FINANCING PROGRAMS

Incentives

Kansas

Industrial Revenue Bonds
Industrial revenue bonds (IRBs) are among the most popular and cost-efficient methods of financing up to 100% of a growing business' land, buildings, and equipment, with the only equity requirement being the cost of bond issuance. IRBs are securities issued by cities and counties to provide the funds for credit-worthy companies to purchase land, to pay for the cost of constructing and equipping new facilities, or for purchasing, remodeling, or expanding existing facilities. Other developmental and financing costs, such as engineering, architectural, legal, and bond underwriting costs, may also be financed from bond proceeds.

A business leases the project facility from the bond issuer, then rent payments are used to pay the principal and interest to the bond holders. When all bonds have been paid, the business may assume title to the project for a nominal price, such as $100. Lease/purchase financing permits the business to take advantage of applicable depreciation guidelines, receive available tax credits, and deduct interest payments as a business expense.

Most bonds are structured over 10-15 years. Principal repayment terms are flexible and can be structured to suit a business' specific cash flow needs. The bonds are usually not callable before the third or fourth year.

Certain projects are eligible for tax exempt financing. When tax exempt IRBs are issued, the interest received by IRB holders is exempt from federal and Kansas income tax, and as a result, the cost of financing the project is below conventional costs. Tax exempt financing is available for manufacturing facilities, as well as for a variety of utility, transportation, and other public infrastructure projects. Up to $10 million of tax-exempt IRBs can be issued to finance office, distribution, manufacturing and R&D facilities.

Whether a project is financed through tax exempt or taxable IRBs, Kansas law exempts the project from real and personal property taxation for up to 10 years. Issuers can require that all, or a portion of, the abated taxes be made available to local taxing jurisdictions in the form of "payments in lieu of taxes." Nearly every IRB issuer will also provide partial property tax abatements as an additional incentive to companies for locating in the community. The cost of building materials and labor, as well as fixed items of machinery and equipment, is exempt from state and local sales taxes.

Kansas Development Finance Authority
The Kansas Development Finance Authority (KDFA) is authorized to issue bonds, either for a specific activity or on a pooled basis. KDFA may issue bonds for financing capital improvements, industrial enterprises, agribusiness enterprises, educational facilities, health care facilities, and housing developments. It may also issue bonds to finance an interest, such as lease or mortgage, on such facilities. The Authority may also help establish and fund venture capital funds.

Any bonds issued by the Authority and the interest paid thereon, unless specifically declared to be taxable in the authorizing resolution, are exempt from all state, county, and municipal taxes. The exemptions include income, inheritance, and property taxes.

FINANCING PROGRAMS

Missouri

Missouri offers a variety of methods of issuing low-cost, long-term industrial revenue bonds (IRBs). The proceeds of an IRB issue may be used to finance up to 100% of the cost of fixed assets such as land, buildings, machinery, and equipment. The following public corporations and government agencies are authorized to issue IRBs to facilitate the financing of business projects in Missouri: Industrial Development Corporations, Municipalities (general obligation or revenue bonds), Planned Industrial Expansion Authorities, Land Clearance for Redevelopment Authorities, Special Business Districts, Port Authorities, the Environmental Improvement and Energy Resources Authority, and the Missouri Development Finance Board.

Missouri Development Finance Board
The Missouri Development Finance Board (MDFB) is authorized to issue IRBs to attract new industry and to help existing industry expand in the state. Tax-Exempt IRBs. The MDFB may issue such bonds to provide small and mid-sized manufacturers with long-term, below-market rate financing for fixed assets such as land, buildings, machinery, and equipment. In addition to financing expansion projects, bond proceeds can also be used to retire the outstanding principal of previous tax-exempt issues. Taxable IRBs. The MDFB has the authority to issue taxable bonds to provide virtually any type of business or industry with low cost, long-term financing for fixed assets. The participation of the borrowers' banks through letters of credit may result in lower issuing costs and more attractive interest rates than conventional bank financing on some projects between $5 and $50 million.

Missouri BUILD Program
The MDFB may issue IRBs to finance public or private infrastructure used to support larger business projects or to finance new capital improvements of the business at the project location. The Business Use Incentives for Large Development (BUILD) Program provides Missouri state income tax credits to the business in the amount of debt service payments for the IRBs related to a portion of project costs. If tax credits exceed tax liability, the business may receive a refund for the unused portion. New or expanding manufacturers, and specified other employers, must invest a minimum of $15 million in capital improvements and create at least 100 new jobs within three years. Eligible office projects must invest at least $10 million in capital improvements and create at least 500 new jobs within three years, or a minimum of 200 new jobs if located within a distressed community.

Industrial Development Corporations
Missouri law permits cities and counties to establish special public corporations called Industrial Development Corporations (IDCs) to issue IRBs. An IDC has the authority to issue tax exempt or taxable bonds. Financing industrial development through an IDC, rather than with a municipal bond issue, is advantageous because a bond approval election is not required. Property may be owned by an IDC and leased to a company. Abatement of property taxes is not available.

Municipalities
Cities or counties may purchase or construct projects with bond proceeds and lease or sell the project to a company. The bonds may be issued as a "revenue" bond or a "general obligation" bond. General obligation bond issues require a two-thirds public voter approval. Revenue bonds do not require a bond approval election. Municipal IRBs can be issued to provide funds to purchase, construct, expand or improve industrial plants. The bonds can be sold as federal and state tax-exempt, if the project is less than $10 million, and if the company has less than $40 million in outstanding tax-exempt bonds, and the company is a manufacturer. It may be possible to exempt most of the real and personal property tax of bond-financed buildings and machinery if the city or county owns the property and leases it to the company.

Oklahoma

Oklahoma Finance Authorities

The Oklahoma Industrial Finance Authority (OIFA) provides permanent financing for real estate and equipment. OIFA has both tax-exempt and taxable financing available for most types of industries, including manufacturing, agricultural processing, and certain mining or recreational/tourism facilities.

Qualifying projects include construction of a new plant or existing plant expansion or replacement of all or part of the plant. The maximum funding is $5,000,000 on fixed collateral assets for up to 15 years. Loans are fixed rate or variable and below market for tax-exempt qualified projects.

The Oklahoma Development Finance Authority (ODFA) provides taxable and tax-exempt bond financing for projects throughout the state of Oklahoma including healthcare, education, and municipal and certain environmental, manufacturing and infrastructure projects. The ODFA also manages a credit enhancement program to lower borrowing costs for qualified projects.

For more information, contact the Oklahoma Finance Authorities at (405) 842-1145.

Public Trust Financing: Industrial Revenue Bonds

Oklahoma authorizes public trust financing for economic development purposes at the state, county, and city level. Trusts may enter into lease-leaseback, sale-leaseback, interest rate swaps, and other similar transactions.

The powers of the public trusts to issue bonds or other financing tools are set forth in the trust documents, and therefore need to be very carefully reviewed. It is also recommended that finance professionals review the trust indentures before any funds are expended or obligations are incurred. It is possible for a public trust to access the programs administered by the Oklahoma Finance Authorities to fund bonds. Accessibility would be determined by available funding, the trust indenture of the local public trust, and the project to be funded. An allocation from the Private Activity Bond allocation pool through the State Bond Advisor's Office is necessary if a federal income tax exemption of interest earned is allowed on private activity bonds.

General Obligation Limited Tax Bonds (GOLTBs)

Many Oklahoma counties and cities have approved the issuance of General Obligation Limited Tax Bonds for industrial development projects. Generally, these “revenue bonds” are issued in association with a particular private activity project. Revenues generated by the project in the form of income are used to retire the bonds. If revenue generated by the project is inadequate to retire the bonds, then a levy will be placed on the property taxes of the jurisdiction in order to retire the bonds. The property tax levy is only used if project generated revenues are inadequate to meet interest and principal payments on the bonds.

GOLTBs have been used since the early 1960s to finance a wide variety of economic development projects throughout the state. Information can be obtained from local and county Industrial Development Authorities, County Treasurers, Assessors, and/or the Attorney General’s Office.

FINANCING PROGRAMS

The Oklahoma Local Development and Enterprise Zone Incentive Leverage Act
Provides funding for local units of government to match local tax revenue dedicated to support a project located in an enterprise zone, in support of a major tourism destination, or in support of a military growth impact. At a minimum, all projects must meet the following requirements:

- Project must be located entirely within an enterprise zone, in support of a major tourism destination which the local governmental entity determines is likely to significantly benefit contiguous or nearby enterprise census tracts, or in support of a military growth impact;
- No more than ten percent (10%) of the net leasable space may be used for retail purposes, and no state local government matching payment shall be made for project costs in support of any gambling establishment;
- State local government payments cannot be used to supplant local revenue currently being expended within the increment district boundaries;
- Certification that all projects described within the related project plan will generate, in the aggregate, a minimum of either One Million Dollars ($1,000,000) in payroll, exclusive of payroll for construction, or Five Million Dollars ($5,000,000) in investment;
- The application must include an estimate of incremental revenues likely to be derived from the project;
- The project must include the commitment of local governmental entity; and
- The project meets the time deadlines set forth in 62 O.S. § 842 (I);
- If the project is in support of a major tourism destination, the application must meet the requirements set forth at 62 O.S. § 842 (B) (3) and (B) (4);
- If the project is a military growth impact project the application must meet the definitions set forth at 62 O.S. § 841(13), (14), and (15).

Project can be as the result of the impact of military growth activities if the project area plans to experience a population growth of at least 1,000 persons and increased payrolls of at least $10,000,000 within 5 years.

Sales Tax Financing
Oklahoma cities and counties are authorized, upon a vote of the people, to build facilities and provide other economic development benefits for businesses financed by sales tax collections. Some have pooled economic development funds from this method.

For more information, contact Don Hackler at the Oklahoma Department of Commerce at (405) 815-5359 or donald.hackler@okcommerce.gov.

Private Activity Bond Allocation
Private Activity Bonds that render interest payments that are federally tax-exempt, in accordance with the Internal Revenue Code, must receive an allocation from the State Bond Advisor's Office. Public Issuers in Oklahoma may issue Private Activity Bonds up to a federally-established volume cap each year.

The state's private activity cap allocation is divided by statute into the following pools:

FINANCING PROGRAMS

The state's private activity cap allocation is divided by statute into the following pools:

- Qualified Small Issue Pool;
- Beginning Agricultural Producer Pool;
- Exempt Facility Pool;
- Student Loan Pool;
- Local Issuer Single Family Pool;
- State Issuer Pool;
- Metropolitan Area Housing Pool;
- Rural Area Housing Pool;
- Oklahoma Housing Finance Agency Pool; and
- Economic Development Pool.

On September 2nd of each year, remaining balances in all pools are combined into the Consolidated Pool. Generally, allocations are on a first-come, first-served basis, with some size limitation. On December 20th of each year the remaining balance in the Consolidated Pool is placed in the Carry-forward Pool and made available to eligible issuers.

Small Business Linked Deposit Program

(62 O.S. § 88.1A)

The Small Business Linked Deposit Program provides low-interest certificates of deposit to financial institutions to provide lending capital to eligible small businesses and certified industrial parks which will directly create new jobs or save existing jobs.

When market conditions allow, successful applicants for Linked Deposit programs receive private loans through local financial institutions at a reduced interest rate. The certificates of deposit bear interest rates of up to three percent below the standard rate. In effect, these savings are "passed on" to the borrowers participating in the program.

Loans to businesses with less than 200 employees and gross annual sales of less than $4 million are eligible for up to $1 million. Industrial parks certified by the Oklahoma Department of Commerce are eligible for up to $6 million. Loans are for a two-year term and may be renewed for three additional terms in accordance with the guidelines of the State Treasurer's office. The eligible lending institution shall give priority to the economic needs of the area where the business is located especially in Enterprise Zones and Priority Enterprise Zones as designated by the Oklahoma Department of Commerce.

For more information, contact Charles Hover with the Oklahoma State Treasurer's office at (405) 522-4221 or at Charles.Hover@treasurer.ok.gov.

Small Business Loan Guarantees

The U.S. Small Business Administration offers loan guarantee programs to assist small businesses. Under the guaranty concept, commercial lenders make and administer the loans. The business applies to a lender for financing. The lender decides if they will make the loan internally or if the application has some weaknesses that, in their opinion, will require an SBA guaranty. The guaranty that SBA provides the lender gives them the assurance the Government will reimburse the loan, up to a percentage, in the event the borrower defaults.

Infrastructure Financing

Kansas

Tax Increment Financing

Tax Increment Financing (TIF) is a real estate redevelopment technique, applicable to industrial, commercial and residential projects. TIF covers the costs of publicly provided project improvements by using the anticipated increases in real estate tax revenues to retire the bonds sold to finance qualifying redevelopment costs.

The advantages of TIF for business include 1) financing of land acquisitions and improvements with tax-free borrowing, thus reducing interest costs, and 2) offering the opportunity to purchase renovated sites and/or buildings at sub-market costs.

Moneys raised through TIF can be used for initiatives selected and administered by local governments, such as land acquisition, land and building cost subsidies, structure rehabilitation, and public improvements.

TIF works for both privately-owned land and publicly-owned land to be sold for redevelopment. It is available only if private redevelopment would not occur without public improvements. TIF cannot be used speculatively to prepare a site for development. Applicable to redevelopment financing as well.

Community Development Block Grant Funds

Eligible small cities and counties may apply for Community Development Block Grant (CDBG) funds for water, sewer or other infrastructure improvements to assist new or existing companies create or retain jobs. Funds may also be used to provide direct financial assistance to firms for the acquisition of land or buildings, construction or renovation of facilities, purchase of machinery and equipment, infrastructure improvements, and/or working capital. The interest rate is currently set at 3 percent below prime or 4 percent, whichever is greater. The term of the loan is based on the asset being financed - working capital loan is up to 5 years, machinery and equipment is 10 years and real property is 15 years. For business loans, a match is required of $.50 to every $1 of CDBG funds.

Funds are awarded on a competitive basis, providing low-interest subordinated loans to business or communities for public infrastructure needs. Projects are expected to create or to retain jobs for low and moderate-income persons.

The maximum economic development block grant award is $35,000 per job created or retained. The maximum CDBG grant available is $750,000. At least 51% of the jobs created must meet HUD's low-and moderate-income standard for the county in which the project is located.

CDBG loans are individually structured during negotiations with the company and local and state officials. Local governments receive the grant funds and in turn loan them to the company, with flexible interest rates (from 0% to prime) tailored to the company's needs and cash flow. A low dollar/job creation ratio and complete recapture of grant funds by the community increases the project's funding potential. Loan guarantees and interim financing are also available for economic development projects on an open window basis.

MOKAN partnership

FINANCING PROGRAMS

Missouri

Tax Increment Financing
Tax increment financing (TIF) is designed to help finance improvements to property in designated redevelopment areas using the tax revenues that result from improvements to those areas. Any city or county in Missouri may designate redevelopment projects and adopt TIF by passage of local ordinances.

Up to 100% of the increased amount of real property taxes and 50% of local sales, utility, and (in Kansas City) earnings taxes resulting from improvements in a redevelopment area are paid in lieu of taxes into a "special allocation fund." Additionally, up to 50% of state withholding taxes or 50% of state general sales taxes (1.5%) generated by a TIF project may supplement local TIF funding. The amount redevelopment project costs funded, and the length of time local taxes are redirected into the fund (it can be up to 23 years) is negotiated by the local TIF commission based on the least amount to cause the project to occur. TIF project funds may be derived from a bond issue (paid from the net new local taxes), or a reimbursement to the developer for approved costs.

Eligible redevelopment project costs are defined very broadly and include, in part: the costs of studies, surveys, plans and specifications, land acquisition, land preparation, professional service costs and fees, and construction costs of both public and private improvements. The State of Missouri offers four state programs using a variation of tax increment financing:

State TIF. To be eligible for State Supplemental Tax Increment Financing ("State TIF"), the redevelopment project must meet each of the following: The redevelopment project area must be blighted. The redevelopment project area must be located in: a state enterprise zone; a federal empowerment zone; an urban core area; or a central business district; The zone or blighted area must contain at least one building that is 50 years of age or older; and the redevelopment project area, over the past 20 years, must have experienced a generally declining population or generally declining property taxes. An applicant may be approved to receive up to 50% of the net new state sales tax revenue (general revenue portion only; excluding dedicated taxes) generated in the project area OR up to 50% of the increase in state income tax revenue from net new jobs in the project area. An applicant cannot receive both.

Missouri Downtown Economic Stimulus Act (MODESA). Funding helps facilitate the redevelopment of downtown areas and the creation of jobs by providing public infrastructure. Eligible areas include "central business districts" that are either "blighted" or a
"conservation area." At least 50% of the buildings must be 35 years or older. A portion of the new state and local taxes created by a project can be diverted to fund eligible public infrastructure and related costs for up to 25 years. Other restrictions apply.

Missouri Rural Economic Stimulus Act (MORESA). MORESA provides financial incentives for public infrastructure for the development of renewable fuel production facilities or eligible new generation processing entity facility, with a cost of at least $3 million, and projected to create at least 30 jobs. Eligible areas include a contiguous and "blighted" Development Area, not encompassing more than 10% of the area of an eligible municipality. A portion of new state and local taxes created by the production facility project may be diverted to fund construction of eligible public infrastructure and related costs for a period of up to 25 years.

FINANCING PROGRAMS

Downtown Preservation. Only allows revenues from state sales tax.
Eligible redevelopment project costs are defined very broadly and include, in part: the costs of studies, surveys, plans and specifications, land acquisition, land preparation, professional service costs and fees, and construction costs of both public and private improvements. Applicable to redevelopment financing as well.

Community Development Block Grant Program
Qualified job-creating businesses located in "non-entitlement" areas of Missouri may qualify for programs funded by the federal Community Development Block Grant (CDBG) program administered through the Missouri Dept. of Economic Development. Those eligible for grants are cities under 50,000 and counties under 200,000. As CDBG-funded, the following programs require that at least 51% of the new jobs due to the project must be taken by persons considered of low or moderate income.

Missouri BUILD Program
The MDFB may issue IRBs to finance public or private infrastructure used to support larger business projects or to finance new capital improvements of the business at the project location. The Business Use Incentives for Large Development (BUILD) Program provides Missouri state income tax credits to the business in the amount of debt service payments for the IRBs related to a portion of project costs. If tax credits exceed tax liability, the business may receive a refund for the unused portion. New or expanding manufacturers, and specified other employers, must invest a minimum of $15 million in capital improvements and create at least 100 new jobs within three years. Eligible office projects must invest at least $10 million in capital improvements and create at least 500 new jobs within three years.

Industrial Infrastructure Grants
This Community Development Block Grant (CDBG) program provides grants to eligible communities to assist in providing public infrastructure such as water, sewer, and roads to support new or expanding businesses or to prevent the relocation or closing of a facility. Once the city or county has exhausted their available resources, the maximum grant per projects for a start- up company is lower of $350,000 per project; 50% of cost of the infrastructure activities; or $20,000 per new full-time job. The Department of Economic Development MAY, at its discretion award up to $500,000 if the participating company provides a personal guaranty or an irrevocable Letter of Credit from an acceptable financial institution for the amount which exceeds $350,000. For existing companies, the maximum grant is lower of $2,000,000 per project or $20,000 per new full-time job.

FINANCING PROGRAMS

Oklahoma

Tax Increment Financing (TIF)
Cities and counties in Oklahoma may create tax increment districts to provide funding for economic development in distressed areas for up to 25 years. The tax increment is determined in accordance with the following: The base assessed value includes all real and personal property on the tax rolls and assessed as of January 1st of the year during which the district is designated.

Incremental tax dollars are those assessed in excess of the base on the first January 1st after the district has been declared, and continuously until the increment district ceases, less the amount attributable to change in assessment ratio for real and personal property in the county.

Proceeds from tax increment financing may be used in accordance with approved plans for project areas such as facilities, infrastructure, parks, sidewalks, and other public projects.

Infrastructure Finance Community Development Block Grants (CDBG)
The CDBG-EDIF program is utilized for public infrastructure necessary for a business to create jobs. An eligible applicant for the CDBG-EDIF program is defined as units of local government (incorporated towns, cities, and counties) that are not HUD participants in the CDBG.

Entitlement Program and are not units of local government participating in the CDBG Urban County Designation for Tulsa County. Eligible applicants can make an application on behalf of a company that is expanding and creating jobs with at least 51% of the jobs being made available to low- and moderate-income persons. The local government must have jurisdiction over the proposed public infrastructure improvements, i.e. water, sewer, streets, drainage, buildings, etc. The request must be clear and show a direct link between the proposed improvements and the creation of jobs. Projects financed through CDBG-EDIF must create one new job for each $35,000 of investment by CDBG. The maximum grant amount is $1,000,000. Additional evaluative criteria and threshold requirements are set out in the CDBG-EDIF.

Loan Financing

Missouri

Interim Financing Loans
This Community Development Block Grant (CDBG) program provides cash flow relief to induce a manufacturing company to initiate a project, the Department of Economic Development provides funding through a city or county sponsor to facilitate a partner business. Funds can be used for the purchase of new fixed assets or permanent working capital. The loan term is typically 18 months and payment of principal and interest is deferred until the end of the term.

Loan Guarantees
Loan guarantees are a method of providing gap financing for new or expanding businesses. Eligible job-creating businesses may receive up to a 90% loan guarantee on funds obtained from a private lender, up to a maximum of $750,000 or $25,000 per job, whichever is less. Application is made through a city or county. Funds may be used for the purchase of new fixed assets or permanent working capital. Depending on the use of the funds, the term of the loan may be as great as 15 years. The company must demonstrate that other programs (i.e., SBA 7A and similar programs) have been exhausted before this program is used.

Microenterprise Loan
The Microenterprise Loan Program is a Community Development Block Grant (CDBG) program than promotes small business development (five or fewer employees) by supporting a local loan fund. This program gives funds to local governments to establish a loan program for "microenterprise" assistance.

Speculative Building Loans
The purpose of this program is to provide an inducement for a speculative industrial building. The Department of Economic Development provides funding through a city or county government on behalf of an eligible borrower. An eligible borrower is a nonprofit development corporation. The maximum funding available is the lesser of $1 million per project or $25,000 per new job. Funds can be used for the purchase of land, the development of on-site infrastructure, the purchase of an existing building and improvements, or the construction of a new building. The term of the loan is a maximum of 30 months. The interest is 1% of the amount borrowed.

Market Development Program
This program aims to encourage businesses to convert materials recovered from solid waste into marketable products. Eligible projects include the final processing or conversion of recovered materials in usable industrial feedstock or the manufacturing of products from feedstocks. Eligible expenses include new equipment or conversion of existing equipment as well as installation, operation, and maintenance. Funds are provided as a loan secured by the machinery and equipment financed by the loan proceeds. The loan is canceled after two years if the conditions (maintenance of operations and reporting) are met. The program may fund 75% of specific equipment costs with a maximum funding level of $250,000.

Urban Enterprise Loan Program
These funds may be used to start a new business; purchase business equipment, inventory, or working capital; acquire business assets; or expand an existing business in designated Kansas City urban areas. The funds are limited to 50% of the total financial need. Loans range from $10,000-$100,000.

FINANCING PROGRAMS

Missouri Development Finance Board Tax Credit Programs
Any taxpayer may receive a state tax credit equal to 50% of any amount contributed to the Industrial Development and Reserve Fund, or the Export Finance Fund. Contributions to these funds are used to make direct loans and loan guarantees to new and expanding businesses and nonprofit organizations, and to make grants to public entities. Credits may be transferred or sold and there is a five-year carry-over provision.

Development Tax Credit Program
The state provides income tax credits based on a contribution by a company to a local non-profit corporation (NPC) for projects approved by the Department of Economic Development. The amount of credits approved will be based on the economic impact of the project and the minimum amount of credits required to cause the project to occur. The purpose of the program is to create full-time, year-round job. The project must be located in a "blighted" or "distressed" area.

Eligible donations include cash, machinery and equipment, and real estate. The NPC will lease the real or personal property to a business entity. The lease is structured to facilitate the business' project and lease payments will be based on the costs of the non-profit to operate and maintain the subject assets (if any).

In most cases the NPC will provide DED the lease payments received in an amount to repay the tax credits plus interest. The tax credits may be used in the year received, or for up to five years if desired. Credits also may be sold or transferred.

Action Fund Loans
For-profit manufacturing, processing and assembly companies located in a non-entitlement area that has wages above the county average and provide medical benefits may be eligible for a loan which may be used for the purchase of new machinery and equipment or working capital. The loan must be made in cooperation with a city or county sponsor.

The Action Fund Loans are a CDBG program that are designed to provide "last resort gap financing" where the economic impact or the project outweighs the default risk. Payments may be deferred for up to three years until cash flow is positive, if the growth rate supports the cash flow projections. The term of the loan is not to exceed 10 years.

Redevelopment Financing

Missouri

The Brownfield Remediation Program
This program encourages Missouri businesses to remediate contaminated sites on which abandoned buildings are located, and to refurbish and occupy such buildings, thereby create employment opportunities. In addition to the programs' tax credits, program benefits include loan guarantees and direct loans to business to finance capital improvements at the project location. Grants can also be issued for the improvement of public infrastructure for the project. In addition, public entities can obtain grant funding (up to $100,000 or 50% of the cost) for feasibility studies or other due diligence costs. The maximum amount of funding available to a project through loans and grants is $1 million in aggregate.

The eligible project must be in a blighted area and must comply with the Dept. of Natural Resources' environmental conditions. A new company must create and maintain 10 new jobs, and an existing company must retain 25 jobs to receive benefits.

The Brownfield Jobs & Investment Tax Credit Program
Any person or business operating an eligible project of redevelopment on certain abandoned and contaminated property may be eligible to earn state income tax credits for new investment and new income tax benefits for up to 100% of remediation costs. The company may obtain (for up to 10 years) tax credits between $500 and $1,300 per year for each new job created, tax credits based on 2% (annually) of new capital investment, a 50% income exemption, and abatement of local real property taxes (10-25 years).

The eligible project must be in a blighted area and must comply with the Department of Natural Resources' environmental conditions. A new company must create and maintain 10 new jobs, and an existing company must retain 25 jobs to receive benefits.

Urban Redevelopment Corporation Program
Missouri promotes urban redevelopment through a potential 25-year ad valorem tax incentive program known as Chapter 353. Any city (there is no size restriction) may establish an Urban Redevelopment Corporation to redevelop areas designated as blighted due to age, obsolescence, or physical deterioration. Under the program, up to 100% of improvements to real property may be exempt from state and local property taxes for up to 25 years.