

City of Bismarck, Missouri Comprehensive Plan



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ABSTRACT:

The City of Bismarck Comprehensive Plan presents an analysis of community socio-economic conditions, physical character, and public services and facilities. The plan also presents recommendations for meeting current and future needs regarding population growth, housing, land use, major streets and community facilities and services. The Comprehensive Plan is intended to serve as a general guide to the community in directing growth and development over the next 10 to 20 years.

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INTRODUCTION

The City of Bismarck is located in the extreme western portion of St. Francois County, Missouri. A generalized location map is presented as Exhibit No. 1 with the city limits overlaid on an aerial photograph as Exhibit No. 2. The primary access serving the City is Missouri Highway 32 running east and west. Missouri lettered highways BB and U serve the City to the north, and N serves the City to the south. The City also boasts a General Aviation airport. The Union Pacific Railroad serves the City and, although there is no scheduled stop, Amtrak also runs through Bismarck.

Unlike other communities in the area, most of which grew up around mining operations, Bismarck began as a railroad center and service center for the growing local agricultural economy. Initially, Bismarck was established where the St. Louis, Iron Mountain and Southern Railroad split off the “Belmont Branch.” The town was originally platted in 1868 and the unincorporated village was named after the “Iron Chancellor” in a deliberate attempt to attract German immigrants to the growing area. The community was incorporated in 1877.

As the railroads continued to expand their operations the City of Bismarck followed the typical growth patterns associated with “frontier” towns. The first “non-railroad” business was a mill where relatively high volume/low value grain was converted to relatively low volume/high value meal and flour. Hotels and restaurants followed to serve the growing number of passenger trains passing through. Soon the other businesses associated with a regional center were developing. A blacksmith shop was another early entry to the commercial scene quickly followed by a general store, harness shop, hardware store and similar retail operations. Although not documented, it is certain that distilling

Placeholder – Exhibit No. 1

Placeholder Exhibit No. 2

operations were also in place to reduce bulky grain to very high value alcohol. Other early industries included a sawmill and a flooring manufacturer taking advantage of local forests and the railroad transportation.

Purpose and Scope

The City of Bismarck has never undertaken a comprehensive plan before. This initial effort will involve all of the “standard” steps in the comprehensive planning process. It is important for the Planning Commission and the city government to understand that the comprehensive plan should be viewed as a process rather than a one-time project. Regular reviews will ensure that real world developments are incorporated into programs and projects. It is advisable to do a complete plan update approximately every decade.

The purpose of a city comprehensive plan is to serve as a guide for the orderly growth and development of the community. It is a product of the past and existing conditions and the expressed needs and desires of the residents and officials of the city. Its scope includes consideration of significant factors that influence, or are expected to influence, the development of the community over the next 10 to 20 years.

The plan is developed through a series of steps. These steps include:

1. the formulation of goals and objectives;
2. preparation of the comprehensive plan;
3. adoption of the plan by the city, and;
4. perhaps the most difficult step, implementation of the program.

A comprehensive planning program is generally initiated by a city to guide the development of the community in an orderly, economical

and rational manner and to stimulate the city’s growth. It is not a panacea for the community’s problems, but simply a tool to assist in improving many aspects of life in the community. The results of a sound planning program can be higher and more stable property values, a better traffic system, better use of revenues, greater job opportunities, an improved environment, and an enhanced ability to provide facilities and services that are needed for community improvements.

A planning program is the result of the combined efforts of many persons in the community. Therefore, the plan should seek to establish pride, coordination, and cooperation among all of the community residents and levels of government. Planning must also be a continual process, subject to periodic revisions and changes in order to meet the needs and challenges of a growing community.

Statutory Authority for Planning

Municipalities in Missouri are considered to be governmental subdivisions of the state and, as such, are empowered to adopt planning and zoning for the general purposes of enhancing the health, safety, and welfare of their residents. The basic authority for planning and zoning is contained in Chapter 89 of the *Revised Statutes of the State of Missouri*, as follows:

89.340 City plan, contents—zoning plan.

The [Planning] commission shall make and adopt a city plan for the physical development of the municipality.

The Commission has sole responsibility for the preparation of the plan.

The [Planning] commission shall make and adopt a city plan for the physical development of the municipality. The city plan, with the accompanying maps, plats, charts and descriptive and explanatory matter, shall show the commission's recommendations for the physical development and uses of land, and

may include, among other things, the general location, character and extent of streets and other public ways, grounds, places and spaces; the general location and extent of public utilities and terminals, whether publicly or privately owned, the acceptance, widening, removal, extension, relocation, narrowing, vacation, abandonment or change of use of any of the foregoing; the general character, extent and layout of the replanning of blighted districts and slum areas. The commission may also prepare a zoning plan for the regulation of

The commission may also prepare a zoning plan....

Preparation of a zoning plan and ordinance is optional.

the height, area, bulk, location and use of private, nonprofit and public structures and premises, and of population density, but the adoption, enforcement and administration of the zoning plan shall conform to the provisions

of sections 89.010 to 89.250.

89.350 Plan, prepared how—purposes.

In the preparation of the city plan, the commission shall make careful and comprehensive surveys and studies of the existing conditions and probable future growth of the municipality. The plan shall be made with the general purpose of guiding and accomplishing a coordinated development of the municipality which will, in accordance with existing and future needs, best promote the general welfare, as well as efficiency and economy in the process of development.

89.360 Adoption of plan, procedure.

The commission may adopt the plan as a whole by a single resolution, or, as the work of making the whole city plan progresses, may from time to time adopt a part or parts thereof, any part to correspond generally with one or more of the functional subdivisions of the subject matter of the plan. Before the adoption, amendment or extension of the plan or portion thereof the commission shall hold at least one public hearing thereon. Fifteen

days' notice of the time and place of such hearing shall be published in at least one newspaper having general circulation within the municipality. The hearing may be adjourned from time to time. The adoption of the plan requires a majority vote of the full membership of the planning commission. The resolution shall refer expressly to the maps, descriptive matter and other matters intended by the commission to form the whole or part of the plan and the action taken shall be recorded on the adopted plan or part thereof by the identifying signature of the secretary of the commission and filed in the office of the commission, identified properly by file number, and a copy of the plan or part thereof shall be certified to the council and the municipal clerk, and a copy shall be available in the office of the county recorder of deeds and shall be available at the municipal clerk's office for public inspection during normal office hours.

COMPREHENSIVE PLANNING PROGRAM

Implementation of a comprehensive planning program is an integral element in the overall growth and development of a community. It should be seen as a process with the preparation of this comprehensive plan as a first step. As time passes it will be found that some of the goals and objectives established in the old plan have been accomplished, while others become irrelevant due to developments in the City. Changing conditions and the continued growth and development of the City will have contributed to the need to update the City's comprehensive plan. While the planning horizon for the comprehensive plan is considered to be 20 years, review of the plan should be an ongoing process and a complete update should be undertaken every decade at the most.

The Comprehensive Plan

A comprehensive plan is a guide for the orderly future development of the community and is designed to promote the health, safety, welfare and convenience of the citizenry. The plan provides an appraisal of the socio-economic conditions and physical development of the community in order to develop a forecast of future requirements. The requirements consist primarily of developments or improvements that are based upon the expressed needs and desires of the citizens. The methods of fulfilling these goals and objectives, in turn, are stated as specific project proposals or programs. An officially adopted comprehensive plan integrates the goals and objectives into a viable document that indicates the location and extent of physical improvements needed to serve both present and future populations. The Comprehensive Plan for the City of Bismarck presented in the following pages represents the city's first such planning effort.

Planning Goals and Objectives

Goals and objectives represent policy proposals for the overall development of the community. Goals consist of long-range, generalized proposals that cover a broad social, economic or physical condition that the community officially agrees to attempt to accomplish during the planning period. Goals reflect the combined desires of the citizens, the planning and zoning commission, and the elected officials. Objectives, on the other hand, are shorter-range and have more limited and precise aims, purposes or conditions.

The critical aspect of setting the goals and objectives is that they be both realistic and attainable.

Planning and Zoning

Goal: Implement Planning and Zoning effort.

Objectives:

1. Establish a Planning Commission.
2. Prepare and adopt a Comprehensive Plan for the City of Bismarck.
3. Ensure that the comprehensive plan is integrated into the city's decision making process.
4. Prepare a draft Zoning Ordinance for presentation to the Board of Aldermen.
5. Implement and enforce zoning in the City of Bismarck.
6. Regularly update the comprehensive plan to keep it current.
7. Ensure that the comprehensive plan is considered in any annexation decisions.

Land Use

Goal: Utilize land to its highest potential..

Objectives:

1. Conserve sufficient land to satisfy the anticipated needs of the City during the planning period for each broad type of use (residential, commercial, industrial, recreational, and public).
2. Development should be encouraged in those areas that best utilize existing utilities.
3. The Future Land Use Plan should be used as a guide in considering zoning and subdivision proposals brought before the City.
4. The Future Land Use Plan should be considered when annexations of areas are contemplated.

Residential

Goal: Encourage the development of residential areas that provide a variety of housing units in a good environment, at affordable prices.

Objectives:

1. Encourage residential development in those areas most easily served by existing City utilities.
2. Adopt one of the Model Building Codes available.
3. Adopt a Building Permit ordinance.
4. Improve and protect the quality of housing in the City through continued enforcement of City codes.
5. Allow the location of mobile homes only in designated mobile home parks or subdivisions.
6. Protect residential areas from encroachment by incompatible uses such as commercial and industrial use.

7. Encourage development of rental housing, both multiple- and single-family units in appropriate locations, to provide housing for all residents.

Goal: Encourage programs and projects to improve and upgrade the existing housing stock.

Objectives:

1. Support and participate in housing improvement programs operated through East Missouri Action Agency.
2. Apply for funding through the Community Development Block Grant program to support sidewalk development or redevelopment projects.

Goal: Encourage general “beautification” efforts.

Objectives:

1. Undertake regular city sponsored “Clean-Up Days.”
2. Enforce “nuisance” and “public health and safety” ordinances.
3. Enact or enforce ordinances to require property owners and renters to maintain their property so as to present a pleasing appearance to residents and visitors.

Transportation

Goal: Work toward maximizing the Bismarck Airport.

Objectives

1. Prepare plans for expansion of existing runway.
2. Obtain funding to expand the runway from the existing 2,000 feet to at least 3,000 and preferably 4,000 feet to allow use by larger aircraft.
3. Support the development of additional support services.

Goal: Work toward maximizing the potential represented by the railroad in Bismarck.

Objectives:

1. Support additional railroad related business development such as car repair facilities, maintenance facilities and the like.
2. Establish a committee to investigate the potential for excursion/tourism related railroad activity utilizing the existing railroad station and facilities.

Goal: Ease traffic problems associated with heavy trucks passing through the middle of town.

Objectives:

1. Work with the Missouri Department of Transportation to develop plans for a truck bypass to route heavy trucks around the downtown area.
2. Work with the Southeast Missouri Transportation Advisory Committee to get such a bypass designated as a priority.

Goal: Improve pedestrian safety through a sidewalk construction/rehabilitation program.

Objectives:

1. Obtain funding to upgrade existing downtown sidewalks to achieve compliance with the Americans with Disabilities Act.
2. Initiate a program of ongoing sidewalk construction/upgrading throughout the city with first priority to areas lacking sidewalks at present.

Citizen Participation/Community Communication

Goal: Establish and support programs to support citizen participation and community communication in the City of Bismarck.

Objectives:

1. Recruit and support a local citizen to provide a “What’s Happening in Bismarck” column to the local newspapers.
2. Establish a policy of regular press releases by the City of Bismarck to inform the public of actions the City is undertaking.
3. Recruit and support a local citizen’s service group.
 - a. Investigate the possibility of establishing a Lions, Kiwanas or other similar club.
 - b. Investigate the possibility of establishing a locally developed service organization.
4. Support local “booster” activities.
 - a. “Yard of the Month” promotion.
 - b. “Community Betterment” contest.
5. Support local political participation efforts.
 - a. Annual “Meet the Candidates” forums.
 - b. School assignments to attend Board of Alderman or County Commission meetings.
6. Establish a City of Bismarck web site.

Economic

Goal: Strive to develop a well balanced economic base

Objectives:

1. Encourage revitalization and improvement of the existing business district and promote concentrated commercial development only in those areas that possess adequate access to transportation and have compatible adjacent land uses.

2. Actively recruit new commercial enterprises to locate in the City in order to provide additional shopping opportunities for the community's residents.
3. Identify additional areas in the community for establishment of industrial parks along with possible funding to furnish the infrastructure for these areas.
4. Encourage the expansion of existing commercial and industrial enterprises in the City so as to keep the established base of businesses.
5. Annex land as it becomes necessary to provide additional areas suitable for development as commercial or industrial parks.

Public Facilities

Goal: Provide for the delivery of functional and efficient public services to the community.

Objectives:

1. Make necessary improvements to the City's water and sewer systems in order to adequately serve the residents of Bismarck.
2. Provide sufficient capacity in the water and sewer treatment plants to allow for expected growth of the City.
3. Provide adequate park and recreational facilities to serve the residents of the City.

POPULATION

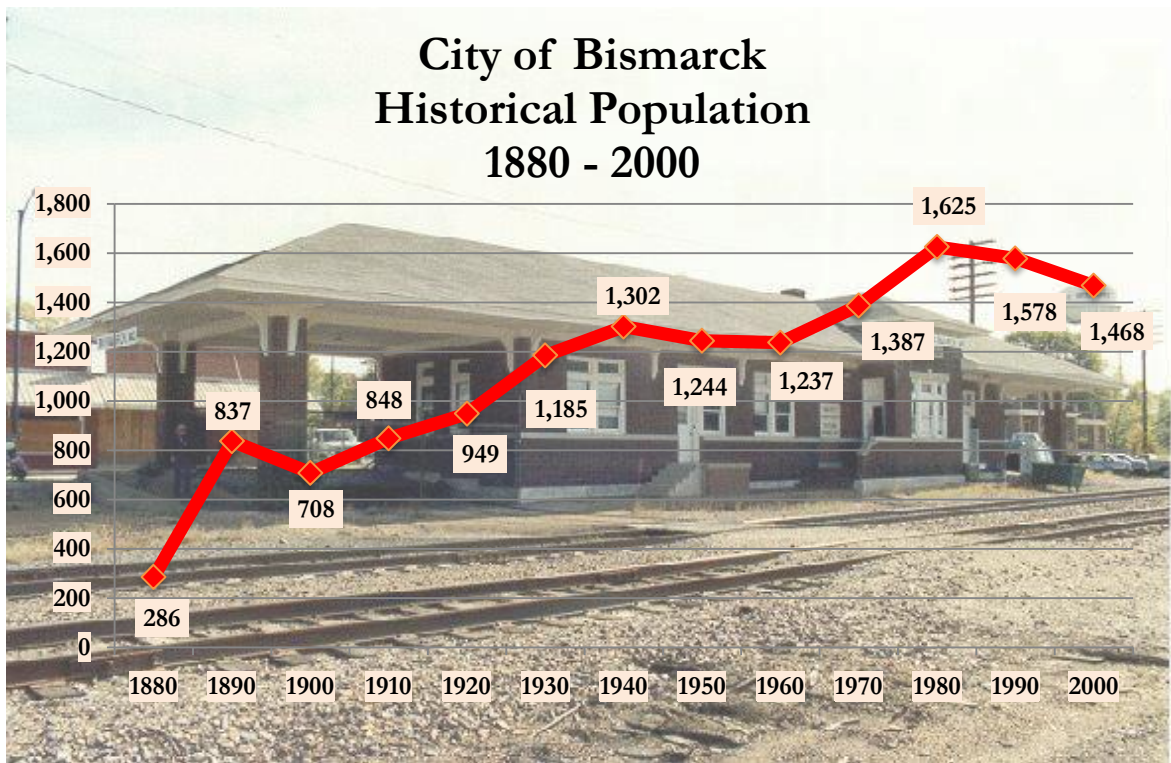
Population Characteristics

An analysis of the characteristics of the City’s population is essential to the planning process. Indeed, this is the single greatest factor governing the comprehensive planning process. It is imperative to have a reliable understanding of the number of persons to be served before any of the other components of the plan can be undertaken. The importance of this factor means that it is essential to have the most reliable possible population projections and estimates. The balance of this chapter is devoted to this analysis.

Historic Trends

For purposes of developing population projections two key data sets are presented. Data for the City of Bismarck, to the level of detail

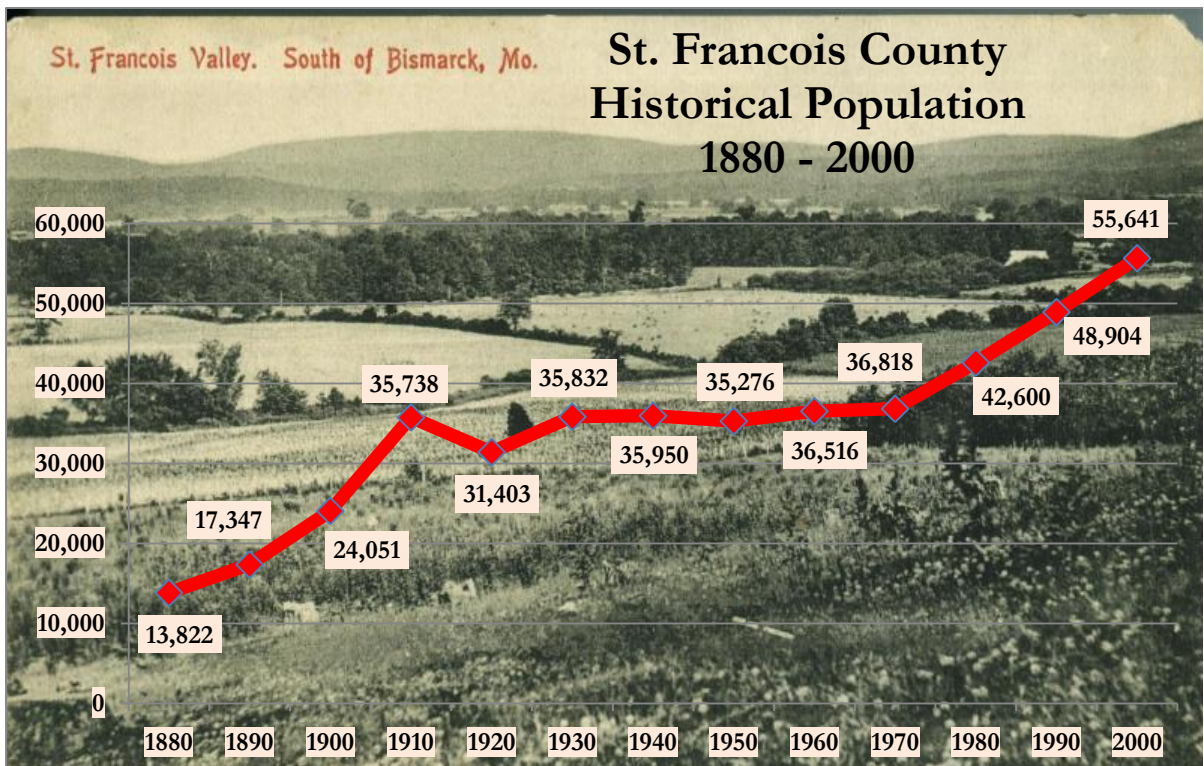
Exhibit No. 3



available, is the essential starting point. In addition, data for St. Francois County provides insight. The most basic population figure is the simple tabulation of individuals. This data is presented in Exhibit No. 3 for the City of Bismarck, and in Exhibit No. 4 for St. Francois County.

The most obvious difference between these two key graphs is that the last 20 year trend line is down for the City of Bismarck and up for St. Francois County. In part this reflects a very strong growth in the County during the last two decades of the 20th Century. Whether or not that level of growth is sustainable is clearly open to debate and will be discussed later in this chapter. In part, however, this reflects a slump in the City of Bismarck. In fact, this planning project is in part being undertaken in response to the perceived need to take steps to address this issue.

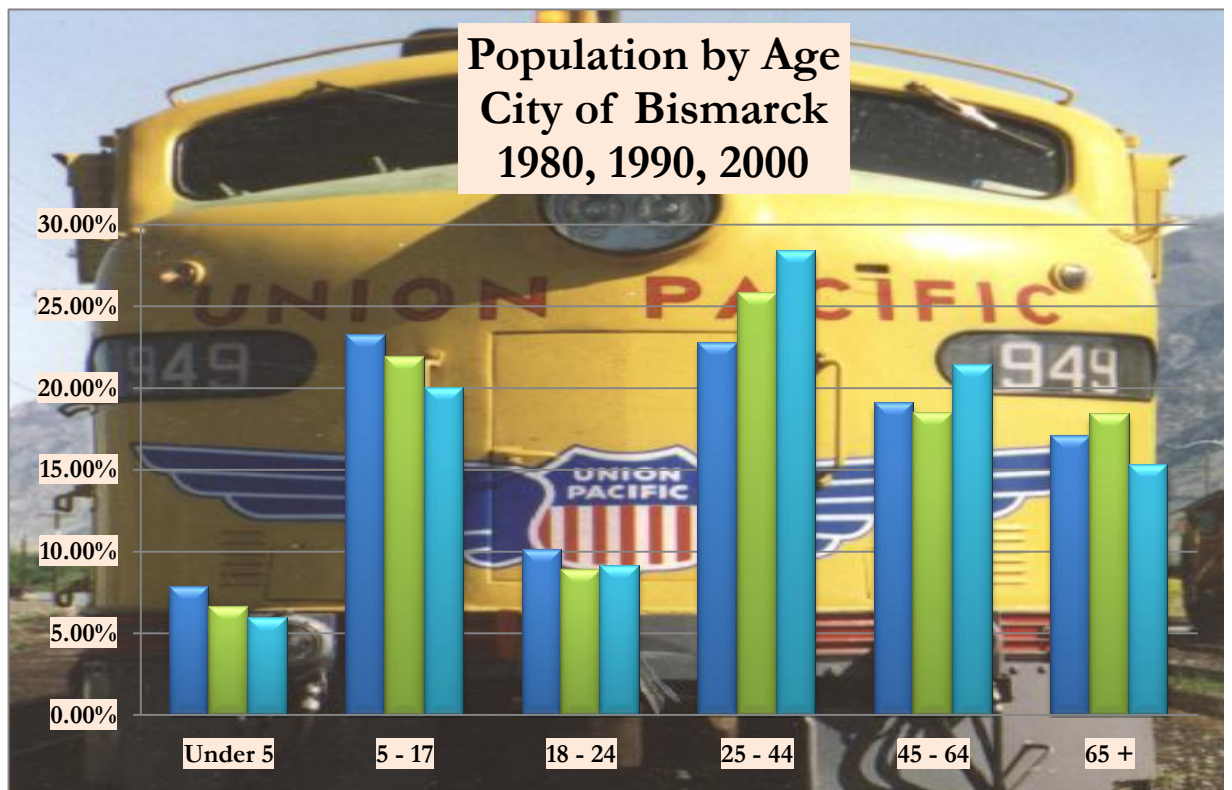
Exhibit No. 4



Age Breakdowns

The other central components of the population analysis include the age characteristics of the population. Exhibits No. 5 and 6 present a 30 year history of age breakdowns for both the City of Bismarck and St. Francois County. This information is presented in terms of the

Exhibit No. 5

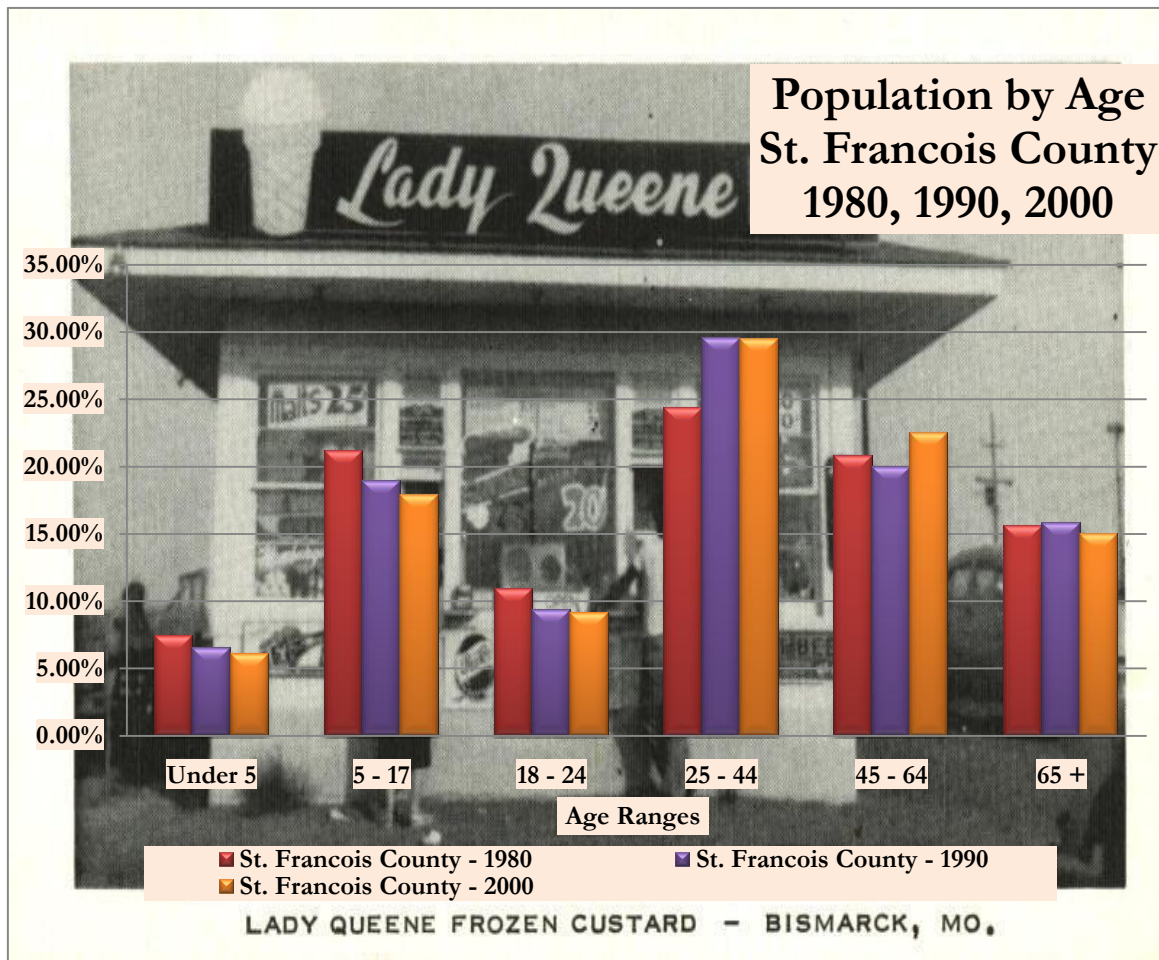


population falling inside of certain age ranges as a percentage of the overall population. This method allows for comparison between the relatively small City of Bismarck population and the relatively large St. Francois County population.

The most obvious feature of these charts is their stability. There is a very slight decline in the 0-5 and 5-17 age cohorts for both the City and the County. The 18-24 range is virtually stable in both cases. The 25-44 range shows strong growth for the City while remaining very stable at

the County level. The 45-64 ranges show slight increases in both cases. This is an important factor in terms of earning power and the economy since the 25-44 age range is generally considered the “peak earning years,” with the “pre-retirement” age range of 45-64 a close second in terms of earning power. It is likely that the slight decline in the 65+ age group noted in both the City and County will be reversed when 2010 Census data becomes available as those in the 45-64 range move up to that range.

Exhibit No. 6



None of these factors is any cause for concern. The overriding characteristic of the population is its stability and its regular growth.

Population Projections

Far and away the most difficult part of the population analysis is the development of population projections. As with any attempt at projections, the key decision is in what assumptions will be used. For the purposes of these projections a series of five assumptions were developed and calculations were made based upon them. These assumptions were:

1. The average rate of increase per decade for the 20th Century was calculated. This yielded a rate of 3.24% per decade population increase.
2. The average rate of increase per decade for the past 50 years was calculated. This yielded a rate of 3.77% per decade population increase.
3. The “natural increase” (births minus deaths within the community) for the final decade of the 20th Century was calculated. This yielded a rate of 0.9% per decade population increase.
4. A linear regression using the least squares method for the known population from 1900 – 2000 was used to make projections through 2030.
5. A linear regression using the least squares method for the known population from 1960 – 2000 (the second half of the 20th Century) was used to make projections through 2030.

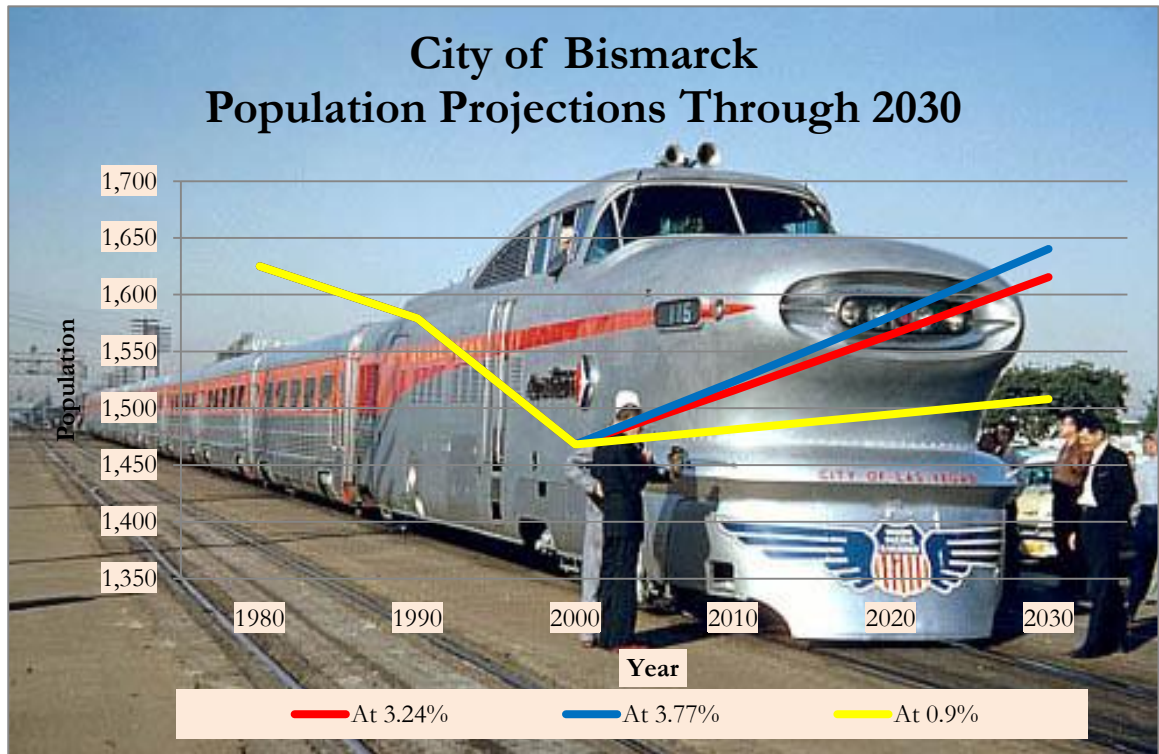
All of these assumptions and the calculations based on them yielded trend lines that turned positive following the population decline from 1980 to 2000. Indeed, at least part of the rationale behind this comprehensive planning project is to ensure that the decline in population is reversed. The assumptions yielded results that can be

classified as ranging from “moderately optimistic” to “wildly optimistic.” The planning question, then, became what is the most likely range of the future population.

In the process of determining this most likely range, the two regression analyses were rejected as being simply too optimistic. Both of these projected the 2030 population in excess of 1,800 persons (1,891 if the regression is for the entire 20th Century and 1,839 when done based on the second half of the 20th Century). This would require increases of over 15% per year and this is considered to be clearly unsustainable.

The “likely range” was then limited to the first three assumptions. The results of that are presented in Exhibit No. 7 below. The most

Exhibit No. 7



obvious characteristic of this chart is that the population decline is expected to be reversed. At the bottom range, this simply reflects stemming the flow of out migration by providing local opportunities for

young people to remain in their “home town.” A natural increase of about 1% per year at least reverses the downward trend.

The upper two trend lines are relatively close together. In both of these cases, success in reversing the decline in population is simply anticipated to return to the growth trends of the past. No “boom” is factored in, nor is one anticipated. Rather, it is expected that by simply reversing the decline and offering enhanced opportunities “at home,” the City will experience a return to stability with some growth.

The location of the much larger population centers nearby to the east argues strongly against any “boom.” The City of Park Hills, Desloge and Leadington are within a 10 minute drive and all offer shopping and service opportunities. Another 15 minutes gets a person to Farmington where the much larger “big box” retail stores are available along with much more selection in personal services. The relatively small Bismarck will still have a role, though, as a local area service center as well as providing essential goods and services to the City’s population.

Economic Analysis

The availability of data at the level of U.S. Postal Service Zip Codes makes a very fine grained analysis possible. Economic data is collected by the U.S. Census Bureau on a regular basis and published in a series of reports entitled County Business Patterns. Unless otherwise noted, this data in conjunction with local interviews forms the core of this section of the comprehensive plan.

Exhibit No. 8									
City of Bismarck									
Number of Establishments by Category									
	1998	1999	2000	2001	2002	2003	2004	2005	2006
Industry Code Description									
Total	31	33	36	32	42	46	41	51	54
Forestry, fishing, hunting, and agriculture	1	1	1	1	1	1	1	1	1
Construction	4	5	6	5	9	8	10	11	13
Manufacturing	3	3	4	3	3	4	3	5	4
Wholesale trade	1	1	1	1	2	2	2	2	2
Retail trade	5	5	7	5	6	6	6	6	6
Information	1								1
Finance & insurance	1	1	1	1	1	1	1	1	1
Real estate & rental & leasing	1	1	1	1	1	2	1	1	3
Professional, scientific & technical services	1	1							
Admin, support, waste mgt, remediation services	1	1	1	1	1	2	2	3	3
Health care and social assistance	5	5	5	4	5	7	5	9	7
Accommodation & food services	3	3	4	3	4	3	2	3	4
Other services (except public administration)	4	6	5	6	4	4	4	4	3
Transportation & warehousing				1	1	1	1	1	1
Utilities					1	1	1		
Unclassified establishments						4	2	4	5

Source: U.S. Census Bureau - County Business Patterns

For purposes of this analysis, there are four essential questions to address. First, what occupations are available to local citizens? Second, are there identifiable growth sectors? Third, what is the labor force

Exhibit No. 9

City of Bismarck									
Establishments of 1-4 Employees in Size as Percentage of Total									
	1998	1999	2000	2001	2002	2003	2004	2005	2006
Industry Code Description									
Total	77%	76%	72%	59%	71%	74%	63%	71%	69%
Forestry, fishing, hunting, and agriculture	100%	100%	100%	100%	100%	100%	100%	100%	100%
Construction	75%	80%	50%	40%	67%	75%	60%	73%	77%
Manufacturing	67%	33%	75%	33%	33%	50%	33%	60%	25%
Wholesale trade	0%	0%	0%	0%	0%	0%	0%	0%	0%
Retail trade	80%	80%	86%	60%	67%	50%	33%	33%	50%
Information	100%								100%
Finance & insurance	0%	0%	0%	0%	100%	0%	0%	0%	0%
Real estate & rental & leasing	100%	100%	100%	0%	0%	50%	0%	100%	100%
Professional, scientific & technical services	100%	100%							
Admin, support, waste mgt, remediation services	0%	0%	0%	0%	100%	100%	100%	67%	67%
Health care and social assistance	80%	80%	60%	75%	80%	86%	80%	78%	71%
Accommodation & food services	100%	100%	100%	67%	75%	100%	100%	100%	50%
Other services (except public administration)	100%	100%	100%	100%	100%	100%	100%	100%	100%
Transportation & warehousing				100%	100%	100%	100%	100%	100%
Utilities					100%	100%	100%		
Unclassified establishments						100%	100%	100%	100%

Source: U.S. Census Bureau - County Business Patterns

available? Fourth, what opportunities do these characteristics present?

As clearly seen in Exhibit No. 8, the answer to the first question is that, at this time, opportunities are pretty severely limited. As of 2006 there were only a total of 54 business establishments identified within the City. While the growth in number of establishments from 31 to 54 over a 9 year span appears to be strong at an annual average growth of 8% per year, it is important to look further into those numbers. Of a total growth of 23 establishments, fully 40% (9 establishments) were in Construction,

and as seen later in Exhibit No. 9, the majority of them were in the 1-4 employee range. In other words, these were individuals “hanging out their shingle” as a construction firm.

Exhibit No. 10

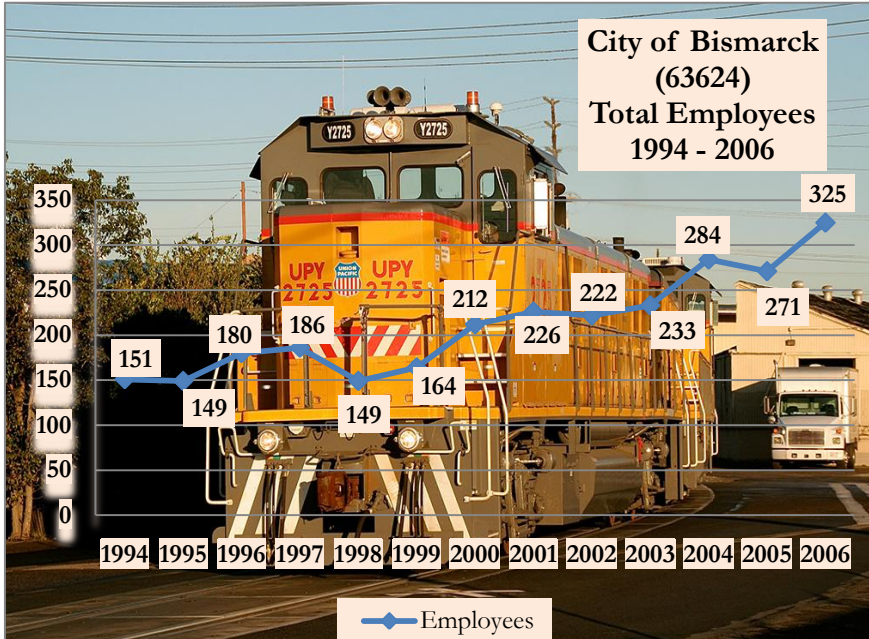


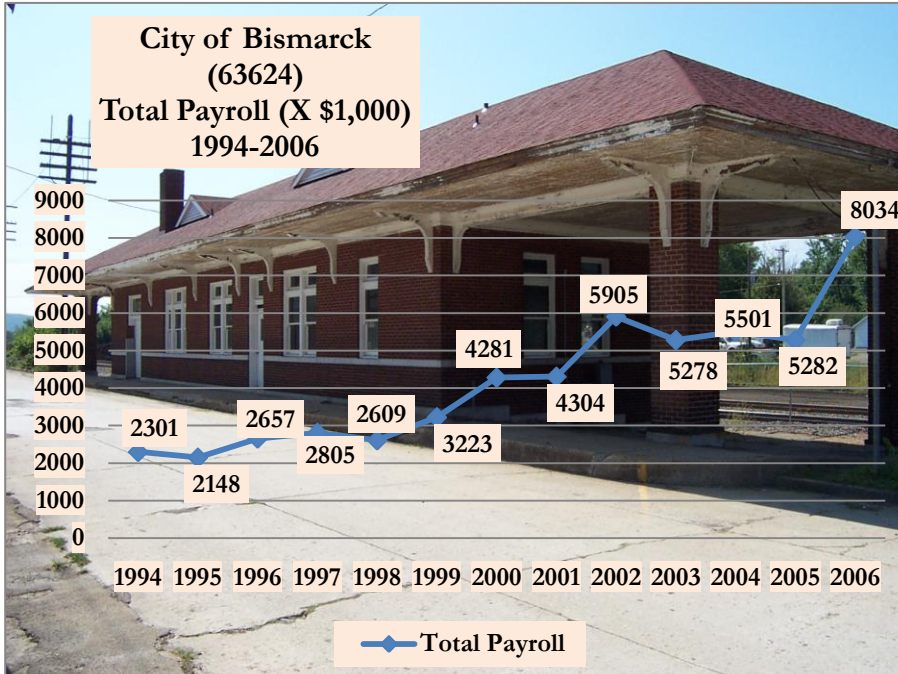
Exhibit No. 9 further suggests that the answer to the question of growth sectors is a flat “no.” The only significant growth occurred in the Construction sector and this was primarily individuals. The

next largest growth sector was “Unclassifiable” and, obviously, this does not provide a basis for planning.

The most obvious characteristic of the business community, as shown in Exhibit No. 9, is the small size of establishments. In several categories, establishments of 1-4 employees represent 100% of the firms. Even here the firms tend to be very small. For Finance and Insurance, for example, the single firm was in the 5-9 employees category as of 2006 data. Only Wholesale Trade had a labor force in the 50-99 employees category.

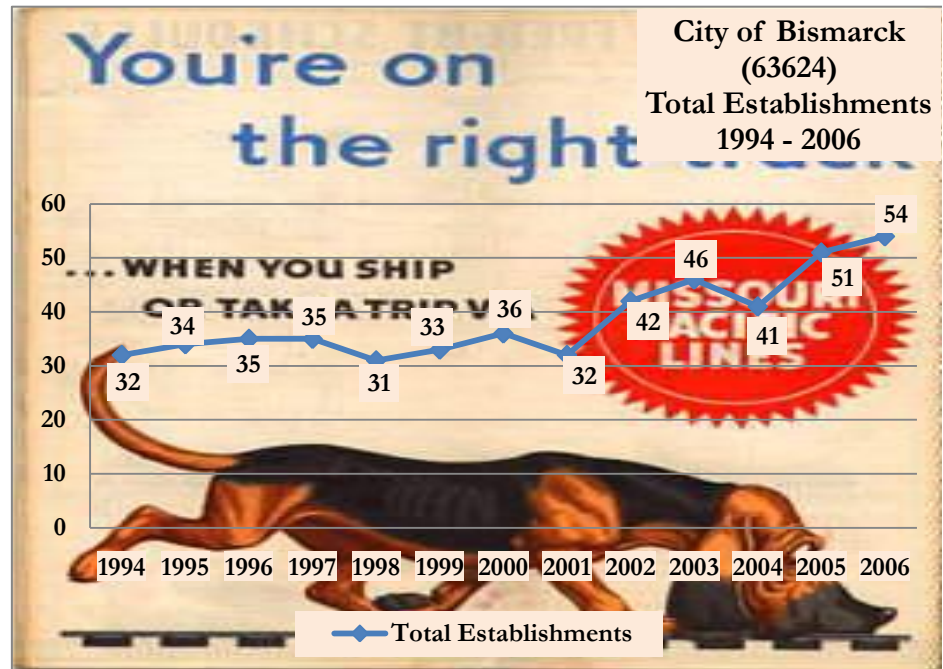
Labor force data broken down to the level of the city is now

Exhibit No. 11



available at the level of a postal zip code. The various data sets available are presented in Exhibits No. 10, No. 11, and No. 12. These exhibits present data on the total number of

Exhibit No. 12



employees working in the City, the total payroll in the city, and the total number of business establishments in the city. Once again, the very small numbers involved are the most striking features of this section.

Overall, the total number of employees doubled during the period 1994-2006. This large percentage, while representing growth, is still quite small in absolute numbers. The total change in that 13 year period was only 174 jobs.

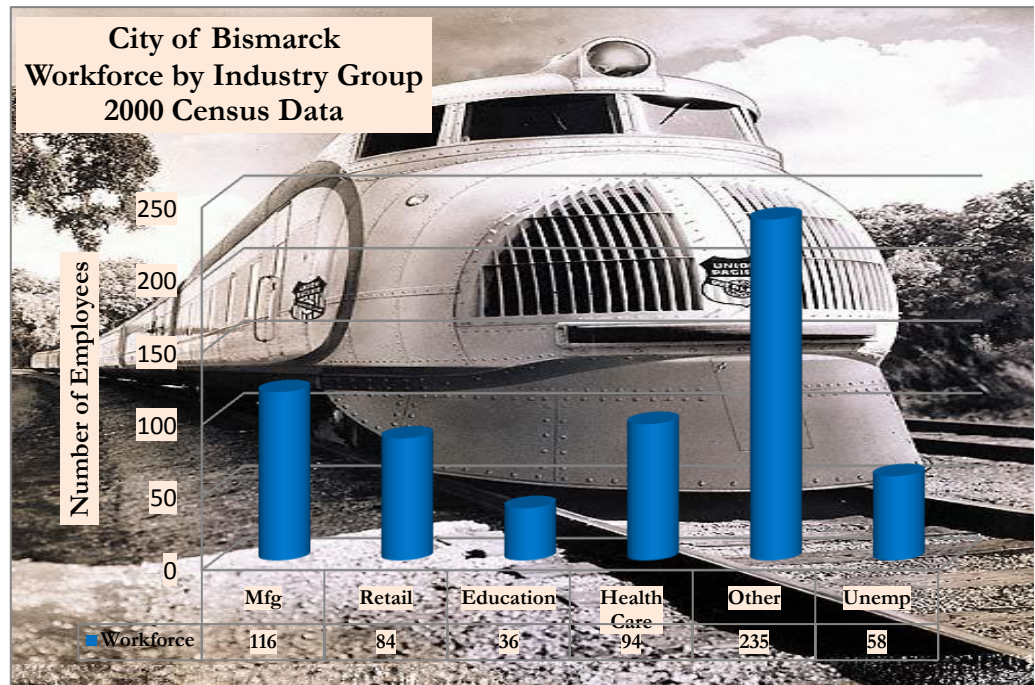
The data on payrolls is even more striking. Starting at a 1994 level of \$2,301,000 the aggregate payroll in the City of Bismarck grew to \$8,034,000 in that same 13 year period. This tripling in income was done in the face of the very small changes in numbers of business establishments noted earlier. In a way, this pattern can be seen as being complimentary to Bismarck. At bottom, citizens are choosing to remain in Bismarck and accept the inconvenience of a commute to relatively remote jobs, presumably in nearby Park Hills or Farmington or even farther off in the southern portions of the St. Louis Metropolitan Area.

The final data set, number of business establishments, continues the pattern that has been discussed. There are a very small number of businesses located in Bismarck. In fact, given the data gathering and reporting methodology, the 54 business establishments shown is significantly overstated, with a large percentage of those businesses being sole proprietorships in the 1-4 employee range. These are, basically, an individual with a helper or partner or two engaged in some business. The large number of Construction firms falls into this category. There is very limited employment potential in these types of businesses.

Data regarding employment by industry is limited to the decennial censuses when being considered at the level of a City. Exhibit No. 13 shows this information from the 2000 census for the City of

Bismarck. Once again, the most visible characteristic of this data is the small numbers involved. Only “Other” and “Manufacturing” employees number into “triple digits” with 116 employees for manufacturing and 235 for “other.” Retail and health care approach the “triple digit

Exhibit No. 13



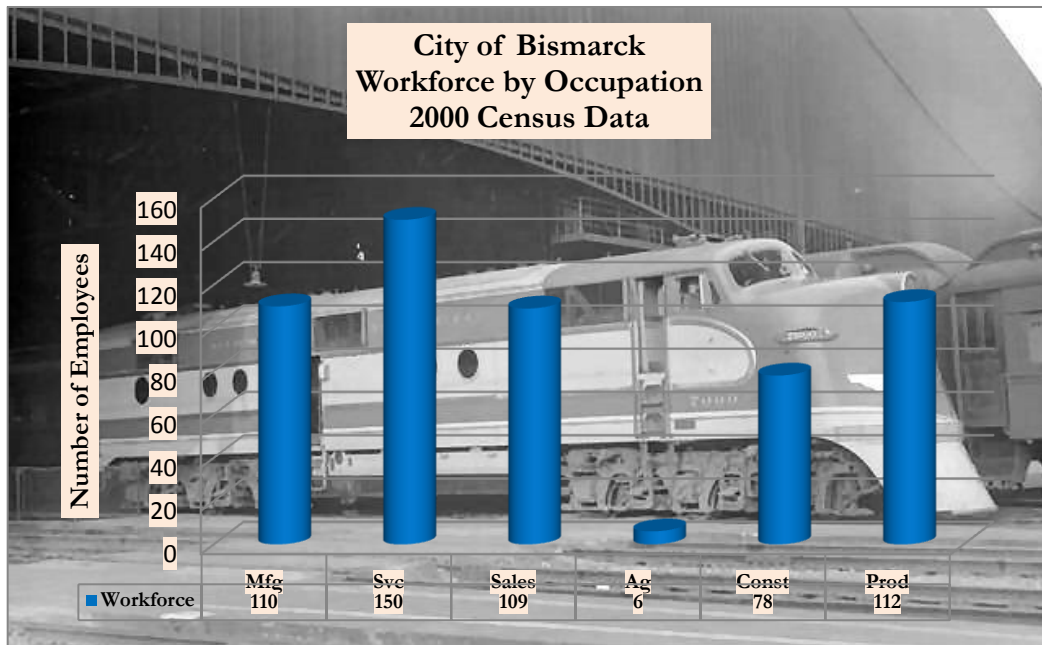
threshold” with 84 and 94 employees respectively.

The other way of looking at employment data is by occupation. Exhibit No. 14 illustrates this information for the City of Bismarck, again reflecting 2000 census data. In the area of employment by occupation, 5 separate occupations showed over one hundred employees. These occupations were service with 150 employees, production with 112 employees, management with 110 employees, and sales with 109 employees. Construction accounted for another 78 employees.

Both of these data sets reinforce the idea that many, perhaps most, of the workforce of Bismarck is commuting. No data is available on

commuting patterns at the level of city. A reasonable assumption is that the larger communities of Park Hills and Farmington to the west provide

Exhibit No. 14



many jobs. With the U.S. Highway 67 connection available, the St. Louis metropolitan area is not an impossible commute.

Dramatically reduced commercial and professional activity accounts for the lack of local job opportunities. The traditional “downtown” area of Bismarck, and especially the historic Main Street, has very little activity left. Main Street store fronts have been converted to de facto housing units. Commercial activity is virtually gone from Main Street except for City Hall, the Senior Citizen’s Center, and a single restaurant.

There are programs and projects which can be undertaken to address these problems. These are covered in the goals and objectives section in the section of this comprehensive plan entitled “Comprehensive Planning Program.” Indeed, it was in recognition of these problems that provided a significant part of the impetus to undertake this comprehensive plan.

LAND USE

A land use survey was conducted as part of the comprehensive planning effort. Since aerial photographs and the previous land use maps were available this was limited to a “windshield survey.” The focus of the effort was to determine whether lots were correctly shown. Where errors were found the necessary corrections were made. The survey was conducted in the City of Bismarck and in unincorporated areas around the City.

The purpose of the survey was to identify the existing land uses in and adjoining the City of Bismarck. These patterns assist in understanding the past development of the City. They also serve as a basis for guiding future growth and development. Information gained from the land use analysis will be used, directly and indirectly, throughout the plan.

Land Use Classification

During the survey, land uses identified were classified into one of six categories. The maps in this plan are generalized due to the necessity of reducing them to a size to fit in the document. Maps used during the survey were at a scale of 1” = 400’ or larger. Copies of these larger scale maps are available at the City Planning and Zoning Commission’s office. Definitions of the various land use categories used are presented below.

Residential

Residential uses include any land used by one or more persons occupying a premise and living as a housekeeping unit. Included, by way of illustration, are single-family residences, two-family residences (duplex), multi-family residences (apartment), mobile homes and mobile home parks.

Commercial

Commercial uses include any land used as a business that has as its primary function the direct sale of goods or services to the general public or other businesses. Included, by way of illustration, are retail stores, wholesale stores, financial, insurance and real estate services, personal services (barber shops, laundries, etc.), and the like.

Industrial

Industrial uses include any land used as a business that has as its primary function the transportation or processing of materials or substances into new products, including the assembly of component parts and blending of materials. The term also includes any land use primarily involving quarrying, communications, utilities, and mining operations. Manufacturing concerns are the most common example of industrial land use.

Public and Semi-Public

Public and semi-public uses include any land used by or reserved for use by any governmental agency for services to the general public. The term also includes any land use primarily involving community service groups, churches, schools, and cemeteries.

Parks and Recreation

Parks and recreation uses include any land dedicated or reserved for use by the general public, including by way of illustration, parks, recreational areas, fishing lakes, public lakes and golf courses.

Agricultural/Vacant/ROW

Agricultural/vacant/ROW land uses include any land used primarily for the harvesting of crops and/or raising of livestock. The term also includes any land unoccupied and uninhabited, as well as land occupied by streets, roads, or other transportation rights-of-way. It also

includes any land not in use for any purpose enumerated in any of the other five land use categories.

Existing Land Use Analysis

Exhibit No. 16 presents a map illustrating the land uses catalogued in the City of Bismarck during the land use survey. These uses are also represented in a graphical form in Exhibit No. 15. At the time of the survey Bismarck encompassed approximately 635.32 acres. At 275.4 acres, representing 43% percent, Residential use was clearly the single biggest land use. For purposes of this analysis, “residential” includes single-family, duplex, multi-family, mobile home and mobile home park uses. A close second were Vacant, Road and Railroad uses with some 232.24 acres or 37% of all land use. Between these, then, fully three quarters of the land within the City is accounted for. The next highest percentage of land in the City is devoted to public and semi-public uses with 88.82 acres representing 14%. No other use exceeded 5%. The figures in Exhibit No. 15 show land uses in terms of actual

Exhibit No. 15				
Land Use Characteristics				
USE	ACREAGE	ACREAGE AS PERCENT OF TOTAL	ACRES/ PERSON	PERSONS/ ACRE
Residential	275.4	43.3%	0.18	5.57
Public	88.82	14.0%	0.06	17.28
Commercial	26.5	4.2%	0.02	57.92
Industrial	7.26	1.1%	0.00	211.43
Recreational*	5.1	0.8%	0.00	300.98
Ag/Vac/ROW	232.24	36.6%	0.15	6.61
Total	635.32	100.0%	0.41	2.42
SOURCE: SEMO Regional Planning Commission, U.S. Census Bureau.				

Exhibit No. 16
Bismarck Land Use Map

acreage, percentage of the total land within the corporate limits, and population densities in terms of acres per person and persons per acre for each land use. For purposes of the density calculations, the 2007 estimate of 1,535 persons provided by the U.S. Census Bureau is used.

Surrounding Land Use

The City of Bismarck stands alone, with no adjoining municipalities. Therefore, Bismarck is in a position to control the land use in surrounding areas to a limited extent. This was a key consideration in the review of surrounding areas. There is significant potential for annexing additional areas into the city. The Future Land Use Plan which follows shows the City along with the surrounding unincorporated areas.

Future Land Use Plan

One of the responsibilities of the city planning commission, under Missouri statutes, is to plan for the physical development and land use in the city. The preparation of the comprehensive plan fulfills this responsibility. The Future Land Use Plan is one of the most important elements of the plan. It serves as a guide to direct development into desirable patterns and to provide sufficient land for each type of use. It should be stressed that the Future Land Use Plan is only a guide and does not bar other types of development in areas designated for specific uses in the plan. Recognition must be given to the fact that changing conditions will likely necessitate alternate development in some areas.

It should be recognized that the majority of developments are the result of private investment rather than of government actions. As a result, it is necessary for the plan to remain flexible to allow for changes that will benefit the community as a whole. Deviations from the Future Land Use Plan may take place, within limits, in order to allow growth

that is beneficial to the community and in general conformance with the intent and purposes of the comprehensive plan.

The plan should seek to group similar land uses together to avoid mixing incompatible and conflicting uses. It should also discourage sprawling development while at the same time avoiding overcrowding. The plan should, above all, promote the general health and welfare of the citizens of the community.

In the preparation of the Future Land Use component of this comprehensive plan, the following guidelines were used:

1. Residential uses in the City should be located on land that is suitable for such development. It should be free from natural hazards, such as flooding or subsidence, and slopes should be gentle enough to prevent slides and facilitate the delivery of utilities to the area. These areas should be near major thoroughfares for convenient access to commercial and industrial areas, but residential streets should not be part of the thoroughfare system.
2. Commercial areas should be convenient to, and have easy access to, residential areas and major thoroughfares. Strip commercial development should be discouraged; however, it is sometimes unavoidable. Where strip commercial uses do occur, the development of “clusters” of commercial areas within the strips should be encouraged. Adequate off-street parking should be provided for patrons of commercial establishments, and off-street loading and unloading facilities should be provided in these areas. Commercial areas should be screened from adjacent residential areas whenever possible.
3. Manufacturing or industrial developments require easy access to major transportation arteries. In many instances, individual industries require land in addition to what is needed for their

actual plant site. This additional land may be needed for future expansion or use as a buffer between the industry and other nearby developments. Due to the requirements of industry, it is recommended that sufficient acreage be set aside to accommodate new and expanding industries. This land should be in relatively large acreage industrial parks where the necessary utilities are available.

4. Public and semi-public uses share a number of characteristics with commercial uses, such as high traffic volume, parking problems and a noticeable impact on the surrounding area. These uses are generally dispersed throughout the community due to the need for them to be located in the areas they serve. Generally, these types of uses can be accommodated in commercial and residential areas without undue problems; however, the factors mentioned above should be kept in mind.
5. Parks and recreational uses allow more leeway in their placement than any other type of development. When developing a system of parks, it is desirable to have a variety of park land offering different characteristics and appealing to various interests, activities and age groups. Land developed for park purposes should retain as many natural features as possible. Parks should be located off of busy streets, yet maintain easy access for their patrons and be in close proximity to the areas they serve.
6. Street systems should maintain adequate right-of-way while avoiding excessive widths. The system should conform to the major street plan and subdivision regulations of the city. All major streets should be designed to maintain vertical and horizontal alignment and minimize the number of driveways and intersections. Streets should intersect at right angles and provide adequate sight distance, lighting and traffic controls. Right-of-

way acquired for new streets should be adequate to provide for future widening of the street and laying of utility lines.

These considerations were central in preparing the map of the Future Land Use Plan presented in Exhibit No. 17.

City of Bismarck

Residential

Clearly, residential uses are the largest single component of the proposed land use for Bismarck. The surrounding areas are designated as for residential use as well. Traditionally, zoning laws include a statement that newly annexed territories come into the city as residential areas. This can be changed if there is a compelling reason to do so.

The most obvious change for the residential components between the Existing Land Use and the Future Land Use maps are the removal of commercial encroachments from residential areas. Bismarck has several such commercial operations located in generally residential areas. The most common of these are automobile repair business although there are others. The Future Land Use Plan envisions replacing these commercial intrusions with residential uses as the opportunity arises.

Finally, it should be noted that these are generalized residential designations. Included within the general category of “residential” are single-family homes, duplex, multi-family housing, mobile homes and mobile home parks. Detailed designation of specific districts for these various uses is a matter for the Zoning Ordinance and the associated Zoning Map.

Commercial

In a similar vein, the principle change between the Existing and Future Land Use maps is the consolidation of commercial activities. This is especially obvious in the East Main Street area of the traditional

Exhibit No. 17
Future Land Use Plan

downtown. The residential encroachments into this commercial zone should be removed when possible. The buildings will be more valuable for commercial uses as business activity in the traditional downtown area revives.

The commercial clusters to the north and west of the school complex reflect the reality on the ground as well as a reasonable plan. Those businesses with relatively large requirements for parking lots cannot very well function in the parking-sparse downtown area.

Industrial

The anticipated industrial area is primarily adjacent to the railroad. This is a natural “fit,” and would take advantage of conditions in place as well as the opportunities presented by the existence of the railroad. The area immediately south of the airport is designated industrial based on the convergence of roads, the airport, and the railroad. These components may well provide an opportunity in the future. If this area can be developed as an industrial park it would be very serviceable with City utilities. One additional street, connecting State Route N and Rock Road would provide excellent access to this tract as well. In addition, there are large tracts of land available in the surrounding areas which could be suitable for development for industrial uses should prospects show an interest.

Public and Semi-Public

Again, the Public and Semi-Public uses proposed generally reflect the reality on the ground. The expanded treatment plant provides room for this relatively high footprint operation. As mentioned in the Transportation Section of this plan, ample area exists to expand the municipal airport. The balance of Public and Semi-Public uses are either government owned facilities or public clubs.

Parks and Recreation

The Future Land Use Plan includes some significant increases in Park and Recreation uses. Primarily, the abandoned railroad right-of-way southeast of the City would lend itself to development as a hiking/biking trail. Development of additional park facilities as identified would dramatically increase the park lands available. Alternatively, a pedestrian link to the existing City Park would link the proposed hiking/biking trail to the balance of the park system.

Agricultural/Vacant/ROW

By and large, this category simply represents street, alley, highway, and railroad right-of-ways. For purposes of the Future Land Use plan, agricultural and vacant land has been designated for potential residential use.

TRANSPORTATION PLAN

The City of Bismarck’s existing transportation network is the result of years of development dating back to the founding of the City. Originally, the principal roads were connectors between the surrounding rural areas and the newly developed “town” services as the City grew around the railroad operations. Germinal highways connected the city to the mining operations to the east and other developing communities to the north, south and west as well. Internal streets were generally laid out to follow terrain constraints, always focusing on the railroad operations as the hub of local activities.

Today, Missouri Highway 32 is the primary east-west transportation artery for Bismarck, providing connections to the more populous Park Hills/Desloge/Leadington complex to the east, and the smaller towns to the west. The intersection with U.S. Highway 67 at Park Hills makes the St. Louis metropolitan area reasonably accessible via a four-lane limited access highway connecting to I-55 at Festus. To the south Missouri Route N and W connect to Missouri Highway 21 and provide access to the Arcadia Valley and points south. North, Missouri Route U connects Bismarck to Potosi.

Rail service is available in the City through the Union Pacific Railroad. There is, however, no passenger service. The nearest Amtrak service is in St. Louis, an hour and a half north. Air transportation in the form of charter service is available at the nearby Farmington airport. The nearest scheduled airline service is at St. Louis Lambert Airport which is also an international hub. Mississippi River ports are available at St. Louis and Cape Girardeau, an hour and a half northeast and southeast respectively. Once developed, the New Bourbon Port at Ste. Genevieve will also provide Mississippi River access.

The initial internal street system was laid out to provide easy access to all areas of the City. Unfortunately, over the years, events and developments have resulted in the disruption of the pattern of the City's streets. New subdivisions were laid out and built without regard to continuing the transportation grid. Transportation planning must consider various municipal boundaries as well as traffic flows and terrain considerations.

Regardless, the system on the ground is the foundation upon which the City will build in the future. The development of the street network and the City are linked. The rate and type of development will determine the extent and size of the street system that will be necessary to serve it. A goal of the comprehensive plan is to coordinate land use and transportation planning to provide a system that serves the community in the most efficient and effective manner possible.

Functional Classification

The existing street system of the City represents a considerable investment on the part of Bismarck and provides the basic framework for future development and expansion of the street system. To develop a plan, it is first necessary to identify and classify, according to function, the existing streets in the City. The street classifications used are Arterial, Collector, and Local.

Arterial

An arterial street serves the major traffic movements entering, leaving or moving within an area. Its principal function is to move traffic and, in cases of high traffic volumes, requires limited access or controlled points of access. These streets are normally characterized by traffic controls and parking restrictions.

Collector

Collector streets provide for traffic movement between arterials and local streets and provide direct access to abutting property.

Local

The sole function of a local street is to provide access to immediately adjacent property. A cul-de-sac is classified as a local street.

Existing Street System

The map presented as Exhibit No. 18 illustrates the existing street system as well as the Major Street Plan. The existing street system forms the foundation of the major street plan. As in most cities, Bismarck has problems with the layout of its street system. Terrain considerations have been important as the existing system evolved.

Arterials

As shown in Exhibit No. 18, existing arterials in the City of Bismarck include Missouri Highway 32 (Center Street through the City) and Missouri State Routes BB/U, and N (Cedar Street through the City). These highways channel through traffic through the City.

Missouri 32 runs northeast and southwest and passes through the heart of the City. This highway merges with U. S. Highway 67 to Farmington and, from there, provides access east to Ste. Genevieve and, via an interchange with Interstate-55, south to Cape Girardeau and points farther south or north to St. Louis and points further north. To the west it intersects with Missouri Highway 21 and, from there, provides access to Arcadia/Ironton/Pilot Knob to the south and Potosi to the north. Additionally, this is the primary access to the southwestern portion of the State.

State Routes BB/U, and N pass through the center of Bismarck on the north-south axis. This primarily involves access to the nearby

unincorporated areas of the county. In addition, these highways provide an alternate route to get to Arcadia/Ironton/Pilot Knob and to Potosi and other areas north.

Collectors

There are a few existing collectors in the City of Bismarck that provide access from local streets and lots to arterial streets. These collectors are shown in Exhibit No. 18 and include Wallen Road, Olive/Mulberry Streets, Cherry Street/Veteran's Drive and West Main Street. These are the streets that provide the local property owners access between their homes and where they work and shop. These streets collect traffic from the local avenues and feed it to the arterials and vice versa.

Wallen Road provides a northern "bypass" between State Route BB/U and Missouri Highway 32. At present this serves the unincorporated area immediately north of the City. As Bismarck expands north, however, this will become even more important.

The Olive/Mulberry Street Collector serves the residential areas on both sides of Missouri Highway 32. These are established areas and will continue to be the residential center of the City. Beyond maintenance and upgrading, there is no action recommended regarding this collector.

The Cherry Street/Veteran's Drive Collector is designated primarily based on the grade crossing over the railroad tracks. This short collector parallels Highway 32. In the event of a problem with the grade crossing for Highway 32, though, the Cherry Street/Veteran's Drive route becomes very important.

Finally, West Main Street is the collector serving the mixed commercial/residential/industrial areas south of Missouri Highway 32. It will continue to serve this role. When development begins in the southwestern portion of the City, and especially if annexations occur in

that area, this collector will become a key component of the transportation grid serving this entire quadrant of the City.

Local Streets

All streets that have not been classified as either arterial or collector are local streets. These streets' primary function is to provide the means of access to adjacent residential properties. No analysis of the local street system was attempted due to the large number of local streets. Local streets are important parts of new development and, as such, should not be overlooked when new subdivision plats are submitted for approval. The local streets will affect collectors and arterials since they will feed traffic onto these major streets. Therefore, it will be necessary to ensure that new developments will not overburden a collector or arterial that is already overloaded. A major street plan focuses primarily on recommendations dealing with arterial and collector streets; however, the role of local streets should not be overlooked in the overall traffic circulation patterns of the City.

Major Street Plan

The primary function of a Major Street Plan is to serve as a guide for general alignment and preservation of right-of-way for future arterial and collector streets. There are two basic reasons for adopting a Major Street Plan. The first is to allow the City to better plan expenditures for scheduled street improvements adopted in the comprehensive plan. The second is to provide the City Planning and Zoning Commission with a basis for review of new subdivision plats in relation to future street requirements adopted in the comprehensive plan.

The Major Street Plan establishes general alignments for streets and roads to provide better traffic flow and access. It should be stressed that the plan does not establish exact locations or alignments or a schedule of, or intent for, construction. Priorities for construction will be

set at a later date by the City Planning and Zoning Commission and the Board of Aldermen.

The City of Bismarck's Major Street Plan is presented in Exhibits No. 18. The City's existing street system forms the basis of the proposal, as one would expect, given the investment and years of development it represents. Most of the recommendations in the Major Street Plan represent the construction of new streets or the upgrading of existing streets. Most of the improvements consist of construction of new arterials and collectors to relieve congestion. There are some suggestions for extending existing streets to provide access to unserved areas and to connect arterials or collectors.

A number of the proposed street improvements lie outside of the present City limits. It is anticipated that these areas would be annexed into the City prior to the improvements being made. However, if the City feels that the adjacent development is of great enough benefit to its residents, state statutes allow the City to expend money for road construction and improvements within a five-mile radius of the City limits. Although the City may expend funds in this area, neither its subdivision regulations nor its powers of eminent domain extend beyond the City limits.

Arterials

The single arterial proposed for development in this plan is the upgrading of Rock Road to the east of the City. This recommendation is primarily made to provide a truck route that would keep heavy trucks out of the center of town. The primary surface transportation issue identified was a problem with large trucks coming into town via Missouri Highway 32 and then turning left (south) onto Missouri Route N. The ideal solution to this problem is the upgrading of Rock Road as presented in Exhibit No. 18. This would provide a designated truck route and remove the majority of this traffic from the City completely.

Exhibit No. 18
Major Street Plan

As an alternative, the purchase of some or all of the lot on the Southeast corner of the intersection of Missouri 32 and Missouri Route N and using that land to provide a broader turn radius would be a lower cost alternative. This approach would still have the heavy trucks passing through town with the problems inherent in that traffic.

Collectors

The five proposed collectors generally address future needs as the city expands. In order:

The proposed Grove Road/Pine Street collector would provide access to the near Northwest area just outside of the existing City Limits. It is likely that some residential development will occur in that area, and planning for this street improvement at this point will avoid problems in the future.

Similarly, the proposed Olive Street/Jordan Lane/Indian Trail Road collector would provide access as the area to the Northeast is developed. Once again, as development occurs it will be necessary to provide access. There is already a platted subdivision in this portion of the city, and more are likely to develop. This development is particularly important if the Rock Road “bypass” is implemented.

Upgrading Merle Avenue serves the same purpose for that east part of the City. Presuming that Rock Road is upgraded, this will provide another alternate to persons living in this part of the City. The added benefit will be reducing congestion in the center of the City.

Finally, upgrading West Main Street/McGeorge Road will open up the southern part of town. As the City expands and additional housing develops to the south, this collector will be more and more important. A specific related project will be the realignment of the West Main Street/Elm Street intersection.

These projects are designed to facilitate traffic circulation and ease congestion on City streets. The purpose of the collector streets is to

provide connections between existing and proposed arterials and local streets. It is recognized that the development of collector streets falls more under the influence and control of the City than arterials. Not all of the collectors proposed in this plan will be completed during the planning period of this report. It should also be stressed that the actual alignments of the streets and priorities for construction are not indicated in this plan. Construction will depend on the City's growth, availability of funding, and the cooperation of developers.

Local Streets

Any street in Bismarck not classified as an arterial or collector is considered a local street. A local street's function is to provide access to adjacent, primarily residential, property. Local street design is usually the responsibility of individual developers as they lay out their subdivisions. However, new streets must meet the criteria of the City's street design specifications and standards as outlined in the City's subdivision regulations. It is important that the City inspect subdivision plats to assure that the proposed streets are properly aligned with existing streets and conform to the Major Street Plan.

All new streets in the City should be constructed, and existing streets upgraded, according to established minimum standards. Following this procedure will ensure that future streets, as well as existing ones, will be capable to fulfilling their intended function. The design standards in the City's subdivision regulations should be those utilized to assure uniformity of the streets constructed. At times, it may be necessary to vary the street design standards; however, it should be remembered that the standards are meant to improve the safety of the traveling public. Therefore, when a variation is proposed, it should not be approved until it can be shown that safety will not be jeopardized. This decision will have to be made on a case-by-case basis as each request is made to the Planning Commission and Board of Aldermen.

Airport

The City of Bismarck has a small General Aviation airport. At present, the runway length of approximately 2,050 feet limits it use to only light, general aviation aircraft. There is room within the already owned property to expand this runway to approximately 3,000 feet. Further expansion to 4,000 feet would require purchase of land to the south.

A project to lengthen the runway and to recruit a full-time Fixed Base Operator could have a significant impact. The location of the airport, surrounded as it is by vacant land, at least in theory lends itself to a “fly in – fly out” residential development. A longer runway would also provide an amenity that could be important to corporate site seekers.

Railroad

The railroad has always had a key place in Bismarck’s development. Although Amtrak does not stop in Bismarck, the train does pass through. There is at least some potential for tourism development in the form of specialty trains bringing tourists from St. Louis especially to the “Wine Country” in the vicinity. The sheer beauty of this part of Missouri is another obvious draw.

On the industrial side, the railroad obviously presents potentials. Car building and maintenance are obvious. Locomotive Maintenance is another possibility. There is potential for railroad associated business such as track maintenance and the like as well.

Street Plan Summary

The City of Bismarck's street system is the result of development throughout its history. Many of the City streets are in need of repair in order to provide safe access to adjacent properties. As funds become available, the streets should be brought up to standards in order to provide for the smooth flow of traffic throughout the City. Where possible, the extension of streets recommended in the Major Street Plan should be accomplished. While these extensions are costly, they will help provide for improved traffic circulation as well as improved safety. There are areas of the City that can be cut off from emergency services by a train blocking one intersection. Where these conditions exist, the City should attempt to provide additional points of access by extending streets or constructing new ones. The City may want to consider having a study and cost estimate prepared by a qualified firm to determine the cost of repairing and improving the City's streets, or at least its main thoroughfares. Armed with this type of information, the City might possibly approach the voters concerning instituting a capital improvements tax to fund street improvements.

COMMUNITY FACILITIES

The management of modern municipal government is an important, complex function which involves the planning, financing and management of resources necessary to provide an increasingly sophisticated array of community services. The quality of the facilities, services and resources afforded by municipal government, and the community, are particularly important to continued economic growth because of the contribution they make to the quality of life of the community.

The administration and operation of necessary municipal functions require a combination of buildings, facilities and equipment, and a trained staff capable of delivering the services the community needs. Community facilities also include those non-municipal public and private facilities which contribute to the health, education and recreational opportunities available to community residents.

This section contains a current inventory and evaluation of community facilities in the City of Bismarck which are designated to serve as a basis for determining future needs and as a benchmark against which progress can be measured. The recommendations made in this section are based on information compiled by the staff of the Southeast Missouri Regional Planning and Economic Development Commission and interviews with City officials and department heads.

Municipal Facilities and Services

City Hall

The Bismarck City Hall is a former bank building located at 924 Center Street (Center and Main Street). The building houses the City Council Chamber, the City's administrative offices, the Municipal Court, and the offices of the various municipal utilities.

Municipal Court

The Bismarck Municipal Court operates as a division of the 24th Judicial Circuit of the State of Missouri. The Municipal Court, which is located in the City Maintenance Building, functions with a Judge, a City Prosecutor, and a part-time Court Clerk. The Bismarck municipal judge is appointed by the Mayor, with the consent of the Board of Aldermen.

Police Department

The Bismarck Police station is located at 919 Maple Street. The Department is headed by the Chief of Police and currently employs a staff of three full-time officers, six part-time officers and an animal warden. The Department operates a fleet of two vehicles. Patrol cars are equipped with communications equipment which allows officers to communicate with the St. Francois County 911 Center, as well as with the Missouri Highway Patrol. The dispatching for the City's Police Department is handled through the County 911 dispatching system.

The Department patrols City roadways and serves an approximate ten square mile area. The Police Department is very community-oriented and takes an active approach to law enforcement by educating local youth about the dangers of drug abuse, domestic violence and stranger danger, as well as promoting positive community activities. The City uses the County jail for detention of any individuals who must be placed in custody until trial or until such time as they meet their legal obligations.

Fire Department

The Bismarck Fire Station is located at 902 Cherry Street. The Department serves the municipal population of approximately 1,500 and provides protection services to the rural population immediately surrounding the City. The Rural and City fire departments are collocated and provide mutual support.

The Fire Department currently has a roster of 26 well-trained volunteers. The command structure consists of the Chief, one Assistant Chief, four Captains, and two Lieutenants. The City of Bismarck has earned an ISO rating of seven. The Bismarck Fire Department is one of 13 departments in St. Francois County. All departments are dispatched from the St. Francois County Joint Communications – 911 Dispatch Center located in Park Hills. St. Francois County has a very active Mutual Aid Agreement. All departments are involved in various 1st Alarm assignments involving mutual aid from various departments according to type of alarm and location. Equipment operated by the Bismarck Fire Department currently includes the following:

City Vehicle:

- 1988 Ford Fire Truck

Rural Vehicles:

- 2008 Pierce Fire Truck

- 1985 Mack Fire Truck

- 1985 Pierce Fire Truck

- 1985 GMC Tanker

Additional vehicles include:

- 1986 GMC Pickup Truck with water tank

- 1988 GMC Suburban Medical/Command Vehicle

Future needs include:

- Extrication Equipment

- Continued Replacement of older fleet vehicles

Public Works Department

Staffing

The City of Bismarck operates with a maintenance staff of three. These individuals are responsible for the sewer, water, street and gas departments.

Water Supply

The City of Bismarck operates a water system serving the City with limited extraterritorial service. Currently, the City of Bismarck serves approximately 670 water customers. The Department currently has three employees. The source of raw water for the Bismarck Water Treatment Plant is a drilled well with the main well house located at 625 Cedar Street. A second well house at 919 Maple Street is collocated with the police station. The water then travels to an elevated tank with a capacity of 150,000 gallons of water per day. This volume is more than adequate to meet the present daily demand of approximately 150,000 gallons per day and peak day demands of 250,000 gallons.

The water transmission and distribution system includes piping ranging up to 8” in diameter. The system includes 98 fire hydrants of various sizes and types. The system is well-maintained, and a continuous program of improved looping, upgrading and repair is in operation. The water system has a total finished water storage capacity of 300,000 gallons which consists of a 300,000 gallon elevated storage tank located at 625 Cedar Street.

Wastewater Treatment

The City of Bismarck operates and maintains a sewer system which serves the City proper with minimal extraterritorial service. The wastewater treatment facility, located outside of the City Limits at 701 Loughboro Road, is owned by Bismarck. The City was cited by the

Missouri Department of Natural Resources and is currently involved in a program to upgrade the system to bring it into compliance.

The wastewater treatment facility consists of head works, an oxidation ditch with one intrachannel clarifier, aerobic digester with sludge storage tank. In addition, the city operates two single cell storm water lagoons. The facility was designed to serve a population equivalent of 2,500 persons and to treat an average of 250,000 gallons per day. The average daily flow is approximately 175,000 gallons per day, which leaves an approximate 75,000 gallon per day capacity for future growth. The collector system consists of approximately 8.5 miles of 8” sewer lines, 1.22 miles of 10” sewer lines and .66 miles of force main including five lift stations.

Street Maintenance

The Street Division of the Bismarck Public Works Department is responsible for the maintenance of the existing street network within the City. The Street Division is housed in the maintenance building at 920R Veterans Street. The Division maintains and operates an equipment fleet which provides the capability to perform street maintenance activities, snow removal, and related projects.

Solid Waste Management

The City of Bismarck does not provide solid waste pickup services. Citizens contract with private haulers.

Natural Gas System

The City of Bismarck operates the natural gas utility within the municipal limits with some minor extraterritorial service. The municipal gas system serves approximately 500 customers. Gas mains which serve the City range from 2” to 6” in diameter. Municipal employees provide maintenance to this system.

Electrical Distribution System

The electrical distribution system in Bismarck is owned and operated by Ameren UE. Ameren provides electrical service to approximately 500 customers in the city. AmerenUE is an operating subsidiary of Ameren Corporation which is the largest electric utility in the State of Missouri.

Parks and Recreation Department

The City of Bismarck maintains City Park adjacent to the Bismarck Airport at the southern end of town. The park is equipped with a picnic shelter and playground equipment. Sundale Park, across from the City Park, offers a pavilion, kitchen, bathroom facilities and a lighted ball field. Maintenance is provided by city staff.

Airport

The Bismarck Municipal Airport, 410 Airport Road, is located at the extreme south side of the City. Municipal facilities at the airport include a hangar and beacon. The concrete landing strip has a limited capacity at present due to its relatively short length. Adequate aprons with tie downs, along with the municipal hangar round out the facility.

General Inventory of Vehicles and Equipment

To handle the requirements of maintenance and service the City of Bismarck owns the following equipment:

Two dump trucks

1981 Chevrolet

2000 GMC

1994 Chevrolet 1-ton truck

1981 Ford bucket truck

Five pickup trucks

1983 Chevrolet $\frac{3}{4}$ ton (animal control)

1995 Chevrolet S-10
1994 Ford Ranger
1990 Ford 4X4
2004 Ford F-250
One sludge truck
1985 Chevrolet
1974 Dodge van
1988 Homemade trailer
One snow plow
One 1977 Case backhoe
One 1977 International Loader/Tractor w/backhoe
One front loader w/60" bucket
One small tractor w/60" mowing deck
One Scagg zero-turn mower
One Land Pride finish mower
One bush hog w/60" cutter
Two 3" trash pumps
One cutting torch
Two chain saws
One 14" demolition saw
One jet sewer machine
One small generator (5kw)
One large generator (60kw 3-phase)
Ingersol-Rand Air Compressor
Chipper/Shredder
Ten pagers and portable radios
A good assortment of water and gas pipe fittings
500 gallons of diesel fuel
1,000 gallons of gasoline

General Inventory of Other Municipal Real Estate

Besides the various holdings identified above, the City of Bismarck also owns and operates:

Four apartments above City Hall.

A Dog Pound collocated with the Wastewater Treatment Plant.

County Facilities

St. Francois County Health Center

The St. Francois County Health Center is located at 1025 West Main Street in Farmington. The Health Center is a tax-supported health resource which is available and accessible to all the residents of the County.

The Health Center provides a variety of health services to the residents of the County which include a free immunization clinic; free flu immunization clinics annually, sexually transmitted disease clinic; environmental health services; blood sugar and cholesterol testing; blood pressure checks; HIV counseling and testing site; registrar for births and deaths; communicable disease follow-up; HIV care coordination; WIC program; well-women care, which includes family planning, pregnancy testing and counseling; nurse consultation; day-care training; lead screening and follow-up; CPR instruction; and tuberculosis testing and treatment.

St. Francois County Joint Communications – 911 Dispatch

St. Francois County Joint Communications - 911 Dispatch provides coordinated emergency dispatch service throughout St. Francois County. The 911 dispatch office is located at 102 Industrial Drive in Park Hills. The St. Francois County Joint Communications – 911 Dispatch was formed in 1993. The Center provides dispatching services for the Bismarck, Bonne Terre, Desloge, Leadwood, Iron Mountain Lake,

Leadington, Park Hills and Terre Du Lac police departments, and the St. Francois County Sheriff's Department, the St. Francois County Ambulance District and the Missouri State Highway Patrol.

Dispatching services are provided for the Big River, Bismarck, Bonne Terre, Desloge, Doe Run, Farmington, Goose Creek, Lake Timberline, Leadington, Leadwood, Park Hills, Terre Du Lac and Wolf Creek fire departments. With most of the county emergency responders being dispatched through a single center, communications among all agencies has improved greatly.

The 911 dispatch center uses an "Enhanced 911" system which immediately provides the caller's phone number, name, and the location they are calling from. In rural areas, the 911 addressing structure provides a numeric address with a road name, rather than a route and box numbers which had no set patterns. The 911 dispatch Center employs an administrative staff of four, 12 full-time dispatchers and seven part-time dispatchers.

St. Francois County Ambulance Service

The St. Francois County Ambulance District covers all 454 square miles of St. Francois County. The District began operation in 1977 and employs 38 full-time paramedics, 5 full-time EMTs and a maintenance mechanic. The District also employs over 25 part-time paramedics and EMTs. St. Francois County Ambulance District Station 2 is located at 5 Club Street in Park Hills. Station 2 covers the areas of Bismarck, Park Hills, Leadington, Leadwood, and parts of Desloge. Station 2 is also a cover house. If there are no ambulances available to respond from Station 1 or Station 3, Station 2 staff will respond to those areas.

The Ambulance District covers a population of over 55,000 residents. The District responded to over 10,000 calls in 2007. St. Francois County has a tiered EMS response system. When a 911 call is

received at the dispatch center, the staff determines what level of response is needed. If appropriate, first responders are sent from one of the 13 fire departments in the County. An ambulance is sent from the closest station to the call, when available.

State Facilities

Missouri State Highway Patrol

Troop C of the Missouri State Highway Patrol operates a full-service satellite office located at the entrance to the Mineral Area College campus just east of the U. S. Highway 67 and Missouri Route 32 intersection in Park Hills. The Highway Patrol provides a variety of services at the Center, including motor vehicle inspections, driver license exams one day a week, and a laboratory. The Center also has commercial vehicle officers available and serves as the headquarters for the Mineral Area Drug Task Force.

Missouri Department of Economic Development

The Missouri Department of Economic Development operates a full-service career center in Park Hills. Located at 107A Industrial Drive, the Career Center is a “one-stop shop” for all employment and training needs. The Career Center provides businesses, job seekers and those with special needs a range of valuable workforce services. The facility is equipped with computers, fax machines, telephones, and other resources to assist with locating employment or employees.

Missouri Department of Social Services

The St. Francois County Family Support Division of the Missouri Department of Social Services is a government human services agency located at 140 Staples Drive in Park Hills. The DFS office serves all of St. Francois County. Clients include elderly non-disabled, elderly disabled, non-elderly disabled, low-income, youth, and the general public. Primary

services include health care, child care, community support networks, family support and in-home assistance, and residential care, and are available to all age groups. The office is open Monday through Friday from 8:00 a.m. to 5:00 p.m., 52 weeks a year.

The DFS office staff consists of 58 full-time employees and eight administrative employees. The St. Francois County Division of Family Support office serves clients with various mobility limitations, including those with age-related problems, those with physical problems, clients who cannot afford motor vehicles, clients who lack a motor vehicle for reasons other than income, clients with cognitive and vision problems, and clients living in remote locations. Approximately 40% of St. Francois County DFS clients have mobility limitations. Clients access the DFS office by rides provided by van service, private taxi, family, friends or neighbors, or they drive themselves.

Missouri Department of Health and Senior Services

The Division of Senior and Disability Services of the Missouri Department of Health and Senior Services occupies the building at 140 Staples Drive in Park Hills with the Missouri Department of Social Services. The Division of Senior and Disability Services administers a coordinated, integrated home-and-community-based service delivery system to assure that the needs of the elderly and persons with disabilities are met.

Through professional staff, services such as personal care, homemaker, chore, nursing, respite, adult day health care, counseling, and consumer-directed services are made available to the elderly and persons with disabilities in their homes. These home-and-community-based services are provided to eligible persons 60 year of age or older and to adults with disabilities between the ages of 18 and 59. Through a comprehensive assessment process, the Division determines the services necessary to meet the needs of each eligible person.

The Park Hills office of the Division of Senior and Disability Services also investigates reports of alleged abuse, neglect or financial exploitation of persons 60 years of age or older and other eligible adults between the ages of 18 and 59.

Missouri Department of Transportation

Construction Project Office. District 10 of the Missouri Department of Transportation (MoDOT) operates a Construction Project Office in the City of Park Hills. The staff of the facility, which is located at 105 Industrial Drive, administers MoDOT construction contracts.

Maintenance Facility. MoDOT also operates a maintenance facility located at 2240 Conway Road in Park Hills. The facility houses trucks and other equipment, and the materials necessary to maintain the state road system it serves.

Federal Facilities

U. S. Post Office

The United States Post Office is located at 911 Walnut Street in Bismarck.

Other Community Facilities

East Missouri Action Agency (EMAA)

East Missouri Action Agency, located at 107 Industrial Drive in Park Hills, was founded as a community action program in 1965 and has grown to serve low-income families of Bollinger, Cape Girardeau, Iron, Madison, Perry, St. Francois, Ste. Genevieve and Washington Counties. EMAA currently employs a staff of approximately 200 people. The staff of EMAA helps plan and implement a variety of programs that are designed to help low-income people achieve and maintain self-

sufficiency. These programs currently include Community Services, Employment and Training, Family Planning, Head Start, and Housing.

EMAA clients include elderly non-disabled, elderly disabled, non-elderly disabled, low-income, youth, and the general public. Primary services include employment opportunities/job placement, housing, and life skills development and assistance, and are available to all age groups. The office is open Monday through Friday from 8:00 a.m. to 5:00 p.m., 52 weeks a year.

The St. Francois County EMAA office serves clients with various mobility limitations, including those with age-related problems, those with physical problems, clients with cognitive and vision problems, and clients living in remote locations. Approximately 12% of St. Francois County's EMAA clients have mobility limitations. EMAA clients access the office by fixed-route bus service, van services for specific participants, private taxi, and rides provided by family, friends or neighbors, or they drive themselves.

Educational Facilities and Resources

Bismarck R-V School District

The Bismarck R-V School District, from its offices located on Campus Drive, operates a pre-school – 12 the public school system in Bismarck. The Missouri School Improvement Program (MSIP) accredited district has a roster of 49 teachers and a total staff of 79 including support personnel. The District had a combined enrollment of 551 students during the 2009-10 school year. The operation of the School District is financed by a tax levy of \$4.03 per \$100 of assessed valuation. Among the professional staff, 52% hold advanced degrees. In 2008-09, the District achieved a graduation rate of 92.7%.

Mineral Area College

Mineral Area College is a two year public comprehensive community college located in the City of Park Hills. The college has a consistent enrollment of approximately 3,000 credit students per semester, and approximately 1,500 non-credit students per year. Mineral Area College has grown in size, service and effectiveness for more than eight decades.

A leader in the “two-plus-two” model of education, Mineral Area College offers students the opportunity to complete their two-year and four-year degree goals on the same campus. Bachelor’s degrees are offered on campus through a partnership with Central Methodist College. Bachelor’s and master’s degrees are also available through Southeast Missouri State University, University of Missouri-St. Louis and University of Missouri-Rolla.

In addition to the main campus in Park Hills, Mineral Area College has outreach centers in Arcadia Valley, Farmington, Fredericktown, Perryville, Potosi and Winona.

NEEDS ASSESSMENT

Projects – programs – wish list.

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Sources of Financing

There are several alternatives open to a city in financing its capital improvements. These improvements involve substantial funding over a period of years, and awareness of the various methods available to cities to finance these improvements may assist future decisions. Various methods available for financing long-term capital improvements are discussed in this section.

Complete Details of Financing Tools for Economic Development Projects

Appendix I includes a copy of an article entitled “Summary of Economic Development Tools” which was prepared by Gilmore and Bell, P.C., for the Missouri Association of Councils of Governments. It is reprinted in its entirety here, by permission, since it is the most comprehensive and usable such summary of which the author is aware. This firm is active in handling the legal aspects of innovative financing packages. They are very familiar with these complicated issues and have done an absolutely excellent job of summarizing them.

For General Purpose Projects

Pay-As-You-Go

The pay-as-you-go method involves financing projects from current municipal revenues such as general property taxation, sales taxes, transportation sales taxes, fees, charges, special funds, or special assessments. The use of this method allows for greater budgetary flexibility and the elimination of interest payments. The major disadvantage is the need to have large amounts of uncommitted cash available, which may preclude financing capital improvements in favor of more immediate needs. Reserve fund financing is a variation of the pay-as-you-go method. In other words, funds accumulated in advance are

used for capital projects. Reserve fund revenue may result from surplus operational revenue, depreciation accounts, or from the sale of capital assets.

General Obligation Bonds

General obligation bonds require the approval of four-sevenths of the electorate at general elections and two-thirds at special elections, and a tax is levied to pay interest and retire the bonds. Bonds may be sold to finance more permanent improvements such as streets, water systems projects, wastewater projects, airport projects, parks, public buildings, and recreational facilities.

Revenue Bonds

Revenue bonds are sometimes used for such projects as swimming pools, airports, sewer and water systems, and other revenue-producing projects. They are not included in the 20% debt limit, as are the general obligation bonds, because they are not backed by the full faith and credit of the city. However, companies that underwrite bonds are very reluctant to support new issues of debt if the current amount of debt exceeds 20% of the assessed valuation of the municipality. As a result, the interest rates are generally higher than general obligation bonds. Since these bonds are paid entirely from the net earnings of the new facility, the estimates for the net earnings should be conservative. Revenue bonds require a simple majority approval by the voters.

Authorities and Special Districts

Authorities and special districts are created to manage facilities such as toll roads and water and sewer systems. The authority offers a convenient method of financing inter-jurisdictional facilities, but it can also create many problems such as decentralization of governmental responsibility. The debt incurred by the authority is still a part of the area's total financial obligation, even when it is not counted into the debt

limit. Special districts are created with the power to tax, issue bonds, and construct facilities that may not be self-supporting. They are sometimes necessary to avoid restrictive debt limits. Details regarding several special districts and authorities are included below and in Appendix I.

Special Assessments

There are some public works programs that benefit certain properties more than others. As a result, special assessments are levied against those receiving the improvement. Improvements financed by this method include street paving, curb and gutters, sidewalks, sanitary sewers, stormwater collection systems, and water mains.

Capital Improvement Sales Tax

The Missouri legislature has approved the use of a sales tax for specific capital improvements. The capital improvements sales tax must be approved by the voters of the City and can only be used to construct and maintain a specific project or projects approved by the voters.

Joint Financing

As the term suggests, some projects are of benefit to more than one governmental agency, authority, or special district, and joint financing may be used to bring about projects that would otherwise be postponed.

Outside Sources

Before undertaking a project, an effort should be made to determine if the private sector can provide a service or parts of an essential program. Civic organizations may finance park and recreational areas, or merchants may be persuaded to construct off-street parking areas or donate space, if local government does not have sufficient funds. In addition, there are a number of state and federal grant-in-aid programs available to finance capital improvements, providing the City can meet the threshold requirements to utilize specific programs.

For Economic Development Projects

Tax Increment Financing

The Missouri General Assembly enacted the Real Property Tax Increment Allocation Redevelopment Act in 1982, codified in Sections 99.800 to 99.865, RSMo (the “TIF Act”). Tax increment financing can be used in any city or county in the State of Missouri. It is helpful to small communities in order to finance the construction of necessary public improvements, such as sewers and roads, as an incentive for investment in undeveloped areas. When a Tax Increment Authority is established, bonds are issued and repaid from the incremental increase in taxes attributable to the improvements financed.

Sales Tax Rebate/Development Agreements

Authorized under Section 70.220, a Sales Tax Rebate/Development agreement authorizes local governments to enter into agreements with private property owners. Under this agreement, the property owner pays for what are normally considered public improvements. The private property owner is then reimbursed from incremental sales taxes received. These agreements are negotiated directly between the government and the private business.

Transportation Development Districts

Section 238.200 to 238.275 RSMo authorizes Transportation Development Districts. Under this approach, a special purpose district is created, and projects approved by the Missouri Highway and Transportation Commission are undertaken. These projects are then paid for by one of several methods, including a special purpose sales tax, special assessments, property taxes, tolls, or bonds. Special districts must be created and require a separate vote of the people.

Community Improvement District

Community Improvement Districts are authorized under Sections 67.1401 to 67.1571 RSMo. The creation of these special districts is the province of the relevant local government, either a city or county. A Community Improvement District can undertake a number of projects, and the authorizing language includes “any other useful, necessary or desired improvements,” making the possible scope broad indeed. Improvements undertaken can be financed through special assessments, real property taxes, sales taxes, bonds or “other sources” such as fees, rents, grants or gifts.

Special Business Districts

Special Business Districts are yet another special unit of government. Authorized under Sections 71.790 to 71.808 RSMo, Special Business Districts can undertake a number of projects to improve the business climate within the boundaries of the District. Real property taxes, business license taxes, special assessments, and bonds are all methods to pay for projects.

Neighborhood Improvement Districts

Another special purpose district, authorized under Article III, Section 38(c) of the Missouri Constitution and Sections 67.453 to 67.475 RSMo, Neighborhood Improvement Districts tend to focus on more general projects within an area, including a much greater residential component than the other special districts mentioned earlier. Only public improvements can be undertaken, but within that general restriction, the range is large. These projects are financed with General Obligation Bonds.

Property Tax Abatements under Chapter 353 RSMo

Property tax abatements are a method of promoting private sector support for improvements by offering a property tax abatement to

allow improvements to be tax free for a period of time. The process includes identifying “blighted” areas, forming an Urban Redevelopment Corporation, and proceeding with projects according to an approved redevelopment plan. The Urban Redevelopment Corporation then purchases the property and undertakes the project. The improvements are tax free, allowing sufficient cash flow to repay any debt incurred.

Property Tax Abatements under Chapter 100 RSMo

Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 to 100.200 RSMO authorize the issuance of Industrial Development Bonds by local governments. Proceeds from the bonds then finance private projects. Depending on the structure, these bonds can be either tax free, which means they can have a much lower interest rate, or they can be taxable. If taxable, property tax abatements can be offered making private development more attractive.

IMPLEMENTATION AND ADMINISTRATION

The procedure for adopting the comprehensive plan is set forth in Section 89.360 of the State statutes. According to the statutes, the Planning and Zoning Commission (the Commission) may adopt the plan as a whole by single resolution or may adopt a part or parts of the plan generally corresponding with one or more of the functional subdivisions of the plan. Before adoption, amendment or extension of the plan, however, the Commission must hold at least one public hearing with at least 15 days public notice prior to the hearing.

The adoption of the plan requires a majority vote of the full membership of the Commission, and the adopting resolution must refer expressly to the maps, descriptive matter and other materials intended by the Commission to form the whole or part of the plan being adopted. The action taken by the Commission must also be recorded on the adopted plan, or part thereof, by the identifying signature of the secretary of the Commission and filed in the Commission's office, identified properly by file number. A certified copy of the plan must also be forwarded to the Board of Aldermen and the City Clerk, and a copy shall be available at the City Clerk's office for public inspection during normal office hours. A copy shall also be available in the office of the County Recorder of Deeds for public inspection during normal office hours.

Once the plan is adopted, the process of implementing the plan is undertaken as a more or less joint function of the Planning and Zoning Commission and the Board of Aldermen. The Commission is charged with the responsibility of preparing implementing measures such as zoning ordinances, building codes, and subdivision regulations, with final approval and adoption authority for such measures, in the form of ordinances resting with the Board of Aldermen. As with the plan itself, a public hearing must be held prior to adoption of any implementing

measure, but in this case, the hearing is held by the Board of Aldermen rather than the Commission.

Citizen involvement is an important element in the preparation of the plan, and such involvement is also necessary if the plan is to be effectively implemented. The Commission and the Board of Aldermen should encourage continued citizen participation in the planning process whenever possible and utilize civic resources in furthering the objectives of the Comprehensive Plan.

Regulatory Measures

Regulatory measures, accomplished by ordinance, are necessary in order to implement and administer the comprehensive plan. These measures must be made in accordance with the comprehensive plan and be designed to further the objectives of the plan and the health, safety and general welfare of the community. As with the plan itself, these ordinances should also be reviewed periodically and revised as necessary to keep them up-to-date and effective. A summary of the characteristics of these and other regulatory measures follows.

Zoning Ordinance

As expressed in state enabling legislation, the basic purpose of zoning is to promote the health, safety and general welfare of a community through regulation of the location, construction and use of buildings and land. Through a zoning ordinance, the community can enhance traffic and fire safety, prevent overcrowding and facilitate the provision of transportation, water, sewer, school, and other public facilities. The ordinance itself usually specifies minimum requirements for lot sizes, building heights, building setbacks, parking and the like.

The zoning ordinance is also accompanied by a zoning district map which is actually a part of the ordinance. The zoning map divides

the City into districts within which the zoning regulations are uniformly applied.

As a normal part of implementing the comprehensive plan, the City's zoning district map is revised from time to time to permit the development of uses generally conforming with the plan. Typically, these revisions take the form of rezoning of certain tracts of land to allow a more intensive use or issuance of a special use permit with appropriate restrictions. This procedure allows the community to gradually and successively implement the provisions of the plan in a coordinated manner as need arises. The procedure also helps to preserve property values and prevent haphazard development and land use conflicts.

Subdivision Regulations

The regulation of subdivisions and development of unimproved land is also an important element in the community's planning program. Such regulations usually provide detailed procedures for the division and development of land in order to direct future growth and assure that residential and other developments meet certain minimum standards. They are especially important in securing adequate street alignments, widths and grades, and ensuring that the necessary supporting utilities such as water and sewer lines are installed to proper standards. Under state enabling legislation, the regulation of land subdivision and development is accomplished in several ways.

After a city has adopted a major street plan, or a city plan which includes a plan for major streets, no plat of any subdivision within the city may be filed or recorded until it has first been submitted to the City Planning and Zoning Commission. The Commission must then make a report and recommendation on the plat to the Board of Aldermen and the Board of Aldermen must approve the plat before it can be filed for record.

Also, once a city plan has been adopted and after due procedure and a public hearing, the city is empowered under state law to enact regulations setting forth minimum requirements for the platting and development of land subdivisions within its jurisdiction. Such regulations may include requirements for the approval of subdivision plats, the extent and manner in which streets may be graded and improved, and provisions for securing adequate assurances that all necessary improvements and utilities within the subdivision will be installed and completed.

Additional regulatory measures are also keyed to the city's major street plan and land subdivision ordinance. These include provisions of Section 89.460 of the state statutes, under which streets may only be opened, improved or accepted if they were legally established as a public street prior to the adoption of the comprehensive plan, or if they conform with an approved subdivision plat or the major street plan. Other streets may be located and constructed if they are first approved by the Planning and Zoning Commission and Board of Aldermen. This section also stipulates that no public utility may be authorized or constructed in any street that does not meet the above requirements. Section 89.470 of the statutes further stipulates that once a major street plan has been adopted, no permit can be issued for and no building can be constructed on any lot unless the street providing access to the lot has been established as a public street as provided for in Section 89.460.

Housing, Building and Related Codes

A comprehensive, uniform program of codes and standards for building construction and occupancy is a basic tool in improving and maintaining housing and other structures in a community. Although all such codes and ordinances are sometimes consolidated in a single "building" code, their purpose and functions are actually different in a strict sense.

Housing codes are generally concerned with health and safety aspects. Such a code typically provides for the inspection of structures prior to occupancy to ensure that they meet minimum standards. Provisions for periodic reinspection may also be provided for upon re-sale, re-rental, or other change in occupancy. The latter provisions serve to ensure maintenance of adequate living conditions.

Building codes, in a strict sense, refer to codes and ordinances regulating the construction, alteration or repair of a building by establishing minimum standards for the use of the building, the type of construction, and certain requirements for design and safety features.

Typically, a "building code" is actually comprised of several separate codes or sections for mechanical features, electrical wiring, gas piping and plumbing. However, a basic uniform building code may contain provisions for all of these features, as well as occupancy requirements and fire safety provisions.

Although closely allied to building codes, fire safety codes are usually concerned with regulations of the use of buildings to minimize hazards to life and property. Most communities also have a basic "nuisance" ordinance providing for the repair and demolition of unsafe buildings.

There are several nationally standardized building codes available to cities. At this time, Bismarck has no building codes in place, and the adoption of a building code should be a priority. There are several advantages to utilizing the national codes, including uniformity in the application of the code for builders and the fact that the code is updated on a national basis and, therefore, will address a broad array of problems. Also, the national code will include new technology and materials as they are developed, tested and approved for use in buildings.

Floodplain Management Regulations

The City of Bismarck is outside of any floodplain. Flood issues are rare and involve storm related flash flooding. Events are extremely brief and limited to the immediate area of overflowing streams and creeks. No particular management regulation is required. The City does not participate in the National Flood Insurance Program and no need is seen for such participation.

Coordination with Other Governmental Agencies and Organizations

A successful planning program requires coordination and cooperation with other governmental organizations and agencies. The City of Bismarck regularly cooperates with St. Francois County on a number of projects. The City is also an active participant in the Southeast Missouri Regional Planning Commission. Since a clear consensus exists that economic development is needed, it is recommended that the City of Bismarck make efforts to work more closely with the St. Francois County Industrial Development Authority in the future.

Annual Review and Update

The adopted comprehensive plan should serve as a general guide for the future physical and cultural development of Bismarck for the next 10 to 20 years. However, the plan's flexibility should be maintained through an annual review and update by the Planning and Zoning Commission. This is especially essential for capital improvements programming because this element will certainly require a number of project alterations or additions during the planning period.

General Administrative Procedures

There are a number of general administrative procedures which need to be addressed in order to adequately document Planning and Zoning Commission actions and the actions of the Zoning Administrator in carrying out the intent and purposes of the Planning and Zoning Commission and the adopted comprehensive plan. The following recommendations, if implemented, will assist the City considerably in ensuring that permanent records are available and easily accessible for rechecking of various issues that are considered by the Planning and Zoning Commission and carried out by the Zoning Administrator. These are primarily operational in nature and deal with the “nuts and bolts” of handling the administration of planning and zoning. There are eight such specific recommendations as detailed below.

1. The first recommendation is that a detailed set of minutes be taken by a secretary assigned and paid for by the City of Bismarck in order to ensure that all discussion is appropriately included in the minutes and that these are then reviewed within 10 days by the Chairman of the Planning and Zoning Commission and the Zoning Administrator to ensure that the minutes clearly identify discussion that has taken place at hearings concerning either the plan or issues of rezoning or subdivision of land or any other issues appropriate to the planning and zoning program. This will ensure that there is a permanent record of the conversations taken, agreements entered into, and decisions made by the Planning and Zoning Commission. Obviously, the votes taken by the Planning and Zoning Commission on any matters should be appropriately recorded, including those voting in favor of an

issue and those voting in opposition to an issue by name of participant.

2. The next recommendation is that the City have framed all of the appropriate large size maps from this comprehensive plan, or future comprehensive plans, and have them readily available with plexiglas coverings in the meeting room utilized by the Planning and Zoning Commission and Board of Aldermen. This will allow for sketching of items on plexiglas which can later be erased showing proposed extensions of streets, locations of subdivisions and other issues that need to be discussed by the Planning and Zoning Commission membership.
3. The next recommendation is that the individuals involved in the review of proposed subdivisions, rezonings, street extensions and the like be broadened to include other officials of the City of Bismarck to ensure that, if they have concerns with regards to what is being proposed, they are made available to the Planning and Zoning Commission. Individuals, at a minimum, that ought to be involved in addition to the full Planning and Zoning Commission, and as appropriate, the Board of Adjustment and the Zoning Administrator, include: the Fire Chief to ensure that fire safety issues are addressed and that access to developing areas will be reasonable for the fire equipment necessary to respond in emergency situations; the Chief of Police to ensure that, if there are any concerns with regards to traffic flow, parking and the like, they are addressed or questioned during the review process, and; the Director of Public Works to address any issues concerning extensions of water, sewer, stormwater issues, waste collection and the like, or the necessity of upgrading such facilities to accommodate developments that are proposed. Major developments should also have input from the Public Works

Director to ensure that capacities of the systems are not taxed by the development, or if they are going to be taxed, that the City's Planning and Zoning Commission and, in turn, the Board of Aldermen and Mayor, as well as the City's administrative staff, are fully aware of the implications of the development and their impact upon public utilities, streets and the like.

4. It is also recommended that the Planning and Zoning Commission and the officials of the City of Bismarck, require sufficient copies of proposed subdivisions, zoning changes and the like so they can be distributed to all of the Planning and Zoning Commission and the appropriate City officials that are now being recommended to be included in the review process. This will mean that either the applicant must provide a sufficient number of copies or the City must ensure that what is presented for consideration is in a form that is easily reproducible and a size that can be handled on equipment owned by the City so it can be distributed ahead of meetings with agendas so the individual members of the City Planning and Zoning Commission can consider the issue at hand and also so that the City officials that are being recommended be added to the review process have ample opportunity and time to do site visits to inspect the areas that are under consideration. It may be possible for the various municipal officials to collectively visit sites so that they can jointly discuss issues that each observes in order to make the process a more meaningful one and one that protects the overall interests of the community.
5. The next recommendation s that all approvals of rezoning, subdivisions and the like be appropriately noted in a computer-based system and that hard copies of the approvals be filed in an alphanumeric system which can readily identify the property

affected, the ownership of the property at the time, the location of the property, and that actions taken be appropriately recorded and included in the file. Copies of all maps, plats and the like should also be included in the hard copy file and referred to in the computer system. Appropriate survey numbers utilized for assessment and re-assessment would be one way of identifying them, along with the name of the subdivision and the lot numbers within the context of the City's identification system. These should be coterminous with that information utilized by the County for assessment and taxing purposes.

6. Also recommended to be included in the computer file and the hard copy file are any agreements entered into by the proposer for the development of the subdivision or rezoning issues or splits of existing properties. These might include such issues as waivers of street width, where necessary; the alignment of streets with existing streets; responsibilities for improving sinkholes; the issue of how the property owner is to handle stormwater detention; and negotiated agreements on screening with vegetation to protect surrounding property owners from infringement by new uses or different land usage issues.

Also to be included in the computer system and the file are any restrictions that are placed upon this development or rezoning. This may include such issues as setback from the streets; setback from streams or tributaries that might flood; the responsibilities for extension of utilities, whether they are going to be done by the property owner or the City and billed; the requirements on the streets and whether the property owner is required to construct the streets or whether they will be constructed by the City and billed; agreements on the posting of bonds to ensure completion of infrastructural improvements; the

requirements on the streets and whether the property owner is required to construct the streets or whether they will be constructed by the City and billed; and any other issues that are appropriate to the actions being considered and taken.

7. Another recommendation is that the City Planning and Zoning Commission and the Zoning Administrator, along with the Mayor and Board of Aldermen, carefully review all proposed developments to ensure that they are in compliance with the Major Street Plan and that alignment of new streets, access to streets, etc., provide for reasonable traffic flow and are aligned appropriately. Sight distance should be a consideration in the construction of new streets in order to avoid traffic safety problems.
8. It is also recommended that both the Planning and Zoning Commission and the Board of Aldermen review the actual comprehensive plan at public hearings and review the appropriate segments of the plan prior to any public hearings or meetings so they are aware of the content of the plan that may be applicable to the particular development at hand and so that the decisions that are made are made in the context of the plan. While the plan certainly must maintain a certain level of flexibility, issues that impact neighbors of the proposed properties should be addressed both by the Planning and Zoning Commission and the Board of Aldermen. The Future Land Use Plan is a broad recommendation for areas to be developed for various land usage. This does not mean that the Future Land Use Plan may not result in conflicts that need to be resolved or addressed. While there is a natural desire to support new economic activities which create jobs and generate cash-flow for the community, it should also always be remembered that those who have invested

in their residential properties deserve protection from infringement and disruption of their neighborhood lifestyle. The utilization of the plan in addressing specific issues will help alleviate major problems and conflicts, if appropriately handled.

Obviously, there are a number of other issues that could be addressed as administrative issues, and it is suggested that the Planning and Zoning Commission, the Zoning Administrator, administrative officials of the City, and the Mayor and Board of Aldermen collectively meet to go over and establish a process that will ensure appropriate documentation of actions taken, reasons why a particular project is approved or not approved, and that the recording and long-term handling of the necessary records be done so in a manner which will provide for continuity on the total long-term basis.

Summary and Conclusions

The Board of Aldermen of the City of Bismarck approved the preparation of a comprehensive plan in 2008. Subsequent to this approval the Board of Aldermen appointed a Planning and Zoning Commission and charged that Commission with the task of preparing a comprehensive plan. The city contracted with the Southeast Missouri Regional Planning Commission to provide professional and technical support in this venture.

The project was initiated and the process of drafting the report began in 2008 as well. The Planning and Zoning Commission concluded that the preparation of a comprehensive plan without also preparing a Zoning Ordinance to promote the implementation of the plan would likely result in a failure to achieve the goals of the Commission. Therefore, the preparation of a draft Zoning Ordinance also became a task of this project.

The result of efforts by the Planning and Zoning Commission members with staff support through the Southeast Missouri Regional Planning Commission is presented in the foregoing pages. In essence, the Commission has devised a plan that aims to solidify Bismarck's position as a "nice place to live." The Commission believes that Bismarck is a good place to raise a family. The Commission also recognizes that the city is experiencing some problems and has prepared this document to promote future development that will maintain the benefits of being a small town while increasing the availability of services and employment opportunities for citizens.

At bottom, the Commission believes that a "clean-up, paint-up, fix-up" effort on a city-wide basis will be central to addressing issues of deterioration that have slowly emerged over the past two decades. This is the focus of several of the Goals and Objectives identified earlier. In

addition, the Commission recognizes the need to promote business and develop employment opportunities. This thrust is reflected in Goals and Objectives directed at working with the county economic development groups and the Southeast Missouri Regional Planning Commission. Finally, the Commission believes that local involvement is the key. Goals and Objectives directed toward community participation address this belief.

Bismarck has potential beyond becoming simply a bedroom community for its larger neighbors to the east. The historical ties to railroading, and the existence of railroad based infrastructure present opportunities and these should be exploited. This will require a specific effort on the part of the city, beyond participation in the county-wide economic development organization. The development/redevelopment of areas in the city to active industrial uses will address a problem of blight associated with abandoned or, at best unused commercial/ industrial buildings.

In reviewing opportunities, it is important to be willing to consider nontraditional possibilities. For example, the Bismarck Airport combined with the basic “niceness” of the city offer an opportunity for a “fly in-fly out” development. Such a promotion would require an effort that could be maintained.

Simply implementing this comprehensive plan through passing a Zoning Ordinance will make a big difference in the overall appearance of the city. This, combined with an effort to undertake various community revitalization projects, will reinforce the image of Bismarck as a good place to live. Basic improvements such as sidewalk upgrades and the clearing of abandoned or hazardous buildings will add to this effort.

Appendix I

SUMMARY OF ECONOMIC DEVELOPMENT TOOLS:

THIS OUTLINE CONTAINS A SUMMARY OF—

TAX INCREMENT FINANCING
SALES TAX REBATE/DEVELOPMENT AGREEMENTS
TRANSPORTATION DEVELOPMENT DISTRICTS
COMMUNITY IMPROVEMENT DISTRICTS
SPECIAL BUSINESS DISTRICTS
NEIGHBORHOOD IMPROVEMENT DISTRICTS
PROPERTY TAX ABATEMENT UNDER CHAPTER 353 RSMO
PROPERTY TAX ABATEMENT UNDER CHAPTER 100 RSMO

(Updated through September 30, 2008)

The following materials were prepared by the public finance law firm of Gilmore & Bell, P.C.

Gilmore & Bell is one of the leading public finance law firms in the United States. The firm specializes in public finance transactions, serving as bond counsel or underwriters' counsel in a wide variety of tax-exempt and taxable financings and providing tax and arbitrage rebate services in connection with tax-exempt financings. The firm also provides advice to cities, counties and states regarding economic development incentives, and handles commercial and corporate finance transactions and securities law matters. Gilmore & Bell has 51 attorneys and four offices, located in St. Louis and Kansas City, Missouri, Wichita, Kansas and Lincoln, Nebraska.

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TAX INCREMENT FINANCING IN MISSOURI

I. GENERAL

Municipalities can only spend public funds for public purposes. If the costs to be funded are public improvements — such as roads, traffic signals or utilities — then the municipality has a variety of options as to how to finance those public improvements. If the costs to be funded are not public improvements — such as land acquisition costs or site development costs — then public funds can be used to finance those costs only if the governing body of the municipality finds that the site is a "blighted area" or a "conservation area," as defined under Missouri law. Tax increment financing is a method to encourage redevelopment of these areas.

The Missouri TIF law authorizes cities and counties to adopt a redevelopment plan that provides for the redevelopment of a designated area, and to use TIF to fund a portion of the project costs.

The theory of tax increment financing is that, by encouraging redevelopment projects, the value of real property in a redevelopment area should increase. When a TIF plan is adopted, the assessed value of real property in the redevelopment area is frozen for tax purposes at the current base level prior to construction of improvements. The owner of the property continues to pay property taxes at this base level. As the property is improved, the assessed value of real property in the redevelopment area increases above the base level. By applying the tax rate of all taxing districts having taxing power within the redevelopment area to the increase in assessed valuation of the improved property over the base level, a "tax increment" is produced. The tax increments, referred to as "payments in lieu of taxes," are paid by the owner of the property in the same manner as regular property taxes. The payments in lieu of taxes are transferred by the collecting agency to the treasurer of the municipality and deposited in a special allocation fund. In addition, the county and city transfer 50% of all incremental sales and utility tax revenues to the treasurer of the municipality for deposit into the special allocation fund. All or a portion of the moneys in the fund can then be used to pay directly for redevelopment project costs or to retire bonds or other obligations issued to pay such costs.

The net effect of tax increment financing is to permit a developer to use a portion of property taxes that otherwise would be paid on the completed project to repay all or a portion of the development costs, thereby reducing the net annual debt service on the completed project (and thus increasing the rate of return on the project). In this manner, future tax increases are not abated, but rather are used to fund costs of the project.

II. PROCEDURES FOR ADOPTING TIF

The TIF Act

The TIF Act permits municipalities to undertake different redevelopment projects within a redevelopment area pursuant to the same redevelopment plan. If a redevelopment plan has multiple redevelopment projects, the municipality may designate different "redevelopment projects" and adopt tax increment financing at different times for each redevelopment project. This structure enables municipalities and developers to phase in projects and to derive additional benefits from the payments in lieu of taxes created by the redevelopment projects.

Before a municipality may implement tax increment financing, (1) the municipality must create a TIF commission as provided in the TIF Act, (2) a redevelopment plan, including a description of the redevelopment area and the redevelopment projects therein, must be prepared, (3) the TIF commission must hold a public hearing and make a recommendation to the municipality pertaining to the redevelopment plan, the redevelopment projects and the designation of the redevelopment area, and (4) the municipality must adopt an ordinance approving the redevelopment plan, the redevelopment projects and the designation of the redevelopment area as discussed below. If a TIF commission makes a recommendation in opposition to a proposed redevelopment plan, redevelopment project, or designation of a redevelopment area, or amendments thereto, the governing body of the municipality may only approve such plan, project, designation or amendment upon a two-thirds majority vote. Once the ordinance is adopted, tax increment financing may be implemented for one or more redevelopment projects within a redevelopment area. Because of various notice and hearing requirements, it usually takes 120 days or longer to establish a TIF commission and adopt a TIF plan.

In an amendment to the TIF Act effective January 1, 2008, the General Assembly required municipalities in St. Louis, St. Charles and Jefferson Counties to obtain the permission of a county-wide TIF commission prior to the approval of a redevelopment project by the municipality's governing body. However, this amendment raised several constitutional concerns and left it unclear whether the countywide TIF commission replaces the municipal TIF commission — and therefore holds the required public hearing for the project — or whether the county-wide TIF commission is *in addition to* the municipal TIF commission. To address these concerns, the General Assembly enacted House Bill 2058 and Senate Bill 718, which contain identical amendments to the TIF Act. If either bill is signed by the Governor, effective August 28, 2008, municipalities in St. Louis, St. Charles and Jefferson Counties will be required to use an alternative TIF commission that is still created by the municipality but whose membership primarily consists of representatives appointed by the county and other taxing districts.

Role of the TIF Commission

Before adopting tax increment financing, a municipality must create a TIF commission by ordinance of its governing body. The composition of the TIF Commission depends on (1) whether a city or a county is undertaking the redevelopment project, and (2) the location of the city or county undertaking the redevelopment project, as described in the following chart:

	Entity Creating TIF Commission				
	City (outside St. Louis, St. Charles and Jefferson Counties)	City (inside St. Louis, St. Charles or Jefferson Counties)	County (other than St. Louis County)	St. Louis County	St. Louis City
City(ies)	6	3	6	3*	6
School districts	2	2	2	2	2
County	2	6	0	6	0
Other Taxing Districts	1	1	1	1	1
Total members	11	12	9	12	9

* These members are appointed by cities that have TIF districts in the county.

The TIF commission conducts the public hearings required under the TIF Act, and makes recommendations to the governing body of the municipality concerning the adoption of redevelopment plans or redevelopment projects and the designation of redevelopment areas. The redevelopment plans, redevelopment projects and the designation of the redevelopment area must receive final approval of the governing body of the municipality.

As discussed above, assuming the Governor signs House Bill 2058 or Senate Bill 718, municipalities in St. Louis, St. Charles and Jefferson Counties will no longer submit proposed redevelopment plans and projects to a city TIF commission for review, but instead will submit proposed redevelopment plans and projects to a "county-wide" TIF commission. Although the municipality must still pass an ordinance or resolution to create the TIF commission, each new "county-wide" TIF commission will have 12 members consisting of six members appointed by the county executive, three members appointed by cities in the county that have tax increment financing districts in a manner agreed upon by the applicable cities, two members selected by the school districts located in the county in a manner agreed upon by the applicable school districts, and one member selected by all other ad valorem taxing districts in a manner in which all such districts agree.

Designation of Redevelopment Area

The "redevelopment area" must contain property that may be classified as a "blighted area," a "conservation area" or an "economic development area" (described below), or any combination thereof. The entire redevelopment area need not meet the criteria of one of these three categories, but must include only "those parcels of real property and improvements thereon directly and substantially benefited by the proposed redevelopment project improvements." Thus, a larger redevelopment area that includes property that is increasing in value can enhance the feasibility of a TIF project, provided the larger area, on the whole, is a blighted, conservation or economic development area and is "substantially benefited" by the redevelopment project.

The TIF Act defines a blighted area, a conservation area and an economic development area as follows:

"Blighted area" is defined as

an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.

"Conservation area" is defined as

any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted

area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning.

"Economic development area" is defined as

any area or portion of an area located within the territorial limits of a municipality, which does not meet the requirements of [a blighted area or a conservation area], and in which the governing body of the municipality finds that redevelopment will not be solely used for development of commercial businesses which unfairly compete in the local economy and is in the public interest because it will: (1) discourage commerce, industry or manufacturing from moving their operations to another state; or (2) result in increased employment in the municipality; or (3) result in preservation or enhancement of the tax base of the municipality.

In 2006, the General Assembly amended Missouri's condemnation laws, which also had an effect on tax increment financing projects. First, farmland that is declared blighted cannot be acquired by eminent domain. Second, blight must be evaluated on a parcel-by-parcel basis, if any property in the redevelopment area will be acquired through (or under the threat of) condemnation.

An amendment to the TIF Act in 2007 prohibits new tax increment financing projects in any "greenfield area" within St. Louis, St. Charles, Jefferson and Franklin Counties. A "greenfield area" is defined as "any vacant, unimproved, or agricultural property that is located wholly outside the incorporated limits of a city, town, or village, or that is substantially surrounded by contiguous properties with agricultural zoning classifications or uses unless said property was annexed into the incorporated limits of a city, town, or village ten years prior to the adoption of the ordinance approving the redevelopment plan for such greenfield area."

Other legislation in 2007 prohibits new tax increment financing projects in "Hunting Heritage Protection Areas." Such areas consist of all land within the 100 year flood plain of the Missouri and Mississippi rivers, as designated by FEMA, but excluding (1) areas with a population of at least 50,000 persons and designated as an "urbanized area" by the United States Secretary of Commerce, (2) any land ever used, operated or owned by an entity regulated by the Federal Energy Regulatory Commission, (3) any land used for the operation of a physical port of commerce, (4) any land within Kansas City or St. Louis City, and (5) any land located within one half mile of any interstate highway. There are also several exceptions to the general prohibition against new tax increment financing projects including (1) the ability to expand existing tax increment financing projects located within a Hunting Heritage Protection Area, subject to certain limitations, (2) redevelopment projects for the purposes of flood and drainage protection, and (3) redevelopment projects for the purposes of constructing or operating renewable fuel facilities.

Although the TIF Act provides for redevelopment projects in an "economic development area," certain questions remain regarding the constitutionality of TIF financing in such an area that may require

a court case to resolve. It is unclear whether there are any instances under which a redevelopment project may be undertaken in an economic development area.

Preparation of Redevelopment Plan

Before proceeding with a redevelopment project, the municipality must approve a redevelopment plan that designates the redevelopment area, describes the redevelopment project and sets forth a comprehensive program for redevelopment. The TIF Act requires the following information to be included in the redevelopment plan:

1. Estimated redevelopment project costs;
2. The anticipated sources of funds to pay the costs;
3. Evidence of commitments to finance the project costs;
4. The anticipated type and term of the sources of funds to pay costs;
5. The most recent equalized assessed valuation of the property within the redevelopment area that is to be subjected to payments in lieu of taxes and economic activity taxes;
6. An estimate of the equalized assessed valuation after redevelopment; and
7. The general use of the land in the redevelopment area.

Additional information not required by statute may be included in the plan, such as the total acreage in the redevelopment area and the total payments in lieu of taxes and economic activity taxes estimated to be generated over the period the plan is in effect.

Public Hearing Regarding Redevelopment Plan

Before adopting tax increment financing, the TIF commission must hold a public hearing on the redevelopment plan and redevelopment project and the proposed redevelopment area. Notice of the hearing must be published and must be mailed to affected taxing districts and property owners. The TIF commission is required to vote on any proposed redevelopment plan, redevelopment project, or designation of a redevelopment area within 30 days after the public hearing and to make recommendations. If the county-wide TIF commission required for municipalities in St. Louis, St. Charles, and Jefferson Counties fails to make a recommendation within 30 days of the public hearing, the plan, project, or designation at issue will be deemed to have been rejected by the TIF commission. Additionally, public hearings held by the county-wide TIF commission may not be continued for more than 30 days unless a longer period is requested by the chief elected official of the municipality creating the commission and approved by a majority of the members of the county-wide TIF commission.

Adoption of Ordinances by Municipality

The redevelopment plan will become effective upon adoption of an ordinance by the municipality that approves the redevelopment plan and the redevelopment project and designates the redevelopment area. As discussed above, if the TIF Commission makes a recommendation in opposition to the redevelopment plan, the redevelopment project or the designation of the redevelopment area, the governing body of the municipality may only approve such plan, project or designation upon a two-thirds majority

vote. The TIF Act does not specify in detail what information must be included in the ordinance approving the redevelopment plan. The TIF Act does state, however, that no redevelopment plan may be adopted without findings that:

1. The redevelopment area on the whole is a blighted area, a conservation area or an economic development area, including a detailed description of the factors that qualify the redevelopment area.
2. The redevelopment area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing (this is sometimes referred to as the "but-for" test, as discussed above, and must be supported by an affidavit of the developer submitted with the redevelopment plan).
3. The redevelopment plan conforms to the comprehensive plan for the development of the municipality as a whole.
4. The estimated dates, which shall not be more than 23 years from the adoption of the ordinance approving a redevelopment project within a redevelopment area, of completion of any redevelopment project and retirement of obligations incurred to finance redevelopment project costs have been stated.
5. A plan has been developed for relocation assistance for businesses and residences. The relocation plan must comply with the provisions of Sections 523.200 to 523.215 of the Revised Statutes of Missouri, as amended.
6. A cost-benefit analysis has been prepared showing the economic impact of the plan on each taxing district that is at least partially within the boundaries of the redevelopment area.
7. The redevelopment plan does not include the initial development or redevelopment of any gambling establishment.

III. CAPTURE/USE OF TIF REVENUES

Determination of TIF Revenues

After the ordinance is passed, the county assessor must determine the total equalized assessed value of all taxable real property within the redevelopment project area. Thereafter, the total equalized assessed valuation of taxable real property in the redevelopment project area in excess of the initial equalized assessed valuation is computed by the county assessor for each year that tax increment financing is in effect. The payments in lieu of taxes are made by property owners in the redevelopment area on the increase in current equalized assessed valuation of each taxable parcel of real property over and above the initial equalized assessed valuation of each such parcel, and such payments are deposited into the special allocation fund.

In addition, 50% of the increase in total revenues of incremental sales and utility taxes (referred to as "economic activity taxes") are captured and deposited into the special allocation fund. Under the TIF Act, economic activity taxes do not include taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees, special assessments and personal property taxes. Any

economic development sales tax imposed pursuant to Section 67.1305 of the Revised Statutes of Missouri is not captured by tax increment financing unless recommended by the economic activity tax board and approved by the governing body imposing the tax. Any city or county which levies a children's service sales tax pursuant to Section 67.1775 of the Revised Statutes of Missouri and approves a redevelopment plan or project after August 28, 2007 must reimburse the amount of the children's services sales tax captured and deposited into the special allocation fund to the community children's service fund established in conjunction with the imposition of the children's services sales tax.

Issuance of Bonds or Other Obligations

Either the municipality or the TIF commission may issue bonds or other obligations under the TIF Act which are payable from moneys in the special allocation fund or other funds specifically pledged. The TIF Act provides that voter approval of TIF bonds is not required. The bonds or other obligations must mature within 23 years, may bear any interest rate and may be sold at public or private sale as determined by the municipality or TIF commission. The bonds or other obligations are not a general obligation of the municipality and, accordingly, do not count toward the municipality's constitutional debt limitation.

Reporting/Hearing Requirements

The governing body of the municipality must submit to the Missouri Department of Economic Development an annual report concerning the status of each redevelopment plan and project. The municipality must also publish in a newspaper of general circulation in the county a statement showing the payments in lieu of taxes received and expended in that year, the status of the redevelopment plan and projects, the amount of outstanding bonded indebtedness and any additional information the municipality deems necessary.

Every five years, the governing body of the municipality must hold a public hearing to determine if the redevelopment project is making satisfactory progress under the proposed time schedule contained in the redevelopment plan. Notice of the public hearing must be given in a newspaper of general circulation in the redevelopment area once each week for four weeks immediately prior to the hearing.

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SALES TAX REBATE/DEVELOPMENT AGREEMENTS

I. INTRODUCTION

Another alternative to TIF financing is for a municipality to enter into an agreement (commonly referred to as a "sales tax rebate agreement" or "development agreement") with a property owner, whereby the owner of a retail establishment agrees to fund the costs of certain public improvements. The municipality agrees to reimburse the owner for the cost of those improvements, with interest at an agreed-upon taxable interest rate, from the incremental sales taxes generated by the project. The owner generally agrees to be paid solely from those incremental sales taxes, and not from any other funds of the municipality.

II. STATUTORY AUTHORITY

Section 70.220 of the Revised Statutes of Missouri (the "Cooperation Law") authorizes any municipality or other political subdivision to contract with any other political subdivision, private person or firm for the "planning, development, construction, acquisition or operation of any public improvement or facility." The political subdivision may authorize the contract by ordinance or resolution.

III. TYPICAL STRUCTURE OF TRANSACTION

Many retail developments require the installation of public improvements (such as roads, traffic signals and utilities) to accommodate the development. Under the typical agreement, the developer agrees to advance the costs of the public improvements. The political subdivision agrees to reimburse the developer for such costs, with interest, over a specified period of time. The agreement usually provides that only a portion of the incremental (*i.e.*, new) sales tax revenues generated from the development will be used to reimburse the cost of the public improvements. This results in immediate new revenue to the municipality, while also providing a source of repayment for the public improvements.

The Missouri Constitution generally requires voter approval if a political subdivision pledges tax revenue to the repayment of indebtedness that lasts for more than one year. Therefore, sales tax rebate agreements specifically provide that the political subdivision's obligation is from year-to-year only, and is subject to annual appropriation by the governing body.

Because the developer usually assumes responsibility for initial construction of the public improvements, it's important that the agreement provide for payment of prevailing wages, payment and performance bonds, and indemnification of the governing body.

Undertaking a sales tax rebate agreement is a fairly simple process, since the governing body is obligating only its funds — not the funds of any other political subdivision. No public hearing or consultation with other political subdivisions is required.

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TRANSPORTATION DEVELOPMENT DISTRICTS

I. INTRODUCTION

Purpose

A transportation development district may be created pursuant to Sections 238.200 to 238.275 of the Revised Statutes of Missouri, as amended (the "TDD Act") to fund, promote, plan, design, construct, improve, maintain and operate one or more projects or to assist in such activity. A district is a separate political subdivision of the state. "Project" includes any bridge, street, road, highway, access road, interchange, intersection, signing, signalization, parking lot, bus stop, station, garage, terminal, hangar, shelter, rest area, dock, wharf, lake or river port, airport, railroad, light rail, or other mass transit and any similar or related improvement or infrastructure.

Projects, Submission of Plans

Before construction or funding of any project, the district must submit the proposed project to the Missouri Highways and Transportation Commission (the "commission") for its prior approval. If the commission finds that the project will improve or is a necessary or desirable extension of the state highways and transportation system, the commission may preliminarily approve the project subject to the district providing plans and specifications for the project and making any revisions in the plans and specifications required by the commission and the district and commission entering into a mutually satisfactory agreement regarding development and future maintenance of the project. After such preliminary approval, the district may impose and collect such taxes and assessments as may be included in the commission's preliminary approval. After the commission approves the final construction plans and specifications, the district must obtain prior commission approval of any modification of such plans or specifications.

If the proposed project is not intended to be merged into the state highways and transportation system, the district shall also submit the proposed project and proposed plans and specifications to the local transportation authority that will become the owner of the project for its prior approval. "Local transportation authority" is a county, city, town, village, county highway commission, special road district, interstate compact agency, or any local public authority or political subdivision having jurisdiction over any bridge, street, highway, dock, wharf, ferry, lake or river port, airport, railroad, light rail or other transit improvement or service.

In those instances where a local transportation authority is required to approve a project and the commission determines that it has no direct interest in that project, the commission may decline to consider the project. Approval of the project then vests exclusively with the local transportation authority subject to the district making any revisions in the plans and specifications required by the local transportation authority and the district and the local transportation authority entering into a mutually satisfactory agreement regarding development and future maintenance of the project. After the local transportation authority approves the final construction plans and specifications, the district must obtain prior approval of the local transportation authority before modifying such plans or specifications.

II. FUNDING METHODS

Sales Tax

Any district may impose a sales tax in increments of one-eighth of one percent up to a maximum of one percent on all retail sales made in the transportation development district that are subject to taxation under Missouri law, with certain exceptions (including the sale of motor vehicles, trailers, boats and outboard motors). The sales tax must be approved by approval of a majority of the "qualified voters" within the district. The "qualified voters" are (1) the registered voters within the district, and (2) the property owners within the district (who shall receive one vote per acre). Any registered voter who also owns property must elect whether to vote as a registered voter or a property owner. Notwithstanding the foregoing, the owners of all of the property in the district may implement the sales tax by unanimous petition in lieu of holding an election. The sales tax rate must be uniform throughout the district.

Special Assessments

The district may also, with majority voter approval, make one or more special assessments for project improvements that specially benefit the properties within the district. A district may establish different classes or subclasses of real property within the district for the purpose of levying different rates of assessments.

Property Tax

The district may also, with approval by at least four-sevenths of the voters, impose a property tax in an amount not to exceed the annual rate of ten cents on the hundred dollars assessed valuation. The property tax must be uniform throughout the district.

Tolls

If approved by a majority of the qualified voters voting on the question in the district, the district may charge and collect tolls or fees for the use of a project.

Bonds

The District may issue bonds, notes and other obligations for not more than 40 years, and may secure any of such obligations by mortgage, pledge, assignment or deed of trust of any or all of the property and income of the district. The district cannot mortgage, pledge or give a deed of trust on any real property or interests that it obtained by eminent domain.

III. FORMATION

Creation of District

A district may be created by (1) petition of at least fifty registered voters within the proposed district, or (2) if there are no registered voters within the district, the owners of all of the real property located within the proposed district. In addition, two or more local transportation authorities may

Adopt resolutions calling for the joint establishment of a district and then file a petition requesting the creation of a district. With certain limited exceptions, the property in the district must be contiguous.

The petition is filed in the circuit court of the county in which a majority of the district is located. Among other information, the petition must set forth:

1. The name and address of each respondent, which must include the commission and each affected local transportation authority within the proposed district;
2. A specific description of the proposed district boundaries including illustrating the boundaries;
3. A general description of each project proposed to be undertaken by the district, including a description of the approximate location of each project;
4. The estimated project costs and anticipated revenues to be collected from the project;
5. The number of members of the board of directors of the proposed district, which shall be not less than five or more than fifteen; and
6. A proposal for funding the district.

Hearing

The court hears the case without a jury. If the court determines the petition is not legally defective and the proposed district and method of funding are neither illegal nor unconstitutional, the court shall enter its judgment to that effect.

If the petition was filed by registered voters or by a governing body, the court shall then certify the questions regarding district creation, project development and proposed funding for voter approval. If the petition was filed by the owners of record of all of the real property located within the proposed district, the court shall declare the district organized and certify the funding methods stated in the petition for qualified voter approval. If a petition is filed pursuant to the resolutions of two or more local transportation authorities calling for the joint establishment of a district, the court shall then certify the single question regarding district creation, project development and proposed funding for voter approval.

Election

If the court certifies the petition for voter approval, a majority vote is required to approve the formation of the district.

If (1) the petition was filed pursuant to the resolutions of two or more local transportation authorities calling for the joint establishment of a district and was certified for voter approval, (2) the district desires to impose a sales tax as the only proposed funding mechanism and (3) the proposition to create the district and authorize the sales tax has received majority voter approval, the circuit court shall declare the district organized and the sales tax to be in effect.

If the district desires to impose a funding mechanism other than a sales tax, the proposed funding mechanism requires separate voter approval at a subsequent election.

As noted previously, "*qualified electors*," "*qualified voters*" or "*voters*" means (1) the registered voters within the district, and (2) the property owners within the district (who shall receive one vote per acre). Any registered voter who also owns property must elect whether to vote as a registered voter or a property owner.

Board of Directors

Since the district is a separate political subdivision, it has its own board of directors that serves as the governing body of the district.

Unless the district is formed at the request of two or more local transportation authorities, directors are elected by the qualified voters within the district (i.e., registered voters or property owners, as the case may be).

If two or more local transportation authorities requested formation of the district, the board of directors consists of (1) the presiding officer and one person designated by the governing body of each local transportation authority (if the district is comprised of two or three local transportation authorities), or (2) the presiding officer of each local transportation authority (if the district is comprised of four or more local transportation authorities).

IV. MISCELLANEOUS

Condemnation

The District may condemn land for a project in the name of the state of Missouri, upon prior approval by the commission, or the local transportation authority as appropriate, as to the necessity for the taking of the description of the parcel and the interest taken in that parcel.

Project Revisions

At any time during the existence of a district, the board may submit to the voters of the district a proposition to increase or decrease the number of projects that it is authorized to complete.

If the board proposes to discontinue a project, it must first obtain approval from the commission if the proposed project is intended to be merged into the state highways and transportation system or approval from the local transportation authority if the proposed project is intended to be merged into a local transportation system under the local authority's jurisdiction.

The board may modify the project previously approved by the district voters, if the modification is approved by the commission and, where appropriate, a local transportation authority.

Audit Required

The state auditor is required to audit each district at least every three years, and may audit more frequently if the state auditor deems appropriate. The costs of this audit shall be paid by the district. Most districts that have issued bonds are required by the bond underwriter to obtain an annual audit.

Projects, Transfer to Commission or Authority

Within six months after development and initial maintenance costs of its completed project have been paid, the district shall pursuant to contract transfer ownership and control of the project to the commission or a local transportation authority which shall be responsible for all future maintenance costs pursuant to contract. Such transfer may occur sooner with the consent of the recipient.

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COMMUNITY IMPROVEMENT DISTRICTS

I. INTRODUCTION

What is a Community Improvement District?

A community improvement district is either a political subdivision with the power to impose a sales tax, a special assessment or a real property tax, or a nonprofit corporation with the power to impose special assessments. The CID is created by a city or county following submission of a petition by the property owners within the proposed district.

A community improvement district is a separate legal entity distinct and apart from the municipality or county that creates the district. In many respects, a CID is similar to a TDD, except that the CID can finance a much broader array of improvements and can also undertake various public services.

Authority

Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri (the "Community Improvement District Act") authorize the creation of community improvement districts.

Kinds of Infrastructure Improvements

A variety of public improvements can be financed with a community improvement district. Projects may include, but are not limited to,

1. Pedestrian or shopping malls and plazas.
2. Parks, lawns, trees and any other landscape.
3. Convention centers, arenas, aquariums, aviaries and meeting facilities.
4. Sidewalks, streets, alleys, bridges, ramps tunnels, overpasses and underpasses, traffic signs and signals, utilities, drainage, water, storm and sewer systems and other site improvements.
5. Parking lots, garages or other facilities.
6. Music, news and child-care facilities.
7. Any other useful, necessary or desired improvement.

In addition, within a "blighted area," the district may pay costs of demolishing, renovating and rehabilitating structures.

Public Services

A community improvement district may provide a variety of public services, including but not limited to:

1. With the municipality's consent, prohibiting or restricting vehicular and pedestrian traffic and vendors on streets.
2. Operating or contracting for the provision of music, news, child-care or parking facilities, and buses, mini-buses or other modes of transportation.
3. Leasing space for sidewalk café tables and chairs.
4. Providing or contracting for the provision of security personnel, equipment or facilities for the protection of property and persons.
5. Providing or contracting for cleaning, maintenance and other services to public and private property.
6. Promoting tourism, recreational or cultural activities or special events.
7. Promoting business activity, development and retention.
8. Providing refuse collection and disposal services.
9. Contracting for or conducting economic, planning, marketing or other studies.

II. FORMATION PROCESS

Petition Requesting Formation

A community improvement district is formed by petition of the property owners. The petition must be signed by:

1. Property owners collectively owning at least 50 percent of the assessed value of the real property within the proposed district; and
2. More than 50 percent per capita of all owners of real property within the proposed district.

The petition must include a wide variety of information, including:

1. A five-year plan describing the purposes of the proposed district, the services it will provide, the improvements it will make and an estimate of costs of those services and improvements.
2. Organizational and governance information, including:

- a. Whether the district will be a political subdivision or a nonprofit corporation.
 - b. If a political subdivision, the manner in which the board of directors will be elected and the number of directors on the initial board.
3. The maximum rates of real property taxes and special assessments that may be imposed.
 4. The limitations, if any, on the borrowing capacity and revenue generation of the district.

Remaining Steps to Form the District

After the petition is submitted, the governing body of the municipality will proceed with the following actions:

1. Hold a public hearing regarding the formation of the district. Notice of the hearing must be published once a week for two consecutive weeks before the public hearing, and must be mailed at least 15 days prior to the public hearing. The notice must include, among other items, the following information: (a) date, time and place of hearing; (b) boundaries of the district, (c) statement that a copy of the petition is available for review at the clerk's office and (d) statement that all interested persons will be given an opportunity to be heard at the hearing.
2. Establish the district by order or ordinance.

III. GOVERNANCE

Political Subdivision

The petition specifies whether directors will be elected by the "qualified voters" or appointed by the municipality. A "qualified voter" must either own real property within the district or be a registered voter within the district. Appointments are made by the chief elected officer with the consent of the governing body.

The board shall consist of at least 5 but not more than 30 directors. Each director must (a) own real property or a business within the district (or be the legally authorized representative of the owner) or (b) be a registered voter residing within the district. If there are less than 5 owners of real property located within the district, the board may be comprised of up to 5 legally authorized representatives of any of the owners of real property located within the district.

Nonprofit Corporation

The directors are elected in the same manner as directors of other nonprofit corporations, under chapter 355 of the Revised Statutes of Missouri.

IV. FUNDING OF IMPROVEMENTS

Special Assessments

Any community improvement district, whether a political subdivision or nonprofit corporation, may impose special assessments, if approved by petition signed by:

1. Owners collectively owning real property representing more than 50 percent of the assessed value of real property within the district; and
2. More than 50 percent per capita of the owners of all real property within the district.

Real Property Taxes

A community improvement district that is a political subdivision can impose a real property tax if approved by a majority of the "qualified voters." A "qualified voter" is:

1. Registered voter residing within the district; or
2. If there are no registered voters residing within the district, the owners of real property within the district.

Unlike transportation development districts, there is no limit on the amount of real property taxes that may be imposed by a CID.

Sales Tax

A community improvement district that is a political subdivision can impose a sales tax if approved by a majority of the "qualified voters," as defined above. The tax may be imposed in increments of one-eighth of one percent, up to a maximum of one percent.

Other Sources

1. Fees, rents and charges for district property or services.
2. Grants, gifts and donations.

Bonds

The District may issue bonds, notes and other obligations for not more than 20 years, and may secure any of such obligations by mortgage, pledge, assignment or deed of trust of any or all of the property of the district.

SPECIAL BUSINESS DISTRICTS

I. INTRODUCTION

What is a Special Business District?

A special business district (SBD) is a political subdivision with the power to impose a real property tax, a business license tax and special assessments, depending upon the size of the City in which the SBD is created. The funding sources can be spent on certain public improvements and services listed in the statute. The SBD is created by a city following submission of a petition by property owners that pay real property taxes within the proposed district.

An SBD is a separate legal entity distinct and apart from the city that creates the district. In cities with 350,000 or more people, the SBD board consists of seven members appointed by the City and serves as the governing body of the SBD, but in all other cities the governing body of the city also serves as the governing body of the SBD and the SBD board is only a recommending body. Therefore, in all cities except those with 350,000 or more people, the city governing body needs to operate the SBD as a separate political subdivision of the city and not as another board or commission of the city.

Authority

Sections 71.790 to 71.808 of the Revised Statutes of Missouri govern special business districts.

Kinds of Infrastructure Improvements

Specific types of public improvements can be financed with a special business district:

1. Widen or narrow existing streets and alleys.
2. Construct or install pedestrian or shopping malls, plazas, sidewalks or moving sidewalks, parks, meeting and display facilities, convention centers, arenas, bus stop shelters, lighting, benches or other seating furniture, sculptures, telephone booths, traffic signs, fire hydrants, kiosks, trash receptacles, marquees, awnings, canopies, walls and barriers, paintings, murals, alleys, shelters, display cases, fountains, rest rooms, information booths, aquariums, aviaries, tunnels and ramps, pedestrian and vehicular overpasses and underpasses, and each and every other useful or necessary or desired improvement.
3. Landscape and plant trees, bushes and shrubbery, flowers and each and every and other kind of decorative planting.
4. Install and operate or lease public music and news facilities.
5. Construct and operate child-care facilities.
6. Construct lakes, dams, and waterways of whatever size.

7. Construct, reconstruct, extend, maintain, or repair parking lots or parking garages, both above and below ground, or other facilities for the parking of vehicles, including the power to install such facilities in public areas, whether such areas are owned in fee or by easement.

Public Services

A special business district may provide a variety of public services, including:

1. Purchase and operate buses, minibuses, mobile benches, and other modes of transportation;
2. Lease space within the district for sidewalk cafe tables and chairs;
3. Provide special police or cleaning facilities and personnel for the protection and enjoyment of the property owners and the general public using the facilities of such business district;
4. Maintain all city-owned streets, alleys, malls, bridges, ramps, tunnels, lawns, trees and decorative plantings of each and every nature, and every structure or object of any nature whatsoever constructed or operated by the city;
5. Grant permits for newsstands, sidewalk cafes, and each and every other useful or necessary or desired private usage of public or private property;
6. Prohibit or restrict vehicular traffic on such streets within the business district as the governing body may deem necessary and to provide the means for access by emergency vehicles to or in such areas;
7. Promote business activity in the district by, but not limited to, advertising, decoration of any public place in the area, promotion of public events which are to take place on or in public places, furnishing of music in any public place, and the general promotion of trade activities in the district.
8. With the city's consent, prohibiting or restricting vehicular and pedestrian traffic and vendors on streets.

Additional Powers for Large Cities

In any city with a population of 350,000 or more, an SBD has the following additional powers:

1. Cooperate with other public agencies and with any industry or business located within the district in the implementation of any project within the district.
2. Enter into any agreement with any other public agency, any person, firm, or corporation to effect any of the provisions contained in the SBD statutes.
3. Contract and be contracted with, and to sue and be sued.

4. Accept gifts, grants, loans, or contributions from the city in which the district is located, the United States of America, the state of Missouri, political subdivisions, foundations, other public or private agencies, individuals, partnerships, or corporations.
5. Employ such managerial, engineering, legal, technical, clerical,, accounting, and other assistance as it may deem advisable. The district may also contract with independent contractors for any such assistance.

II. FORMATION PROCESS

Petition Requesting Formation and Resolution of Intent

The process to form a special business district starts with a petition. The petition must be signed by one or more owners of real property on which is paid the ad valorem real property taxes within the proposed district. The status does not specify what the petition must contain. Once a petition is filed, the governing body may adopt a "resolution of intent" to form the SBD, which must contain the following:

1. Description of the boundaries of the proposed area;
2. The time and place of a hearing to be held by the governing body considering establishment of the district;
3. The proposed uses to which the additional revenue shall be put and the initial tax rate to be levied.

Survey and Investigation

Prior to adopting an ordinance which approves an SBD, the city must conduct a survey and investigation for the purposes of determining:

1. the nature of and suitable location for business district improvements,
2. the approximate cost of acquiring and improving the land therefor,
3. the area to be included in the business district or districts,
4. the need for and cost of special services, and cooperative promotion activities, and
5. the percentage of the cost of acquisition, special services, and improvements in the business district which are to be assessed against the property within the business district and that part of the cost, if any, to be paid by public funds.

The cost of the survey and investigation must be included as a part of the cost of establishing the business district. A written report of this survey and investigation must be filed in the office of the city clerk and must be available for public inspection.

Public Hearing

The governing body of the city must hold a public hearing prior to approval of the SBD by ordinance. The hearing must be preceded by two publication notices between 10 and 15 days before the hearing and mailed notice to all property owners and licensed businesses within the proposed district.

Ordinance to Approve District

If the city adopts an ordinance to approve the SBD, the ordinance must contain:

1. The number, date and time of the resolution of intention pursuant to which it was adopted;
2. The time and place the hearing was held concerning the formation of the area;
3. The description of the boundaries of the district;
4. A statement that the property in the area established by the ordinance shall be subject to the provisions of additional tax as provided in the petition;
5. The initial rate of levy to be imposed upon the property lying within the boundaries of the district;
6. A statement that a special business district has been established;
7. The uses to which the additional revenue shall be put;
8. In any city with a population of less than three hundred fifty thousand, the creation of an advisory board or commission and enumeration of its duties and responsibilities;
9. In any city with a population of three hundred fifty thousand or more, provisions for a 7-member board of commissioners to administer the special business district.

III. GOVERNANCE

The district is a separate political subdivision of the state. In cities with less than 350,000 population, the governing body of the city serves as the governing body of the SBD. Care should be taken to hold separate meetings of the SBD board rather than incorporating SBD legislative actions into legislative actions of the governing body of the city. In cities with less than 350,000 population, the SBD board serves as an advisory capacity to the SBD governing body.

In cities with a population of 350,000 or more, the SBD board appointed by the city serves as the governing body of the SBD. The members must be appointed by the mayor with the advice and consent of the governing body of the city. Five members must be owners of real property within the district or their representatives and two members must be renters of real property within the district or their representatives.

IV. FUNDING OF IMPROVEMENTS

Real Property Taxes

An SBD may impose a real property tax that does not exceed 850 per \$100 of assessed valuation. In St. Louis only, the real estate tax imposed by an SBD may be imposed and collected even though the property is subject to tax abatement pursuant to a redevelopment plan adopted under Chapter 353 of the Revised Statutes of Missouri.

Business License Tax

An SBD may impose a tax on businesses and individuals doing business within the SBD. The rate of the SBD business license tax cannot exceed 50% of the other business license taxes imposed within the district.

Special Assessments

Any SBD in a city with a population of 350,000 or more may also impose special assessments at the following maximum rates:

1. Not more than 50 per square foot on each square foot of land.
2. Not more than 0 per square foot on each square foot of improvements on land.
3. Not more than \$12 per abutting foot of the lots, tracts and parcels of land within the district abutting on public streets, roads and highways.

Bonds

The statute authorizes an SBD to issue general obligation bonds or notes for a maximum of 20 years and in a maximum amount of 10% of the total assessed value of all land within the district. It also authorizes the SBD to issue revenue bonds and refunding revenue bonds to pay the cost of acquiring, constructing, improving, or extending any revenue-producing facilities, and such bonds are payable solely from the operation of such revenue-producing facility.

There are some concerns that the real estate tax imposed by an SBD is unconstitutional because it is not subject to voter approval. While the Attorney General has issued an opinion that the SBD tax is valid, no court has ever given a definitive ruling. Accordingly, if bonds are being considered as a funding mechanism, a Community Improvement District is a better economic development tool because it can achieve many of the same goals as an SBD, but does not have constitutional concerns that might impact the marketability of any bonds.

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NEIGHBORHOOD IMPROVEMENT DISTRICTS

I. INTRODUCTION

What is a Neighborhood Improvement District?

A neighborhood improvement district is an area benefited by a public improvement and assessed to pay for that improvement. It is created by an election held or petition circulated within the proposed district. It is *not* a separate legal entity.

Authority

Article III, Section 38(c) of the Missouri Constitution and Sections 67.453 to 67.475 of the Revised Statutes of Missouri (the "Neighborhood Improvement District Act") authorize the creation of neighborhood improvement districts.

Kinds of Projects

Only **public** facilities, improvements or reimprovements can be financed with a neighborhood improvement district. The improvement must confer a benefit on property within the district, but the improvement is not required to be located in the district. Projects may include, but are not limited to:

1. Acquisition of property.
2. Improvement of streets, gutters, curbs, sidewalks, crosswalks, driveway entrances and structures, drainage works incidental thereto and service connections from sewer, water, gas and other utility mains, conduits or pipes.
3. Improvement of storm and sanitary sewer systems.
4. Improvement of street lights and street lighting systems.
5. Improvement of waterworks systems.
6. Improvement of parks, playgrounds and recreational systems.
7. Landscaping streets or other public facilities.
8. Improvement of flood control works.
9. Improvement of pedestrian and vehicle bridges, overpasses and tunnels.
10. Improvement of retaining walls and area walls on public ways.
11. Improvement of property for off-street parking.
12. Acquisition and improvement of other public facilities or improvements.

13. Improvements for public safety.

II. FORMATION PROCESS

A neighborhood improvement district may be created either by election or by petition of property owners.

By Election

A neighborhood improvement district must be approved by the percentage of voter approval of electors within the proposed district voting thereon required for general obligation bonds (four-sevenths or two-thirds). The resolution or ordinance calling the election and notice of election must include the following information:

1. Project name.
2. General nature of proposed improvement.
3. Estimated cost. *The estimated cost should include all costs, including financing costs. It does not include interest on, the general obligation bonds.*
4. Boundaries of proposed district. *The boundaries of the area to be assessed may be described by metes and bounds, streets or other sufficiently specific description.*
5. Proposed method of assessment, including any provision for the annual assessment of maintenance costs for the improvement in each year in each year during the term of the bonds issued for the improvement and after the bonds issued for the original improvement are paid in full. *The cost of the improvements must be apportioned against the property in the district in accordance with the benefits accruing to the property by reason of the improvement and may be assessed equally per front foot, per square foot or any other reasonable assessment plan.*
6. Statement that final cost won't exceed the estimated cost by more than twenty-five percent (notice of election only).

By Petition

The petition signed by the owners of record of at least two-thirds by area of all real property located within the proposed district is submitted to the governing body. The State Auditor requires a certification of the acreage or square footage in the district and the acreage or square footage owned by the signers of the petition. The petition must include the following information:

1. Project name.
2. General nature of proposed improvement.

3. Estimated cost.
4. Boundaries of proposed district.
5. Proposed method of assessment, including a provision for the annual assessment of maintenance costs for the improvement in each year during the term of the bonds issued for the improvement and after the bonds issued for the original improvement are paid in full.
6. Number of years over which the assessments for the improvement can be paid.
7. Notice that names of signers may not be withdrawn later than seven days after petition filed.

The petition must be signed by all owners of record of a parcel of property for that parcel to be counted. Each owner of record of real property located in the proposed district is allowed one signature. Any person, corporation, or limited liability partnership owning more than one parcel of land located in such proposed district shall be allowed only one signature on the petition. In the case of property owned by a corporation or partnership, evidence of the authority of the person signing on behalf of such entity should be presented with the petition. An affidavit of the person or persons circulating the petition should also be submitted with the petition.

Remaining Steps to Form the District

After the election is held or petition is submitted, the governing body will proceed with the following actions:

1. Order preparation of plans and specifications.
2. Prepare a preliminary assessment roll.
3. Hold a public hearing regarding the proposed project. Notice of the hearing must be published not more than 20 days and not less than 10 days before the hearing, and must include the following information: (a) project name; (b) date, time and place of hearing. (c) general nature of improvements; (d) revised estimated cost (or, if available, final cost); (e) boundaries of district; and (f) statement that written and oral objections will be considered at the hearing. Notice must also be mailed to owners of record or property within district.
4. Governing Body orders improvements to be made.
5. Issuance of temporary notes, if needed.
6. Construction of the project.
7. Computation of final costs and assessments.
8. Assessment of final costs.

9. Mailing of notice of assessments and opportunity to pay up front to property owners.

III. FINANCING OF IMPROVEMENTS

Bonds issued in connection with neighborhood improvement districts are a form of general obligation bonds. The bonds are payable as to both principal and interest from the assessments and, if not so paid, from current income and revenue and revenues and surplus funds of the city or county that formed the district. The city or county is not authorized to impose any new or increased ad valorem property tax to pay principal of or interest on the bonds without voter approval. If the city or county uses funds on hand to pay debt service, the issuer can reimburse itself from assessments at a later date.

The bonds are general obligation bonds, and count against the issuer's legal debt limit at the time that the governing body has found the formation of the district advisable. Until bonds are actually issued, 125% of the project cost is counted against the debt limit. NID bonds can only be issued in an amount of up to 10% of the assessed valuation of the issuer. The maturity of the bonds is limited to 20 years.

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PROPERTY TAX ABATEMENT UNDER CHAPTER 353 RSMO

I. INTRODUCTION

Under Chapter 353 of the Revised Statutes of Missouri, real property tax abatement is available within "blighted areas." An Urban Redevelopment Corporation is created under the general corporations laws of Missouri and, once created, it has the power to operate one or more redevelopment projects pursuant to a city-approved or county-approved (if St. Louis County or Jackson County) redevelopment plan.

Under this program, an eligible city or county may approve a redevelopment plan that provides for tax abatement for up to 25 years, thus encouraging the redevelopment of the blighted area. To be eligible for the abatement, the Urban Redevelopment Corporation must take title to the property to be redeveloped. During the first 10 years of tax abatement, (1) 100% of the incremental increase in real property taxes on the land are abated, (2) 100% of the real property taxes on all improvements are abated, and (3) the property owner continues to pay real property taxes on the land in the amount of such taxes in the year before the redevelopment corporation takes title.

During the next 15 years, between 50% and 100% of the incremental real property taxes on all land and all improvements are abated. Payments in lieu of taxes ("PILOTS") may be imposed on the Urban Redevelopment Corporation by contract with the city or county, as applicable, to achieve an effective tax abatement that is less than the abatement established by statute. PILOTS are paid on an annual basis to replace all or part of the real estate taxes that are abated. PILOTS will be allocated to each taxing district according to their proportionate share of ad valorem property taxes. The Urban Redevelopment Corporation may take title to lots, tracts or parcels of property within the redevelopment area in phases, in order to maximize the tax abatement during a phased redevelopment project.

II. PROCEDURES FOR APPROVING TAX ABATEMENT

The following is a summary of the basic steps for the approval of a development plan:

Preparation of Tax Impact Statement

The statute requires the governing body to hold a public hearing regarding any proposed development plan. Before the public hearing, the governing body must furnish to the political subdivisions whose boundaries include any portion of the property to be affected by tax abatement (1) notice of the scheduled public hearing and (2) a written statement of the impact on ad valorem taxes such tax abatement will have on the political subdivisions.

The tax impact statement must include, at a minimum, an estimate of the amount of ad valorem tax revenues of each political subdivision that will be affected by the proposed tax abatement.

Preparation of Development Plan

The proposed developer usually will assume responsibility for preparation of the development plan. This document identifies the proposed redevelopment area, the redevelopment projects to be undertaken, the program to be carried out to remove the blighting influences within the area, and the estimated project costs. The plan will include or incorporate by reference the characteristics that qualify the area as "blighted" under Missouri law.

The law defines a blighted area as "that portion of the city within which the legislative authority of such city determines that by reason of age, obsolescence, inadequate or outmoded design or physical deterioration have become economic and social liabilities, and that such conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes?"

Public Hearing

Before approving a development plan, the governing body of the city or county must hold a public hearing. The governing body must adopt an ordinance establishing the procedures for giving notice of the public hearing. Notice of the hearing must be given to each affected taxing district affected by the development plan.

Preparation of Redevelopment Agreement

The Redevelopment Agreement describes the Urban Redevelopment Corporation's obligations to carry out the development plan. Among the provisions that typically are included in the Redevelopment Agreement are (1) procedures for acquiring property, including prerequisites to the use of condemnation; (2) the period for which tax abatement will be provided; (3) the time period within which the redevelopment corporation can carry out the project; and (4) procedures for the corporation to transfer title to property in the area.

In 2006, the General Assembly amended Missouri's condemnation laws, which affected condemnation under Chapter 353. First, an Urban Redevelopment Corporation cannot acquire property through condemnation, unless the corporation entered into a redevelopment agreement before December 31, 2006. Second, farmland that is declared blighted cannot be acquired by eminent domain. Third, blight must be evaluated on a parcel-by-parcel basis, if any property in the redevelopment area will be acquired through (or under the threat of) condemnation.

Adoption of Ordinance by Governing Body

Following the public hearing, the governing body can approve a development plan and Redevelopment Agreement by adoption of an ordinance. Among other matters, the ordinance must make findings that the area described in the development plan is "blighted" under Missouri law, that a relocation plan has been developed for displaced persons, and that the Redevelopment Agreement establishes the time within which property in the area must be acquired.

PROPERTY TAX ABATEMENT UNDER CHAPTER 100 RSMO

I. INTRODUCTION

General

Cities, counties, towns and villages in Missouri are authorized, pursuant to Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 to 100.200 of the Revised Statutes of Missouri (the "Act") to issue industrial development bonds ("IDBs") to finance projects for private corporations, partnerships and individuals. There are two primary reasons to issue IDBs under the Act. First, if the bonds are tax-exempt, it may be possible to issue the bonds at lower interest rates than those obtained through conventional financing. Second, even if the bonds are not tax-exempt, ad valorem taxes on bond-financed property may be abated so long as the bonds are outstanding. Such tax abatement may result in a significant financial benefit to a company. *This memo focuses primarily on the issuance of taxable industrial development bonds issued for the purposes of the abatement of ad valorem taxes.*

Types of Projects

The Act permits any city, county, town or village (referred to herein as a "Municipality") to issue bonds to finance the costs of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, services facilities which provide interstate commerce and industrial plants. Article VI, Section 27(b) of the Missouri Constitution also authorizes such bonds to be issued for other types of commercial facilities. In connection with such projects, the bond proceeds may be used to finance land, buildings, fixtures and machinery.

Revenue Bonds

Revenue bonds issued pursuant to the Act do not require voter approval and are payable solely from revenues received from the project. The Municipality applies the proceeds from the sale of the bonds to purchase, construct, improve or equip a warehouse, distribution, commercial or industrial facility. In exchange, the company promises to make payments that are sufficient to pay the principal and interest on the bonds as they become due. Thus, the Municipality merely acts as a conduit for the financing.

II. TAXATION OF BOND-FINANCED PROPERTY

Property Tax Exemption

Under Article X, Section 6 of the Missouri Constitution and Section 137.100 of the Missouri Revised Statutes, all property of any political subdivision is exempt from taxation. In a typical IDB transaction, the Municipality holds fee title to the project and leases the project to the company. Although the Missouri Supreme Court has held that the leasehold interest is taxable, it is taxable only to the extent that the economic value of the lease is less than the actual market value of the lease. See *Iron County v. State Tax Commission*, 437 S.W.2d 665 (Mo. 1968)(en bane) and *St. Louis County v. State Tax Commission*, 406 S.W.2d 644 (Mo. 1966)(en bane). If the rental payments under the lease agreement

equal the actual debt service payments on the bonds, the leasehold interest should have no "bonus value" and the bond-financed property should be exempt from ad valorem taxation and personal property taxation so long as the bonds are outstanding.

The Municipality and the company may determine that partial tax abatement -- but not full tax abatement -- is desirable. For instance, if bonds are issued to finance both real and personal property, but the Municipality determines that tax abatement on the personal property is not appropriate, the company may agree to make "payments in lieu of taxes" to the city or county. The amount of payments in lieu of taxes is negotiable to any amount. The payments in lieu of taxes are payable by December 31 of each year, and are distributed to the Municipality and to each political subdivision in the same manner and in the same proportion as property taxes would otherwise be distributed under Missouri law.

Sales Tax Exemption

Under Section 144.054.3 of the Missouri Revised Statutes, a company may apply to the Missouri Department of Economic Development to receive a sales tax exemption on all personal property purchased through an IDB transaction. The municipality may also furnish the company with a sales tax exemption certificate, so that materials used in constructing any real property improvements can be exempt from sales taxes.

III. STRUCTURE OF THE TRANSACTION

Issuance and Sale of Bonds

The Municipality issues its bonds pursuant to a trust indenture entered into between the Municipality and a bank or trust company acting as trustee. IDBs, like issues of conventional corporate securities, are sold by two basic methods -- public offerings or private placements. If the company has access to the regional or national securities markets, it may retain an investment banker as underwriter and sell the bonds publicly. The size and financial condition of the company are the primary factors that determine the company's ability to utilize a public offering. As an alternative to a public offering, the company may wish to place the bonds with a sophisticated purchaser. A private placement is very similar to a long-term bank loan. If bonds are being issued at a taxable interest rate for the sole purpose of receiving tax abatement, it is common for the company or the company's commercial lender to purchase the bonds.. The bond proceeds are deposited with the trustee bank in a separate trust account to be used to purchase and construct the project.

Conveyance of Property to Municipality and Lease-Back to Company

Concurrently with the closing of the bonds, the company will convey to the Municipality title to the site on which the industrial development project will be located. (The Municipality must be the legal owner of the property while the bonds are outstanding in order for the property to be eligible for tax abatement.) At the same time, the Municipality will lease the project site, together with all improvements thereon (including the project), back to the Company pursuant to a lease agreement. The lease agreement will require the company acting on behalf of the Municipality, to use the proceeds of the bonds to purchase and construct the project. The company will be unconditionally obligated to make payments to the trustee in amounts that will be sufficient to pay principal and interest on the bonds as they become due.

Under the lease agreement, the company typically: (a) unconditionally agrees to make payments sufficient to pay the principal of and interest on the bonds as they become due; (b) agrees, at its own expense, to maintain the project, pay all taxes and assessments with respect to the project and maintain adequate insurance; (c) has the right, at its own expense, to make certain additions, modifications or improvements to the project; (d) may assign its interests under the agreement or sublease the project while remaining responsible for payments under the agreement; (e) covenants to maintain its corporate existence during the term of the bond issue; and (f) agrees to indemnify the Municipality for any liability the Municipality might incur as a result of its participation in the transaction.

Payments in Lieu of Taxes

If the Municipality and the company determine that partial tax abatement is desirable, the Municipality and the company will enter into an agreement providing for the company to make "payments in lieu of taxes" to the Municipality and other taxing entities. The amount of payments in lieu of taxes is negotiable.

IV. PROCEDURE FOR ISSUING BONDS

The following is a summary of the basic steps required for the issuance of taxable bonds under the Act:

Approval of the Project

Upon a determination by the Municipality to proceed with the financing, the Municipality normally adopts a resolution (referred to as a "resolution of intent" or "inducement resolution") stating the Municipality's willingness and intent to issue IDBs for the project. Thereafter, the Municipality must provide notice to each taxing district of the Municipality's intent to approve a "plan for industrial development" for the project. The plan must identify the primary terms of the proposed transaction, and must include a cost-benefit analysis that shows the impact of the proposed tax abatement on each taxing district.

Preparation of Legal Documents

Gilmore & Bell prepares the basic legal documents necessary for the bond issue, as described in "Structure of the Transaction" above. These documents will be reviewed by and supplemented with information and comments received from the parties to the financing, including the Municipality, the company, the trustee bank, any investment banker and their respective counsel.

Approval of Documents and Issuance of Bonds

After an investment banker or other purchaser (which may be the company) has agreed to purchase the bonds, the final details of the bond issue are determined and the basic documents will be finalized. The Municipality and the company will each adopt resolutions approving the legal documents and authorizing the issuance of the bonds at the specified interest rates and terms.

Preparation of Closing Documents

In addition to the basic legal documents discussed above, numerous other "closing documents" are necessary for the closing of a bond issue. Such documents include certificates relating to the existence of authority to execute and deliver documents and the absence of material litigation, corporate resolutions, opinions of counsel and evidence of payment for and receipt of the bonds. Gilmore & Bell will assist in the preparation and collection of the necessary closing documents.

Closing

The last step in the transaction is the closing itself, at which the Municipality delivers the bonds to the purchaser in exchange for payment of the purchase price of the bonds. The bond proceeds are paid over to the trustee bank, to be disbursed in accordance with the provisions of the trust indenture to pay the costs of the project. At the closing, Gilmore & Bell will deliver to the bond purchasers its opinion to the effect that the bonds have been validly issued under applicable state law and, if applicable, that the interest on the bonds is exempt from state and federal income taxation.

V. ADVANTAGES OF IDB FINANCING

From the Municipality's standpoint, IDB financing is a useful tool to induce responsible new industries to locate in the area, as well as encouraging companies already in the area to remain, by assisting them in improving their present facilities or in building new ones. The end result is often a combination of increased job opportunities, existing job retention and large-scale capital investment.

From the company's standpoint, the principal advantage of IDB financing depends on the purpose for which the bonds are being issued. If the bonds are tax-exempt, the cost of funds provided by IDBs generally is significantly below that of other alternatives because the interest paid to holders of such bonds is exempt from federal and state income taxation. If the bonds are taxable, the company can receive significant financial incentives in the form of tax abatement on the bond-financed property.