



CITY OF CREVE COEUR

MEETING NOTICE

AGENDA

Creve Coeur Economic Development Commission

Thursday, January 26, 2006

8:00 - 9:00 a.m.

Multi-Purpose Room

Creve Coeur Government Center

- 1) Welcome New Member – Nancy Rodney
- 2) Approval of 12/15/05 Meeting Summary
- 3) Missouri Quality Jobs Program
- 4) Follow-Up to 1/19/06 Task Force on Eminent Domain public forum
- 5) Update on the Olive Transportation Development District (TDD)
- 6) Preview of 1/30/06 Joint Meeting
- 7) Meeting Schedule:
Next EDC Meeting – February 16, 2006

cc: Mayor Harold Dielmann
Theresa Lynch, City Council Liaison
Mark Perkins, City Administrator
Matt Brandmeyer, AICP, Planning Director
Michael Hurlbert, AICP, City Planner

Public Notice in Accordance
with 610 RSMo As Amended.

By: Michael Hurlbert
Date: 1-24-06
Time: 4:30 PM



**CITY OF CREVE
COEUR**

Memo

To: Mayor & City Council

From: Mark Perkins, City Administrator

Date: January 20, 2006 (revised January 23, 2006)

Re: Isle of Capri – Chapter 100

Isle of Capri, Inc. is planning to relocate their current international headquarters, with 150 jobs and an average salary of \$76,000, to the St. Louis region from Mississippi. Creve Coeur is one of two locations under consideration.

The firm is requesting participation in the pending Creve Coeur Quality Jobs Program (ordinance on the agenda for third reading and approval on the January 23 agenda) in order to maximize the amount of tax credits available from the State of Missouri, under the Missouri Quality Jobs Program.

The attached resolution states the city's intention to issue bonds through Chapter 100 of the state statutes, providing for 50% tax abatement of personal property taxes in order to meet the state's requirement for a "Local Incentive" under the Missouri Quality Jobs Program. Formal approval of the bonds will be required by subsequent action of the City Council. The bonds will not in anyway affect the City's credit rating or become an obligation of the city.

New personal property taxes resulting from the firm's headquarter relocation are estimated to total \$66,000 over ten years, with 50% of this amount, or \$33,000 to be abated. Amounts will vary from year to year based on the value of the equipment, but the average abatement over the ten year period would be \$3,300.

The Parkway School District receives approximately 50% of the total tax bill. Their new tax revenues would average \$1,650 under the Chapter 100 program, rather than \$3,300 if the firm located here without Chapter 100. However, if the company fails to locate in the Parkway School District boundaries, the District will receive no new revenue at all. The Creve Coeur Fire Protection District receives approximately 15% of the total personal property tax bill, while the remaining portion is divided between several other districts. The City of Creve Coeur does not levy a tax on personal property.

The Regional Chamber & Growth Association has estimated the direct economic impact of the headquarters relocation to the region and the 150 new jobs at \$24,777,000.

RESOLUTION NO. 667

A RESOLUTION DECLARING THE INTENT OF THE CITY OF CREVE COEUR TO ISSUE UP TO \$850,000.00 AGGREGATE PRINCIPAL AMOUNT TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS (ISLE OF CAPRI PROJECT), SERIES 8506, FOR THE PURPOSE OF FINANCING FIXTURES AND MACHINERY TO EQUIP AN INTERNATIONAL COMMERCIAL HEADQUARTERS OFFICE INDUSTRY FACILITY WITHIN THE CITY, AND AUTHORIZING CERTAIN RELATED ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the City of Creve Coeur, Missouri (the "City") is authorized under Sections 100.010 through 100.850 of the Revised Statutes of Missouri, as amended (the "Act") to finance industrial and commercial development projects through the issuance of industrial development revenue bonds; and

WHEREAS, Isle of Capri Casinos, Inc. ("IOC") is a commercial enterprise considering locating its international headquarters office within the City and in connection therewith establish more than 100 new jobs in the City; and

WHEREAS, IOC has submitted a written request that the City exercise its authority under the Act and the City Administrator has examined the request and advanced it to the City Council; and

WHEREAS, in order to provide an incentive for IOC to relocate to the City and thereby foster economic development in the City, the City desires to finance fixtures and machinery to equip a commercial office industry facility within the City (the "Project") by the issuance of up to \$850,000.00 aggregate principal amount Taxable Industrial Development Revenue Bonds (Isle of Capri Project), Series 8506; and

WHEREAS, by exercising its authority under the Act, the City may make other incentives available to IOC pursuant to the Missouri Quality Jobs Program; and

WHEREAS, the City Council hereby determines that it is necessary and advisable and in the best interest of the City and of its inhabitants and businesses to declare the City's official intent to proceed with the financing of the Project and accordingly authorize City officials to proceed with the negotiation and documentation of the financing for final approval by the City Council, all as hereinafter provided and required under the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CREVE COEUR, MISSOURI, AS FOLLOWS:

SECTION 1. The City Council hereby declares its intent, subject to final approval by the City Council, to finance the Project through the issuance of up to \$850,000.00 aggregate principal amount Taxable Industrial Development Revenue Bonds (Isle of Capri Project), Series 8506 (the "Bonds") for the purpose of providing incentives for IOC to relocate to the City and thereby foster

economic development in the City and promote the economic well-being of the City and other taxing entities within the area of the Project.

SECTION 2. The City shall purchase the Project with the proceeds of the Bonds and shall lease the Project to IOC for a term of years with an option to purchase the Project at the end of such lease term. The Bonds shall not be a general obligation of the City, but shall be secured solely by a first security interest on the Project and by lease revenues received by the City from IOC. IOC shall pay rent under the lease in an amount not less than the principal and interest payments on the Bonds and related costs and fees.

SECTION 3. There shall be a 50% abatement of personal property taxes in connection with the Project to the extent such taxes may be abated by law.

SECTION 4. The proper officers and employees of the City are hereby authorized to take such preliminary action as may be necessary or appropriate to effectuate the financing of the Project by the issuance of the Bonds, including (without limitation) to prepare for submission to and final action by the City Council all documents necessary to effect the authorization, issuance and sale of the Bonds, such as the plan for industrial development in accordance with the Act, an Ordinance, the requisite approvals from IOC, any other governmental approvals required, and all appropriate agreements and related documents.

SECTION 5. The City Administrator is further directed and authorized to employ such legal and financial consultants or experts as may be required to carry out the intent of this Resolution, provided that IOC shall be responsible for paying the fees of such legal and financial consultants. The City Administrator is also authorized to negotiate an advance funding agreement with IOC.

Adopted by the City Council of the City of Creve Coeur, Missouri this 23rd day of January, 2006.

Harold L. Dielmann, Mayor

ATTEST:

LaVerne Collins, CMC, City Clerk

GILMORE & BELL

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

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211 NORTH BROADWAY, SUITE 2350
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KANSAS CITY, MISSOURI
WICHITA, KANSAS
LINCOLN, NEBRASKA

June 2004

PROPERTY TAX ABATEMENT UTILIZING A TAXABLE INDUSTRIAL DEVELOPMENT FINANCING UNDER CHAPTER 100, MISSOURI REVISED STATUTES

I. INTRODUCTION

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

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

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

II. TAXATION OF BOND-FINANCED PROPERTY

Under Article X, Section 6 of the Missouri Constitution and Section 137.100 of the Missouri Revised Statutes, all property of any political subdivision is exempt from taxation. In a typical IDB

transaction, the Municipality holds fee title to the project and leases the project to the company. Although the Missouri Supreme Court has held that the leasehold interest is taxable, it is taxable only to the extent that the economic value of the lease is less than the actual market value of the lease. See *Iron County v. State Tax Commission*, 437 S.W.2d 665 (Mo. 1968)(*en banc*) and *St. Louis County v. State Tax Commission*, 406 S.W.2d 644 (Mo. 1966)(*en banc*). If the rental payments under the lease agreement equal the actual debt service payments on the bonds, the leasehold interest should have no "bonus value" and the bond-financed property should be exempt from ad valorem taxation and personal property taxation so long as the bonds are outstanding.

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

III. STRUCTURE OF THE TRANSACTION

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

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

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

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

IV. PROCEDURE FOR ISSUING BONDS

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

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

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

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

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

Pre-Closing. A pre-closing will often be held in order to ensure that all documents are in proper form and have been properly executed prior to the closing.

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

V. ADVANTAGES OF IDB FINANCING

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

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

IDB financing can be financially advantageous to other affected taxing districts, especially if the transaction results in increased job opportunities for the inhabitants of the city or county and an improved economic climate. If a Municipality is considering offering tax abatement as part of an IDB financing, we encourage the Municipality to discuss its plans with affecting taxing districts as early in the process as possible. Doing so can result in a structure that is most advantageous to all parties.

VI. CONCLUSION

IDB financings are complex and have many legal ramifications. This Memorandum is not intended to provide technical legal advice to be relied upon in connection with such financings, but merely to set forth general background information. Gilmore & Bell can assist you with such a financing program.

* * *

Prepared by:

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(314) 436-1000
mgrimm@gilmorebell.com



**CITY OF CREVE
COEUR**

Memo

To: Mayor & City Council
From: Mark Perkins, City Administrator 
Date: January 5, 2006
Re: Missouri Quality Jobs Program

The Missouri Quality Jobs Program provides state tax credits for businesses creating new jobs meeting or exceeding the county average wage. "High Impact" businesses, which are those creating 100 or more new jobs over a two year period, can receive additional state tax credits if the local government provides a portion of the new tax revenues as a local incentive. New tax revenues are typically business license taxes, personal property taxes and in some cases real estate taxes.

The draft ordinance (attached) establishes a "Creve Coeur Quality Jobs Program", whereby High Impact businesses as defined by statute can receive a "Local Incentives Bonus" that will allow them to maximize their state tax credits as provided in Missouri Quality Jobs Program.

The ordinance allows the city's business license fees (which are based on square footage) to be used as a local incentive for a maximum of 10 years. In addition, the ordinance provides that the city will entertain requests for additional incentives under the Missouri Quality Jobs Program through the issuance of Chapter 100 bonds, which would allow a portion of the new personal property or real estate taxes to be captured. Separate Council action is required to issue bonds. Any qualified business can take advantage of the program. The ordinance provides for a review of the program after one year.

The Missouri Quality Jobs Program is a new program in 2005. The City has been approached by Isle of Capri, a casino operator considering the St. Louis area for their national headquarters, and desiring to receive state tax credits through the Missouri Quality Jobs Program. This business provides an example of how the local incentive bonus would work. In this case, the new local tax revenues to be generated by the project are:

- Business license taxes -- \$1,000
- Personal Property tax -- \$3,800
- Real estate tax -- 0
- Total -- \$4,800

In order for this firm or other High Impact business to maximize their state tax credit, then local incentives equal to 50% of the new taxes (\$2,400 in this case) for ten years are required.

The Regional Chamber & Growth Association has estimated the direct economic impact of the new jobs at \$24,777,000 (see attached).



The attached Missouri Quality Jobs Program guidelines provide additional explanation on the state program. I have also attached a summary of Chapter 100 financing.

**AN ORDINANCE ESTABLISHING THE CREVE COEUR
QUALITY JOBS PROGRAM TO PROVIDE LOCAL
INCENTIVES FOR BUSINESSES PARTICIPATING IN
THE MISSOURI QUALITY JOBS PROGRAM.**

WHEREAS, during the 2005 session the Missouri Legislature enacted the Missouri Quality Jobs Act, which has been codified as Sections 620.1875 - 620.1900 RSMo., and

WHEREAS, in accordance with the Missouri Quality Jobs Act, the Missouri Department of Economic Development has initiated the Missouri Quality Jobs Program, and

WHEREAS, the primary purpose of the new state legislation and program is to provide state tax incentives to attract new jobs to the state that afford wages that equal or exceed the county average wage and include at least 50% of health insurance premiums as a benefit, and

WHEREAS, the state will enhance the state tax incentives available to qualified companies that create 100 or more such new jobs within two years from commencement of operations (referred to as a "high impact project" in the Act), provided that the local government provides sufficient additional local incentives, and

WHEREAS, under the Act, the amount of bonus state tax incentives is determined by the percent of local incentives, being the amount of local incentives (the present value of direct benefits received by a qualified company for a project facility, not including loans) divided by the amount of new direct local revenues (the present value of direct net new tax revenues of the local government likely to be produced by the project over ten years), such that a 1% bonus is available if the local incentive percentage is at least 10%, a 2% bonus is available if the local incentive percentage is at least 25%, and a 3% bonus is available if the local percentage is at least 50%, and

WHEREAS, it is in the best interests of the City of Creve Coeur and its citizens to encourage such new "high impact" employers to select the City as the location for such new jobs, including by providing local incentives in conjunction with the new Missouri Quality Jobs Program,

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF
THE CITY OF CREVE COEUR, AS FOLLOWS:**

Section 1.

In conjunction with the Missouri Quality Jobs Program authorized under Sections 620.1875 - 620.1900 RSMo., the City hereby establishes the Creve Coeur Quality Jobs Program in order to encourage high quality job growth in the City.

Section 2.

The City shall provide to any qualified company participating in the Missouri Quality Jobs Program through a high impact project as defined Section 620.1878 RSMo. a local incentive in the form of abatement of all licenses and taxes that would otherwise apply to that company under the City Code of Ordinances, Chapter 15, Article II Occupation Licenses and Taxes, Division 1 (Generally) and Division 2 (Merchants and Manufacturers). Provided that the company does not earlier cease to qualify for state tax incentives under the Missouri Quality Jobs Program as a high impact project, the local incentive tax abatement shall continue for a period of ten years from the due date of the first tax abated hereunder.

Section 3.

The City shall also entertain requests from qualified companies participating in the Missouri Quality Jobs Program through a high impact project as defined Section 620.1878 RSMo. for additional local incentives in the form of Industrial Development Financing pursuant to Chapter 100 RSMo. in order to maximize the potential bonus state tax incentives under the Missouri Quality Jobs Program.

Section 4.

Companies that are eligible for local incentives pursuant to the Creve Coeur Quality Jobs Program shall submit a written application to the City Administrator, including all information provided in the related application to the Missouri Department of Economic Development and such other information as the City Administrator deems pertinent. Upon verification of eligibility by the City Administrator, the applicant shall begin to receive benefits under Section 2 and shall continue to receive such benefits until expiration of the benefit period or until the City Administrator determines that the applicant is no longer eligible.

Upon receipt of a request for Industrial Development Financing under Chapter 100 RSMo. pursuant to Section 3, the City Administrator shall thoroughly examine such request and advance it to the City Council for consideration if and when deemed appropriate.

Section 5.

The Creve Coeur Quality Jobs Program shall be open to applicants for a period of one year from the effective date of enactment. Prior to expiration of this one-year period, the City Administrator shall report to the City Council regarding the job growth resulting from the program and shall make a recommendation as to whether the program should be extended.

Section 6.

It is hereby declared to be the intention of the City Council that each and every part, section and subsection of this Ordinance shall be separate and severable from each and every other part, section and subsection hereof and that the City Council intends to adopt each said part, section and subsection separately and independently of any other part, section and subsection. In the event that any part of this Ordinance shall be determined to be or to have been unlawful or unconstitutional, the remaining parts, sections and subsections shall be and remain in full force and effect.

Section 7.

This Ordinance shall become effective at the expiration of fifteen (15) days after adoption by the City Council and the signing thereof by the Mayor pursuant to Section 3.11(G) of the City Charter.

ADOPTED BY THE CITY COUNCIL THIS _____ DAY OF _____, 2006.

THERESA LYNCH
PRESIDENT OF THE CITY COUNCIL

APPROVED THIS _____ DAY OF _____, 2006.

HAROLD DIELMANN, MAYOR

ATTEST:

LAVERNE COLLINS,
CMC
CITY CLERK

Economic Impact Estimate for Isle of Capri Headquarters			
	Direct	Indirect & Induced	Total
Output	\$24,777,000	\$11,997,000	\$36,774,000
Employment	150	170	320

Exhibit A

Economic Impact Analysis Definitions of Terms

What we mean when we say "Economic Impact"

The economic impact of a business is a measure of the amount of and the way that dollars associated with that entity circulate through the region. The estimates are developed with a computer model called IMPLAN, which stores a profile of the St. Louis metropolitan economy in a database. The model uses production functions for each industry in the region to calculate how spending in one industry, in this case frozen food manufacturing, circulates through other industries in St. Louis. This economic impact can be expressed either as an annual flow of dollars, or an equivalent number of full time employees.

There are three levels of impact that we consider when we develop these figures: the direct impact, the indirect business impact, and the induced household spending impact. All three of these can be expressed in terms of an annual flow of dollars or annual fulltime jobs. The "Total Impact" is the sum of these three factors.

Direct Impact

This is the most basic part of an organization's economic impact. It measures the dollars and jobs that the organization directly generates. When expressed in dollars, the direct impact is an approximation of a company's total revenue or gross output. In this case, where we are measuring the impact of new jobs, the direct impact is the annual average value of output associated with the given number of jobs in the frozen food manufacturing industry.

Indirect Impact

This is a secondary measure of a business' economic impact. It represents the dollars of revenue and jobs generated by the operating expenses of the organization. Examples might be purchase of raw material from a local supplier or the professional services of an accounting or law firm. This spending generates revenue and employment at firms that supply those goods and services. Every dollar that an organization spends locally to conduct its business supports another business in some way.

Induced Impact

This is a tertiary measure of a business's economic impact. It is a measure of the business revenue generated by the personal spending of the organization's employees. Think of an employee at an organization spending money at a local grocery or department store. The employee's paychecks support revenue and jobs the same way that the organization's spending on equipment supports revenue and jobs.

MISSOURI QUALITY JOBS PROGRAM

Application & Guidelines
October 2005

MISSOURI
DEPARTMENT OF ECONOMIC DEVELOPMENT

MISSOURI QUALITY JOBS PROGRAM

Table of Contents

GUIDELINES

APPLICATION FORMS

- Notice of Intent
- Application to Retain Withholding Taxes
- Annual Application for Tax Credits (pending)
- Annual Report (pending)

Missouri Department of Economic Development
Finance Team
301 W. High Street, Room 720
P.O. Box 118
Jefferson City, MO 65102-0118
Telephone: 573-751-0717; Fax: 573-751-8480
www.missouridevelopment.org
E-mail: dedfin@ded.mo.gov

Missouri Quality Jobs Program – Guidelines

Authorization: 620.1875-620.1890, RSMo

Eligibility

Eligible Areas: Anywhere in the state of Missouri.

Eligible Businesses: For-profit and non-profit businesses except for gambling, retail trade, food and drinking places, utilities regulated by the Public Service Commission, companies that are delinquent in non-protested taxes or other payments (state, federal or local), or any company that has filed for or has publicly announced its intention to file for bankruptcy. The average wage of the new jobs must equal or exceed the county average wage (as published by DED), and the company must offer health insurance and pay at least 50% of the premium.

To qualify, the company must create a minimum number of new jobs at the project facility prior to the “deadline” date, based on the type of project:

1) Small/Expanding businesses:

- Rural areas: 20 or more new jobs within two years of the date of the DED proposal.
- Non-rural areas: 40 or more new jobs within two years of the date of the DED proposal.

*Non-rural areas would include the counties of Boone, Buchanan, Clay, Greene, Jackson, St. Charles, and St. Louis city and county.

2) Technology businesses (classified by NAICS codes):

- 10 or more new jobs within two years of the date of the DED proposal.

3) High Impact businesses:

- 100 or more new jobs within two years of the date of the hiring of the first new job, and the first new job must be within one year of the date of the DED proposal.

Program Benefits

For “Small/Expanding” businesses, the benefits of the program are the retention of the state withholding tax of the new jobs. For “Technology” and “High Impact” businesses, the benefits of the program are (a) the retention of the state withholding tax of the new jobs; and (b) state tax credits, which are refundable and/or sellable. The program benefits are based on a percentage of the payroll of the new jobs. The program benefits are not provided until the minimum new job threshold is met and the company meets the average wage and health insurance requirements. The program benefits are calculated as follows:

1) Small/Expanding businesses:

- Retain 100% of the withholding tax of the new jobs, each year for:

- Three years - if the average wage of new jobs is 100-119% of county average wage) or
- Five years - if the average wage of new jobs is 120%+ of county average wage).

2) Technology businesses:

- 5% of the payroll of the new jobs each year for five years plus “Average Wage Bonus”.
- Maximum annual tax credits per company are \$500,000. No limit on the withholding tax.

3) High Impact businesses:

- 3% of the payroll of the new jobs each year for five years plus **"Average Wage Bonus"** plus **"Local Incentives Bonus"**

- Maximum annual tax credits per company are \$750,000 (or \$1 million, if approved by the Quality Jobs Task Force). No limit on the withholding tax.

"Average Wage Bonus" (company average wage as a percentage of county average wage):

Greater than 120% and up to 140%: 1/2 % bonus of payroll of the new jobs.

Greater than 140%: 1% bonus of payroll of the new jobs.

"Local Incentives Bonus" (amount of local incentives provided to the project as a percentage of the amount of new local tax revenues derived from the project, over 10 years):

10-24%: 1% bonus of payroll of the new jobs.

25-49%: 2% bonus of payroll of the new jobs.

50% or more: 3% bonus of payroll of the new jobs.

There is no limit on the number of periods a qualified company may participate in the program, as long as the minimum thresholds are achieved and the qualified company provides the department with the required reporting and is in proper compliance for this program or other state programs. A qualified company may also elect to file a Notice of Intent to start a new project period concurrent with an existing project period if the minimum thresholds are achieved and the qualified company provides the department with the required reporting and is in proper compliance for this program and other state programs; however, the qualified company may not receive any further benefit under the original Notice of Intent for jobs created after the date of the new Notice of Intent, and any jobs created before the new Notice of Intent may not be included as "new jobs" on the new Notice of Intent.

APPLYING – SEQUENCE OF EVENTS

Notice of Intent. The qualified company must submit a Notice of Intent, which must be approved by the department. The Notice of Intent must be submitted and approved prior to commencement of operations. The approval of the Notice of Intent will not offer benefits for any jobs created prior to its effective date. Notices of Intent will be accepted at any time of the year and will be approved or rejected within 30 days of receipt based on compliance with all program criteria. Approvals will confirm eligibility, the type of business project, and the project facility base employment; establish the two-year deadline date for meeting the minimum new job threshold; and reserve the estimated tax credits for the project. Note that tax credits are limited to new job projections per the Notice of Intent. Withholding tax benefits, however, are unlimited and can be retained on all new jobs.

Application to Retain Withholding Taxes. Upon meeting the minimum new job threshold, the qualified company must submit Application to Retain Withholding Taxes. The department will review the application and if all program criteria are met, will notify the Department of Revenue (DOR) that retention of withholding taxes on new jobs can begin. DOR will issue a confirmation to the qualified company authorizing the retention. Once the confirmation has been received, retention can begin and continue for the three- or five-year project period, provided all program criteria are met.

In the event the qualified company does not meet the minimum new job threshold, the qualified company may submit a new Notice of Intent.

Annual Application for Tax Credits. For technology and high impact projects, the qualified company must submit Application for Tax Credits at the close of the qualified company's tax year to determine the amount of any difference between the withholding taxes retained and the amount of benefit allowed. The department shall issue a refundable tax credit for any difference. High impact projects must provide

adequate documentation of local incentives with the application in order to receive the local incentives bonus.

Annual Report. The qualified company shall provide an annual report of the number of new jobs and the new payroll at the project facility, and other information that may be required by the department.

TAX CREDITS

Claiming: To claim earned tax credits, enter the amount of the tax credit being claimed on the Missouri Form MO-TC and on the appropriate line of your state tax return.

Refund: The Department of Revenue will issue a refund to the taxpayer for the amount of tax credits that exceeds the amount of the taxpayer's income tax liability.

Transferring: To transfer any part of this tax credit, you must complete Missouri Form MO-TF. Upon receipt of the MO-TF, the transferor will be notified of the remaining portion of tax credits not transferred, if any, and the transferee will be notified of the amount of tax credits transferred.

Eligible Use of Tax Credits: This tax credit can be applied to Chapter 143 (state income tax, excluding withholding tax) and Chapter 148 (financial institutions tax). Tax credits can only be applied to tax liability for the year in which they were earned. Any unused balance is refundable. The credits may also be transferred, sold or assigned.

Funding Limits

There is no annual cap on the retained withholding taxes. Tax credits issued for the entire program shall not exceed \$12 million per calendar year, which is provided on a first-come basis.

Special Program Requirements

A business cannot earn benefits under this program if earning benefits for the same new jobs at the project facility under any of the following state programs:

- o Enterprise Zone program
- o Enhanced Enterprise Zone program
- o Business Facility program
- o Rebuilding Communities program
- o Brownfield Jobs and Investment program

If a business utilizes the New Jobs Training Bond program, the Quality Jobs benefits will not include the withholding taxes. Instead, tax credits will be issued for the full amount of the benefit.

Definitions

"Approval of the Notice of Intent", a document submitted by the department to the qualified company that states the benefits that may be provided by this program. The effective date of such approval cannot be prior to the commencement of operations. The approval shall not offer benefits regarding any jobs created prior to its effective date unless the approval is for a job retention project.

"Average wage", the new payroll divided by the number of new jobs.

"Commencement of operations", the starting date for the qualified company's first new employee, which must be no later than twelve months from the date of the department's approval of the Notice of Intent.

"County average wage", the average wages in each county as determined by the department for the most recently completed full calendar year. However, if the computed county average wage is above the statewide average wage, the statewide average wage shall be deemed the county average wage for such county. The department shall publish the county average wage for each county at least annually.

County average wages (effective until 7/1/06):

Average county wages based on Census of Employment and Wages, MERIC. Updates to be made annually. Use 2,080 hours per year when converting from hourly to annual wages.

County	Annual Avg. Wage	County	Annual Avg. Wage	County	Annual Avg. Wage
Adair	\$24,469	Greene	\$30,493	Ozark	\$17,813
Andrew	\$22,460	Grundy	\$22,288	Pemiscot	\$23,412
Atchison	\$20,946	Harrison	\$19,437	Perry	\$26,709
Audrain	\$26,582	Henry	\$25,502	Pettis	\$25,626
Barry	\$25,950	Hickory	\$19,428	Phelps	\$27,495
Barton	\$23,141	Holt	\$22,259	Pike	\$24,814
Bates	\$21,324	Howard	\$20,498	Platte	\$34,342
Benton	\$20,421	Howell	\$23,523	Polk	\$23,900
Bollinger	\$20,713	Iron	\$28,276	Pulaski	\$25,997
Boone	\$30,758	Jackson	\$40,088	Putnam	\$19,026
Buchanan	\$29,908	Jasper	\$28,195	Ralls	\$26,626
Butler	\$25,356	Jefferson	\$27,549	Randolph	\$25,379
Caldwell	\$23,643	Johnson	\$26,573	Ray	\$24,473
Callaway	\$30,013	Knox	\$19,247	Reynolds	\$20,847
Camden	\$23,727	Laclede	\$24,629	Ripley	\$19,495
Cape Gir	\$28,994	Lafayette	\$22,976	St. Chas	\$34,088
Carroll	\$22,149	Lawrence	\$23,948	St. Clair	\$19,331
Carter	\$20,059	Lewis	\$21,896	Ste. Gen	\$27,294
Cass	\$26,097	Lincoln	\$27,919	St. Fran	\$23,809
Cedar	\$20,315	Linn	\$23,681	St. L. Co	\$42,063
Chariton	\$22,571	Livingston	\$24,336	Saline	\$24,749
Christian	\$23,772	McDonald	\$23,539	Schuyler	\$19,630
Clark	\$19,609	Macon	\$23,291	Scotland	\$21,066
Clay	\$36,535	Madison	\$20,394	Scott	\$24,604
Clinton	\$23,648	Maries	\$21,538	Shannon	\$18,989
Cole	\$30,884	Marion	\$26,518	Shelby	\$20,885
Cooper	\$23,713	Mercer	\$25,615	Stoddard	\$23,327
Crawford	\$23,977	Miller	\$23,645	Stone	\$22,171
Dade	\$20,835	Mississippi	\$23,029	Sullivan	\$23,200
Dallas	\$20,148	Moniteau	\$23,284	Taney	\$23,154
Daviess	\$20,218	Monroe	\$21,881	Texas	\$22,257
DeKalb	\$23,141	Montgomery	\$23,069	Vernon	\$25,338
Dent	\$22,675	Morgan	\$20,422	Warren	\$25,327
Douglas	\$22,445	New Madrid	\$29,763	Washington	\$21,650
Dunklin	\$23,181	Newton	\$28,942	Wayne	\$19,428
Franklin	\$28,156	Nodaway	\$25,832	Webster	\$24,202
Gasconade	\$22,218	Oregon	\$19,939	Worth	\$18,328
Gentry	\$21,276	Osage	\$23,925	Wright	\$21,632
				St. L City	\$44,237

Statewide average of \$34,548 applicable to any county over the statewide average.

"Department" the Missouri department of economic development.

"Director", the director of the department of economic development.

"Employee", a person employed by a qualified company.

"Full-time equivalent employees", employees of the qualified company converted to reflect an equivalent of the number of full-time, year-round employees. Part-time and seasonal employees are converted into an equivalent number of full-time, year-round employees by dividing the total annual hours worked by such employees by 2,080 hours.

"Full-time, year-round employee", an employee of the company that works an average of at least thirty-five hours per week for a twelve month period, and one for which the qualified company offers health insurance and pays at least fifty percent of such insurance premiums.

"High impact project", a qualified company that, within two years from commencement of operations, creates one hundred or more new jobs.

"Local incentives", the present value of the dollar amount of direct benefit received by a qualified company for a project facility from one or more local political subdivisions, but shall not include loans or other funds provided to the qualified company that must be repaid by the qualified company to the political subdivision.

"NAICS (North American Industry Classification System)": The Federal Office of Management and Budget (OMB) adopted the NAICS as the industry classification system used by the statistical agencies of the United States. NAICS replaces the 1987 Standard Industrial Classification (SIC). The NAICS is used for classifying business establishments to assist with gathering data related to measuring productivity, unit labor costs, and the capital intensity of production, employment and other information. Missouri businesses are assigned a NAICS when the company files a "Report to Determine Liability Status" with the Missouri Department of Labor and Industrial Relations, Division of Employment Security to determine Unemployment Tax Liability. Normally, a general business employer becomes liable for the tax and responsible for providing unemployment insurance for its workers when it:

- Pays \$1,500 in wages (cash and in-kind) in a calendar quarter, or
- Has an employee in some portion of a day in each of 20 different weeks, or
- Becomes liable under the Federal Unemployment Tax Act (FUTA) and employs a worker in Missouri, or
- Acquires and continues without interruption substantially all the business of a liable employer.

"New direct local revenue", the present value of the dollar amount of direct net new tax revenues of the local political subdivisions likely to be produced by the project over a ten-year period as calculated by the department and net new utility revenues, provided the local incentives include a discount or other direct incentives from utilities owned or operated by the political subdivision.

"New investment", the purchase or leasing of new tangible assets to be placed in operation at the project facility, which will be directly related to the new jobs.

"New job", the number of full-time, year-round employees located at the project facility that exceeds the project facility base employment less any decrease in the number of full-time equivalent employees at related facilities below the related facility base employment.

"New payroll", the amount of wages paid by a qualified company to employees in new jobs.

"Notice of Intent", a form developed by the department, completed by the qualified company and submitted to the department which states the qualified company's intent to hire new jobs and request benefits under this program.

"Percent of local incentives", the amount of local incentives divided by the amount of new direct local revenue;

"Program", the Missouri quality jobs program provided in sections 620.1875 to 620.1890, RSMo.

"Project facility", the building used by a qualified company at which the new jobs and new investment will be located. A project facility may include separate buildings that are located within one mile of each other such that their purpose and operations are interrelated.

"Project facility base employment", for the twelve-month period prior to the date of the department's approval of the Notice of Intent, the average number of full-time equivalent employees located at the project facility. In the event the project facility has not been in operation for a full twelve-month period, project facility base employment is the average number of full-time equivalent employees for the number of months the project facility has been in operation prior to the date of the department's approval of the Notice of Intent.

"Project period", the time period that the benefits are provided to a qualified company.

"Qualified company", a firm, partnership, joint venture, association, private or public corporation whether organized for profit or not, or headquarters of such entity registered to do business in Missouri that is the owner or operator of a project facility. For the purposes the sections 620.1875 to 620.1890, the term "qualified company" shall not include:

- (a) Gambling establishments (NAICS industry group 7132);
- (b) Retail trade establishments (NAICS sectors 44 and 45);
- (c) Food and drinking places (NAICS sub sector 722);
- (d) Utilities regulated by the Missouri public service commission;
- (e) Any company that is delinquent in the payment of any nonprotested taxes or any other amounts due the state or federal government or any other political subdivision of this state or;
- (f) Any company that has filed for or has publicly announced its intention to file for bankruptcy protection.

"Related company" means;

- (a) A corporation, partnership, trust, or association controlled by the qualified company;
- (b) An individual, corporation, partnership, trust, or association in control of the qualified company; or
- (c) Corporations, partnerships, trusts or associations controlled by an individual, corporation, partnership, trust or association in control of the qualified company. As used in this subdivision, "control of a corporation" shall mean ownership, directly or indirectly, of stock possessing at least fifty percent of the total combined voting

power of all classes of stock entitled to vote, "control of a partnership or association" shall mean ownership of a least fifty percent of the capital or profits interest in such partnership or association, "control of a trust" shall mean ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the principal or income of such trust, and ownership shall be determined as provided in section 318 of the Internal Revenue Code of 1986, as amended.

"Related facility", a facility operated by the qualified company or a related company located in this state that is directly related to the operations of the project facility.

"Related facility base employment", for the twelve-month period prior to the date of the department's approval of the Notice of Intent, the average number of full-time equivalent employees located at all related facilities of the qualified company or a related company located in this state.

"Rural area", a county in Missouri with a population less than seventy-five thousand or that does not contain an individual city with a population greater than fifty thousand according to the most recent federal decennial census.

"Small and expanding business project", a qualified company that, within two years of the date of the department's approval of the Notice of Intent creates a minimum of twenty new jobs if the project facility is located in a rural area or a minimum of forty new jobs if the project facility is not located in a rural area and creates fewer than one hundred new jobs regardless of the location of the project facility.

"Technology business project", a qualified company that, within two years of the date of the department's approval of the Notice of Intent creates a minimum of ten new jobs with at least seventy-five percent of the new jobs directly involved in the operations of a technology company as classified by NAICS code and appearing on the department's listing of technology NAICS. This listing includes the following four-digit NAICS:

2111	3251	3254	3332	3333	3341	3342	3343	3344	3345	3364
4234	5112	5161	5179	5181	5182	5413	5415	5416	5417	

"Withholding tax", the state tax imposed by sections 143.191 to 143.265, RSMo.

Estimated state withholding taxes, based on adjusted gross income ("AGI"):

AGI of \$19-25,000:	1.4%
AGI of \$25-30,000:	2.3%
AGI of \$30-35,000:	2.5%
AGI of \$35-40,000:	2.7%
AGI of \$40-50,000:	2.9%
AGI of \$50-70,000:	3.1%
AGI of \$70-85,000:	3.3%
AGI of \$85-100,000:	3.4%
AGI of \$100,000+:	3.7%



DEPARTMENT OF ECONOMIC DEVELOPMENT

Missouri Quality Jobs Program - Notice of Intent

Section 620.1875 – 620.1890, RSMO

Name of Qualified Company			Federal ID No. (FEIN)	
Project Facility Address			Missouri Tax ID No.(MITS)	
City	County	MISSOURI	Zip Code	

Contact Information

Business Contact Person		Title		
Address		City	State	Zip Code
Telephone Number	Fax Number		E-mail	
Preparer Contact Person		Title		
Address		City	State	Zip Code
Telephone Number	Fax Number		E-mail	

Other Facility and Related Company Address(es) (attach additional sheet if needed)

Headquarters Address (if different than <i>Project Facility</i>)	City	State	Zip Code
1. Other Missouri Facility Address	City	State	Zip Code
2. Other Missouri Facility Address	City	State	Zip Code

Type of Business:

☐ C Corp	☐ S Corp	☐ Non-Profit Corp	☐ LLC	☐ LLP
☐ Fiduciary	☐ Sole Proprietor	☐ Partnership	☐ Other: _____	

If the taxpayer is a Partnership, S Corporation, or other entity, which has a flow through tax treatment, identify the names, social security numbers and proportionate share of ownership of each Beneficiary, Partner or Shareholder on the last day of the tax period. Aggregate proportionate shares or percent of total ownership may not exceed 100%. Attach a separate sheet if necessary.

Name(s)	Social Security Numbers	% Ownership at Year End
		%
		%
		%

Missouri Total Employment

Total Number of Employees at ALL Facilities in Missouri	
List all other federal and state programs for which this facility is applying or is currently utilizing:	

Company Description

Project Facility's NAICS Code: _____
NAICS codes are assigned by the Missouri Division of Employment Security and will be used for verification of eligibility. See the Guidelines for more information.
Describe the business activities to be conducted at this facility (Be specific):

Facility Description - Which one of the following describes the project facility?			
Start-Up Company			
New Facility			
Replacement Facility (a new facility which replaces an old facility)			
Expansion Facility			
Project Description:			
	New Capital Investment (cumulative over 5 years)	New Jobs (cumulative over 5 years beginning in the year the new job threshold is met)	Average Wage
Year 1	\$		\$
Year 2	\$		\$
Year 3	\$		\$
Year 4	\$		\$
Year 5	\$		\$
Will the company add the 1 st new job within 12 months of the approval of this Notice of Intent?			Yes No
Will full-time, year-round employees working at least 35 hours a week fill the new jobs?			Yes No
Will there be a decrease in the number of full-time equivalent employees at any of the other facilities or related companies?			Yes No
Date company expects to meet the new job requirement threshold			
Is the applicant a utility regulated by the Missouri Public Service Commission?			Yes No
Is the applicant delinquent in the payment of any non-protested taxes or any other amounts due the state or federal government or any other political subdivision of this state?			Yes No
Attach Department of Revenue (DOR) Tax Clearance. To obtain DOR tax clearance, submit Form 943 "Request for Tax Clearance" to DOR. Form 943 can be found on DOR's website at www.dor.mo.gov .			
Has the applicant filed for or publicly announced its intention to file for bankruptcy protection?			Yes No
Does the company offer health insurance to all full-time, year-round employees?			Yes No
Do the health benefits begin immediately upon hiring? If not, explain			Yes No
Does the company pay at least 50% of the cost of such insurance premiums?			Yes No
Attach a copy of the company's health benefit plan including documentation that the company pays at least 50% of the premiums.			
Select the project type:			
Small/Expanding			
	Rural Area – 20 or more new jobs within two years of DED approval of this Notice of Intent.		
	Non-Rural Area – 40 or more new jobs within two years of DED approval of this Notice of Intent.		
Technology Business – 10 or more new jobs within two years of DED approval of this Notice of Intent.			
High Impact – 100 or more new jobs within two years of hiring the first new job.			
For High Impact Projects			
	Amount of Local Incentives provided to the project over 10 years: (Attach supporting document)		\$
	Amount of New Local Tax Revenue derived from the project over 10 years. (Attach Supporting document)		\$
	Percentage of Local Incentive (= Local Incentives/New Local Tax Revenue)		%

VIII. CONCLUSION

IDB financings are complex and have many legal ramifications. This Memorandum is not intended to provide technical legal advice to be relied upon in connection with such financings, but merely to set forth general background information. Gilmore & Bell can assist you with such a financing program.

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

VI. PARTIES TO THE TRANSACTION

In addition to the Municipality, the company and the trustee bank, other parties normally involved in the transaction are Gilmore & Bell as bond counsel, an investment banker who either underwrites the bonds or acts as financial advisor to assist in structuring of the bond issue and to find purchasers for the bonds, and a commercial bank or other financial institution if the financing is a private placement.

The investment banker should be a firm that is experienced in the underwriting of private placement of industrial development revenue bonds and that is familiar with the area where the project is to be located. The investment banker will coordinate the structuring of the financing as to amount, term, amortization and security and will assist in obtaining approval of the financing through the issuing Municipality.

Gillmore & Bell will draft the various documents relating to the transaction and will render the approving legal opinion on the validity of the bonds and their tax-exempt status. The Municipality will usually be represented by the city attorney or county attorney, and the company will also have its own legal counsel. Additionally, certified public accountants and architects frequently will have a role in the project.

VII. ADVANTAGES OF IDB FINANCING

From the Municipality's standpoint, IDB financing is a useful tool for inducing responsible new industries to locate in the area, as well as encouraging companies already in the area to remain, by assisting them in improving their present facilities or in building new ones. The end result is increased job opportunities for the inhabitants of the city or county and an improved economic climate.

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

If the company has access to the regional or national securities markets, it may retain an investment banker as underwriter and sell the bonds publicly. The size and financial condition of the company are the primary factors that determine the company's ability to utilize a public offering. Certain credit enhancement devices, such as a bank letter of credit or bond insurance, may be used to make an issue more marketable. If the bonds are to be marketed in a public offering, a disclosure document in the form of an official statement or offering circular will be necessary to inform prospective bond purchasers of all material information regarding the investment they are considering. The preparation of the official statement or offering circular is primarily the responsibility of the company and the investment banker and their counsel.

As an alternative to a public offering, the company may wish to place the bonds with a sophisticated purchaser. (Because tax-exempt IDB's are not "bank qualified" under Section 265(b) of the Code, banks are unable to deduct the interest on indebtedness incurred to purchase or carry the bonds; hence, banks are generally not willing to purchase IDB's at a "tax-exempt" interest rate.) A private placement is very similar to a long-term bank loan. The purchaser will conduct its own investigation of the creditworthiness of the company and will meet directly with the company or investment banker acting as financial advisor to negotiate the terms of the bond issue. It is generally not necessary to prepare a disclosure document such as an official statement or offering circular where the purchaser is willing to execute an investment representation letter. If bonds are being issued at a taxable interest rate for the sole purpose of receiving tax abatement, it is common for the company or the company's commercial lender to purchase the bonds.

G. Approval of Documents and Issuance of Bonds

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

H. Preparation of Closing Documents

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

I. Pre-closing

A pre-closing will often be held in order to ensure that all documents are in proper form and have been properly executed prior to the closing.

V. PROCEDURE FOR ISSUING BONDS

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

A. Company's Application

The company files an application with the Municipality requesting financing for a particular project. The Municipality should require a detailed description of the proposed project and financial and other information about the company. The Municipality may also require the company to pay an application fee in connection with a request for financing.

B. Official Action by the Municipality

Upon approval of the company's application, the Municipality normally adopts a resolution (referred to as a "resolution of intent" or "inducement resolution") stating the Municipality's willingness and intent to issue IDBs for the project. In addition to establishing the Municipality's good faith intention to proceed with the issuance of the bonds, the resolution of intent meets the "official action" requirement of the IRS regulations, which allows the company to begin making expenditures in connection with the project with its own funds or interim financing that will be reimbursable from bond proceeds.

C. Application for Allocation

If the bonds will be tax-exempt, the Municipality must apply to the Department of Economic Development for approval of an allocation for the issue from the state's bond ceiling for the calendar year.

D. Preparation of Legal Documents

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

E. Public Hearing and Governmental Approval

If the bonds will be tax-exempt, a public hearing for the project must be held following notice published at least fourteen (14) days prior to the hearing. The governing body or chief elected representative of the city or county where the project is located must then approve the issue.

F. Offering or Placement of Bonds

This stage of the transaction can vary a great deal. IDBs, like issues of conventional corporate securities, are sold by two basic methods -- public offerings or private placements.

of the type of agreement used, the company will be entitled to possession and use of the project after it is acquired or completed and will be unconditionally obligated to make payments to the trustee sufficient to pay principal and interest on the bonds as they become due. In order to secure payment of the bonds, the Municipality pledges and assigns to the trustee bank under the trust indenture the payments to be received from the company pursuant to the agreement. A deed of trust and a security agreement mortgaging and granting a security interest in the project may also be given to further secure payment of the bonds.

B. The Trust Indenture

The trust indenture will be entered into between the Municipality and a bank or trust company acting as corporate trustee for the benefit of the bondholders. The trust indenture will specify the terms and details of the bonds and will contain various provisions, covenants and agreements to protect the security of the bondholders, including the following: (a) pledging and assigning the revenues of the Municipality derived from the project to secure the payment of the bonds; (b) describing the interest rates, maturity, redemption provisions, and other features of the bonds; (c) setting forth the form of the bonds; (d) establishing the various funds and accounts to handle the bond proceeds and revenues of the project and setting forth covenants regarding the administration and investment of such funds and accounts by the trustee bank; (e) setting forth the duties of the trustee bank; (f) defining events of default and provisions for enforcing the rights and remedies of the bondholders in such events; and (g) restricting the issuance of additional bonds and the terms upon which the same may be issued and secured.

C. The Loan or Lease Agreement

The loan or lease agreement will be entered into between the Municipality and the company. Under a loan agreement, the Municipality loans the proceeds of the bonds to the company, to be used by the company to purchase and construct the project. The company obtains legal title at closing and retains title to the project during the term of the bond issue. Under a lease agreement, the Municipality acquires title to the project as it exists on the date of issuance of the bonds. Simultaneously, through execution of the lease agreement, the Municipality leases the project back to the company for a term equal to that of the bonds. The Municipality retains legal title to the project throughout the term of the bond issue. The lease generally grants the company an option to purchase the project for nominal consideration after the bonds are paid.

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

5. *Additional Restrictions.* Even if an issue qualifies as a "qualified small issue", IDBs will not be tax-exempt if (1) more than 25% of the bond proceeds are used for the acquisition of land; (2) the bond proceeds are used for the acquisition of existing property, except where an amount of at least 15% of the bond-financed cost of acquisition of building (100% for structures other than buildings) is used for rehabilitation; (3) the average maturity of the bonds exceeds 120% of the average reasonably expected economic life of the bond-financed facility; and (4) issuance costs financed by the bonds exceed 2% of the net proceeds of the issue.

6. Public Hearing and Approval. Section 147(1) requires that prior to the issuance of IDs, the Municipality must conduct a public hearing, following the publication of notice of such hearing at least 14 days in advance, and obtain the approval of the governing body or chief elected representative of the city or county where the project is located.

B. Federal Securities Law Exemption

If the bonds are tax-exempt pursuant to one of the exemptions of Sections 103 and 141-150, they will generally be exempt from registration with the Securities and Exchange Commission under the Securities Act of 1933. The bonds will also generally be exempt from registration under the Securities Exchange Act of 1934 and the trust indenture will also be exempt from qualification under the Trust Indenture Act of 1939. However, underlying agreements in connection with a bond issue, such as a financing lease, a guaranty agreement or other security agreement, must be carefully analyzed and structured to ensure exemption of those agreements from registration. Moreover, even if the bonds and underlying documents are exempt from registration, the anti-trust provisions of the federal and state securities laws still apply, requiring disclosure of all material information to prospective bond purchasers. As a general rule, bonds issued pursuant to the Act will also be exempt from registration under Missouri securities law (known as the "Blue Sky Law").

IV. STRUCTURE OF THE TRANSACTION

A. Typical Structure

The Municipality issues its bonds pursuant to a trust indenture entered into between the Municipality and a bank or trust company acting as trustee. The bond proceeds are deposited with the trustee bank in a separate trust account to be used to purchase and construct the project. The Municipality and the company enter into either a loan agreement or a lease agreement that will set forth specific requirements regarding the application of the bond proceeds. (Note: to receive tax abatement on bond-financed property, the Municipality and the company must enter into a lease agreement, so that the property will be owned by the Municipality while the bonds are outstanding.)

The agreement will require the Municipality, or the company acting on behalf of the Municipality, to use the proceeds of the bonds to purchase and construct the project. Regardless

capital expenditures exceed the \$10,000,000 limit during the six-year period, the bonds will lose their tax-exempt status as of the date on which the limit is exceeded. In order to utilize the \$10,000,000 "qualified small issue" exemption, the Municipality must elect to have the exemption apply.

Under the "qualified small issue" exemptions, 95% or more of the net proceeds must be used to finance capital costs of the project (i.e., to acquire, construct, reconstruct, equip or improve land or depreciable property). Thus, not more than 5% of the issue may be used to finance non-capital costs. Capital costs include any costs that, under any rule or election set forth in the Code, may be capitalized on the books of the borrowing company (whether or not actually capitalized). In other words, replenishment of working capital, financing inventory or refinancing existing indebtedness, except for certain refundings of outstanding bonds, are generally improper uses of bond proceeds. The Internal Revenue Service has concluded that reimbursement from bond proceeds of any costs (other than a de minimus amount) paid prior to official action by the issuer toward the issuance of the bonds is a replenishment of working capital. Accordingly, it is important that the company avoid expending funds or incurring costs prior to the adoption by the Municipality of a resolution of intent to issue the bonds, because only capital costs (other than a de minimus amount) incurred after the date of adoption are reimbursable from bond proceeds.

The interest on the bonds may become includable in gross income for federal income tax purposes in the event that they are held by a person who is a substantial user of the bond-financed facilities or by a "related person" to such substantial user. In addition, the "qualified small issue" exemption is not available to any company that is the beneficiary of more than \$40,000,000 of outstanding tax-exempt IDBs in all locations.

Except for the financing of manufacturing facilities, the "qualified small issue" exemptions are no longer available. A "manufacturing facility" is a facility which is used in the manufacturing or production of tangible personal property (including the processing resulting in a change in the condition of such property). Any office space financed with proceeds of the bonds must be located on the premises of the manufacturing facility, and all but a de minimus amount of the functions to be performed at such offices must be directly related to the day-to-day operations at the facility.

A manufacturing facility includes not only the "core" or production facility but also facilities which are directly related and ancillary to a manufacturing facility. If (i) such facilities are located on the same site as the manufacturing facility, and (ii) not more than 25% of the net proceeds of the bonds are used to provide such facilities. Examples of ancillary manufacturing facilities include space for short-term warehousing of raw materials and finished product, on-site laboratories, loading docks or rail spurs to load and unload raw materials and finished product, forklift and similar equipment, employee parking lots not generating revenue for the company, and a separate room stocked with samples to show buyers.

4. Statewide Volume Limitation. Section 146 of the Code limits the total amount of tax-exempt IDBs that may be issued in Missouri in a given year. The amount is approximately \$275,000,000 in 2000. To date, the volume cap has not been a significant obstacle to IDB financing, especially for projects creating a large number of new jobs. Applications for an allocation are made to the Missouri Department of Economic Development. Unless a shorter

III. FEDERAL LAW

A. Federal Income Tax

If bonds are being issued at a taxable interest rate for the sole purpose of receiving tax abatement the federal income tax restrictions outlined in this section are not applicable.

1. *General.* Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder and under Section 103 of the Internal Revenue Code of 1954 by the U.S. Treasury Department, govern the tax-exempt status of municipal bonds and place a number of restrictions on IDBs. Under Section 103(a), the interest on bonds issued by a political subdivision is generally excludable from gross income for federal income tax purposes. The interest on private activity bonds (IDBs) is, however, subject to federal income taxation unless the bonds are "qualified bonds" within the meaning of Section 141(e).

2. *IDBs.* For federal tax purposes, an IDB is an obligation issued to finance facilities to be used in a trade or business of a person other than a governmental unit if payment of the obligation is directly or indirectly secured by an interest in the facility or to be derived from payments received for property used for nongovernmental use.

3. *Qualified Small Issue Exemptions.* One of the most important IDB exemptions provided by Section 141(e) is that for "qualified small issue bonds" of Section 141(e)(1)(D). Section 144(a) of the Code provides two exemptions -- a \$1,000,000 qualified small issue exemption and a \$10,000,000 qualified small issue exemption -- which limit the dollar amount which can be financed for a single company by tax-exempt IDBs in the city or the county where the financed project is located.

Under the \$1,000,000 "qualified small issue" exemption, the Municipality may issue up to \$1,000,000 of tax-exempt bonds for a particular company without regard to any other capital expenditures made by the company in that jurisdiction, but taking into account certain outstanding prior issues of tax-exempt IDBs. For example, a company with \$500,000 of outstanding bonds from the issuing jurisdiction may qualify for an additional \$500,000 under this exemption.

Under the \$10,000,000 "qualified small issue" exemption, the Municipality may issue tax-exempt IDBs in an aggregate amount of up to \$10,000,000. In computing the \$10,000,000 limitation, however, there must be included not only the amount of the current bond issue, but also the outstanding amount of any previous bond issues and the aggregate amount of all capital expenditures not financed from bond proceeds and incurred within the city or county in which the project being financed is located within a six-year period extending from three years before to three years after the date of issue of the bonds. Therefore, if the company has \$1 million in bonds outstanding, has incurred \$2 million in capital expenditures within the previous 2 years and anticipates \$3 million in non-bond financed capital expenditures in the next 3 years, the bond issue should be limited to \$4 million. Where more than one company is involved in the project, such as with a warehouse facility, the capital expenditure limits under the \$10,000,000 exemption are applied on a project basis, rather than on an individual company basis. If total

B. Sale of the Bonds

IDBs issued by a Municipality may be sold at either public or private sale at a price not less than 95% of the principal amount thereof and at an interest rate not in excess of 14 percent per annum. There is no limit on the final maturity of the bonds.

C. State Tax Exemption

The interest on IDBs is exempt from Missouri state income taxation only if the interest is excluded from gross income for federal income tax purposes. Federal income tax matters are discussed in detail below.

D. State Reporting Requirement

Each Municipality must file a report (Form IDC-90R) with the Missouri Department of Economic Development not later than January 31 of each year. The report must include the terms of bonds issued during the prior year and information with respect to the benefiting companies and the projects.

E. Taxation of Bond-Financed Property

Under Article X, Section 6 of the Missouri Constitution and Section 137.100 of the Missouri Revised Statutes, all property of any political subdivision is exempt from taxation. In a typical IDB transaction, the Municipality holds fee title to the project and leases the project to the company. Although the Missouri Supreme Court has held that the leasehold interest is taxable, it is taxable only to the extent that the economic value of the lease is less than the actual market value of the lease. See *Iron County v. State Tax Commission*, 437 S.W.2d 665 (Mo. 1968) (*en banc*) and *St. Louis County v. State Tax Commission*, 406 S.W.2d 644 (Mo. 1966) (*en banc*). Accordingly, if the rental payments under the lease agreement equal the actual debt service payments on the bonds, the leasehold interest has no "bonus value" and the bond-financed property should be exempt from ad valorem taxation and personal property taxation so long as the bonds are outstanding.

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

INDUSTRIAL DEVELOPMENT FINANCING UNDER CHAPTER 100, MISSOURI REVISED STATUTES

I. INTRODUCTION

Industrial development financing is a method of financing industrial development projects for private corporations, partnerships and individuals through the issuance of bonds by cities, counties, towns or villages. Missouri law authorizes industrial development bonds to be issued by several different entities, including industrial development authorities pursuant to Chapter 349 of the Missouri Revised Statutes, the Missouri Development Finance Board pursuant to Sections 100.250 to 100.297 of the Missouri Revised Statutes, and cities, counties, towns and villages pursuant to Sections 100.010 to 100.200 of the Missouri Revised Statutes. This Memorandum focuses only on the issuance of industrial development bonds by cities, counties, towns and villages pursuant to Sections 100.010 to 100.200 of the Missouri Revised Statutes (referred to herein as the "Act").

There are two primary reasons to issue industrial development bonds ("IDBs") under the Act. First, if the bonds are tax-exempt, it may be possible to issue the bonds at lower interest rates than those obtained through conventional financing. Second, even if the bonds are not tax-exempt, ad valorem taxes on bond-financed property may be abated so long as the bonds are outstanding. Such tax abatement may result in a significant financial benefit to a company.

II. STATE LAW

A. The Act

1. Types of Projects. The Act permits any city, county, town or village (referred to herein as a "Municipality") to issue bonds to finance the costs of warehouses, distribution facilities and industrial plants. In connection with such projects, the bond proceeds may be used to finance land, buildings, fixtures and machinery.

2. General Obligation Bonds. A Municipality may, with the requisite voter approval, issue general obligation bonds to finance any project. The amount of such bonds may not exceed 10 percent of the assessed valuation of the taxable tangible property in the Municipality. The bonds must be approved by four-sevenths of the voters if the election is held on a municipal, primary or general election date, or two-thirds of the voters if the election is held on any other date. Like other general obligation bonds, the IDBs are secured by the full faith and credit and taxing power of the Municipality. The issuance of general obligation bonds for industrial development projects is fairly uncommon today.

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

New Job Information
This listing may be submitted in an Excel spreadsheet. Send electronically to judy.gehrke@ded.mo.gov. Attach a copy to this application.

New Job Information
This listing may be submitted in an Excel spreadsheet. Send electronically to judy.gehrke@ded.mo.gov. Attach a copy to this application.

[illegible]

Did the company add the 1 st new job within 12 months of the approval of the Notice of Intent?	Yes	No
Did the company meet the new job threshold within 2 years of the approval of the Notice of Intent (for small/expanding or tech projects) or within 2 years of hiring the first new job (for high impact projects)?	Yes	No
Do full-time, year-round employees working at least 35 hours a week fill the new jobs?	Yes	No
Was there a decrease in the number of full-time equivalent employees at any of the other facilities or related companies?	Yes	No
Is the applicant a utility regulated by the Missouri Public Service Commission?	Yes	No
Is the applicant delinquent in the payment of any non-protested taxes or any other amounts due the state or federal government or any other political subdivision of this state?	Yes	No

Attach Department of Revenue (DOR) Tax Clearance.

To obtain DOR tax clearance, submit Form 943 "Request for Tax Clearance" to DOR. Form 943 can be found on DOR's website at www.dor.mo.gov.

Has the applicant filed for or publicly announced its intention to file for bankruptcy protection?	Yes	No
Does the company offer health insurance to all full-time, year-round employees?	Yes	No
Does the company pay at least 50% of the cost of such insurance premiums?	Yes	No

Certification

- I certify that I am an authorized representative of the applicant and as such am authorized to make the statement of affirmation contained herein.
 - I certify that the applicant does NOT employ illegal aliens and has complied with federal law (8 U.S.C. § 1324a) requiring the examination of an appropriate document or documents to verify that an individual is not an unauthorized alien.
 - I understand that if the applicant is found to have employed an illegal alien in Missouri and did not, for that employee examine the document(s) required by federal law, that the applicant shall be ineligible for any state-administered or subsidized tax credit, tax abatement or loan for a period of five years following any such finding.
 - I hereby agree to allow representatives of the Department of Economic Development access to the property and applicable records as may be necessary for the administration of this program.
- I certify under penalties of perjury that the above statements, information contained in the application and attachments are complete, true, and correct to the best of my knowledge and belief.

Applicant Signature	Title
Print Name	Date

Notary Public Embosser Seal	On this _____ day of _____, 20____, appeared _____ to me personally known to be the person who executed the above certification, and acknowledged and states on his/her oath to me that he/she executed the same for the purpose therein stated.	
	State of	County (or City of St. Louis)
	Notary Public Name	My Commission Expires
	Notary Public Signature	
Use Rubber Stamp in Area Below		

Mail all claims for tax benefits and all related inquiries to:
Finance Team
Missouri Department of Economic Development
301 W. High Street, Room 720
P.O. Box 118
Jefferson City, MO 65102

Effective August 28, 2005, and pursuant to Section 620.1900, RSMo, this tax credit program is subject to a fee of 2.5% of the amount of tax credits issued. Applicants will be invoiced for the fee after the tax credit application has been approved. Tax credits will be issued upon receipt of the fee. This fee applies to tax credits only, not retention of withholding taxes.

MISSOURI

DEPARTMENT OF ECONOMIC DEVELOPMENT

Missouri Quality Jobs Program

Application to Retain Withholding Taxes

Section 620.1875 – 620.1890, RSMo

Name of Qualified Company				Federal ID No. (FEIN)	
Project Facility Address				Missouri Tax ID No.(MITS)	
City	County	MISSOURI	Zip Code		
Contact Information					
Business Contact Person			Title		
Address		City	State	Zip Code	
Telephone Number		Fax Number		E-mail	
Preparer Contact Person			Title		
Address		City	State	Zip Code	
Telephone Number		Fax Number		E-mail	
Type of Business:					
☐ C Corp		☐ S Corp		☐ Non-Profit Corp	
☐ LLC		☐ LLP			
☐ Fiduciary		☐ Sole Proprietor		☐ Partnership	
☐ Other:					
If the taxpayer is a Partnership, S Corporation, or other entity, which has a flow through tax treatment, identify the names, social security numbers and proportionate share of ownership of each Beneficiary, Partner or Shareholder on the last day of the tax period. Aggregate proportionate shares or percent of total ownership may not exceed 100%. Attach a separate sheet if necessary.					
Name(s)		Social Security Numbers		% Ownership at Year End	
				%	
				%	
				%	
				%	
List all other federal and state programs for which this facility is applying or is currently utilizing:					
Date of DED's Approval of the Notice of Intent:					
Date first new job was added:					
Job Threshold (circle one):					
Date Job Threshold was reached:					
		10	20	40	100
Current Full-time, Year-round Employees at the Project Facility:					
Less Project Facility Base Employment per DED's Approval of the Notice of Intent :					
Add back any decrease in Full-time Equivalent Employees at Related Facilities below the Related Facility Base Employment:					
Equals New Jobs					
Total Payroll of Current Full-time, Year-round Employees at the Project Facility:					
Less Payroll of Project Facility Base Employment (withholding tax must be remitted on this payroll):					
Add back any decrease in Full-time Equivalent Employees at Related Facilities below the Related Facility Base Employment:					
Equals New Payroll					
Divided by number of New Jobs					
Equals Average Wage of New Payroll					

This listing may be submitted in an Excel spreadsheet. Send electronically to judy.gehrke@ded.mo.gov. Attach a copy to this Notice of Intent.

this Notice of Intent.					
Name (Last, First)	Last 4 digits of SSN	Date Hired	Position	Current Salary	Average hours worked annually
Current Employment Number					
Taxpayer's or Designee's Signature		Title			Date
Preparer's Signature		Title			Date



DEPARTMENT OF ECONOMIC DEVELOPMENT

Missouri Quality Jobs - Base Employment Calculation

Employment figures for the twelve months prior to this Notice of Intent

Full-Time Year-Round Employees

Month (Most recent)	Year	# of Full-Time Year Round Employees	
Average Full-Time Year-Round Employees (Average of Last 12 Months)			

Part-Time/Seasonal Employees

Month (Most recent)	Year	# of Part-Time/Seasonal Employees	Number of Hours Worked
Total Part-time/Seasonal Hours Worked			
Part-time/Seasonal Equivalent Employees (Total Part-time/Seasonal Hours Worked divided by 2080)			
Average Full-Time Year Round Employees Plus Part/Time Seasonal Equivalent Employees			

Certification

- I certify that I am an authorized representative of the applicant and as such am authorized to make the statement of affirmation contained herein.
- I certify that the applicant does NOT employ illegal aliens and has complied with federal law (8 U.S.C. § 1324a) requiring the examination of an appropriate document or documents to verify that an individual is not an unauthorized alien.
- I understand that if the applicant is found to have employed an illegal alien in Missouri and did not, for that employee examine the document(s) required by federal law, that the applicant shall be ineligible for any state-administered or subsidized tax credit, tax abatement or loan for a period of five years following any such finding.
- I hereby agree to allow representatives of the Department of Economic Development access to the property and applicable records as may be necessary for the administration of this program.
- I certify under penalties of perjury that the above statements, information contained in the application and attachments are complete, true, and correct to the best of my knowledge and belief.

Applicant Signature

Title

Print Name

Date

Notary Public Embosser Seal

On this _____ day of _____, 20____, appeared _____ to me personally known to be the person who executed the above certification, and acknowledged and states on his/her oath to me that he/she executed the same for the purpose therein stated.

State of

County (or City of St. Louis)

Notary Public Name

My Commission Expires

Use Rubber Stamp in Area Below

Notary Public Signature

Mail all claims for tax benefits and all related inquiries to:

Finance Team

Missouri Department of Economic Development

301 W. High Street, Room 720

P.O. Box 118

Jefferson City, MO 65102

Effective August 28, 2005, and pursuant to Section 620.1900, RSMo, this tax credit program is subject to a fee of 2.5% of the amount of tax credits issued. Applicants will be invoiced for the fee after the tax credit application has been approved. Tax credits will be issued upon receipt of the fee. This fee applies to tax credits only, not retention of withholding taxes.