



**Rules of
Department of Economic
Development**

**Division 85—Division of Community and Economic
Development**

Chapter 4—Tax Increment Financing

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**Title 4—DEPARTMENT OF
ECONOMIC DEVELOPMENT
Division 85—Division of Community
and Economic Development
Chapter 4—Tax Increment Financing**

4 CSR 85-4.010 Application Process

PURPOSE: This rule explains the application process.

(1) Municipalities seeking state supplemental tax increment financing for a redevelopment project or plan must complete a Precertification Request Form and a Program Application, included herein.

(2) A Precertification Request Form or Program Application may be submitted to Department of Economic Development (DED) at any time. Because of the state's appropriation process, however, applicants must submit a precertification request prior to September 1, for the department to support the project or plan being listed in the department's budget for Tax Increment Financing (TIF) appropriation during the next legislative session. Being listed in the budget does not mean the project is approved by the department or that the project is or will be eligible for disbursements, but only connotes that the project is not statutorily ineligible. The department will accept a Program Application for proposed projects or plans if the project or plan is included in the TIF appropriation approved by the legislature. However, being listed in the TIF appropriation by the legislature does not indicate the project or plan will be approved by the department. The municipality must complete the application process and be issued approval by the department before being eligible for disbursements. The first installment of New State Revenues (assuming any New State Revenues are available and the General Assembly appropriates such funds) will not be available until July 1 of the year in which the appropriation occurs.



STATE SUPPLEMENTAL TAX INCREMENT FINANCING

PRECERTIFICATION REQUEST FORM AND SUBMISSION INSTRUCTIONS

PART I. Applicant

- 1. Name and address of Applicant:
(Name)
(Street) (P.O. Box) (City) (Zip Code)
2. Name of Applicant's spokesperson:
(Name) (Title) (Telephone)

PART II. Developer

- 1. Name and address of Developer:
(Name)
(Street) (P.O. Box) (City) (Zip Code)
2. Name of Developer's spokesperson:
(Name) (Title) (Telephone)

PART III. Project

- 1. Name of the Project:
2. General description of the Project:

PART IV. Submissions

The Applicant shall submit four copies of this Precertification Request Form, together with the information listed on Schedule I attached hereto, to the address listed below.

Signature of Applicant's Spokesperson:

Date:

RETURN TO:
Department of Economic Development, Incentives Section, P.O. Box 118, Jefferson City, MO 65102



**SCHEDULE I TO
PRECERTIFICATION REQUEST FORM**

1. Identification of the **Redevelopment Area** (by a map showing the specific boundaries and a legal description). Identify the following to indicate eligibility:
 - a. Address of property 50+ years old within the redevelopment area, and documentation of age of property.
 - b. Documentation of blighted areas located in enterprise zones, pursuant to sections 135.200 to 135.256, RSMo, blighted areas located in federal empowerment zones, or blighted areas located in central business districts or urban core areas of cities which districts or urban core areas at the time of approval of the project by ordinance.
 - c. Documentation of generally declining population or property taxes over the twenty-year period immediately preceding the area's designation as a project area by ordinance
2. The names, addresses, federal ID number and state sales tax ID number of all existing **businesses** within the Redevelopment Area.
3. For each existing business within the Redevelopment Area during the base year:
 - a. The amount of **State Sales Taxes** paid by each business in the base year. This would be documented by written authorization (see Exhibit A) by each existing businesses within the project area (prior to approval of the Redevelopment Project) to authorize the Missouri Department of Revenue to provide DED access to the company's sales tax records; **or**
 - b. The amount of **State Withholding Taxes** on behalf of existing employees in the base year. This would be documented by written authorization by each company to allow the Missouri Department of Revenue to provide DED access to the company's withholding tax records.
4. The estimate of the **incremental increase** (for the proposed number of years that state funding is requested) in the general revenue portion of either 50% of the state sales tax revenue (1.5% of eligible retail sales) **or** the estimate for 50% of the state income tax withheld by the employers in the Redevelopment Area on behalf of new employees expected to fill new jobs created within the Redevelopment Area after redevelopment. There should be adequate information provided to determine that the estimates are realistic.
5. The **cost-benefit analysis** required by section 99.810, which would include a study of the direct fiscal impact on the state of Missouri.
6. The **statement of election** between the use of the incremental increase of the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the Redevelopment Area; and,



7. The **redevelopment plan** for the project, which includes the following elements:
 - a. The estimated Redevelopment Project costs;
 - b. The anticipated sources of funds to pay the costs;
 - c. Evidence of the commitments to finance the project costs;
 - d. The anticipated type and term of the sources of funds to pay costs;
 - e. The anticipated type and terms of the obligations to be issued;
 - f. The most recent equalized assessed valuation of the property within the Redevelopment Area which is to be subjected to payments in lieu of taxes and economic activity taxes pursuant to section 99.845;
 - g. An estimate as to the equalized assessed valuation after redevelopment; and
 - h. The general land uses to apply in the Redevelopment Area; and
 - i. A detailed description of the factors that **qualify** the Redevelopment Area or project.

8. An **affidavit** that is signed by the developer or developers attesting :
 - a. that the provisions of subdivision (1) of section 99.810 have been met;
 - b. that the Redevelopment Area would not be reasonably anticipated to be developed without the PILOTS, EATS and the appropriation of the New State Revenues; and
 - c. that the developer will not proceed with the project without the appropriation of New State Revenues. (Narrative describing how this determination was made should be attached, including an analysis of the developer's return on investment with and without state TIF funding. The developer return on investment analysis may use generally accepted methods used by real estate developers, such as internal rate of return analysis assuming a sale of the property at a certain time depending on the nature of the project.)

9. The municipality shall include in the application the following items in addition to the items in section 99.810:
 - (a) The tax increment financing district or redevelopment area, including the businesses identified within the redevelopment area;
 - (b) The base year of state sales tax revenues or the base year of state income tax withheld on behalf of existing employees, reported by existing businesses within the project area prior to approval of the redevelopment project;



- (c) The estimate of the incremental increase in the general revenue portion of state sales tax revenue or the estimate for the state income tax withheld by the employer on behalf of new employees expected to fill new jobs created within the redevelopment area after redevelopment;
- (d) The official statement of any bond issue pursuant to this subsection after December 23, 1997;
- (e) An affidavit that is signed by the developer or developers attesting that the provisions of subdivision (1) of section 99.810 have been met and specifying that the redevelopment area would not be reasonably anticipated to be developed without the appropriation of the new state revenues;
- (f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal impact on the state of Missouri; and
- (g) The statement of election between the use of the incremental increase of the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area;
- (h) The name, street and mailing address, and phone number of the mayor or chief executive officer of the municipality;
- (i) The street address of the development site;
- (j) The three-digit North American Industry Classification System number or numbers characterizing the development project;
- (k) The estimated development project costs;
- (l) The anticipated sources of funds to pay such development project costs;
- (m) Evidence of the commitments to finance such development project costs;
- (n) The anticipated type and term of the sources of funds to pay such development project costs;
- (o) The anticipated type and terms of the obligations to be issued;
- (p) The most recent equalized assessed valuation of the property within the development project area;
- (q) An estimate as to the equalized assessed valuation after the development project area is developed in accordance with a development plan;
- (r) The general land uses to apply in the development area;



- (s) The total number of individuals employed in the development area, broken down by full-time, part-time, and temporary positions;
- (t) The total number of full-time equivalent positions in the development area;
- (u) The current gross wages, state income tax withholdings, and federal income tax withholdings for individuals employed in the development area;
- (v) The total number of individuals employed in this state by the corporate parent of any business benefitting from public expenditures in the development area, and all subsidiaries thereof, as of December thirty-first of the prior fiscal year, broken down by full-time, part-time, and temporary positions;
- (w) The number of new jobs to be created by any business benefitting from public expenditures in the development area, broken down by full-time, part-time, and temporary positions;
- (x) The average hourly wage to be paid to all current and new employees at the project site, broken down by full-time, part-time, and temporary positions;
- (y) For project sites located in a metropolitan statistical area, as defined by the federal Office of Management and Budget, the average hourly wage paid to nonmanagerial employees in this state for the industries involved at the project, as established by the United States Bureau of Labor Statistics;
- (z) For project sites located outside of metropolitan statistical areas, the average weekly wage paid to nonmanagerial employees in the county for industries involved at the project, as established by the United States Department of Commerce;
- (aa) A list of other community and economic benefits to result from the project;
- (bb) A list of all development subsidies that any business benefitting from public expenditures in the development area has previously received for the project, and the name of any other granting body from which such subsidies are sought;
- (cc) A list of all other public investments made or to be made by this state or units of local government to support infrastructure or other needs generated by the project for which the funding pursuant to this act** is being sought;
- (dd) A statement as to whether the development project may reduce employment at any other site, within or without the state, resulting from automation, merger, acquisition, corporate restructuring, relocation, or other business activity;
- (cc) A statement as to whether or not the project involves the relocation of work from another address and if so, the number of jobs to be relocated and the address from which they are to be relocated;
- (ff) A list of competing businesses in the county containing the development area and in each contiguous county;



(gg) A market study for the development area;

(hh) A certification by the chief officer of the applicant as to the accuracy of the development plan;

10. The methodologies used in the application for determining the base year and determining the estimate of the incremental increase in the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area shall be approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. Upon approval of the application, the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee shall issue a certificate of approval. The department of economic development may request the appropriation following application approval.



STATE SUPPLEMENTAL TAX INCREMENT FINANCING

PROGRAM APPLICATION AND SUBMISSION INSTRUCTIONS

PART I. Applicant

- 1. Name and address of Applicant:
(Name)
(Street) (P.O. Box) (City) (Zip Code)
2. Name of Applicant's spokesperson:
(Name) (Title) (Telephone)

PART II. Developer

- 1. Name and address of Developer:
(Name)
(Street) (P.O. Box) (City) (Zip Code)
2. Name of Developer's spokesperson:
(Name) (Title) (Telephone)

PART III. Project

- 1. Name of the Project:
2. General description of the Project:

PART IV. Submissions

The Applicant shall submit four copies of this Program Application, together with the information listed on Schedule I attached hereto, to the address listed below.

Signature of Applicant's Spokesperson:
Date:

RETURN TO:
Department of Economic Development, Incentives Section, P.O. Box 118, Jefferson City, MO 65102



SCHEDULE I TO PROGRAM APPLICATION

Application Form and Instructions for Submission of the Application

1. Restate all information (updated as necessary) included in the Precertification Request Form.
2. An **affidavit** (updated to a date within 15 days of the Program Application) that is signed by the developer or developers attesting :
 - a. that the provisions of subdivision (1) of section 99.810 have been met;
 - b. that the Redevelopment Area would not be reasonably anticipated to be developed without the PILOTS, EATS and the appropriation of the New State Revenues; and
 - c. that the developer will not proceed with the project without the appropriation of New State Revenues.
3. The **resolution** adopted by the TIF Commission recommending approval or disapproval of the redevelopment plan or Redevelopment Project.
4. The **ordinance** adopted by the governing body of the municipality, which shall include the findings required by Section 9.810 of the TIF Act.
5. The **time period** of state assistance with detailed justification for any request in excess of 15 years.



AUTHORITY: sections 99.845, RSMo Supp. 2005 and 99.865, RSMo 2000. Original rule filed May 23, 2006, effective Dec. 30, 2006.*

**Original authority: 99.845, RSMo 1982, amended 1986, 1990, 1991, 1997, 1998, 2003, 2005 and 99.865, RSMo 1982, amended 1990, 1991, 1997.*