

**Summary of Financial Assistance Resources
DREAM Seminar
April 27, 2011**

Name	Eligible Uses of Funds	Formation	Powers & Limitations	Governance	Borrowing Authority	Sources of Revenue
Tax Increment Financing (99.88-.865 R.S.Mo.)	Public capital improvements; property assembly (including acquisition and demolition of buildings); costs or rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures; relocation costs	By governing body of City; requires TIF Commission review and public hearing	Requires adoption of Redevelopment Plan which describes the project, redevelopment project costs, sources of funds to pay costs, type and term of sources of funds to pay costs, type and term of obligations, cost-benefit analysis, eligibility analysis and other findings per the TIF Act; must pass "but for" test	Governed by City; Incremental revenues allocated to Special Allocation Fund	Obligations secured by Special Allocation Fund and may be issued by the City; Obligations shall not be a general obligation of the political subdivision and cannot exceed 23 years.	Special Allocation Fund collects local incremental revenues generated within the district; 100% PILOTS and 50% EATS are captured by the Special Allocation Fund
Urban Redevelopment Corporations (Ch. 353, R.S. Mo.)	Clearance, replanning, reconstruction or rehabilitation of blighted areas, and the construction of such structures as may be appropriate	Incorporation with the Secretary of State, Application to the City for authorization of a Redevelopment Plan; Requires public hearing and the granting of rights and powers by City ordinance consistent with Ch. 353 provisions	Corporation can only operate in an area with a Redevelopment Plan. Powers of the corporation must be authorized by the local jurisdiction, including the authorization for tax abatement. The provisions of the general corporation law apply unless in conflict with Ch. 353.	A corporation that has been organized to serve a public purpose.	Any Urban Corporation may borrow funds and secure the repayment thereof by mortgage which shall be a lien upon no other real property except that forming the whole or a part of a single development area.	The City may authorize a 100% abatement of taxes in years 1-10 and a 50% abatement of taxes in years 11-25 on properties owned by the Corporation; the Corporation may accept grants or loans from government agencies
Community Improvement District (CID) (Ch. 67, R.S.Mo.)	Public capital improvements; Private capital improvements (located in a blighted area); Special services	By governing body of City, on petition of majority owners by assessed value or number	Petition for district formation specifies: area and duration of district; maximum rate of taxes; method and maximum rate of assessment; types of services; types of improvements; maximum borrowing authority; eligible uses of funds	Program managed by district board, with annual report to City; Board to consist of 5-30 members, appointed by City or elected by "qualified voters" of district, depending on petition; petition may identify original members; annual levy of taxes/assessments set by Board (within petition limits); District may be terminated by City, upon majority of property owners, by value and per capita	Board may issue obligations payable solely from district revenues and assets pledged; District obligations are not general obligations of the district, unless approved by supermajority of voters in district	Special assessments approved by petition or any reasonable method of assessment; Taxes on real property and/or business license or approved by qualified voters; Authorizes different property classes and levy rates for each class based on level of benefit
Transportation Development Districts (TDD) (238.200-238.275 R.S.Mo.)	Transportation infrastructure	By City or County, by voter petition, local transportation authority petition, property owner petition; must be approved by a majority of those voting	Project improvements shall not be under the control and jurisdiction of a local transportation authority (City) while the TDD retains control and jurisdiction. Power to acquire, sell and convey property subject to local authority approval.	Program managed by district board, with MODOT and Local Authority oversight; Board may consist of at least 5 nor more than 15 persons with one MODOT and one or more Local Authority advisors; Election by voters or Owners require approval of special assessment, tax or funding method	District may contract and incur liabilities, may borrow money and issue bonds, notes and other obligations; May issue bonds payable from its revenues but may not exceed 40 years	District may levy a property tax not to exceed \$0.10 per \$100 assessed valuation or sales tax not to exceed 1%; District may levy tolls or special assessments for improvements benefiting the project
Special Business District (SBD) (Ch. 71, R.S.Mo.)	Public capital improvements; special services	By governing body of City, on petition by one or more property owners	City makes all decisions for district	Advisory board of commissioners, with final authority in City governing body	District may issue general obligation bonds, with approval of supermajority of voters of the district; District may issue revenue bonds to finance revenue-producing facilities, payable from revenue generated by those facilities	Real property taxes with maximum of \$0.85 per \$100 assessed valuation and approved by qualified voters and property owners; Business license taxes if City already imposes tax on businesses licenses, then additional tax cannot exceed 50% of current tax and approved by qualified voters
Neighborhood Improvement District (NID) (Ch. 67, R.S.Mo.)	Public capital improvements	By governing body of City, upon either approval of voters in district or petition signed by 2/3 of owners of property in district by area	Election ballot or petition for district formation must specify general nature of improvement, estimated cost, boundaries, method of assessment; City makes all other decision, including classifications and assessment methods	Governed by City	City must issue general obligation bonds to pay for improvements within district if special assessments are inadequate	Special assessments only; Assessment on per lineal foot or square foot or any other reasonable assessment method; Approved by vote of people in district or petition of property owners

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Community Development Block Grant Funds	Funds a variety of economic development activities, including site acquisition, assessment, demolition, remediation, public works and support the development of affordable housing	Contingent on annual appropriation by HUD to Metropolitan cities and urban counties (entitlement communities) or State for distribution to non-entitlement communities	Submit a Consolidated Plan, annual action plan, and certifications to HUD. If you are a non-entitlement community, an individual or organization, apply to the appropriate city, state or county for funding. Funding restricted by program guidelines and availability of funding.	Entitlement communities or the State receive entitlement funds from HUD that may be used for eligible activities, such as infrastructure. Non-entitlement communities compete for funding via application process to State.	N/A	Funding based on project need, available funding, and program limitations. No match is required, but local in-kind and/or cash matching funds are encouraged.
Missouri Historic Preservation Tax Credits (253.545-559 R.S.Mo.) (S.B. 1, 1997) (S.B. 827, 1998)	Hard and soft costs of the rehabilitation of buildings on the National Register of Historic Places or in a historic district which is a National Register Certified Historic District	N/A	Any person or entity incurring costs for rehabilitation of eligible property which is a certified historic structure or structure in a certified historic district shall be entitled to a State income tax credit of 25% of the cost of rehabilitation, provided the rehabilitation costs exceed 50% of the total basis in the property and the rehabilitation meets historic standards	Requires project approval by the State Historic Preservation Office and funding approval by the State Department of Economic Development (DED)	N/A	Excess tax credits may be carried back for three years and forward for 10 years or until fully used; Taxpayers eligible for such credits may transfer, sell (monetize) or assign credits
Brownfield Redevelopment Program (447.700-447.718 R.S.Mo.)	Voluntary brownfield remediation	N/A	Project must anticipate creating at least 10 jobs or retaining at least twenty-five workers and must be found to focus its redevelopment effort on an eligible site. Completion of remediation subject to the State Department of Natural Resources and the Environmental Protection Agency	Eligibility for an entity is contingent on being accepted into the Missouri Voluntary Cleanup Program; Entity can then apply to State Department of Economic Development (DED) for financial assistance; DED may approve incentive package that is limited to the least amount necessary to achieve remediation or incur a positive net benefit. Local jurisdictional participation may be required.	N/A	Incentives may include tax credits; tax exemptions; grants; loan guarantees, or loans; once appropriated, these funds can be used to purchase or to offset the purchase of materials, supplies, equipment, or other things related to the redevelopment of the site as approved
Missouri Downtown and Rural Economic Stimulus Act (MODESA)	Certain public improvements; Financing; Relocation costs; Property assembly	Governed by local Downtown Development Authority (DDA) appointed by mayor or chief financial officer of municipality; MODESA application reviewed by Missouri Development Finance Board (MDFB); Combined local and state approval	Applies to "major initiative projects only; must pass "but for" test; project must be located in a "blighted" area; Financial threshold based on new jobs and localities population; local development approvals required; DDA has statutory powers to borrow funds, own property, etc., Need MDFB approval from state participation in funding	Governed by City or Downtown Development Authority	Obligations secured by Special Allocation Fund and may be issued by the City, DDA, or MDFB; Obligations shall not be a general obligation of the political subdivision, DDA, MDFB or the state and cannot exceed 35 years; Obligations may only be payable out of any funds or properties other than those specifically pledged as security	Special Allocation Fund collects local incremental revenues generated within the district; 100% PILOTS and 50% EATS are captured by the Special Allocation Fund; With MDFB approval the Special Allocation Fund may also collect new revenue generated in the form of 3% state sales tax and a 2% portion of the state income tax withholding
Tax Reimbursement Agreements (Ch. 43, R.S. Mo.)	Publicly owned infrastructure	Redevelopment Agreement between the City and Developer; Approved by ordinance	May require all contracts for work to be subject to public bids; Only City's tax revenue is utilized;	City oversees project	N/A	Incremental increase in the City's property taxes and as much as 100% of the City's incremental increase in sales and utility taxes, depending upon municipal charter limitations