# NOTICE OF REQUEST FOR PROPOSALS

The Tax Increment Financing Commission of Columbia, Missouri (the "Commission") will be considering a proposed redevelopment plan to finance certain costs associated with a redevelopment area that consists of the property located on the west half of the block in downtown Columbia bounded by Cherry Street, Tenth Street, Locust Street and Hitt Street.in the City of Columbia, Missouri (the "City") in accordance with the Real Property Tax Increment Allocation Redevelopment Act (the "TIF Act"). Pursuant to the City's "Procedures for Soliciting Bids and Proposals for Tax Increment Financing Projects" (the "RFP Policy") (Exhibit A), the public is notified that:

A. The City has received a proposal for redevelopment of property located on the west half of the block in downtown Columbia bounded by Cherry Street, Tenth Street, Locust Street and Hitt Street. The City seeks redevelopment plans and redevelopment projects that comply with the TIF Act to finance redevelopment project costs that serve the Redevelopment Area.

B. The redevelopment plan must include all of the elements of a valid and complete redevelopment plan under the TIF Act, including a completed TIF application form (Exhibit B) and associated documentation that is ready for consideration by the TIF Commission and City Council. The Redevelopment Plan must include information about the proposed developers, including detail regarding prior development projects and other relevant business experience. The Redevelopment Plan may include a proposal for the use of other public funding tools or districts, such as a transportation development district or community improvement district.

C. All proposals shall be judged on the City's established policy and guidelines for TIF financing which is included as part of the attached Exhibit B. Proposals should be sure to fully address each of the listed criteria described in the preparation of the proposal.

D. **Proposal Submission:** Interested parties are invited to submit plans that contain all required elements under the TIF Act **no later than 5:00 p.m., February 9th, 2009**

The required submission of the Request for Proposals must be submitted in a three-hole binder with tabbed numbers for each identified section. All materials must be submitted in an 8.5' x 11' format. Respondents must submit an original, clearly marked envelope containing original signatures in ink, along with fifteen (15) copies in a sealed carton to the City Manager's Office by 5:00 p.m. (local time) February 9th, 2009.

City of Columbia, Missouri
Office of the City Manager
Attention: Tony St Romaine, Assistant City Manager
P.O. Box 6015
701 East Broadway, 5th Floor
Columbia MO 65201

Packages should be marked with the following identification:

"Mixed Use Redevelopment"

All submission information should also be included on a CD or DVD in a non-editable format for archival purposes. All submission materials become the property of the City of Columbia. Sealed proposals and related documents related to a negotiated contract are considered closed records until an agreement is executed, or all proposals are rejected (610.021(12), RSMo.)

Exhibit A

# City of Columbia, Missouri

## Procedures for Soliciting Bids and Proposals for Tax Increment Financing Projects

Section 99.820.1(3) of the Revised Statutes of Missouri requires the City or the City's Tax Increment Financing Commission (the "Commission") to establish written procedures relating to bids and proposals for implementation of redevelopment projects pursuant to the *Real Property Tax Increment Allocation Act*, Sections 99.800 through 99.865 of the Revised Statues of Missouri (the "**TIF Act**"). The following procedures (the "**RFP Policy**") are to be followed by the City of Columbia, Missouri and the Commission for soliciting bids and proposals for the implementation of tax increment financing redevelopment projects, in compliance with the TIF Act:

1. It shall be the policy of the City to consider the use of statutory redevelopment incentives for those projects that demonstrate a significant public benefit by eliminating blight or blighting influences, financing desirable public improvements, strengthening the employment and economic base of the City and other taxing jurisdictions, increasing property values, reducing poverty, creating economic stability, and facilitating economic self-sufficiency.

2. The City Manager or the Commission shall solicit proposals with respect to the implementation of each proposed redevelopment project, or the several proposed redevelopment projects that are designed to implement a proposed tax increment financing plan.

3. Each request for proposals shall state the primary objectives of the proposed redevelopment area or redevelopment project.

4. Each request for proposals shall provide reasonable opportunity for any person to submit alternative proposals or bids.

5. Each request for proposals shall be mailed to those persons or firms the City Manager or the City's planning consultant determines might be interested in submitting a bid. In addition, each request for proposals or notice thereof shall be published in a newspaper of general circulation in or serving the City. Each request for proposals shall provide at least 14 days for the submission of a proposal. The City Manager or Commission may extend the time period during which proposals may be accepted.

6. Each person, business, firm, partnership or other combination of persons or businesses that submits a proposal in response to a request pursuant to this RFP Policy shall be deemed an "**Applicant**". Each proposal must demonstrate that

"but for" the use of tax increment financing, the project is not feasible and would not be completed.

7. Criteria for the selection of proposals will be based on the required elements of a complete tax increment financing plan as set forth in the TIF Act and the City's TIF Policy. The criteria for selection will include the impact of the proposed project on the City and other taxing jurisdictions, including the projected term for which tax increment financing will be utilized. The City Manager or the Commission may establish such additional criteria as it deems appropriate for the selection of bids and proposals, which shall be stated in the request for proposals and shall be consistent with the TIF Act and the City's TIF Plolicy.

8. At the option of the City, proposals may be requested in the form of a redevelopment plan which meets the requirements of the TIF Act and addressing the items of information required in this RFP Policy.

9. Each Applicant shall submit a fee of $10,000 with each proposal ("**Application Fee**"). The Application Fee will be used by the City to pay the costs incurred by the City in the review and evaluation of the application. If multiple proposals are received and only one chosen, those Applicants not chosen shall have the fee returned. At the option of the City and in addition to the Application Fee, an Applicant may be required to enter into a funding agreement with the City with respect to the proposal covering the expenses of the City relating to review and consideration of the proposal, including expenses incurred by the City to engage consultants and special counsel.

10. Each Applicant that has prepared a complete tax increment financing plan and submitted that plan to the City may respond to a request for proposals, issued by the City Manager or Commission pursuant to the RPF Policy, by submitting a written statement to the City which provides that the plan previously prepared and submitted to the City shall serve as the Applicant's response to the request for proposals.

EXHIBIT B

# CITY OF COLUMBIA, MISSOURI

# TAX INCREMENT FINANCING

Policy, Procedures

&

Application Form

The attached procedures, policies and forms have been prepared by the City of Columbia, Missouri (the "City") for the purpose of assisting private developers in the consideration of whether Tax Increment Financing ("TIF") for prospective projects is a realistic possibility. The authority to make the legislative findings and determinations necessary for the compliance with the TIF Statutes is vested solely and only in the City Council. Applicants are cautioned that the attached materials have been prepared primarily for informational purposes to inform applicants of the types of projects the City would consider for TIF assistance. The City reserves the right to reject any and all projects, even those which satisfy all of the attached criteria for the use of TIF for any reason whatsoever, without regard for the viability of the project. Furthermore, the City reserves the right to waive any non-conformance to these policies and approve any project the City deems favorable to the City.

# Overview of the TIF Process

1. An Application is submitted by private developer applicant to City's Department of Planning & Development.

2. Planning & Development will review application and determine whether the Application is complete and whether the proposed project is eligible under the City's policy.

3. Within 15 days after the filing of the application the City will cause a public notice to be inserted in a newspaper of general circulation in the City requesting proposals for development in the proposed project area.

4. Within ninety (90) days of filing, the Application will be forwarded by City Staff to the TIF Commission for consideration.

5. The Applicant submits TIF Redevelopment Plan to Commission.

6. The TIF Commission conducts hearings and processes Application and Redevelopment Plan in accordance with requirement of TIF Statutes.

7. Consideration will be given to material the City Staff desires to report.

8. The TIF Commission approves or denies Redevelopment Plan.

9. The City Council considers Redevelopment Plan and proceedings of the TIF Commission.

10. The City considers Ordinance making necessary findings and approving Redevelopment Plan and Redevelopment Agreement.

11. Execution of the Redevelopment Agreement between the City and Applicant.

# Application Procedures

## 1. APPLICATION:

***Submission.*** The TIF Application form, policies and procedures are available from the City Planning & Development Department. Not less than 25 copies of the completed Application should be submitted to the Planning Department together with the required application fee.

***Application Fee.*** Each Application shall be accompanied with a check in the amount of $10,000 made payable to the City (the "Application Fee"). Applications over 15 acres require a $15,000 application fee. Applications involving issuance of public bonds require an additional $10,000 application fee. The Application Fee will be used by the City to pay the costs incurred by the City in the review of the Application. Such costs include the fees and expenses of the City's staff time, Bond Counsel and Financial Advisor. Full amendments to a TIF Plan require a $10,000 application fee and minor amendments require a $5,000 application fee. In the event costs for third-party services exceed the fee collected, the applicant will reimburse the city for said amount prior to final consideration of the application by the City Council.

***Preliminary Determination of Completeness.*** Upon submission the Application will be reviewed to determine if it is complete. If the Application is incomplete or if additional information is needed the Applicant will be notified in writing that the Application is not complete, and the reasons will be stated referring to the specific criteria that are not met, additional information required, or financial, legal or planning and development concerns.

***Requests for Proposals.*** Within 15 days after the filing of the application the City will cause a public notice to be inserted in a newspaper of general circulation in the City requesting proposals for development in the proposed project area.

## 2. STAFF REVIEW:

Review of the Application will be conducted by the City's Finance, Law, Public Works, and Planning Departments, and, when deemed appropriate by other City Staff, the City's Financial Advisor and Bond Counsel. Review time will be approximately 30 days from the date the completed Application is submitted to the City. However, more or less time may be required for particular Applications. Applications which are determined to be complete, consistent with all elements of the City's policy will be forwarded to the TIF Commission for consideration. Applicants will be notified in writing of the City's Staff forwarding the Application to the TIF Commission.

Applications which are determined to be incomplete or do not conform with the City's policy will not be forwarded to the TIF Commission. Applicants will be notified in writing of a determination that the Application will not be forwarded.

## 3. TIF COMMISSION CONSIDERATION:

The TIF Commission may desire to hold one or more study sessions before any public hearing is held. During this period the Applicant may be required to submit a completed Redevelopment Plan. At the public hearing City Staff will introduce the subject material and the Applicant. The Applicant will make a presentation to the TIF Commission followed by the presentation of any material the City's Staff desires to report. Public comment will then be heard, followed by a response from the Applicant. After TIF Commission discussion, action may be taken to approve, deny or to continue the case to a date certain for further consideration. The TIF Commission will make the determination of whether the public hearing portion of the case will be closed or continued to a date certain.

If the Application and Redevelopment Plan are approved by the TIF Commission, the TIF Commission will make the findings and determinations required by the TIF Statute. The Application and Redevelopment Plan will be forwarded to the City Council.

City staff may require an independent feasibility study. The cost of such study shall be paid by the Applicant and shall be prepared by a professional consultant having a favorable reputation for the preparation of such studies. This study would be submitted to the TIF Commission prior to the public hearing by the TIF Commission.

Legal notices and mailings to taxing districts and property owners as required by statute, shall be reviewed by the City's Law Department prior to being mailed or published.

## 4. CITY COUNCIL CONSIDERATION:

The City Council may have a study session on the Application and Redevelopment Plan and will hold a public hearing before consideration of an ordinance. The recommendation of the TIF Commission may be approved, denied or amended by the City Council.

# Policy for the Use of Tax Increment Financing

## SECTION 1. General policy.

It is the policy of the City of Columbia to consider the judicious use of tax increment financing (TIF) for those projects which demonstrate a substantial and significant public benefit with a preference for projects located within the downtown area. Public benefit includes: creating new jobs, retaining existing jobs, eliminating blight and the conditions that may lead to blight, providing and improving public infrastructure, strengthening the employment and economic base of the City, increasing property values and tax revenues, reducing poverty, creating economic stability, stabilizing and upgrading existing neighborhoods and areas, and implementing the economic development strategy of the City.

Care will be exercised in the consideration of TIF to thoroughly evaluate each project to ensure that the benefits which will accrue from the approval of a proposed TIF Redevelopment Plan are appropriate for the costs which will result, and that the plan is equitable to the City and other taxing districts.

## SECTION 2. Policy guidelines.

The following criteria shall be used by the City to evaluate TIF applications:

1. Each TIF applicant must demonstrate that without the use of TIF, the project is not feasible and would not be completed.

2. If the TIF project will involve the issuance of bonds or notes, the TIF applicant must show that payments in lieu of taxes (PILOTS), or economic activity taxes (EATS), or both, generated by the TIF project will at a minimum cover the projected debt service 1.25 times.

3. The total amount of TIF assistance should not exceed twenty percent (20%) of the total project costs. This limitation may be waived if the TIF project involves redevelopment of existing structures or the assembly and clearance of land upon which existing structures are located. Total project costs are defined as the cost of constructing the complete project as identified in the applicant's proposal.

4. TIF assistance for public infrastructure is favored; e.g., off-site street improvements, utility, lighting and extraordinary costs associated with removal of existing manmade site conditions.

5. Each TIF application must include evidence that the applicant:

(a) Has thoroughly explored alternative financing methods; and
(b) Possesses the financial and technical ability to complete and operate the project.

6. Preference will be given to applicants who contribute equity of at least fifteen (15%) of the total cost of the project or provide a performance bond for the completion of the project; projects with

equity contributions from the developer in excess of fifteen percent (15%) will be viewed more favorably.

7. The TIF project shall not negatively impact the credit rating of the City.

8. TIF projects that create jobs with wages that exceed the median income level of Columbia are favored; each TIF applicant will provide the following statistics:

(a) The total number of additional employees that will be hired and potential that they will be hired from the local population; and
(b) The skill and educational levels, and range of salary and compensation required for jobs expected to be created.

9. If the project will involve development/redevelopment of vacant land, it should conform with the City's plans and programs and serve as a catalyst for further, high quality development or redevelopment.

10. Projects involving redevelopment of existing retail, commercial, office or industrial properties should serve to stabilize areas that have or will likely experience deterioration.

11. Projects for retail and service commercial uses should be targeted to those uses that encourage an inflow of customers from outside the City or that will provide services or fill retail markets that are currently unavailable or in short supply in the City.

12. Projects involving redevelopment of existing residential neighborhoods should serve to stabilize areas that have or are likely to experience deterioration.

13. Projects involving new residential development should fulfill a significant housing need for the City's current or projected population without substantially impacting public services and facilities including schools. Pass-through agreements may be entered into for identified taxing entity impacts.

14. Preference will be given to projects that use green building standards such as LEED and employ energy efficiency standards such as EPA Energy Star program involving residential, business or commercial development or redevelopment.

15. Projects involving development/redevelopment of business areas should include information regarding:

(a) The proposed business types and major tenants;
(b) The population areas from which the project will draw; and
(c) The businesses of similar types that would be competing with TIF area businesses.

## SECTION 3. Application form.

An application form supplied by the City shall be completed and signed by any entity interested in acquiring tax increment financing in the City.

## SECTION 4. Fees.

The City intends to recover the costs associated with the consideration of TIFs. The entity requesting the TIF shall agree to pay all staff and consultant costs for the analysis, development and finalization of the TIF Redevelopment Plan and for the costs of special TIF counsel. The City will estimate the cost of such fees and the requesting entity shall deposit that amount with the City before the City convenes the TIF Commission. The developer shall pay all additional costs incurred during the project analysis and finalization that exceed the deposit.

## ADDITIONAL GUIDELINES

### A. General

1. The City will charge an administrative fee of one-half of one percent (0.5%) per annum to partially offset the cost of record keeping, report preparation, and accounting for each approved TIF Project. The fee will be assessed on a quarterly basis against the annual increment generated by the TIF Project.

2. TIF Applications for University related technical and office projects will be viewed more favorably than retail and service commercial projects. TIF projects which create jobs with wages that exceed the community average will be encouraged. University related technical and office developments will be given more consideration than warehouse type uses based upon the projected employment per square foot. Additional consideration will be given to projects in excess of ten million dollars ($10,000,000) or the, development of vacant property in areas where the project will be the initial development, if it is believed that the project will serve as a catalyst for further high quality development.

3. The projected term of the TIF will be a factor, with shorter terms being viewed more favorably than longer terms. TIF Applications which provide for the use of not more than twelve (12) years of tax increment financing generated by each redevelopment project will be preferred.

4. All TIF Applications must clearly comply with the requirements of the TIF Statute.

5. All approved projects must comply with prevailing wage and hour requirements for public works projects, as set forth in 290.210 R.S.Mo. et. seq. for all portions of the project receiving TIF assistance. Work to be covered by TIF funds will be identified in the application.

6. TIF Applications which include the establishment of business areas, or the redevelopment of existing business areas, should include information as to the business type of the major tenants of the TIF area. In addition, a thorough market analysis should be completed which identifies: (1) the population areas that will be drawn from; and, (2) the businesses of similar types which would be competing with the TIF area businesses.

7. TIF Project proposals for the Downtown Area shall include the following considerations:

a. Retail development must incorporate at least one other major use as part of the first phase of development. Such use shall comprise at least 20% of the total site area for the completed project. Major, high quality land uses including multi-story Class A office, quality multi-family residential, University related technical and/or full service and/or convention hotel will be required as an integral part of the development proposal.

b. Access and enhancements to adjacent public-park, open space, recreation facilities and infrastructure may be required.

c. Natural features and sensitive areas of the site must be identified and preserved or a plan established for replacement or mitigation (off-site mitigation will be considered).

Sensitive areas for this purpose are defined as wetlands, wooded areas, flood plains, creek beds, high points, archeological sites, and historic and culturally significant places.

d. Use of TIF funds for retail development are restricted to extraordinary costs over and above normal developer requirements unless a direct public purpose is substantiated, as solely determined by the City.

8. Notwithstanding the foregoing, TIF Applications which do not meet any of the above-referenced criteria will be viewed favorably by the City if the Application clearly demonstrates that the project is of vital interest to the City and will significantly assist the City in the elimination of blight, financing desirable public improvements, strengthening the employment and economic base of the City, increasing property values, reducing poverty, creating economic stability, upgrading older neighborhoods, and facilitating economic self sufficiency.

## B. Accountability

TIF Applications are expected to include the following:

1. If the TIF Application is being recommended based upon job creation criteria, language will be included in the Plan which stipulates that the City's obligation to the developer may be reduced if satisfactory evidence is not shown that the indicated number, and quality of jobs have been generated.

2. If businesses are to be relocated from other areas of the City, sufficient justification will be included to indicate why this relocation should be considered. If existing businesses are to be relocated to the TIF area, the base year activity for purposes of determining the tax increment for both real property and EATS taxes will be the last twelve month period at the businesses current location, immediately preceding the relocation.

## C. Method of Financing

TIF Applications may request that TIF assistance be provided in one of the following forms:

1. Special Obligation Bond or Note Financing;

2. Direct Reimbursement to the Applicant;

3. Pledge of tax increment financing revenues to pay private financing; or,

4. Any combination of the foregoing methods.

In deciding which method of financing to use, the prevailing factor in making the determination will be total costs and the security for the bonds. The City will not provide credit enhancements for the special obligation bonds or notes, however, credit enhancement provided by the developer on any bonds or notes will be viewed favorably. The decision as to what method of financing will be left solely to the City. The City Charter requires that all bonds be sold at competitive sale.

## D. Other Conditions

The City reserves the right to modify or waive any or all of these Policies and Procedures.

# APPLICATION FOR TAX INCREMENT FINANCING (" TIF")

APPLICANT: _____

ADDRESS: _____

PHONE #: _____

FAX #: _____

CONTACT PERSON: _____

PROJECT NAME: _____

*Application Format:*
*On a separate sheet of paper please answer the following questions. Please type each question prior to the applicable response.*

(1) In no more than three pages provide relevant information on the Applicant's background and development experience. Include resumes of key individuals assigned to the project.

(2) Identify the Applicant's consultants involved or proposed to be involved in the project noting relevant experience on similar projects (i.e., civil engineer, land use planner, Applicant's legal counsel, Applicant's financial advisor).

(3) Describe the proposed project, including the size and scope and phasing of the proposed project. Specifically outline residential development, if any, to be included in the project.

(4) Define the boundaries of the proposed TIF area by address and locator number(s). Include a map of the proposed TIF area.

(5) Identify the property which is currently in the control of the Applicant via ownership or option. If under option note the option expiration date.

(6) Is the property currently zoned for the proposed use? If not, what zoning change will be required?

(7) Will the proposed project result in the relocation of residential, commercial or industrial facilities? If so, discuss the nature of any anticipated relocations.

(8) State the need and justification for TIF assistance. Explain how the applicant intends to demonstrate compliance with the "but for" test. Substantiate that other alternative methods of financing have been thoroughly explored.

(9) Discuss the condition(s) that would qualify the proposed TIF District as a "blighted area" or "conservation area," as defined under Mo. Rev. Stat. 99.805.

(10) Identify sources, amounts, and status of all debt financing and/or equity funding available to complete the project. Does the applicant anticipate the debt to be privately financed by the construction lender or developer or publicly sold? Please prepare information in the following table format.

| Contact Source | Amount | Term | Status | Person | Contact Telephone # |
|---|---|---|---|---|---|

(11) Provide an outline of the costs associated with the development of the proposed project(s) and related parcel or parcels located within the TIF area. Identify in the outline those costs you would propose to fund with TIF financing and the proposed payback time frame.

(12) In one page or less, discuss and document information used to describe the market feasibility of each element of the proposed project. If a formal feasibility or comparable studies have been prepared, attach such reports as an appendix to this application.

(13) On a revenue worksheet estimate the incremental property taxes and economic activity taxes to be generated by the project.

(14) Provide an estimate of the market value of all fixtures and equipment to be used by all owners or tenants of the proposed project which will be taxed as personal property.

(15) Identify any proposed tenants of the project. Have leases been negotiated or signed? What type of lease is contemplated?

(16) Who will own the developed property?

(17) Briefly describe the "economic and quality of life" benefits of the proposed project to the City.

(18) Attach a letter from a financial institution indicating that the applicant has sufficient financial resources to obtain the private financing for the project.