INDEPENDENCE
MISSOURI
A GREAT AMERICAN STORY

City Council Study Session

August 10, 2026
6:00 PM, Council Chambers - 20201 E. Jackson Drive

To view a Council meeting agenda, visit https://independencemo.portal.civicclerk.com/ and select 'Most Recent Council Agenda'.

WELCOME

COUNCIL SPONSORED ITEMS

1. A resolution requesting the City Manager to direct staff to draft an ordinance for storm shelter requirements. (*Sponsored by Mayor King*)

CITIZEN REQUESTS

1. Citizen Requests - Per Council Rules, Sec. 6.4 only "Council Sponsored Items" are eligible

PRESENTATIONS

1. Independence Economic Development Partnership Update

2. Economic Development Policy Discussion

INFORMATION ONLY

1. **Please Note**: In accordance with RSMo. 610.021, the City Council may convene in a Closed Executive Session during or after the meeting, on matters of litigation, legal action, and/or attorney client communications, as permitted by Sec. 610.021(1), on matters of personnel, as permitted by Sec. 610.021(3) and personnel records, as permitted by 610.021(13), on matters of contracts, as permitted by 610.021(12), on matters of real estate, as permitted by 610.021(2) and/or matters of labor negotiations, as permitted by 610.021(9).

BILL NO. ___________

ORDINANCE NO. ____________

AN ORDINANCE TO AMEND CHAPTER ______ OF THE CITY OF INDEPENDENCE CODE OF ORDINANCES BY ADDING ONE NEW SECTION RELATED TO REQUIREMENTS FOR STORM SHELTERS.

WHEREAS, the City Council of the City of Independence, Missouri, desires to ensure the safety and welfare of all the residents of the City during severe weather events; and

WHEREAS, storm shelters save lives by protecting people during such severe weather events; and

WHEREAS, the City Council desires to adopt this Ordinance to improve citizens' access to storm shelters.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. Chapter ___, Article ___, of the City Code shall hereby be amended as follows:

Sec. 1. Definitions

A. "Commercial structure," a structure designed for commercial use as defined by the currently adopted version of the International Building Code.

B. "Community storm shelter," a storm shelter not defined as a "residential storm shelter."

C. "Residential storm shelter," a storm shelter serving occupants of dwelling units and having an occupant load not exceeding sixteen (16) persons.

D. "Residential structure," a structure that is designed for use as a single-family or two-family dwelling and as defined by the currently adopted version of the International Residential Code.

E. "Storm Shelter," a building, structure, or portions thereof, constructed in accordance with ICC 500 and designated for use during hurricanes, tornadoes, or other severe windstorms. "Storm shelter" shall include both community storm shelters and residential storm shelters.

Sec. 2. Requirements

A. The owner or builder of any newly constructed residential structure, or any existing residential structure, being repaired, reconstructed, remodeled, or added to, where the repair, reconstruction, remodeling, or addition totals more than fifty percent (50%) of the current assessed value as determined by the Jackson County Assessor shall have a storm shelter installed as required by this chapter.

B. The owner or builder of any newly constructed commercial structure, or any existing commercial structure being repaired, reconstructed, remodeled, or added to, where the repair, reconstruction, remodeling, or addition totals more than fifty percent (50%) of the current assessed value as determined by the Jackson County Assessor shall have a storm shelter installed as required by this chapter.

C. A storm shelter required to be installed under Paragraph B of this section shall be located within one thousand (1,000) feet of all residential units to be served, except as provided in Section 3.

D. An application for the construction of any storm shelter shall be submitted by the owner or the owner's contractor to the City's Chief Building Official and shall be reviewed by the Chief Building Official or his or her designee.

Sec. 3. Exemptions

F. The requirements of Section 2 do not apply to the repair, reconstruction, remodeling, or addition to an existing structure unless the reconstruction or addition totals more than fifty percent (50%) of the current assessed value as determined by the Jackson County Assessor.

G. The requirements of Section 2 are not applicable to construction of a residential structure (single or two family) that is constructed with a basement with walls that are a minimum of eight (8) feet deep and are located at least seventy-five percent (75%) below grade as measured by the surface area of the basement walls that are exposed above grade from the exterior of the habitable structure.

H. The requirements of Section 2 are not applicable to any residential structure not described in Paragraph B, including mobile homes or slab homes, that is constructed within one thousand (1,000) feet of a community storm shelter which serves those residential structures.

I. The requirements of Section 2 may be waived for good cause by the Community Development Director, who shall document the justification for said waiver in writing.

<u>SECTION 2.</u> The Ordinance shall take effect ninety (90) days after the date of adoption.

<u>SECTION 3.</u> If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this Ordinance.

<u>SECTION 4.</u> The correction of any scrivener's errors identified within these sections are hereby authorized by this Ordinance.

PASSED THIS ___________ DAY OF _____________, 2026, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.

____
Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

____
City Clerk

APPROVED AS TO FORM AND LEGALITY:

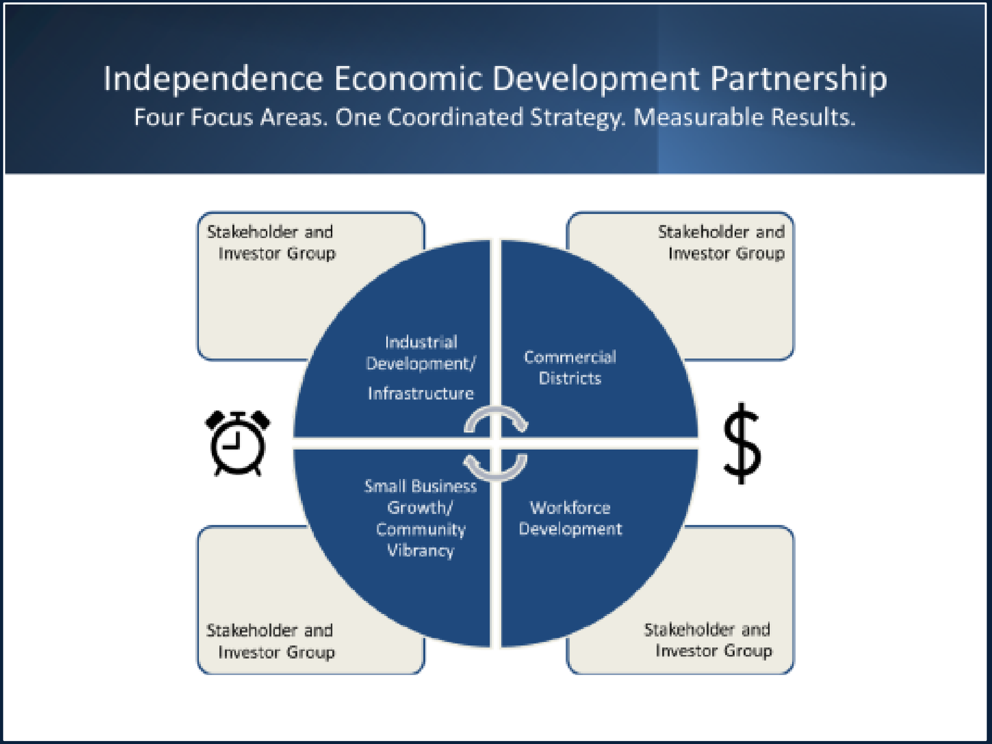
____
City Counselor

REVIEWED BY:

____
City Manager

Independence Economic Development Partnership

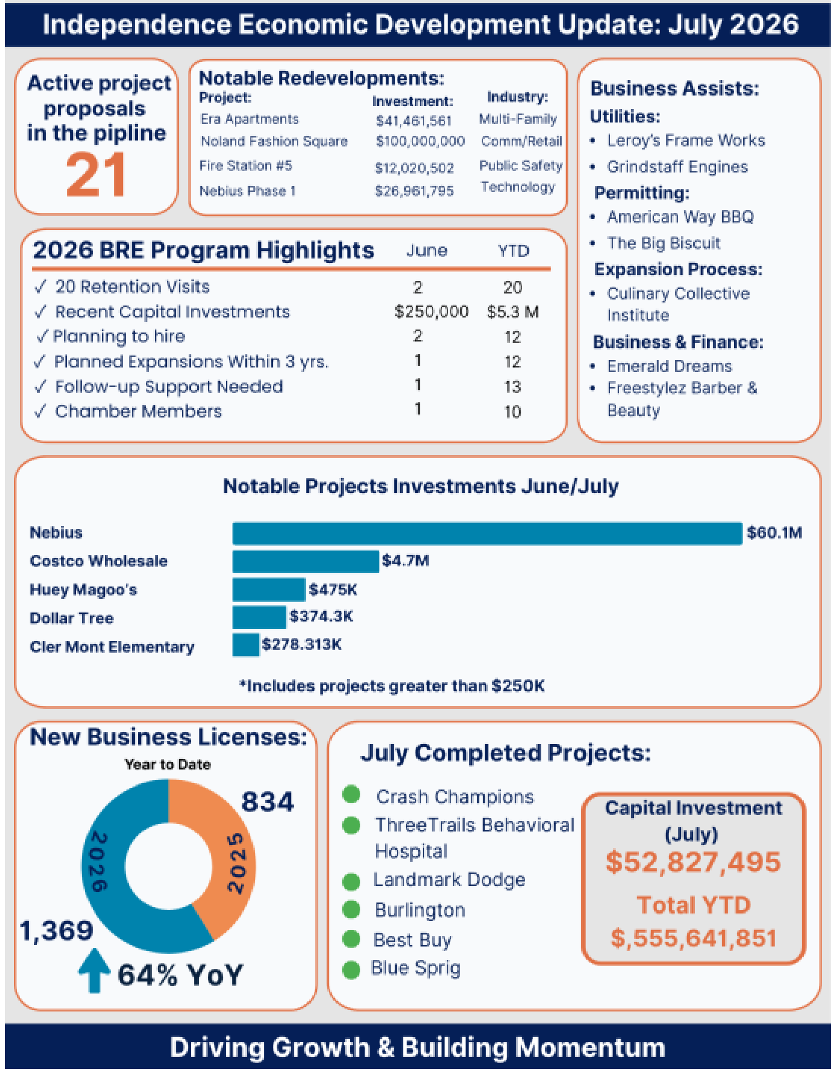
2026 Economic Development Strategic Framework



Presented by Jarvis Sackman
Director of Business Retention & Expansion
Valerie Byrnes, President & CEO

Current Momentum: BRE Dashboard

The dashboard demonstrates active progress and a stronger foundation for accountability.



20
YTD retention visits

$5.3M
Recent capital investments

12
Planning to hire

1,369
New business licenses YTD

64%
YoY Increase in new business license growth

$555.6M
Total YTD capital investment

BRE Operating Model

Convert employer conversations into action and outcomes.

INDEPENDENCE Chamber of Commerce

1

Visit

Retention visits with existing employers

2

Diagnose

Identify hiring, expansion, infrastructure, finance, or permitting needs

3

Coordinate

Connect City, IEDP, workforce, chamber, utilities, and finance partners

4

Report

Track investment, jobs, support needs, and project outcomes

Dashboard measures become the feedback loop: visits, capital investment, hiring plans, expansions, follow-up support, licenses, completed projects.

Four Focus Areas, One Coordinated Strategy

The 2026 framework organizes IEDP work into a system rather than isolated programs.

Industrial Development & Infrastructure

Capital investment, jobs, sites, utilities, approvals

Commercial Districts

Occupancy, sales tax, reinvestment, quality of place

Small Business Growth / Community Vitality

Technical assistance, capital access, resilience, local dollars

Workforce Development

Employer demand, resident pathways, training, placement

Focus Area 1: Industrial Development & Infrastructure

Make Independence competitive for industrial investment.

PURPOSE

Advance industrial investment, infrastructure readiness, and workforce alignment to support job creation and capital investment.

PRIORITIES FOR 2026

1. Increase industrial investment and job creation
2. Improve site readiness and infrastructure capacity
3. Deliver a proactive and robust Business Retention & Expansion (BRE) strategy of existing employers
4. Align workforce development with industry needs

KPI LENS

- New industrial capital investment secured
- Industrial jobs created and retained
- Increase and inventory the number of available shovel-ready sites and acreage
- Infrastructure investment leveraged
- Industrial projects supported annually

Focus Area 2: Commercial Districts

Strengthen commercial performance, revenue, and quality of place.

PURPOSE

Strengthen the performance, attractiveness, and competitiveness of commercial shopping centers and districts.

PRIORITIES FOR 2026

1. Increase sales tax revenue
2. Reduce vacancy and underutilized properties
3. Encourage reinvestment and redevelopment
4. Recruit and retain targeted businesses
5. Enhance district experience and attractiveness

KPI LENS

- Commercial occupancy rates
- Net new businesses opened
- Sales tax growth by district
- Private investment leveraged
- Placemaking investment

Focus Area 3: Small Business Growth / Community Vitality

Build a continuum of support beyond startup.

PURPOSE

Support small business growth and sustainability while ensuring inclusive economic opportunity.

PRIORITIES FOR 2026

1. Strengthen local economic resilience
2. Support business growth and innovation
3. Support growth beyond launch and stabilization
4. Retain local dollars within the community

KPI LENS

- Commercial occupancy rates. Placemaking investment
- Business retention and expansion success rate
- Net new businesses opened. Foot traffic and visitor counts
- Commercial lease rate and value growth
- New Chamber members

Focus Area 4: Workforce Development

Connect employer demand to resident pathways.

PURPOSE

Align talent supply with employer demand, strengthen career pathways for residents, and support long-term economic resilience by connecting education, training, and employment systems with real-world business needs.

STRATEGIC GOALS FOR 2026

1. Workforce support as part of recruitment packages
2. Rapid response for expanding or relocating employers
3. Collaboration with workforce boards and regional employers
4. Increase school-employer alignment through internships, tours, job-shadowing, training, and pathways to employment

KPI LENS

- Employer engagement and alignment
- Talent pipeline development
- Workforce outcomes, including job placement statistics, average wages, and retention rates.
- Business impact solutions for projects supported with workforce partners.
- Inclusive participation

Our Partnership is What Accelerates Results

IEDP can manage the pipeline; City alignment helps unlock outcomes.

Infrastructure readiness	Align public investment with high-opportunity sites and districts.
Permitting & approvals	Keep the development process predictable and responsive.
District reinvestment	Support targeted improvements that reduce vacancies, drive sales tax, and create a quality of place.
Small business support	Expand access to resources, capital, and technical assistance.
Workforce partnerships	Connect employers, residents, educators, and training providers.

"As a united front, we can turn current momentum into sustained, impactful growth for Independence."

Independence Economic Development Update: July 2026

Active project proposals in the pipline

21

Notable Redevelopments:

Project:	Investment:	Industry:
Era Apartments	$41,461,561	Multi-Family
Noland Fashion Square	$100,000,000	Comm/Retail
Fire Station #5	$12,020,502	Public Safety
Nebius Phase 1	$26,961,795	Technology

Business Assists:

Utilities:
- Leroy's Frame Works
- Grindstaff Engines

Permitting:
- American Way BBQ
- The Big Biscuit

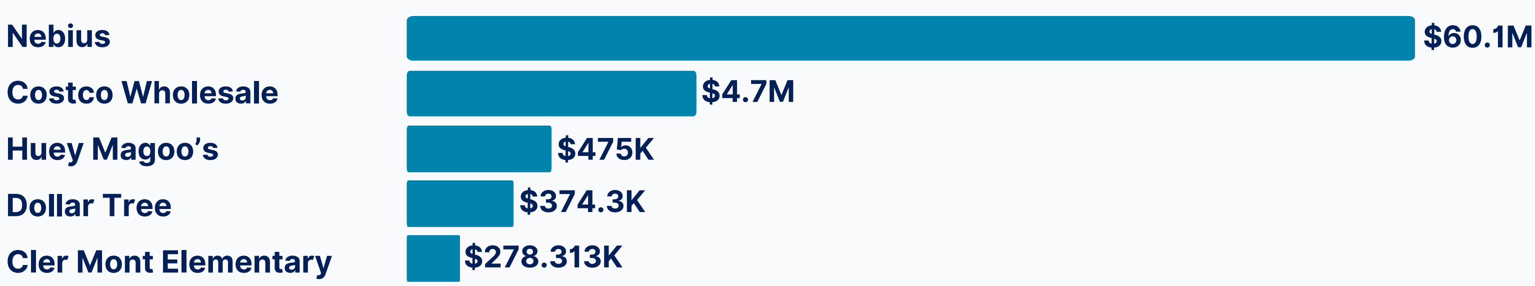
Expansion Process:
- Culinary Collective Institute

Business & Finance:
- Emerald Dreams
- Freestylez Barber & Beauty

2026 BRE Program Highlights

	June	YTD
✓ 20 Retention Visits	2	20
✓ Recent Capital Investments	$250,000	$5.3 M
✓ Planning to hire	2	12
✓ Planned Expansions Within 3 yrs.	1	12
✓ Follow-up Support Needed	1	13
✓ Chamber Members	1	10

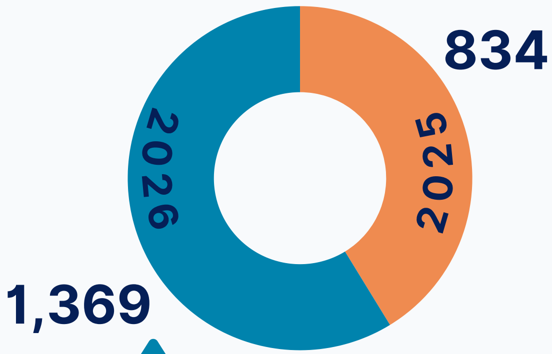
Notable Projects Investments June/July



*Includes projects greater than $250K

New Business Licenses:

Year to Date



64% YoY

July Completed Projects:

- Crash Champions
- ThreeTrails Behavioral Hospital
- Landmark Dodge
- Burlington
- Best Buy
- Blue Sprig

Capital Investment (July)

$52,827,495

Total YTD

$,555,641,851

Driving Growth & Building Momentum

Economic Development Policy

Tom Scannell,
Community Development Director

History of Economic Development

Historically, the City of Independence has employed economic development tools to stimulate private investment, promote redevelopment, create jobs and broaden the tax base.

For many years, the City did not have an established policy, which meant developers had no clear direction on the types of projects the City would support, even as development and redevelopment accelerated.

This approach resulted in varied and inconsistent incentives being granted.

- For example, the City may approve one project with a 100% PILOT capture and 50% EATs capture, while another project may be approved at a lower incentive level, such as 50% PILOTs and 50% EATs.
- Some incentives were approved as pay as you go vs issue City-back bonds

Economic Development Policy

In May 2019, the City Council adopted the City's Economic Development Policy, providing a standardized approach for reviewing incentive and redevelopment assistance requests. The policy was designed to:

- Establish clear and consistent guidelines for the use of economic development incentives;
- Encourage redevelopment in targeted areas experiencing disinvestment or economic decline;
- Attract and retain businesses, jobs, and private capital investment;
- Align economic development decisions with the City's Comprehensive Plan and strategic priorities.

The Economic Development Policy received updates in 2021–2023 to modernize standards and improve transparency.

Economic Development Policy Objectives

Encourage high-quality development and redevelopment that strengthens the community and enhances the City's long-term tax base.

Promote job creation, business expansion, and long-term economic investment within Independence.

Leverage strategic public infrastructure investments to attract and maximize private-sector investment.

Use economic development incentives only when necessary to address demonstrated financing gaps and achieve projects that would not otherwise be feasible.

Protect the public interest through rigorous financial analysis, performance-based agreements, accountability measures, and ongoing compliance requirements.

Economic Incentives Used by City

Tax Abatement
- Chapter 100
- Chapter 353

Special Districts
- Tax Increment Financing (TIF)
- Community Improvement District (CID)
- Neighborhood Improvement District (NID)
- Land Clearance for Redevelopment Authority (LCRA)

Other Incentives
- Infrastructure agreements
- Fee waivers
- State incentive programs

Tax Increment Financing

Tax Increment Financing (TIF) is tool that helps fund redevelopment by using the new tax revenue generated from rising property values and business activity in a specified area (a "TIF district") to pay for improvements that support the project.

City's Economic Development Policy Highlights:

- Allows capture of up to 50% of incremental increases in property and sales taxes to fund eligible redevelopment costs.
- Requires a minimum project investment of $5 million.
- Limits public participation to generally no more than 20%.
- Prohibits the use of City credit support for TIF bonds.

With TIF, the City is not drawing from existing tax dollars to fund a project. Instead, it allows a portion of the *new* tax revenue generated by that development to be reinvested into the project for a limited time.

Tax Increment Financing Participation

Investment (in Millions)	Jobs Created							
	5-9	10-14	15-25	25-49	50-99	100-249	250-300	300+
$5-$6	15%	15%	15%	15%	16%	16%	17%	18%
$6-10	15%	15%	15%	15%	16%	16%	17%	18%
$10-$25	15%	15%	15%	15%	16%	17%	18%	19%
$25-$50	15%	15%	15%	16%	17%	18%	19%	20%
$50-$60	16%	16%	16%	17%	18%	19%	20%	20%
$60-$75	16%	16%	17%	18%	19%	20%	20%	20%
$75+	17%	17%	18%	19%	20%	20%	20%	TBD

The Noland Fashion Square Tax Increment Financing (TIF) Plan exceeded the City's Economic Development Policy guideline limiting public participation to 20% of total project costs. While the policy generally limits public investment, it allows the City Council to waive or exceed this guideline when a project is determined to provide exceptional community benefit.

Tax Increment Financing Example

Vacant land proposed for retail development is approved for a TIF.

- TIF Assumptions – 50% PILOTS and 50% EATS

Property Taxes

Taxable Value Before TIF	Taxes Before TIF	Taxable Value After	Taxes After Development	Increment Captured by TIF	Increment to Taxing Jurisdictions
$4,500	$394	$2,600,000	$227,460	$113,533	$113,533

Sales Taxes

Total Annual Sales Generated Before TIF	Annual Sales Generated After Project Completed	Sales Taxes to General Fund	Sales Tax Increment Captured by TIF	Sales Tax to General Fund
$0	$18,000,000	$180,000	$90,000	$90,000

Chapter 100 Tax Abatement

Chapter 100 is a Missouri economic development tool that allows a city to offer real and personal property tax abatement on a project to encourage businesses to invest, expand, create jobs, and support local economic growth.

City's Economic Development Policy Highlights:

- May include a sales tax exemption on construction materials.
- Abatement levels are determined by an investment-and-jobs performance matrix.
- Public participation is generally limited to a maximum of 20% of total project cost, except for projects exceeding $100 million.
- The City does not provide credit support for bonds.

Chapter 100 allows the developer to retain a portion of the future tax revenue that would not exist without the project. The City temporarily foregoes some of the new taxes generated by the development to help make the investment feasible.

Chapter 100 Tax Abatement Participation

Investment (in Millions)	Jobs Created							
	5-9	10-14	15-25	25-49	50-99	100-249	250-300	300+
$5-$6	55%	57%	60%	65%	70%	75%	80%	75%/11
$6-10	57%	60%	65%	70%	75%	80%	75%/11	75%/12
$10-$25	60%	65%	70%	75%	80%	75%/11	75%/12	75%/13
$25-$50	65%	70%	75%	80%	75%/11	75%/12	75%/13	85%/12
$50-$60	70%	75%	80%	75%/11	75%/12	75%/13	85%/12	85%/15
$60-$75	75%	80%	75%/11	75%/12	75%/13	85%/12	85%/15	85%/17
$75+	80%	75%/11	75%/12	75%/13	85%/12	85%/15	85%/17	TBD

The proposed Chapter 100 tax abatement for the Nebius project falls within the "To Be Determined (TBD)" category of the City's Economic Development Policy, as the capital investment significantly exceeds the policy's highest guideline threshold of $75 million. Because projects of this magnitude are evaluated individually, the City Council may elect to use the table below as a general guideline in determining the appropriate amount and duration of tax abatement based on the project's overall public benefits.

Chapter 100 Tax Abatement Example

Vacant ground designated for construction of an industrial facility is approved for Chapter 100 tax abatement.

- Assumption 20% PILOT payment in years 1-5; followed by 50% PILOT payment in years 6-10; followed by 75% PILOT payment in years 11-20

Year 1

Taxable Value Before Chapter 100	Property Taxes Before Chapter 100	Taxable Value After Chapter 100	PILOT Payment to Taxing Jurisdictions	Incentive to Developer
$6,000	$467	$0	$110,000	$440,000

Year 10

Taxable Value Before Chapter 100	Property Taxes Before Chapter 100	Taxable Value After Chapter 100	PILOT Payment to Taxing Jurisdictions	Incentive to Developer
$6,000	$467	$0	$309,515	$309,515

Community Improvement District

Community Improvement Districts (CID) is a Special Funding District where property owners and/or businesses agree to collect an additional tax or fee to pay for local improvements and services such as roads, sidewalks, lighting, landscaping, security, or economic development projects that benefit the district.

City's Economic Development Policy Highlights:

- Authorizes the use of special assessments and/or a dedicated sales tax within the district.
- Requires demonstration that the project is not feasible without a CID ("but for" requirement).
- Requires that any debt must be issued by the CID, not the City.
- Limits incentive to the shortest duration necessary to achieve the desired level of public financial participation.

With a CID, the City is not providing a direct payment to the developer. Instead, it is a financing tool that captures taxes generated by new economic activity within the district and reinvests those revenues into public improvements that support the project. Without this tool, the alternative is often no redevelopment, no new investment, and no new tax revenue.

Community Improvement District Example

A shopping center with $1 million in current annual sales is approved for a 1-cent CID, allowing those revenues to be reinvested into upgrades and improvements to the center.

- Assumption after the CID is approved, vacant storefronts are refilled.

Annual Sales Generated Before CID	Annual General Fund Sales Tax Generated Before CID	Annual Sales Generated After CID	Annual General Fund Sales Tax Generated After CID	Amount Generated by 1% CID Sales Tax
$1,000,000	$28,750	$12,000,000	$345,000	$120,000

Chapter 353 Tax Abatement

Chapter 353 is a development incentive that allows a property owner to pay reduced property taxes on new improvements for up to 25 year, helping make redevelopment projects more financially feasible while encouraging investment in the community.

City's Economic Development Policy Highlights:

- The maximum abatement is 75% for the first 10 years followed up by 37.5% for the next15 years.
- Public participation varies based on level of investment and is capped at 20%.
- Projects must demonstrate that they are not feasible without financial assistance.

The City temporarily reduces a portion of the new property taxes created by a development to help make the project financially feasible and encourage investment that might not otherwise occur.

Neighborhood Improvement District

Neighborhood Improvement Districts (NID) is a tool that allows property owners in a specific area to pay an extra assessment on their property taxes to fund local improvements and services that benefit their neighborhood, such as streets, sidewalks, lighting, landscaping, or public safety enhancements.

City's Economic Development Policy Highlights:

- Used to finance public infrastructure improvements through special assessments.
- Requires a petition signed by 2/3 of the affected property owners.
- Improvements must be consistent with the City's Comprehensive Plan.
- The term of the special assessment may not exceed 120% of the improvement's useful life.
- Improvements must provide a benefit to a subdivision or other large-area district.

Land Clearance for Redevelopment Authority

LCRA is a statutory public entity responsible for identifying blighted areas, acquiring and clearing property as necessary, and supporting redevelopment efforts to promote public welfare and economic revitalization.

City's Economic Development Policy Highlights:

- Prioritizes blight remediation and high-quality residential infill development.
- Cannot issue debt or provide tax abatement; its authority is limited to the use of Eminent Domain for non-owner-occupied properties.
- Projects are limited to a maximum total cost of $1 million.

Other Incentives

- Infrastructure agreements (sales tax rebates) may be used only when the proposed public improvements provide a clear community benefit and are essential to project feasibility.
- Fee waivers may be considered for high impact projects with an investment of $5 million or more.
- Reduced utility rates are available for qualifying projects.
- Opportunity Zones and applicable state programs may be combined with City incentives to enhance project viability.

Summary

The Economic Development Policy provides clear guidance for both staff and developers, enhances transparency, and emphasizes:

- Financial responsibility – Ensuring that public incentives are used prudently, are tied to measurable outcomes and do not create long term financial liabilities for the City.
- Public benefit – Prioritizing projects that deliver community value, such as job creation, reinvestment in aging areas, infrastructure improvements and alignment with broader community goals.
- Alignment with City plans – Reinforcing that all incentive requests must support adopted policies and plans, including the Comprehensive Plan, area plans, and the City's strategic plan.

The policy establishes a consistent framework for evaluating and determining the appropriate amount and duration of tax abatement and other public incentives, using project investment levels and projected job creation as key evaluation criteria."


INDEPENDENCE
MISSOURI

Economic Development Policy

Tom Scannell,
Community Development Director

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$60-$75	16%	16%	17%	18%	19%	20%	20%	20%
$75+	17%	17%	18%	19%	20%	20%	20%	TBD

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ECONOMIC DEVELOPMENT POLICY

COI 2026

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$6-10	57%	60%	65%	70%	75%	80%	75%/11	75%/12
$10-$25	60%	65%	70%	75%	80%	75%/11	75%/12	75%/13
$25-$50	65%	70%	75%	80%	75%/11	75%/12	75%/13	85%/12
$50-$60	70%	75%	80%	75%/11	75%/12	75%/13	85%/12	85%/15
$60-$75	75%	80%	75%/11	75%/12	75%/13	85%/12	85%/15	85%/17
$75+	80%	75%/11	75%/12	75%/13	85%/12	85%/15	85%/17	TBD

The proposed Chapter 100 tax abatement for the Nebius project falls within the "To Be Determined (TBD)" category of the City's Economic Development Policy, as the capital investment significantly exceeds the policy's highest guideline threshold of $75 million. Because projects of this magnitude are evaluated individually, the City Council may elect to use the table below as a general guideline in determining the appropriate amount and duration of tax abatement based on the project's overall public benefits.

Chapter 100 Tax Abatement Example

Vacant ground designated for construction of an industrial facility is approved for Chapter 100 tax abatement.

- Assumption 20% PILOT payment in years 1-5; followed by 50% PILOT payment in years 6-10; followed by 75% PILOT payment in years 11-20

Year 1

Taxable Value Before Chapter 100	Property Taxes Before Chapter 100	Taxable Value After Chapter 100	PILOT Payment to Taxing Jurisdictions	Incentive to Developer
$6,000	$467	$0	$110,000	$440,000

Year 10

Taxable Value Before Chapter 100	Property Taxes Before Chapter 100	Taxable Value After Chapter 100	PILOT Payment to Taxing Jurisdictions	Incentive to Developer
$6,000	$467	$0	$309,515	$309,515

Community Improvement District

Community Improvement Districts (CID) is a Special Funding District where property owners and/or businesses agree to collect an additional tax or fee to pay for local improvements and services such as roads, sidewalks, lighting, landscaping, security, or economic development projects that benefit the district.

City's Economic Development Policy Highlights:

- Authorizes the use of special assessments and/or a dedicated sales tax within the district.
- Requires demonstration that the project is not feasible without a CID ("but for" requirement).
- Requires that any debt must be issued by the CID, not the City.
- Limits incentive to the shortest duration necessary to achieve the desired level of public financial participation.

With a CID, the City is not providing a direct payment to the developer. Instead, it is a financing tool that captures taxes generated by new economic activity within the district and reinvests those revenues into public improvements that support the project. Without this tool, the alternative is often no redevelopment, no new investment, and no new tax revenue.

Community Improvement District Example

A shopping center with $1 million in current annual sales is approved for a 1-cent CID, allowing those revenues to be reinvested into upgrades and improvements to the center.

- Assumption after the CID is approved, vacant storefronts are refilled.

Annual Sales Generated Before CID	Annual General Fund Sales Tax Generated Before CID	Annual Sales Generated After CID	Annual General Fund Sales Tax Generated After CID	Amount Generated by 1% CID Sales Tax
$1,000,000	$28,750	$12,000,000	$345,000	$120,000

Chapter 353 Tax Abatement

Chapter 353 is a development incentive that allows a property owner to pay reduced property taxes on new improvements for up to 25 year, helping make redevelopment projects more financially feasible while encouraging investment in the community.

City's Economic Development Policy Highlights:

- The maximum abatement is 75% for the first 10 years followed up by 37.5% for the next15 years.
- Public participation varies based on level of investment and is capped at 20%.
- Projects must demonstrate that they are not feasible without financial assistance.

The City temporarily reduces a portion of the new property taxes created by a development to help make the project financially feasible and encourage investment that might not otherwise occur.

Neighborhood Improvement District

Neighborhood Improvement Districts (NID) is a tool that allows property owners in a specific area to pay an extra assessment on their property taxes to fund local improvements and services that benefit their neighborhood, such as streets, sidewalks, lighting, landscaping, or public safety enhancements.

City’s Economic Development Policy Highlights:

- Used to finance public infrastructure improvements through special assessments.
- Requires a petition signed by 2/3 of the affected property owners.
- Improvements must be consistent with the City’s Comprehensive Plan.
- The term of the special assessment may not exceed 120% of the improvement’s useful life.
- Improvements must provide a benefit to a subdivision or other large-area district.

Land Clearance for Redevelopment Authority

LCRA is a statutory public entity responsible for identifying blighted areas, acquiring and clearing property as necessary, and supporting redevelopment efforts to promote public welfare and economic revitalization.

City's Economic Development Policy Highlights:

- Prioritizes blight remediation and high-quality residential infill development.
- Cannot issue debt or provide tax abatement; its authority is limited to the use of Eminent Domain for non-owner-occupied properties.
- Projects are limited to a maximum total cost of $1 million.

Other Incentives

- Infrastructure agreements (sales tax rebates) may be used only when the proposed public improvements provide a clear community benefit and are essential to project feasibility.
- Fee waivers may be considered for high impact projects with an investment of $5 million or more.
- Reduced utility rates are available for qualifying projects.
- Opportunity Zones and applicable state programs may be combined with City incentives to enhance project viability.

Summary

The Economic Development Policy provides clear guidance for both staff and developers, enhances transparency, and emphasizes:

- Financial responsibility – Ensuring that public incentives are used prudently, are tied to measurable outcomes and do not create long term financial liabilities for the City.
- Public benefit – Prioritizing projects that deliver community value, such as job creation, reinvestment in aging areas, infrastructure improvements and alignment with broader community goals.
- Alignment with City plans – Reinforcing that all incentive requests must support adopted policies and plans, including the Comprehensive Plan, area plans, and the City’s strategic plan.

The policy establishes a consistent framework for evaluating and determining the appropriate amount and duration of tax abatement and other public incentives, using project investment levels and projected job creation as key evaluation criteria."

RENTAL READY UPDATE

COI 2026