

**I. Purpose**

The City of Kirksville is committed to the promotion and retention of high quality development in all parts of the City; and to an on-going improvement in the quality of life for its citizens. Insofar as these objectives are generally served by the enhancement and expansion of the local economy, the City of Kirksville will, on a case-by-case basis, give consideration to providing tax abatements as stimulation for economic development in Kirksville. It is the policy of the City of Kirksville that said consideration will be provided in accordance with established criteria. Nothing herein shall imply or suggest that the City of Kirksville is under any obligation to provide tax abatement to any applicant.

**II. Considerations**

The following factors will be considered when considering whether an abatement of taxes will be considered.

- A. Does the proposal increase or preserve the tax base – real, personal or sales
- B. Does the proposal provide employment opportunities within Kirksville
- C. Does the proposal provide or help construct public infrastructure
- D. Does the proposal help to redevelop, renew or eliminate a blighted area
- E. Does the proposal provide access to services for residents of Kirksville
- F. What is the previous experience of the developer
- G. What is the Developer's Rate of Investment (ROI) on the proposal

**III. Incentive Assessment**

Each development project should be evaluated on its own merit with consideration given to whether or not the project furthers the goals and objectives of the City, as well as the relative impact of the project on the City and other affected taxing districts as to expected revenue enhancements and estimated costs for services. Such considerations should include impact on the local housing market, required infrastructure enhancements and effects on the environment.

This assessment will direct the City toward the total amount of abatement a project should be given.

- A. **Value of Abatement** – Before a project is considered as a possible recipient of tax abatement, the project must include a minimum investment of \$1 million and new job creation. The amount of the abatement will be determined based on the merits of the project, including, but not limited to - total capital investment, added employment, and average annual salary.
- B. **Term of Abatement** – The developer must be able to provide proof of the need for tax abatement. Such proof shall include the project ROI with and without the requested abatement. Duration and amount limits shall be for the minimum amount necessary to meet the financial goals of the project.
- C. **Limit of Abatement** – The City relies on the tax base to generate needed funds to provide services to citizens, therefore, the City will establish an annual abatement limit for all tax abatement.

**IV. Qualifications of Developer**

- A. Must agree to comply with all City policies and ordinances

- B. Must show proof of exploring and exhausting other available funding options
- C. Proof of most recent tax bill for subject property

**V. Benefits to Consider**

- A. Increased real and personal property valuations
- B. Elimination of blight
- C. The project supports and further enhances the City's Comprehensive Plan
- D. Development would not place extraordinary demands on City services

**VI. Limitations**

- A. Any recipient of Tax Abatement assistance will be required to provide an equity investment in the project.
- B. Tax Abatement will not be used in circumstances where land and/or property price is in excess of fair market value.
- C. Tax Abatement will not be utilized in cases where it would create an unfair competitive financial advantage over other projects or businesses in the area.
- D. No abatement of taxes will be granted on property currently in a TIF District.
- E. The project shall comply with all provisions as allowed by the state's abatement laws.
- F. Abatement can only be granted, if it benefits the City to a level equal to or greater than the abatement cost to the City.
- G. In any year, the total amount of property taxes abated by the City may not exceed five percent (5%) of the current City levy.
- H. The City Council has the right to establish a cap on city incentives per project.
- I. Total local incentives will not exceed a per job creation amount that when divided by the number of jobs pledged does not exceed the average annual projected salary for all new jobs created in the first year of the project.

**VII. Public Information**

It is important to the City that the affected taxing districts and residents of the community are informed about economic development projects. The City will abide by confidentiality requirements of the developer and adherence to the requirements of the State of Missouri Sunshine Law. The City will inform affected taxing districts and residents as soon as possible of pending development projects and tax abatement requests.