

City of St. Joseph

1100 Frederick Avenue, St. Joseph, Missouri 64501

November 10, 2011

Mo. Dept of Economic Development
Attn: TIF Annual Report
P.O. Box 118
301 West High Street
Jefferson City, Missouri 65102

RE: Third Street Hotel Redevelopment TIF Annual Report

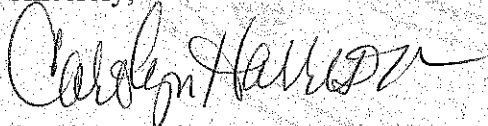
Enclosed is the 2011 annual report for the Third Street Hotel Redevelopment Tax Increment Financing District.

If you have any questions or need any additional information, you may contact me at (816) 271-5526 or email at charrison@ci.st-joseph.mo.us. You may also contact the following:

Judy Hovey, Revenue Manager (816) 271-4828
Email – jhovey@ci.st-joseph.mo.us

Rich Karleskint, Financial Analyst (816) 271-4608
Email – rkarleskint@ci.st-joseph.mo.us

Sincerely,



Carolyn Harrison
Financial Services Director
City of St. Joseph

Missouri Department of Economic Development

Tax Increment Financing Annual Report

Deadline for Submission: Tuesday, November 15, 2011

(Note: The reporting period may cover any 12 month period prior to September 30.)

This report includes the requirements of Section 99.865, RSMo **which elements (or portions thereof) are identified by subsection noted in bold**. Additional information is requested to accurately determine the impact of TIF in the State. The results of this report will be posted on DED's web site, and distributed to the Missouri General Assembly and the media. There are three Sections to this report, Section 1, Description of the Plan and Project; Section 2, Tax Increment Financing Revenues and Section 3, Certification of Accuracy. An Instruction Sheet is available. If you have any questions, please contact the Development Finance Section: 573-526-0748 or 573-522-8004

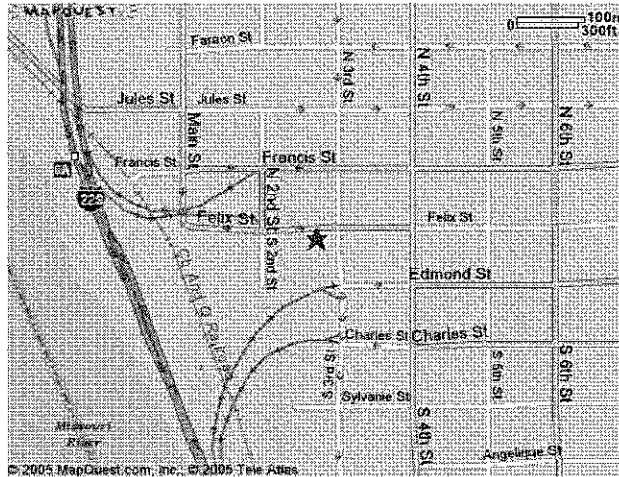
Section 1: Description of the Plan and Project

1. Name of City and/or County (entity that approved the TIF Plan or Project): St. Joseph, Missouri
2. Name of Plan or Project: Third Street Hotel Development
3. Report Period: From July 1, 2010 to June 30, 2011
4. Name of the person who prepared this Annual Report: Rich Karleskint, Financial Analyst/Judy Hovey, Revenue Manager
5. **Contact Information**
 - a) City or County Contact Agency: St. Joseph, Missouri
 - b) Person: Carolyn Harrison Clint Thompson
Financial Services Director Planning & Community Development Director
 - c) Phone: (816) 271-4760 (816) 271-4787
 - d) Fax: (816) 271-4697 (816) 271-4752
 - e) E-mail Address: charrison@ci-st-joseph.mo.us cthompson@ci-st-joseph.mo.us
 - f) Private Sector Developer: HISJ Holdings, LLC
 - g) Person: John Klimpel
 - h) Phone: (402) 730-1022
 - i) Fax: (402) 420-9018
 - j) E-mail Address: john@hmhotels.com
6. Original Date Plan/Project Approved: January 5, 2004
7. Ordinance Number: (if available) Emergency Special Ordinance No. 6221
8. Most Recent Plan Amendment: (if any) **[99.865.1(9)]** Establishing a cooperative agreement with Hospitality Management Associates, LLC and the St. Joseph Gateway Transportation Development District- September 26, 2005
9. Ordinance Number (if available) Special Ordinance No. 6675
10. State House District 27
11. State Senate District 34
12. School District St. Joseph, MO - No. 294

13. General Location of Area or Project Area (if feasible, please attach copy of Redevelopment Area Boundary Map from Plan) [99.865.1(10)]

Adjacent to 220 at 102 Third Street, in Downtown St. Joseph, Missouri

All of blocks thirty (30) and thirty-one (31) in the Original Town, now City of St. Joseph, Buchanan County, Missouri, together with the North-South alleys running through said Blocks vacated by Special Ordinance No.309; together with any and all portions of Block 31, Original Town, located between Edmond and Felix Streets and Second and Third Streets, vacated by Special Ordinance No. 416 of the City of St. Joseph, Missouri



14. Brief description of Plan/Project [99.865.1(10)]

The project involves the redevelopment and renovation of a 170-room hotel, a nationally known restaurant franchise and related site, façade and landscaping improvements. The Redevelopment Area is the public interest because it will result in increased employment within the City and will enhance the tax base of the City.

15. Plan/Project Status (Circle or check one which best describes status):

- a) Starting-Up
 b) Seeking Developer
 c) Under Construction
 d) Fully-Operational
 e) Inactive
 f) District Dissolved

If Clarification Is Needed: _____

16. Area Type (Circle or check all applicable):

- a) Blight
 b) Conservation
 c) Economic Development

17. How was the "but-for" determination made? (Circle or check all applicable):

- a) Project had unusual/extraordinary costs that made the project financial unfeasible in the market place.
 b) Project required significant public infrastructure investment to remedy existing inadequate conditions.
 c) Project required significant public infrastructure investment to construct adequate capacity to support the project.
 d) Project required parcel assembly and/or relocation costs.
 e) Other (describe): _____

18. Major Development Obstacles to Overcome:

The franchise was lost due to the disrepair of the building interior and exterior. In order to bring a national franchise back to the location, these issues needed to be properly taken care of in order to reestablish the good name of the hotel chain.

19. Briefly Describe the Project's Public Benefits [99.865.1(10)]

The hotel and restaurant have benefited the public by increasing the traffic in the downtown area. In addition the project brought a national hotel chain and introduced a national restaurant to the area. There was an increase in both the short term and long term employment base with the construction and the hotel and restaurant expansion.

20. Briefly Describe of Agreements with the Developer [99.865.1(9)]

n/a

21. Brief Description of Any Agreements with the Affected Taxing Districts [99.865.1(9)]

There is a cooperative agreement with St. Joseph Gateway Transportation Development District.

22. Number of Relocated Residences During This Report Period: N/A

23. Number of Relocated Businesses During Report Period: N/A

24. Number of Parcels Acquired Through Use of Eminent Domain Power in This Report Period [99.865.1(12)]: N/A

25. Identify any Businesses that have Relocated to the Redevelopment Area **During This Report Period** (Completion of This Section Satisfies Requirements of 99.810.2 'New Business Report', Otherwise Due by 2/28/2012).

Name	Address	Phone Number	Primary Business Line	Relocated from What City/County?
36 th Street Food & Drink	102 South 3 rd Street	816-364-1564	Restaurant	Relocated from within St. Joseph/Buchanan County

(Please Attach List Separately If Necessary or Desired)

26. Estimate of New Jobs: *Projected:* 132 *Actual to date:* 31

27. Estimate of Retained Jobs: *Projected:* N/A *Actual to date:* 63

Section 2: Tax Increment Financing Revenues

28. TIF Revenue Deposits to the Special Allocation Fund as of the Report Date: June 30, 2011

a. Payments in Lieu of Taxes (PILOTs): [99.865.1(6)]

Total received since inception: \$ 757,991.39 ; Amount on hand: \$ 0.00
(As of Report Date)

b. Economic Activity Taxes (EATs): [99.865.1(8)]

Total received since inception: \$ 758,879.30 ; Amount on hand: \$ 98,046.42
(As of Report Date)

Total Revenue on hand in the Special Allocation Fund as of Report Date: [99.865.1(1)] \$ 98,046.42*
***Includes NISTs (Non-Incremental Sales Tax) and Hotel/Motel Taxes**

29. Expenditures for Total Project Costs Funded by TIF: [99.865.1(2)]

	Total Since Inception:	Report Period Only:
a) Public Infrastructure (streets, utilities, etc)	\$ 0	\$ 0
b) Site Development (grading, dirt moving, etc.)	\$ 493,000	\$ 0
c) Rehab of Existing Buildings [99.865.1(11)]	\$ 807,000	\$ 0
d) Acquisition of Land or Buildings [99.865.1(11)]	\$1,100,000	\$ 0
e) Other (specify): <u>Project Implementation</u>	\$ 100,000	\$ 0
f) Other (specify): <u>City Expenses</u>	\$ 39,785	\$ 304
Other (specify): <u>Owner Expenses</u>	\$ 125,000	\$ 0
Other (specify): <u>Misc. Expenses</u>	\$ 25,000	\$ 0

Amount Paid on Debt Service: [99.865.1(3)]

g) Payments of Principal and Interest on Outstanding Bonded Debt:

Since Inception: \$ N/A This Reporting Period: \$ N/A

h) Reimbursement to Developer for Eligible Costs:

Since Inception: \$1,255,336.49 This Reporting Period: \$ 162,902.62

i) Reimbursement to Municipality (or Other Public Entity) for Eligible Costs:

Since Inception: \$ 96,731.32 This Reporting Period: \$ 10,697.82

30. Anticipated TIF Reimbursable Costs (Only include hard costs; do not include interest or bond issuance costs.)

a) Public Infrastructure and Site Development Costs (Utility Extensions, Road Improvements, Stormwater, Demolition, Grading, etc.)	\$493,000
b) Property Acquisition and Relocation Costs	\$1,100,000
c) Project Implementation Costs (Including Professional Fees)	\$100,000
d) Other (specify, as applicable): <u>Interior Renovations</u>	\$807,000
e) Other (specify): <u>City Expenses</u>	\$50,000
f) Other (specify): <u>Owner Expense (legal & consulting)</u>	\$125,000
g) Other (specify): <u>Misc. Other</u>	\$25,000
Total Anticipated TIF Reimbursable Project Costs	\$2,700,000

31. Anticipated Total Project Costs

\$6,025,000

(Please attach a copy of the budgets from the Redevelopment Plan for Anticipated Total Project Costs and Anticipated Reimbursable TIF Costs if any revisions occurring since previous filing.)

32. TIF Financing Method (Circle or check all that apply):

- a) **pay-as-you-go** b) *general obligation bonds* c) *TIF notes* d) *loan* e) *TIF Bond*
f) *Industrial Revenue Bond* g) *other bond* **h) other - 50% TDD and 100% of Hotel/Motel taxes above base per Redevelopment agreement**

Maturity of TIF Obligations (term of the TIF payout)

33. Original Estimate (# of Years to Retirement) N/A

34. Current Anticipated Estimate (# of Years to Retirement) N/A

Estimated Increase in Tax Generation

35. Original Assessed Value of the Redevelopment Project: **[99.865.1(4)]**

\$ 576,000

36. Assessed Valuation added to the Redevelopment Project (As of the end of the rpt period): **[99.865.1(5)]**

\$1,720,610

37. Anticipated Assessed Value at Time of District Termination: \$3,003,100

38. Total Amount of **Base Year** EATs **[99.865.1(7)]** \$ 41,018

39. Total Amount of **Base Year** PILOTS \$ 45,714

40. Total Annual EATs Anticipated at Time of District Termination \$ 63,721

41. Total Annual PILOTS Anticipated at Time of District Termination \$152,856

42. Percentage of EATs Captured (per TIF Plan, usually up to 50%) 30.7%

43. Total Years Anticipated to Capture EATs (per TIF Plan, up to 23 years) 23 years

44. Percentage of PILOTS Captured (per TIF Plan, usually up to 100%) 23.7%

45. Total Years Anticipated to Capture PILOTS (Per TIF Plan, up to 23 years) 23 years

Section 3: Certification of Chief Executive Officer of Municipality or Agency

This section is not a requirement of 99.865.1-8 RSMo, but is required, along with other submitted certifications by the municipality or agency, in the event the municipality desires the Department of Economic Development to provide statement of conformance with the TIF Annual Report Statutes.

I, J. Bruce Woody, certify that, to the best of my knowledge and
(Name of Chief Executive Officer of Municipality or Agency)

belief, the statements of fact contained in this report are true and correct.

(Signature of affiant)

(Title of affiant)

*****Please include any before and after color photographs of the Redevelopment Area that are available. If the site has not yet been redeveloped, if possible please include a before picture and a rendering of what the site will look like after redevelopment.**

Send Report to:

**Missouri Department of Economic Development
Attn: TIF Annual Report
P.O. Box 118, 301 West High Street
Jefferson City, Missouri 65102
Fax: 573/522-9462**

Further Information:

**Hal Van Slyck 573-526-0748
Ann Perry 573-522-8004**