AGENDA
CITY OF HARRISONVILLE
BOARD OF ALDERMEN
WORK SESSION
CITY HALL
MAY 16, 2016
6:00 PM

1. Call to Order

2. Present

3. Discussion Items

A. Discussion of Harrisonville's Economic Development Policy

Posted on City Hall Bulletin Board this 12th day of May 2016

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Kim Hubbard, City Clerk

The Board of Aldermen Work Session is open to the public but is not a meeting of the public.

Publish

STAFF REPORT

TO: **Board of Aldermen**

FROM: **Rick Deluca, Director**

DATE: **May 11, 2016**

SUBJECT: **Discussion of Harrisonville's Economic Development Policy**

Type of Item: *Presentation*

Staff will present an overview of Harrisonville's Economic Development Policy. This will include a discussion of economic development and confidentiality. The existing policy and an email from Mayor Hasek is attached for your information.

A. Discussion Item (ID # 2200)

Discussion of Harrisonville's Economic Development Policy

Attachments:

E.D. Incentive Policy - Resolution - Executed 1-17-05 - BOA Worksession 5-16-16 (PDF)

Memo from the Mayor - BOA Worksession 5-16-16(PDF)

COUNCIL BILL NO. 006

RESOLUTION NO. 05-05

A RESOLUTION ESTABLISHING AN ECONOMIC DEVELOPMENT INCENTIVE POLICY FOR THE CITY OF HARRISONVILLE, MISSOURI.

WHEREAS, the City of Harrisonville believes that quality economic development will aid in attracting and retaining business investment that will benefit the entire community; and

WHEREAS, the City of Harrisonville desires to increase the non-residential tax base to preserve and enhance the City's fiscal capacity to provide the public infrastructure and services necessary to support economic development; and

WHEREAS, the economic development program goals of the City of Harrisonville include economic diversification, broadening of the property tax base, stimulation of private investment, enhancement and support of existing development, quality of materials and design, maintenance of environmental quality, creation and quality of employment opportunities, and increased per capita income.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF HARRISONVILLE, MISSOURI:

SECTION 1. General Considerations

A. Each location is unique and requires that every proposal be evaluated on its individual merit and overall contribution to the City.

B. Care will be exercised in the use of economic incentives to thoroughly evaluate each project to insure that the benefits which will accrue from the approval of the agreement are appropriate for the cost which will result, and that they are equitable to the City as a whole.

C. All developments are subject to the development review process which includes: staff review of plan submittals, Planning and Zoning Commission review, Board of Aldermen Review and other Boards as required by the City Code.

SECTION 2. Investment Criteria - New Business

The City will take into account potential increased revenue to the City from sources associated with benefits of a particular business or overall development. In addition, the City will consider factors such as character of the development, the social and economic needs of the community, and whether the business has been identified as a target industry by the City.

SECTION 3. Investment Criteria - Expanding Existing Business

The City will take into account potential increased revenue to the City from sources associated with benefits of a particular business or overall development. In addition, the City will consider factors such as character of the development, the social and economic needs of the community, and whether the business has been identified as a target industry by the City.

Attachment: E.D. Incentive Policy - Resolution - Executed 1-17-05 - BOA Worksession 5-16-16 (2200 : Discussion of Harrisonville's Economic

SECTION 4. Other Considerations

The investment criteria may be either increased or decreased based upon the following considerations:

A. The potential for incremental growth, revenue and other economic impact.

B. The possibility of future expansion of real and/or personal property investment.

C. Desired or unique niche in marketplace consistent with City Goals, the Comprehensive Plan, the Community Survey (compiled September 20, 2004) or other desired amenities as set forth by the City.

D. Employment impact. In evaluating the employment potential of a given enterprise, the following shall be taken into consideration:

1) Number of additional employees and whether they are likely to be hired from the local population;
2) Skill and education levels;
3) Range of salary and compensation;
4) Potential for executive relocation.

E. Potential of outside financial assistance.

F. Enhancement of City's image and reputation.

G. Increased sales taxes and/or other revenues.

H. Whether the project produces value-added products and services.

I. Impact on schools and other public entities. The City strongly encourages the incorporation of Payment in lieu of taxes (PILOTS) for developments that add students to the school population when structuring an economic development incentive agreement that impacts school district revenues.

J. Retention of existing business is a goal of the City and should be taken into consideration.

SECTION 5. Performance Agreement.

Any incentive granted pursuant to this Resolution shall be accompanied by a performance agreement between the applicant and/or lessee and the city, which is subject to annual review and determination by the Board of Aldermen that the conditions qualifying the business for the exemption continue to exist. The City shall review information provided by the company, lessee, county, or state to determine compliance with the Agreement. If the Board of Aldermen finds that the business or project is not in compliance, then the tax exemption may be modified pursuant to the performance agreement or eliminated, as the Board of Aldermen deems appropriate. The County Assessor shall be notified of such action.

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SECTION 6. Incentive Review Process

The City incentive review process has been established to ensure timely responses and well defined procedures. The process is as follows:

A. A prospect should contact the Harrisonville Director of Community Development and provide sufficient information to allow the City to make an informed decision regarding incentives.

B. The City Administrator and Director of Community Development shall discuss the project details to determine their applicability to this policy.

C. The City Administrator shall determine the appropriate time of briefing the Board of Aldermen (or other applicable Commission, Board or other governmental entity) of prospects seeking incentives.

D. Once it is determined to proceed with a request for incentives, incentive terms are prepared and presented to the Board of Aldermen (or other applicable Commission or Board) for review, discussion, and potential approval.

SECTION 7: That this resolution shall become effective immediately upon its passage and approval.

PASSED AND RESOLVED by the Board of Aldermen and APPROVED by the Mayor of the City of Harrisonville, Missouri, this 17th day of January, 2005.

Kevin W. Wood, Mayor and Ex-Officio
Chairman of the Board of Aldermen

ATTEST"

Debbie Goss, Deputy City Clerk

SET, MY HAND AND SEAL, this 17th day of January 2005.

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From: bhasek@ci.harrisonville.mo.us
Date:05/10/2016 8:41 PM (GMT-06:00)
To: Mike Tholen , Rick Deluca
Subject: 353 Abatement policy

Here are some of the ideas I have for establishing a policy as it pertains to 353 Tax Abatement. As I mentioned I would like to see us establish policy for all of the economic incentive tools that we have available.

1. We will require anyone applying for a 353 abatement to make an initial deposit of $10,000 to cover expenses of the city for reviewing the project and application.
2. Any owners or managers of the project cannot have any prior felony charges and a criminal background check will be performed by the city for these individuals. Anyone with prior felonies will not be eligible for 353 abatement.
3. A minimum capital investment of $3 million must be invested into the project.
4. Applicants must be able to prove that they are able to complete the project by providing proof that they have successfully completed a similar project.
5. Even if all requirements are met, Harrisonville BoA retains the right to refuse 353 approval for any reason.
6. The property must be deemed a blighted area as determined by the Harrisonville BoA, regardless of any other blight study.
7. Property cannot be sold with the Abatement attached If the property is sold the Abatement ends.
8. A Minimum job requirement will be established for each project with a clawback provision in place for not meeting this requirement.
9. Applicant must provide a detailed plan of the timetable to build out the project.

I also have copies of what Belton and Butler have established for these 353 abatements and would like to see us incorporate some of those policies into our own as well.

I would like to have this as part of our discussion at Monday's work session.'

Thank you.

Attachment: Memo from the Mayor - BOA Worksession 5-16-16 (2200 : Discussion of Harrisonville's Economic Development Policy)