limit, if a business transfers into the Redevelopment Area within the first year of the approval date of the TIF it would but if the business transfers outside of that year it would not. Megan explained that depending on the construction time this is something that would be negotiated within the TIF contract.

Jennifer Langston-Justus asked if it would be a contract guarantee.

Megan explained how they have taken care of it in the past is that they have a certification of the base sales tax by the county they will let us know what that was in the year prior to the TIF being approved. Then that would just be taken care of when the city administers the TIF they would keep track of what that base would be and it would transfer that or just let those tax jurisdictions know that that they keep that portion that is not the portion that is being transferred to the special education fund.

Financing Plan:

1. *Page 10, Estimated Project Costs: Redevelopment Project Costs increased approximately \$250,713. This was primarily due to an increase in asbestos remediation costs.*
2. *Page 10, Source of Funds: The amount of PILOTs has decreased, which is a result of a 30% Surplus PILOT to taxing jurisdictions. The amount of EATs decreased as a result of a lower expected sales in 2024. The Developer also anticipates a lower amount of debt to be financed, but has increased the amount of equity to be provided. Total TIF revenues expected to pay for Reimbursable Project Costs increased from \$1,229,000 to \$1,251,551, which is approximately \$22,551.*
3. *Page 11, Payments in Lieu of Taxes, Anticipated Assessed Valuation and Payments in Lieu of Taxes: The projected assessed valuation of the project has decreased approximately \$4,186 from \$3,064,467 to \$3,060,281. This is due to changes in the amounts inputted into the base formula. The Development Team worked with the Clay County Assessor's office to determine how they would assess this project. Valuation was determined using a net operating income, and this decreased from when they provided the previous TIF Plan.*
4. *Page 12, Payments in Lieu of Taxes, Surplus PILOTs: The Development Team has included a 30% Surplus PILOT, which would result in approximately \$1,558,645 flowing back to taxing jurisdictions. Exhibit G was updated to include the surplus taxes to be provided to each individual taxing jurisdiction. The School District is no longer receiving a 40% Capital Contribution, and instead all taxing jurisdictions imposing an ad valorem tax will receive a 30% Surplus PILOT. Please note that this is not shown for both the Fire District and the Ambulance District because it is assumed that they will receive a 100% reimbursement of their ad valorem taxes that would otherwise be captured by the TIF.*
5. *Page 13, Cost Benefit Analysis: The Net Present Value Benefit has decreased. This is primarily due to a decrease in the sales projected for 2024, and a decrease in the amount of revenues flowing back to the School District. The decrease in sales is due to the completion date of the development moved to later in Fall 2024. The Development Team still hope to be completed by Fall 2024 and still target 2025 as a full year of stabilized operations, with only the last couple of months of 2024 to be generating revenue.*

Exhibit D: *The following table shows the sources and uses for each of the proposed categories of expenditures, along with the sources and uses from the previously submitted TIF Plan.*

	<u>Uses</u>		<u>Sources</u>			
	<u>Previous</u>	<u>Current</u>	<u>Private</u>		<u>TIF</u>	
			<u>Previous</u>	<u>Current</u>	<u>Previous</u>	<u>Current</u>
Land Acquisition from the City*	\$23,243	\$23,243			\$23,243	\$23,243
Private Land Purchase	\$285,000	\$285,000			\$285,000	\$285,000
Site Work/Infrastructure	\$670,000	\$930,000			\$670,000	\$930,000
Hard Construction Costs	\$11,789,700	\$11,789,700	\$11,583,943	\$11,776,392	\$250,757	\$13,308
Soft Costs	\$2,435,017	\$2,418,427	\$2,435,017	\$2,418,427		
Contingency	\$456,089	\$463,391	\$419,219	\$463,391	\$36,870	
Totals	\$15,659,049	\$15,909,762	\$14,393,179	\$14,658,210	\$1,265,870	\$1,251,551
	100%	100%	91.9%	92.1%	8.1%	7.9%

*Land included in the TIF Plan to be negotiated to be acquired from the City for the construction of the project consists of the lot adjacent to the hospital (Parcel No. 05617000300200) and the two lots adjacent to the funeral home (Parcel No. 05617000201100 and 0561700020100). These discussions are not a part of the TIF Plan approval process, and will be negotiated with the City at a later date.

In the previous TIF Plan, the Developer included contingency in their estimation of the revenues available to pay for Reimbursable Project Costs. So, while the percentage of reimbursement to the Developer from TIF Revenues has decreased, the total TIF Revenues they anticipate to reimburse the Developer increased approximately \$22,551.

Exhibit E: Exhibit E was updated to reflect the TIF EATs captured, the 30% Surplus PILOTs, and the TIF Income Net of Surplus (which is the amount of PILOTs to be captured by the TIF).

Exhibit G: Exhibit G was updated to include a summary page showing a breakdown of the projected taxes with redevelopment and without redevelopment. Additionally, columns were added to each taxing jurisdiction showing the amount Surplus PILOTs to be received by the taxing jurisdiction and the amount of PILOTs and EATs that will be captured by the TIF.

Exhibit I: Exhibit I was updated to include increases in the Internal Rate of Return (the "IRR"). IRR without incentives increased from 5.89% to 7.15% and IRR with incentives increased from 10.69% to 11.08%.

Discussion Issues: The following is a list of certain primary issues that have been discussed between the City team and Developer.

- **Public Parking Lots** – This TIF Plan assumes that the Developer will purchase the 3 lots owned by the City (the two lots adjacent to the funeral home and the single lot adjacent to the hospital property) at a price of \$23,243, but the City and the Developer have not negotiated or determined the actual sales price. There have been ongoing discussions with the Developer that the two lots adjacent to the funeral home remain as public parking. These discussions are not a part of the TIF Plan approval process, and will be negotiated with the City at a later date.
- **Level of Incentive Request** – The City's TIF Policy expresses a preference that TIF assistance should be no more than 20% of the total project costs. As summarized above, the requested TIF assistance is about 8% of the total project costs.

3. Discussion and Public Comment

Don Coleman, spoke for the developer. He noted that Megan did a really good job summarizing what we changed and had some really good requests for a presentation of the

data. He noted that they prepared their original numbers back in November last year and have been continuing to get market data and talking to contractors. Don explained that they felt confident about the Plan they have presented. He said that interest rates and inflation have kind of moderated a little and supply chain issues have gotten a little better. He noted that the big change is the 30% surplus across the board for each participating jurisdiction which looks very equitable. The big thing they did is set that 30% so that whether the commission wants to go with the first proposal or go with the revised it is about that same equivalency. Don explained that the developer felt that was important to do just because then you are really comparing apples to apples.

https://youtu.be/rINA_9-MSEU?t=581

Don Hanks asked about the developer purchasing the three parking lots, two by the funeral home and one by the Senior Center.

Megan explained that only the two parking lots adjacent to the funeral home and the parking lot behind the white house would be part of the TIF, the one by the Senior Center was not part of it.

Eric Craig explained that they had been in conversation with the City about the lot next to the Senior Center for additional parking.

Linda Buckmiller asked if the 95 parking spots that is part of the TIF would be sufficient for the 85 units since the City Code is 1.5 per unit.

Eric Craig explained that their engineers figured out how many parking spots would be needed and he provided that information to the City for approval.

Cynthia Wagner, City Administrator, noted that the TIF is a financing structure and a financing piece. If it is approved by the governing body based on the TIF Commission's recommendation, the development will still have to go through the planning process. This part is the financing only.

https://youtu.be/rINA_9-MSEU?t=899

Jennifer Langston-Justus had questions regarding call backs and repercussions on specific contract items with regard to timelines if they are not completed since they are borrowing money from the taxing jurisdictions.

Megan explained that would be negotiated in the TIF contract between the City and the developer.

Scott Jacoby inquired about the real estate increment last proposal less than 30 days ago was about \$3 million and now it's over \$5 million dollars and now 70% off.

https://youtu.be/rINA_9-MSEU?t=1060

Exhibit E

MAIN & MILL PROJECTIONS

Total TIF Revenue Proceeds	\$1,251,551										
	\$1,251,551										
		Use	SE	Appraised PSE	Appraised Value	Sales PSE	Total Sales	NNN Bents PSE	Total Rent		
		1st Floor Retail	7,800	\$156.75	\$1,222,685	\$51	\$400,000	\$18.60	\$145,080		
		Multifamily	57,650	\$243.67	\$14,047,483	\$0	\$0	\$21.59	\$1,244,652		
		Total	65,450	\$233.31	\$15,270,168	\$6	\$400,000	\$21.23	\$1,389,732		

Year	BASE REAL ESTATE ASSESSED VALUE	PROJECTED ASSESSED VALUE	REAL ESTATE TAX INCREMENT	BASE SALES	TOTAL SALES	TIF EATS Captured	Surplus PILOT's	TIF Income Net of Surplus	TOTAL TIF REVENUE (Net PILOT's + Captured EATS)	TOTAL REVENUE
2023	\$87,270	\$87,270	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2024	\$87,270	\$918,084	\$49,754	\$0	\$400,000	\$7,500	\$14,926	\$84,828	\$42,328	\$42,328
2025	\$87,270	\$3,060,281	\$178,042	\$0	\$2,060,000	\$38,625	\$83,413	\$124,629	\$163,254	\$163,254
2026	\$87,270	\$5,152,089	\$183,540	\$0	\$2,121,800	\$39,784	\$85,062	\$128,478	\$168,262	\$168,262
2027	\$87,270	\$5,246,652	\$189,209	\$0	\$2,185,454	\$40,977	\$86,761	\$132,442	\$173,419	\$173,419
2028	\$87,270	\$5,344,061	\$195,036	\$0	\$2,251,018	\$42,207	\$88,511	\$136,525	\$178,732	\$178,732
2029	\$87,270	\$5,444,373	\$201,043	\$0	\$2,318,548	\$43,473	\$90,313	\$140,730	\$184,203	\$184,203
2030	\$87,270	\$5,547,204	\$207,282	\$0	\$2,388,108	\$44,777	\$92,169	\$145,062	\$189,839	\$189,839
2031	\$87,270	\$5,654,136	\$213,605	\$0	\$2,459,748	\$46,120	\$94,082	\$149,534	\$195,644	\$195,644
2032	\$87,270	\$5,763,760	\$220,170	\$0	\$2,533,540	\$47,504	\$96,051	\$154,119	\$201,623	\$201,623
2033	\$87,270	\$5,876,672	\$226,932	\$0	\$2,609,546	\$48,929	\$98,080	\$158,853	\$207,782	\$207,782
2034	\$87,270	\$5,993,973	\$233,897	\$0	\$2,687,833	\$50,397	\$100,169	\$163,728	\$214,125	\$214,125
2035	\$87,270	\$6,112,762	\$241,071	\$0	\$2,768,468	\$51,909	\$102,321	\$168,749	\$220,658	\$220,658
2036	\$87,270	\$6,236,145	\$248,460	\$0	\$2,851,322	\$53,466	\$104,538	\$173,922	\$227,388	\$227,388
2037	\$87,270	\$6,363,229	\$256,070	\$0	\$2,937,067	\$55,070	\$106,801	\$179,249	\$234,319	\$234,319
2038	\$87,270	\$6,494,126	\$263,909	\$0	\$3,025,179	\$56,722	\$109,173	\$184,736	\$241,458	\$241,458
2039	\$87,270	\$6,628,950	\$271,983	\$0	\$3,115,935	\$58,424	\$111,595	\$190,388	\$248,812	\$248,812
2040	\$87,270	\$6,767,818	\$280,299	\$0	\$3,209,413	\$60,176	\$114,090	\$196,210	\$256,386	\$256,386
2041	\$87,270	\$6,910,853	\$288,865	\$0	\$3,305,695	\$61,982	\$116,660	\$202,206	\$264,187	\$264,187
2042	\$87,270	\$7,058,178	\$297,688	\$0	\$3,404,866	\$63,841	\$119,306	\$208,381	\$272,223	\$272,223
2043	\$87,270	\$7,209,924	\$306,775	\$0	\$3,507,032	\$65,756	\$122,023	\$214,743	\$280,499	\$280,499
2044	\$87,270	\$7,366,223	\$316,135	\$0	\$3,612,222	\$67,729	\$124,841	\$221,295	\$289,024	\$289,024
2045	\$87,270	\$7,527,208	\$325,776	\$0	\$3,720,589	\$69,761	\$127,753	\$228,043	\$297,804	\$297,804
GROSS			\$5,195,485			\$1,115,129	\$1,958,645	\$3,636,839	\$4,731,969	\$4,731,969
NET PRESENT VALUE		7.50%	\$2,084,441			\$446,692	\$625,332	\$1,459,108	\$1,905,780	\$1,905,780
COVERAGE		125%	\$1,667,552		200%	\$223,326	\$311,287	\$1,167,287	\$1,390,613	\$1,390,613
NET PROCEEDS (AFTER CO)		10%	\$1,500,797			\$200,993	\$280,558	\$1,050,158	\$1,251,551	\$1,251,551

- Notes:
- (1) Ad Valorem Tax Rate Captured by TIF 5.98860%
 - (2) Annual Property Value/Sales Increase at Stabilization 3.00%
 - (3) Percentage of EATS Increment Captured for TIF 1.8750%
 - (4) Assessed Value OnLine Year 1 0%
 - (5) Assessed Value OnLine Year 2 20%
 - (6) Assessed Value OnLine Year 3 100%
 - (7) Sales % OnLine Year 1 0%
 - (8) Sales % OnLine Year 2 20%
 - (9) Sales % OnLine Year 3 100%
 - (10) Residential Assessment Rate 19%
 - (11) Commercial Assessment Rate 32%
 - (12) Discount Rate 7.50%

MBF Meter	Jurisdiction	Rate	Captured for TIF	Surplus PILOT's	Base Values	Appraised	Assessed	Jurisdiction	Sales Tax Rate	Captured for TIF
	SMITHVILLE SCHOOL DISTRICT	4.84400%	4.84400%	30.0%	05617000300400	\$356,460	\$66,100	STATE	4.225%	0.000%
	SMITHVILLE FIRE DISTRICT #1	0.25750%	0.00000%	0.0%	05617000300500	\$100,600	\$19,170	SMITHVILLE	2.500%	1.250%
	SMITHVILLE	0.41260%	0.41260%	30.0%	05617000201100	\$0	\$0	SMITHVILLE FIRE DISTRICT #1	0.500%	0.000%
	AMBULANCE #1 - SMITHVILLE	0.39400%	0.00000%	0.0%	56170003002000	\$0	\$0	COUNTY SERVICES	1.125%	0.563%
	LIBRARY TAX	0.32400%	0.32400%	30.0%	5617000201100	\$0	\$0	TOD	8.125%	0.863%
	COUNTY SERVICES	0.13740%	0.13740%	30.0%						
	HANDICAP TAX	0.10280%	0.10280%	30.0%						
	HEALTH TAX	0.08570%	0.08570%	30.0%						
	MENTAL HEALTH TAX	0.08570%	0.08570%	30.0%						
	STATE	0.03000%	0.00000%	0.0%						
TOTAL		7.17810%	5.98860%	30.00%						

Global Assumptions
 Discount Rate for NPV Calculation
 Assumed Annual Reduction in Property Value/Sales WITHOUT Redevelopment
 Assumed Annual Increase in Sales WITH Redevelopment

Don Coleman explained in the first they were capturing various levels from various jurisdictions the revised captures 100% of the islets for the participating jurisdictions and then 30% is remitted back so it is it is substantially different for that reason.

https://youtu.be/rINA_9-MSEU?t=581

Scott Jacoby said that this is more of a rehabilitation of a structure. The property is blighted and is a demolition project. The demolition is the part the taxpayers should take care of the development of the apartments is the developers responsibility.

https://youtu.be/rINA_9-MSEU?t=1406

Public Comment

Matthew Webster, Stifel, Nicolaus and Company, 4801 Main Street, Kansas City, MO.

Investment Banker and Representative for the School District. Mr. Webster noted that he was here as the School Districts expert on tax increment financing his firm has a long association with the School District that has worked on financing with the School District for many years.

https://youtu.be/rINA_9-MSEU?t=1612

Scott Haggerty, 18615 South Ridgley Road, spoke against the TIF. He said that this project is worth the taxpayer's investment of \$250,000 the rest is simply not.

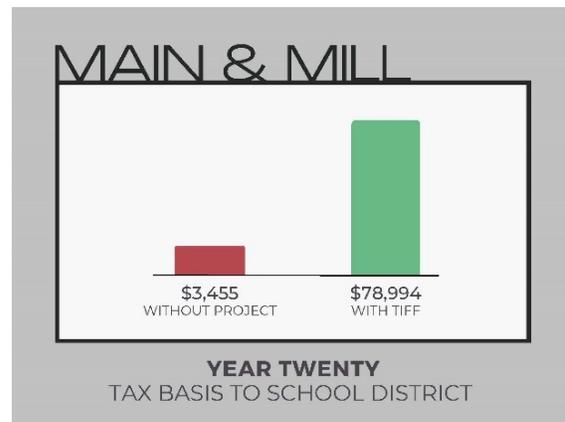
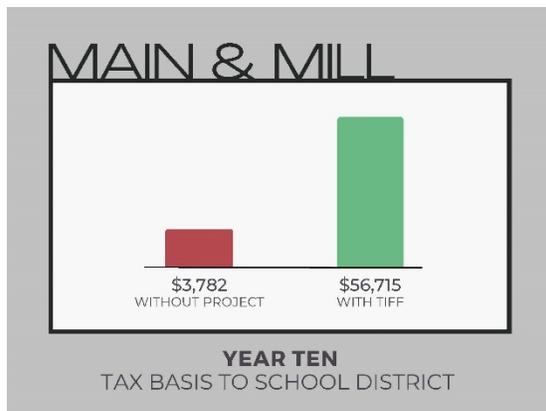
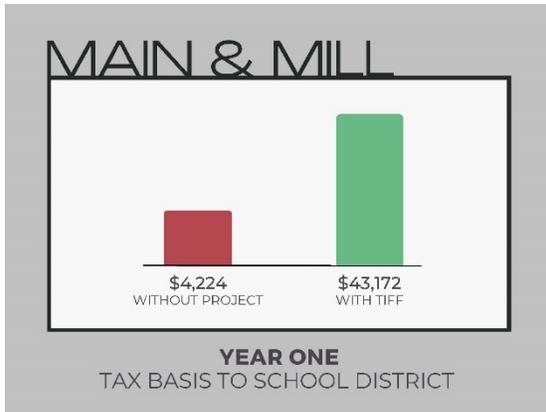
https://youtu.be/rINA_9-MSEU?t=3221

Andrew Laner, Legal Counsel for the Developer, responded to some of the specific points that Matthew Webster presented. He said that they want to work together with the City and the School District and asked that the TIF Commission look at the project and see its benefit and give it a chance.

https://youtu.be/rINA_9-MSEU?t=3363

Eric Craig, Developer, gave a brief overview and history of his meetings with the School District and the City and being transparent with all parties involved. He presented the tax basis to the School District with and without the project over the next 23 years.

https://youtu.be/rINA_9-MSEU?t=3904



Melissa Wilson asked the question if the building is always rented would that make this a business and not just a residential TIF.

Jennifer Langston-Justus asked about the commercial component of the project.
https://youtu.be/rINA_9-MSEU?t=4402

Eric noted that there is approximately 7,800 square feet of commercial space and they have a restaurant, not from Clay County, interested in leasing the spot that would need 4,000 square feet of the space.

Denise Harwood and Scott Jacoby rebutted Eric's communication with the School District.
https://youtu.be/rINA_9-MSEU?t=4442

Jennifer Langston-Justus asked Eric to comment on the shorter term for the TIF and also asked for explanation of the asbestos removal cost increase.

Eric explained that has to do with the rising cost of everything right now. They had to resubmit and get an updated bid from their contractor who is approved for mitigation by asbestos.
https://youtu.be/rINA_9-MSEU?t=4632

Don Coleman explained that they looked at a number of different scenarios. The revised 23 year capturing 70% of the PILOTS could be reduced to 15 year if they were to capture 100% of the PILOTS to get the same economic benefit to make this worthwhile.
https://youtu.be/rINA_9-MSEU?t=4721

Mayor Damien Boley, 102 S. Bridge Street, Apartment 1, spoke to the commission to clarify a few things. He quoted the City's Municipal Code Section 155.020 Economic Development Committee. The Economic Development Committee shall have up to nine (9) members, which shall consist of one (1) member from the Board of Aldermen, one (1) representative of the Smithville Chamber of Commerce, one (1) representative of the Smithville School District and the remainder shall be citizen members. Mayor Boley noted that the TIF Policy is on the City's website. He also noted that he meets with the School Board President often and Cynthia Wagner meets with the school's Interim Superintendent monthly so there has been a lot of conversation between the City and the School District.
https://youtu.be/rINA_9-MSEU?t=4782

Kristine Bunch, 18608 Primrose Street, commended Mr. Craig for purchasing the building. Ms. Bunch noted that she agrees with using the TIF for the demolition but not for the construction of the building. She said that she is a taxpayer and does not understand why she would have to pay money for the developer to have a higher ROI.
https://youtu.be/rINA_9-MSEU?t=4910

The commission debated whether to close the public hearing or continue it.

Megan clarified that the commission could close the public hearing or vote to continue the public hearing but that would require the Mayor to request an extension for a certain amount of days and the commission would have to vote on continuing it and a majority vote of the commission is required.

Chairman Jerry Nolte suggested that prior to closing the public hearing each of the commission member have the opportunity to ask questions of the developer.

Melissa Wilson asked Mr. Craig if the commission voted to go with the original plan would it detrimentally affect what he needed to do.

Eric Craig stated that either plan would work for him it would be there other taxing jurisdiction that would be affected if the commission voted for the original plan.

Adam Royds asked if there would be any point to ask for a continuance due to the bad blood between the School District and the developer. He said that there is no negotiation if there is no trust.

Kelly Kobylski noted that based on the amount the School District is receiving now \$4,224 and with this TIF could be receiving 43,172 the first year and at the end of the 23-year term of the TIF could potentially be receiving \$1.3 million. She said that she just cannot see how that is not a benefit to the School District. Kelly asked how much the School District received from the state per student.

Scott Jacoby explained that the cost to the School District per student is approximately \$11,000.

Kelly Kobylski asked which plan the School District would prefer the original or the revised.

Scott Jacoby said all they have wanted from the beginning is a reasonable request on the reimbursable cost.

Kelly Kobylski said that she feels this project would be a win-win for the community.

Denise Harwood said that without the TIF they would be receiving twice as much.

Kelly Kobylski clarified that they would only receive twice as much if something went in at that location.

Denise Harwood said that she did not know which plan would be best for the School District she only wanted what would be best for the kids.

Scott Jacoby noted that they were not that far off as far as dollars it was just an unwillingness to give. He said that if nothing was built at that location for 23 years then the School District would have no additional cost from there.

Jennifer Langston-Justus pointed out that the School District Board resolution that was handed out was dated January 18, 2023. She noted that she did not know if it was developed in regard to this project it was pretty old compared to data that has become available. Jennifer wondered about the comments about the timeliness and the negotiations. She asked why it was not revisited and if this is the policy the School District is adopting.

Scott Jacoby noted that it is more of an annual thing.

Denise Harwood said it is not a policy it is just a resolution for best practice in School Districts and common practice for other School Districts in the area. She noted that this is the first time they have established this.

Scott Jacoby said that he would like to keep the public hearing open because he has more questions. He noted that the numbers are not that far off but the little tweaks being done with the numbers make a significant difference.

Don Hanks noted that the county reassessed his home this year and it went up 30 percent. He said with the assessment going up he believes the School District would be receiving more money.

Scott Jacoby explained that the Hancock Amendment would disallow the School District to capture the entire amount.

Chairman Jerry Nolte explained that the Hancock Amendment lowers the actual assessment rate down so that it can only go so far above the previous numbers. It requires a rollback of that levy rate.

Bruce Cramer asked to keep the public hearing open.

Linda Buckmiller asked to keep the public hearing open. She noted that this would be the time to negotiate any part of the TIF.

Jerry Nolte asked what the average cost to educate a student in the Smithville School District and what was the amount the School District received from the state per student.

Robert Hedgecorth, CFO for the School District, explained they are reimbursed from the state called WADA which is weighted average daily attendance. What that means is a lot of factors are taken in, attendance, daily attendance times a lot of things like pre-introduced, special education and it comes out to a formula. Last year they received just over \$4,300 per student. Mr. Hedgecorth also defined the Hancock Amendment and what the School District can realize. Mr. Hedgecorth noted that with residential you have people with children that the School District will have to educate that will add to their expenses.

Adam Royd asked if the School District gets any portion of sales tax.

Robert Hedgecorth explained that they do not receive any sales tax, it goes to the City.

Chairman Jerry Nolte asked the commission if they were in favor of voting this evening or continuing the public hearing.

Linda Buckmiller – continue

Bruce Cramer – vote

Denise Harwood – continue

Don Hanks – no opinion

Scott Jacoby – continue

Jennifer Langston-Justus – try to resolve tonight if not to continue

Kelly Kobylski – continue but act on tonight
Adam Royd – continue if a resolution can be reached
Melissa Wilson – continue but act on tonight
Steve Sarver – continue but act on tonight

Chairman Jerry Nolte noted that continuing the public hearing could possibly affect the developer timeline should not be taking into consideration for the commission's decision.

Jennifer Langston-Justus asked Scott Jacoby to provide hard numbers that would be easy math.

Scott Jacoby asked the developer what the existing debt in the project was.

Eric Craig stated that it is the little white house next to the old hospital that is part of the loan.

Jennifer Langston-Justus asked if it was a requirement to get the financing they are seeking.

Megan clarified that the payoff of existing debt is a reimbursable project cost that they are requesting so that would not be financed with TIF revenues.

Scott Jacoby noted that the City was not capturing the utility tax as part of the TIF. He then explained his commonsense math.

https://youtu.be/rINA_9-MSEU?t=6601

Further discussion from the developer and the Commission.

https://youtu.be/rINA_9-MSEU?t=7548

4. Close the Public Hearing

Jennifer Langston-Justus moved to close the Public Hearing. Don Hanks seconded the motion. Public Hearing closed at 8:28 p.m.

Upon roll call vote:

Kelly Kobylski - Aye, Adam Royds - Aye, Steve Sarver – Aye, Jerry Nolte - Aye,
Melissa Wilson - Aye, Don Hanks - Aye, Jennifer Langston-Justus - Aye,
Bruce Cramer - Aye, Linda Buckmiller - Aye, Denise Harwood - Aye,
Scott Jacoby – Aye, Jim Staley - Absent.

TIF Commission Chair Jerry Nolte closed the Public Hearing at 8:28 p.m.

5. Resolution No. 2023-01, Recommendation for the 110 Smithville Tax Increment Financing Plan

Melissa Wilson moved to approve Resolution No. 2023-01 approval of the revised 110 Smithville Tax Increment Finance Plan submitted April 14, 2023 and Redevelopment Project recommending a designation of blight within the Redevelopment Area and other related findings and recommending approval of a developer of record to the Board of Aldermen of Smithville, Missouri. Jennifer Langston-Justus seconded the motion.

Discussion of the Commission

https://youtu.be/rINA_9-MSEU?t=9181

Upon roll call vote:

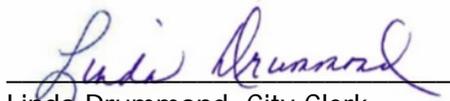
Kelly Kobylski - Aye, Adam Royds - Aye, Steve Sarver – Aye, Jerry Nolte - Aye,
Melissa Wilson - Aye, Don Hanks - Aye, Jennifer Langston-Justus - Aye,
Bruce Cramer - Aye, Linda Buckmiller - Aye, Denise Harwood - No,
Scott Jacoby – No, Jim Staley - Absent.

Ayes – 9, Noes – 2, motion carried. TIF Commission Chair Jerry Nolte declared Resolution No. 2023-01 approved.

6. Adjourn

Jennifer Langston-Justus moved to adjourn. Kelly Kobylski seconded the motion.

Ayes – 11, Noes – 0, motion carried. TIF Commission Chair declared the TIF Commission 110 Smithville TIF meeting adjourned at 8:38 p.m.



Linda Drummond, City Clerk