Economic Development Financing Tools

City of Willard
MISSOURI

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Presented January 12, 2026

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Community Self-Assessment

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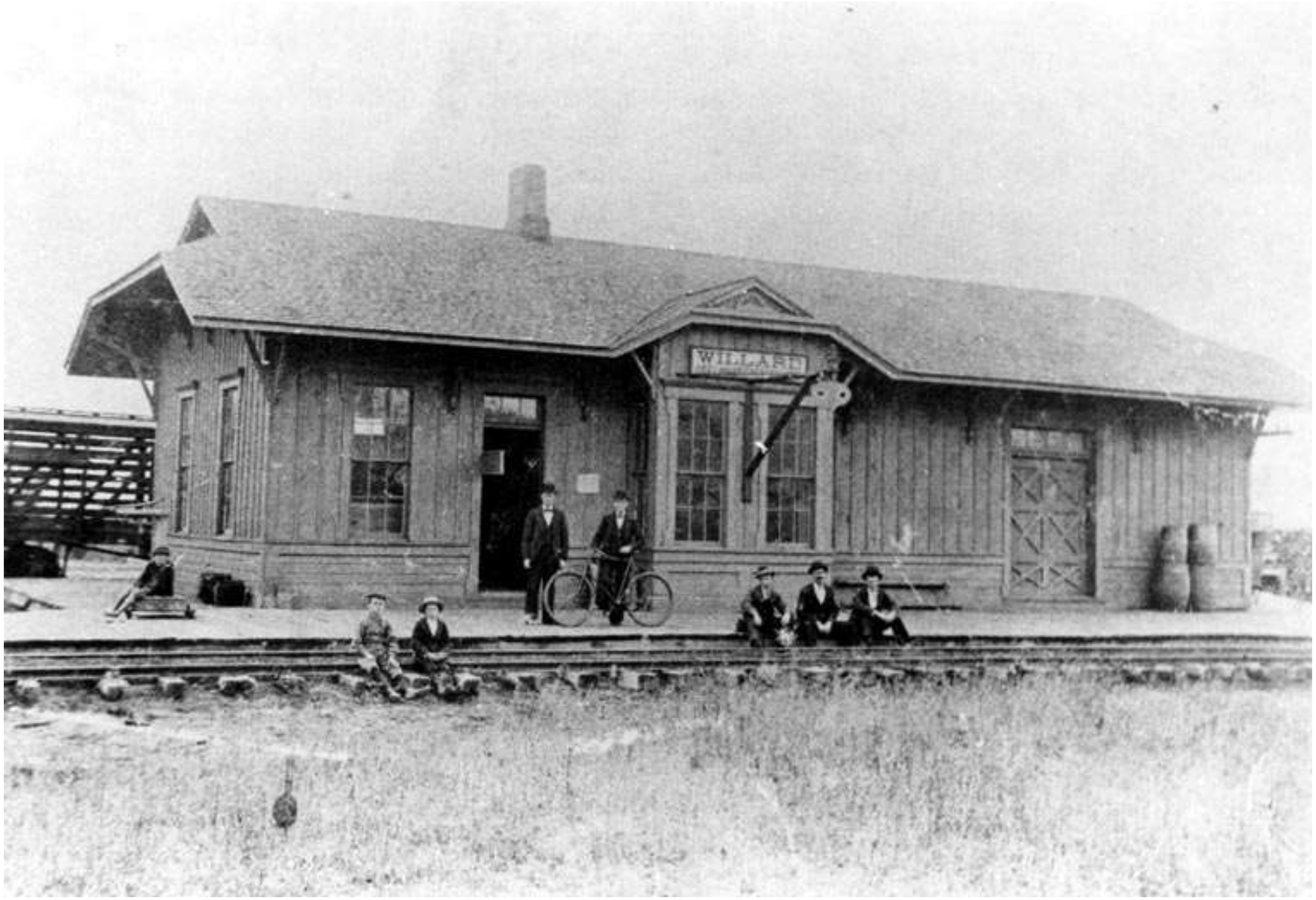
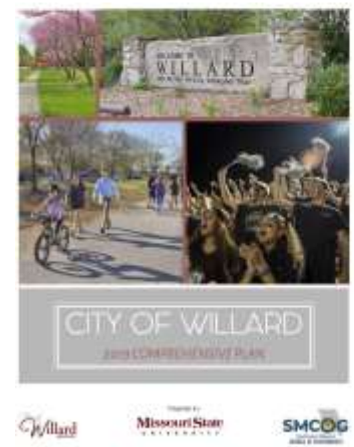
- Set Goals
- Establish Priorities
- Formulate Criteria
- Develop Strategies



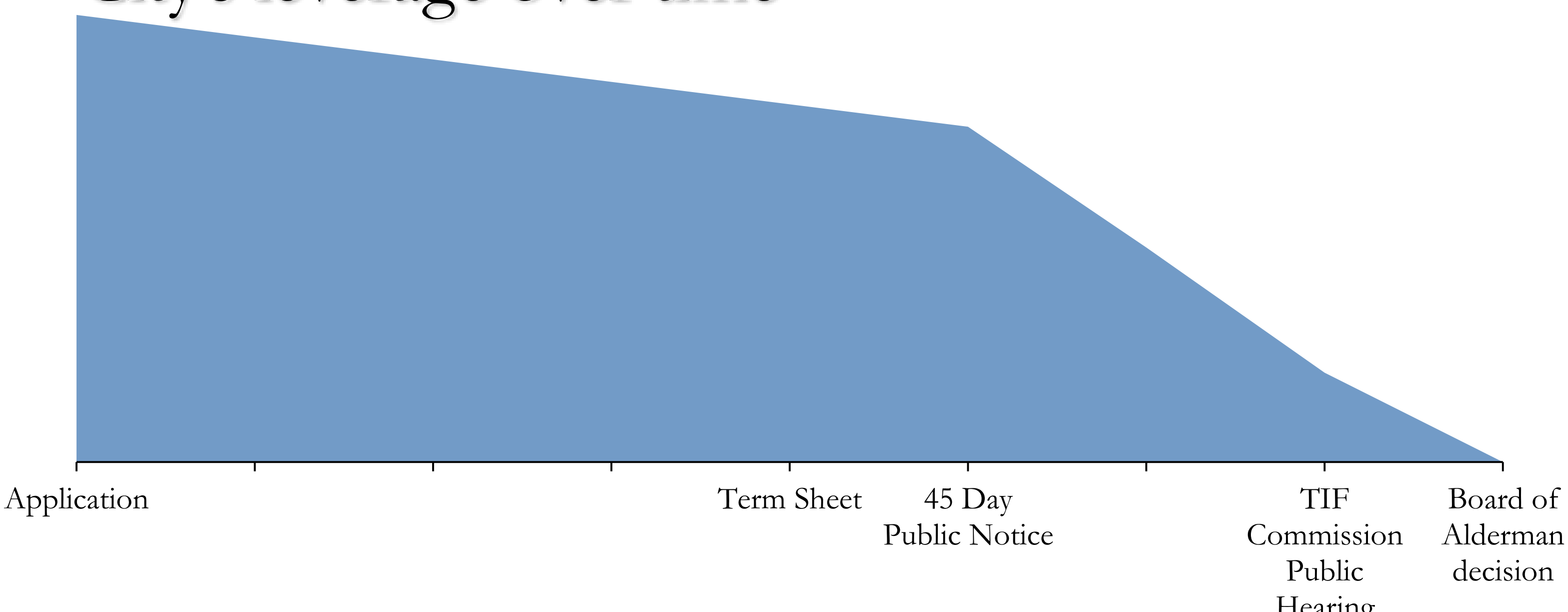
Willard, 1920

Springfield-Greene County Library District

Considerations



City's leverage over time



Needs of the City

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Presented March 4, 2026

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Local Option Economic Development Tools in Missouri

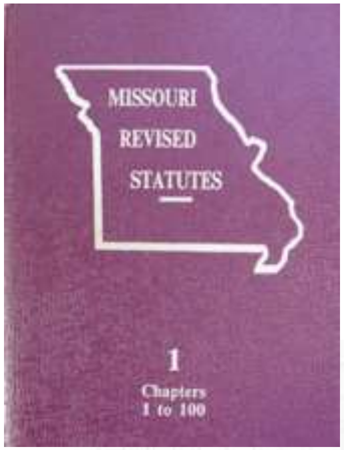
- TIF
  - Blight remediation costs reimbursed by incremental increases in property and economic activity taxes achieved through development
- CID
  - Special taxing district authorized to levy sales tax, special assessments and/or property tax to pay for a wide variety of improvements and services within the boundaries of the district
- TDD
  - Special taxing district authorized to levy sales tax, special assessments and/or property tax to pay for transportation projects
- NID
  - A specified area in which the city is authorized to impose special assessments to pay for public improvements that confer a benefit on property that is located within the district
- Chapter 100
  - Can issue industrial development bonds to finance the costs of warehouses, distribution or R&D facilities, and office industries—property financed by IDA bonds is tax exempt while the bonds are outstanding
- Chapter 353
  - Up to 25 years of tax abatement
  - To remedy blight that creates economic and social liability, pursuant to a redevelopment plan
- Sales Tax Reimbursement Agreements
  - City's cooperation agreement powers at Section 70.220, RSMo.
  - Allows for exchange of consideration between a city and developer for the provision services
  - Tax revenues must serve a public purpose and are limited to scope of tax authority

Application Process

- Applicant proposes a grocery store and pad site development for $25 million construction costs. Funding gap of $5 million.

- Step 1: Preliminary Funding Agreement to cover City's legal and financial costs in evaluating project
  - Usually $20,000 with an evergreen clause
- Step 2: Conduct due diligence
  - Generally takes 4 weeks, dependent on Applicant
- Step 3: Based on due diligence, negotiate basic terms of incentive
- Step 4: Once Term Sheet is agreed to, negotiate Development Agreement and prepare for consideration of incentives
- Step 5: Board of Aldermen consideration of project

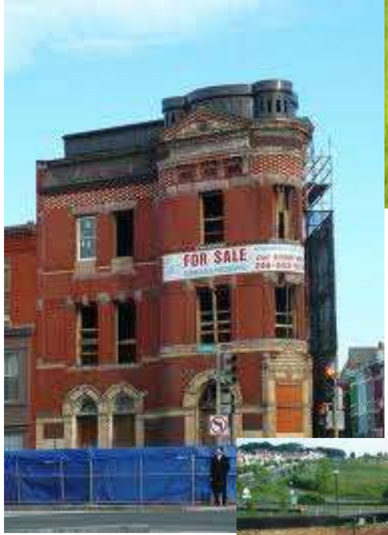
Tax Increment Financing (TIF)



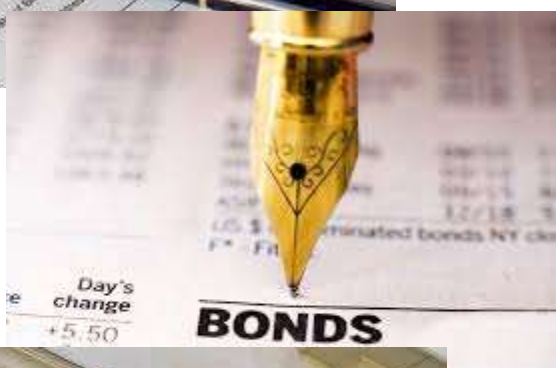
- Sections 99.800 – 99.866, RSMo
- Designed to encourage redevelopment projects that will increase property value and economic activity in a specific area where development would not have occurred on its own
- City adopts a redevelopment plan to carry out redevelopment projects in a redevelopment area
- Redevelopment of the TIF area will increase the equalized assessed valuation of the property, thereby generating new revenues to a city that can be used to pay for specified costs of the redevelopment project.
- Three types of TIF available
  - Blight area
  - Conservation area
  - Economic development area

Tax Increment Financing (TIF)

- TIF may finance:
  - Land acquisition
  - Infrastructure improvements
  - Renovation and construction of buildings
  - Acquisition of machinery and equipment
- Requires “but for” analysis
- Funding mechanism using two sources to finance improvements in specified project areas
  - Payments in Lieu of Taxes (PILOTs)
    - Property tax increases
  - Economic Activity Taxes (EATs)
    - Sales tax increases
- TIF revenues paid into a “special allocation fund” to reimburse developer on “pay-as-you-go” basis or to retire loans, bonds or other indebtedness issued by the city or a funding district.

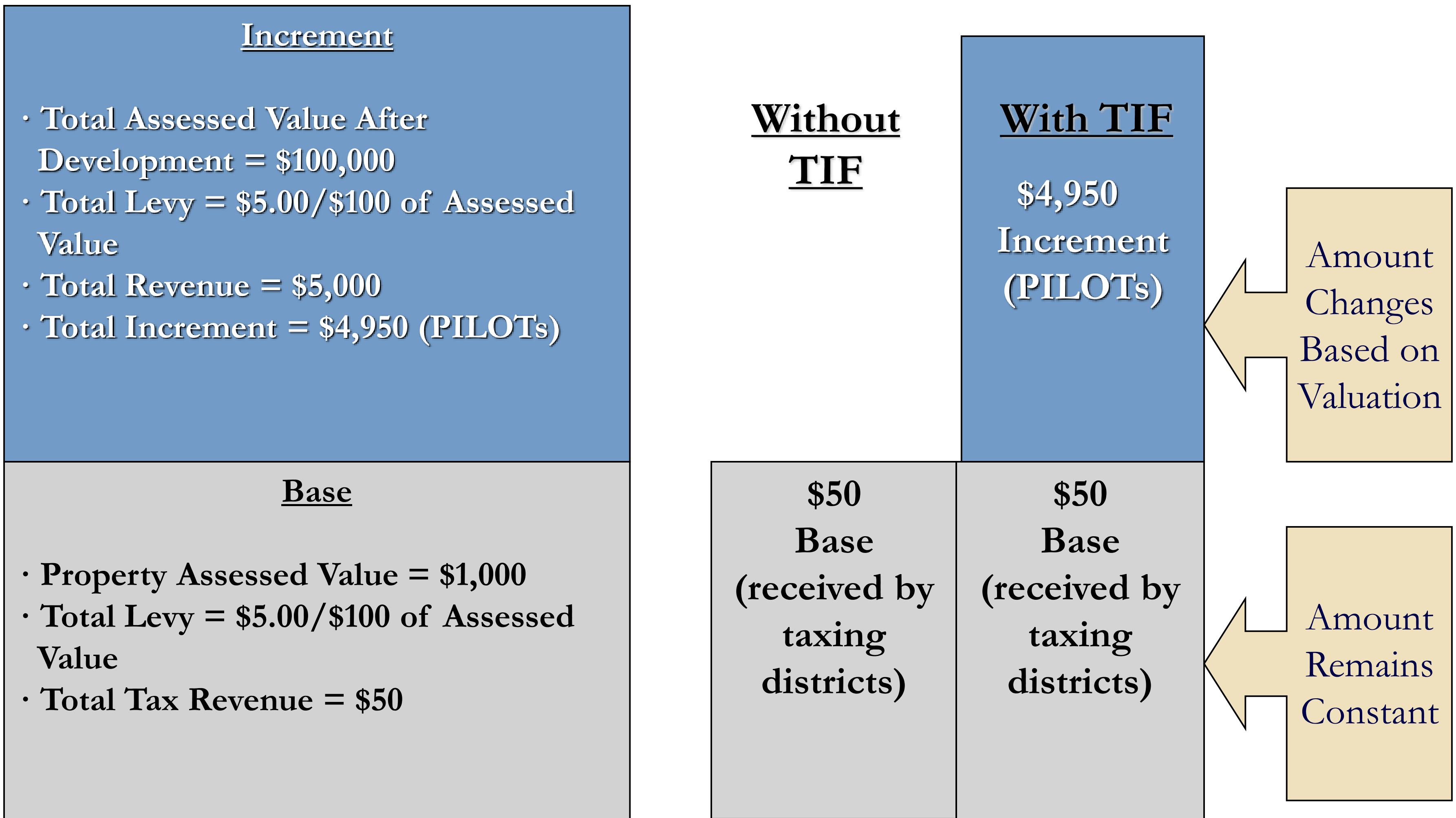


Project Financing Options



- Pay-As-You-Go
- TIF Revenue Bonds
- TIF Revenue Bonds (City Credit Enhancement)

Payments in Lieu of Taxes (PILOTs)



Economic Activity Taxes (EATs)

Economic Activity Tax Revenue after development

–

Economic Activity Tax Revenue during year prior to adoption of the TIF project ordinance

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EATs created by development

50% of EATs

Special Allocation Fund

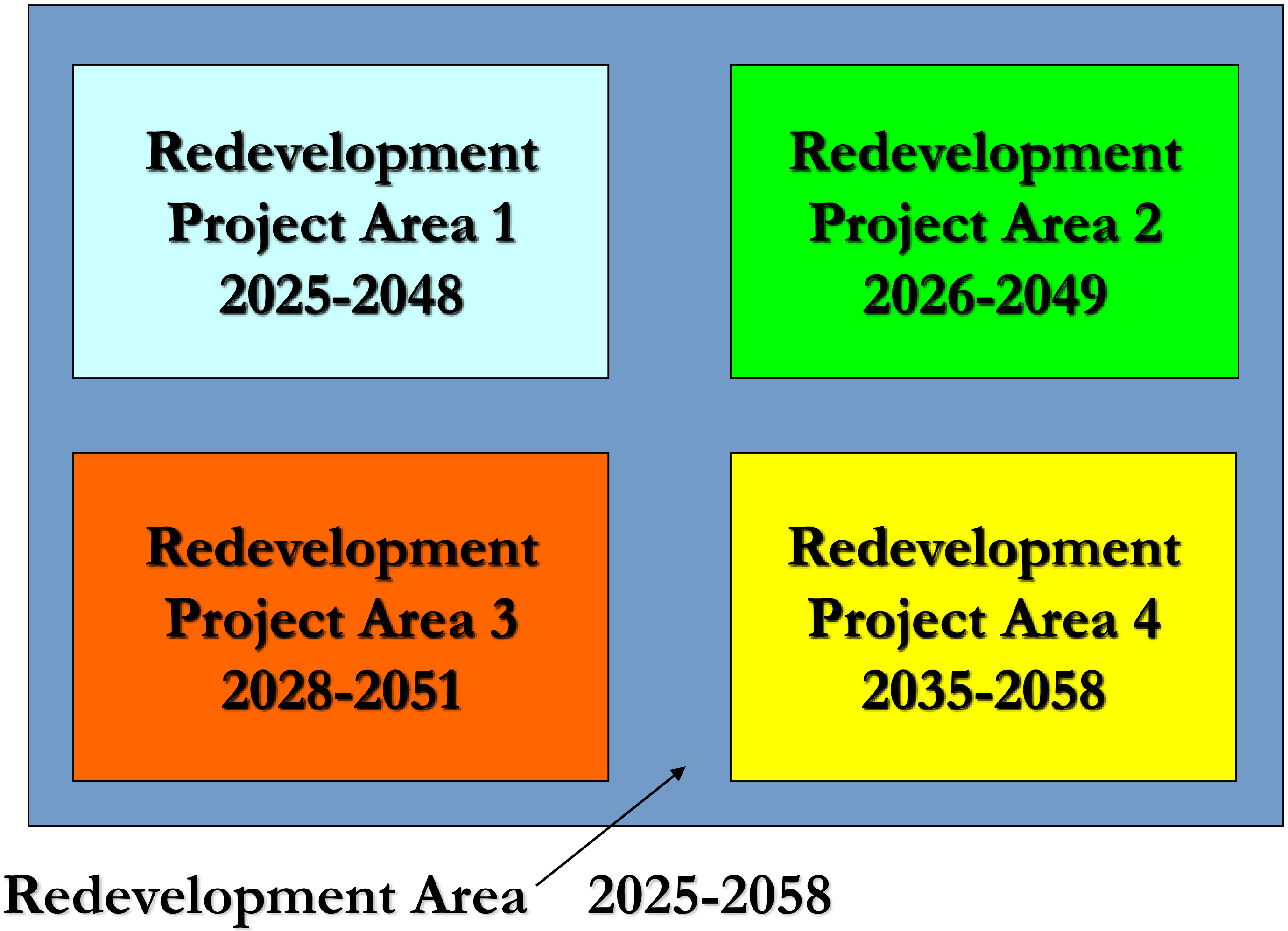
50% of EATs

Taxing District

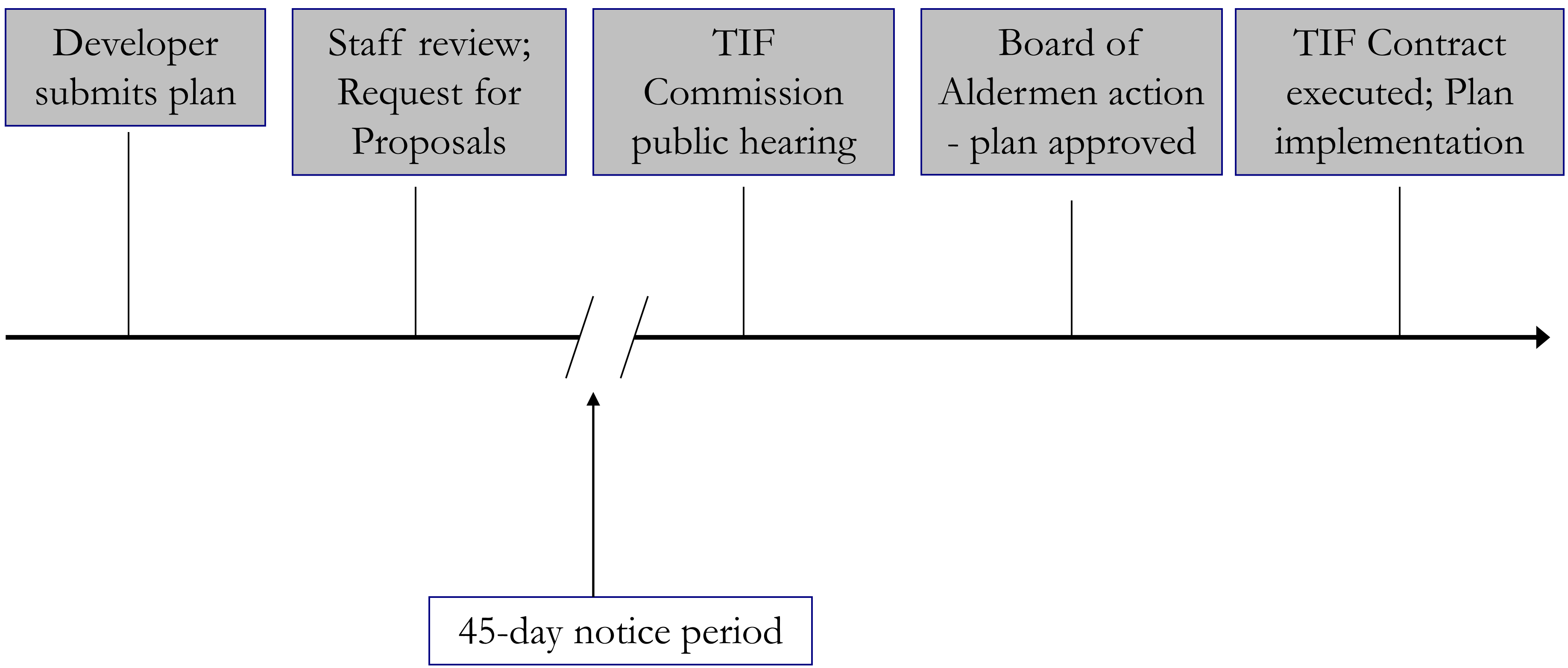
Tax Increment Financing (TIF)

- Redevelopment project must be completed and the bonds (if any) issued to pay for these costs within 23 years after the TIF project ordinance is adopted
- All redevelopment project ordinances must be adopted within 10 years after the TIF Plan has been adopted
- Eminent domain power is available, but must be exercised with in 5 years after the TIF project ordinance is adopted
- "Greenfield Area" TIFs are prohibited

TIF Redevelopment Areas & TIF Redevelopment Project Areas



Typical TIF Plan Process and Timeline



TIF Commission members

6	commissioners appointed by City
+ 2	commissioners appointed by School District
+ 2	commissioners appointed by County
+ 1	commissioner appointed by other taxing districts
11	commissioners

NOTE: Composition may change for each TIF plan

Tax Increment Financing (TIF)

- Advantages of TIF
  - Use of TIF bonds provide the municipality and the redeveloper with available funds at the inception of the project
  - TIF does not rely solely upon real property tax relief
    - TIF requires the dedication of portions of all incremental increases in most tax revenues, thus avoiding arguments of disproportionate burdens on those taxing districts relying solely on ad valorem levies.
  - TIF provides for direct representation of all affected taxing districts on a commission
    - Commission is empowered to review and recommend TIF proposals to the municipal governing body.
  - TIF permits use of eminent domain as a tool to facilitate property acquisition and assembly

Community Improvement Districts "CID"

- Sections 67.1401 to 67.1571, RSMo
- CID concepts
  - "On-paper" CID, designed as a funding mechanism in connection with other economic development tools such as TIF
  - Enhanced homeowners association
  - Specific purpose entity designed to meet a specific need identified by the district property owners
- Created by ordinance of the City

CID-Eligible Improvements and Services

Improvements

- Pedestrian or shopping malls and plazas.
- Parks, lawns, trees and any other landscape.
- Convention centers, arenas, aquariums, aviaries and meeting facilities.
- Sidewalks, streets, alleys, bridges, ramps tunnels, overpasses and underpasses, traffic signs and signals, utilities, drainage, water, storm and sewer systems and other site improvements.

CID-Eligible Improvements and Services

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Improvements

- Parking lots, garages or other facilities.
- Music, news and child-care facilities.
- Any other useful, necessary or desired improvement.
- In addition, within a "blighted area", the district may pay costs of demolishing, renovating and rehabilitating structures.

CID-Eligible Improvements and Services

Services

- With the municipality's consent, prohibiting or restricting vehicular and pedestrian traffic and vendors on streets.
- Operating or contracting for the provision of music, news, child-care or parking facilities, and buses, mini-buses or other modes of transportation.
- Leasing space for sidewalk café tables and chairs.
- Providing or contracting for the provision of security personnel, equipment or facilities for the protection of property and persons.

CID-Eligible Improvements and Services

Services

- Providing or contracting for cleaning, maintenance and other services to public and private property.
- Promoting tourism, recreational or cultural activities or special events.
- Promoting business activity, development and retention.
- Providing refuse collection and disposal services.
- Contracting for or conducting economic, planning, marketing or other studies.

CID Funding Mechanisms

- Sales Tax
  - 1/8% increments up to 1% on all retail sales made within the boundaries of the district
  - Available only to political subdivision CIDs
- Property Tax
  - Available only to political subdivision CIDs
- Special Assessments
  - Available to all CIDs
  - May not assess exempt property, unless the owner voluntarily consents
- User Fees
  - May charge for use of the CID's real or personal property (other than public right of way)
- Business license taxes
  - Only in Springfield and Liberty

Transportation Development Districts (TDDs)

- Court order needed for formation
  - Formation process may take many months; also factor in time for sales tax election
- Formed as a separate political subdivision with a board of directors (not directly controlled by City)
- Projects must be transportation improvements and require prior approval of MHTC or local transportation authority ("LTA").
- Condemnation power, subject to prior approval of MHTC and LTA and by City ordinance declaring the necessity of the taking

TDD Improvements

- Bridges
- Roads
- Streets
- Highways
- Access roads
- Interchanges
- Intersections
- Parking Lots
- Rest Areas
- Airport
- Signage

- Signalization
- Bus stops
- Stations
- Garages
- Terminals
- Hangars
- Shelters
- Docks & Wharves
- Railroad & Light Rail
- Mass Transit

TDD Funding Mechanisms

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- Sales Tax
- Property Tax
- Special Assessments
- Tolls

Neighborhood Improvement Districts (NIDs)

- Sections 67.453 to 67.475, RSMo.
- Formation begins with property owner petition or election
- NIDs levy special assessments on property in district to pay for improvements
- Several procedural steps involved in formation
- NID bonds (if issued) are counted against general obligation debt limit and credit of issuer is available if special assessments are insufficient

Potential Uses for NIDs

- Property Acquisition
- Streets, curbs, gutters, sidewalks
- Service connections to sewer, water, gas and other utilities
- Main and lateral storm water and sewer systems
- Street lights
- Waterworks
- Parks, playgrounds and recreational facilities

- Dikes, levees and other flood control measures
- Bridges and overpasses
- Retaining walls on public ways
- Landscaping
- Off-street parking
- Other public facilities deemed necessary by the City’s governing body
- Improving public safety

Chapter 100, RSMo. Tax Abatement

- Sections 100.010 to 100.200, RSMo
- The basic concept is that the city issues bonds to finance acquisition of real and/or personal property (equipment) for a development project for a private company.
  - The city retains ownership of the real and/or personal property and leases it back to the company under a lease-purchase arrangement whereby by at the end of the term of the bonds, the company acquires ownership of the property.
  - Industrial development bonds, if they qualify as tax-exempt bonds, can be issued at a much lower interest rate than conventional financing
  - Regardless of whether the bonds qualified as tax exempt, property taxes on the property acquired with the bond proceeds are abated during the time that the bonds are outstanding (because owned by the city)

Chapter 100, RSMo. Tax Abatement

- Eligible or qualifying projects are defined by statute to include the purchase, construction, extension and improvement of
  - warehouses
  - research and development facilities
  - office industries
  - agricultural processing industries
  - service facilities which provide interstate commerce
  - industrial plants

Chapter 100, RSMo. Tax Abatement

- City and company may enter into a performance agreement as a separate agreement or as a part of the lease-purchase agreement.
  - May include "clawback" provisions that require payments in lieu of taxes (PILOTs) to be paid if, for example, minimum levels of employment or investment levels in the project are not met by the company.
  - May also include a requirement that PILOTs be paid to lessen the impact of the project on the taxing jurisdictions.

Chapter 353, RSMo. Tax Abatement

- City may establish an Urban Redevelopment Corporation to redevelop areas that have been designated as blighted due to age, obsolescence or physical deterioration
  - The designated redevelopment area may be very large or as small as a single lot or building.
  - 353s no longer have the authority to acquire property through eminent domain
- Once the 353 Corp is formed it can operate one or more redevelopment projects in accordance with a city-approved plan
- A proposed 353 Plan is subject to consideration at a public hearing before it can be adopted by the city's governing body

Chapter 353, RSMo. Tax Abatement

- For the first 10 years there is 100% tax abatement for improvements and any increase in the value of the real property exclusive of improvements as measured by the value of the real property in the year before the 353 Corp purchased the property.
- For up to the next 15 years (after the initial 10 year period), there is at least 50% abatement of all of both the real property and improvements taxes.

Sales Tax Reimbursement Agreements

- Section 70.220, RSMo
- Any municipality is authorized to contract with any other political subdivision, private person, or firm for the planning, development, construction, acquisition, or operation of any public improvement, facility, or common service
- Municipality agrees to reimburse a developer for the costs of certain improvements, plus interest, for the costs of certain public improvements paid from incremental sales tax revenues generated by the project
- Obligation must be year-to-year and is subject to annual appropriation
- Prevailing wage, payment and performance bonds and indemnification of the governing body will apply

Marketing

WILLARD AREA CHAMBER OF COMMERCE 2025

SPRINGFIELD MISSOURI
REGIONAL • ECONOMIC • PARTNERSHIP

Missouri Department of Economic Development

WHAT WE'RE WORKING ON

KEY FOCUS AREAS FOR THE ECONOMIC DEVELOPMENT TASK FORCE

1. DEFINING WILLARD'S DEVELOPMENT PRIORITIES
2. UNDERSTANDING WILLARD'S COMPETITIVE STRENGTHS
3. EVALUATING INCENTIVE STRATEGIES
4. STRENGTHENING WILLARD'S ECONOMIC IDENTITY
5. BUILDING A LONG-TERM GROWTH FRAMEWORK
6. COMMUNITY CONVERSATION & ENGAGEMENT

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Presented June 29 2026

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Economic Development Incentives Policy

- Purpose Statement and Economic Development Goals
- General Policy and Procedure Guidelines
- Commercial, Retail, and Entertainment
- Residential
- Industrial and Manufacturing
- Incentive-specific Guidelines

Economic Development Goals

The City is currently focused on bringing **commercial development** to Willard residents. The City of Willard is a **bedroom community** that prioritizes economic development projects that **will keep residents in town after working hours and projects that will offer family fun and entertainment**. The City prioritizes well-known, **casual dining restaurants** that offer residents the ability to stay in town for lunch and dinner, such as Texas Roadhouse, Andy's Frozen Custard, 7 Brew, and other similar dining options. The City also strongly desires a **small grocery store chain** like Aldi. The City encourages projects that provide a **place to play for families and residents**, including recreational and entertainment facilities. While residential development is an ongoing goal of the City, the City intends to utilize economic development incentives for residential projects when necessary to **assist in infrastructure development to support residential developments**. A long-term goal of the City is to **develop a hotel in the southern area of the City** for convenient access for patrons of the Springfield-Branson National Airport. Overall, the City's prioritizes the use of economic development incentives for **necessary updates to the City's sewer infrastructure**, along with other utility infrastructure.

General Policy and Procedure Guidelines

- All projects are subject to approval of the Board of Aldermen and are considered on a case-by-case basis. Any project may be denied.
- The Board of Aldermen shall invest in market studies and due diligence to identify the City's economic development goals. The Board should regularly update its economic development goals.
- Ex-parte communication is prohibited and shall not be relied upon.
- Eminent domain is considered on a case-by-case basis.

General Policy and Procedure Guidelines

- All projects must demonstrate that the project would not occur "but for" the incentive offered. Incentives will be granted only at the level necessary to make the project financially feasible.
- Incentives should be offered at 25% or less of the total proposed project costs.
- Due diligence should be expected, including relevant business experience, financial condition, ability to carry out the proposed project, and criminal background.
- Periodic reporting of granted incentives is required.

Commercial, Retail, and Entertainment

The City of Willard encourages the use of economic development incentives to **spur new commercial and entertainment development** within the City. The City desires commercial development that will **encourage residents to stay in town** after working hours; this includes the development of **well-known, casual dining offerings** and the development of a **small grocery store** such as Aldi. The City also desires **family friendly entertainment and recreational facilities** that will encourage the community to **gather together and provide a place for families to play**. It is the City's long-term goal to develop a hotel in the southern area of the City for **convenient access for patrons of the Springfield-Branson National Airport**. Overall, the City desires commercial and entertainment development that **encourages residents and visitors to stay in Willard** rather than travel to surrounding communities.

Residential

The City of Willard encourages the use of economic development incentives to aid in the **development of public infrastructure serving residential developments**. While the City generally does not utilize economic development incentives for residential developments, it does **prioritize the use of incentives when the costs of necessary infrastructure render the development financially impracticable**.

Industrial and Manufacturing

The City of Willard **does not prioritize** the use of economic development incentives for **industrial and manufacturing development**. However, the City does encourage **updates to and new development of public infrastructure**, and industrial and manufacturing developments may seek **assistance with public infrastructure costs**. Any industrial or manufacturing development should offer **job opportunities to residents** and offer wages **higher than the Greene County average wage**.

Tax Increment Financing

- Project must demonstrate a substantial and significant public benefit, such as blight elimination, financing desirable public improvements, creating jobs, creating economic stability and self-sufficiency, and serving as a catalyst for further high qualify development.
- More favorable consideration may be given to redevelopment/infill of deteriorating areas
- TIF assistance should not exceed 20% of project costs
- TIF applications should include development of well known, casual dining options and family friendly entertainment, and/or small chain grocery stores.
- City-backed bonds are prohibited.

Community Improvement Districts

- CIDs that assist a TIF being paid off early or finance public improvements are favored
- Sales taxes of area should not exceed 10%
- CID Board shall have at least two City members
- CID Board appointed by Mayor/Board is favored
- Board of Aldermen must review and approve CID budget annually
- Use of CID as a homeowners association or to sustainably fund public infrastructure are favored

Transportation Development Districts

- TDDs that assist a TIF being paid off early or finance public improvements are favored
- TDD improvements shall directly benefit the property owners, business owners, customers, and residents of district
- Sales taxes of area should not exceed 10%
- TDD Board shall have at least two City members
- TDD Board appointed by Mayor/Board is favored
- Board of Aldermen must review and approve TDD budget annually

Chapter 100 Industrial Development

- Chapter 100 should make a difference in determining the decision of the business to locate, expand, or remain in City
- Application must include evidence of company's financial stability and capacity to complete the project
- Ensure that taxing jurisdictions would not receive less total real and personal property tax revenue

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About the Firm

Lauber Municipal Law, LLC, was established for the purpose of serving local governmental entities of all types and sizes. We can serve your community as city attorney or as special counsel to supplement your existing city attorney.

Our goal through Lauber Municipal Law, LLC, is to meld our previous experience together to provide a high-quality, "big firm" work product, while providing the flexibility, personal responsiveness, and cost effectiveness of a small firm. We completely understand the need of public entities to obtain the most effective representation possible while considering the fact that these services are compensated from a budget made up of public funds. We proudly stand by our motto:: Serving those who serve the public.