

BILL NO. _____

RESOLUTION NO. _____

A RESOLUTION PLEDGING SUPPORT FOR CONTINUED ECONOMIC DEVELOPMENT WITHIN THE CITY OF CUBA, MISSOURI, AND ADOPTING GUIDELINES FOR PROVIDING INCENTIVES TO BUSINESS AND INDUSTRIES WITHIN THE CITY THAT CONTINUE TO GROW AND EXPAND.

Recitals:

- A.** The City of Cuba, Missouri, ("City") desires to continue to promote commercial and industrial development in and about the City.
- B.** The Board of Aldermen of the City has determined that it is in the best interests of the City to pledge support and commit financial assistance to existing businesses and industries that continue to grow and expand within the City.
- C.** The Board of Aldermen believes the best way to promote commercial and industrial growth within the City is to provide a framework of economic commitments and incentives which the City is willing to offer to business and industry in exchange for continued expansion and growth within the City.

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS:

Section 1 - The City hereby pledges its continuing support and commitment to encourage the growth of existing business and industry in the City.

Section 2 - Commencing with the effective date hereof, the City shall offer the economic incentives set forth on the attached Exhibit "A" to any existing business or industry located within the city that meets the required standards for growth or expansion.

Section 3 - The City shall from time-to-time review and modify the economic incentives set forth herein to ensure that they are necessary and effective to maintain businesses and industries to the City.

Section 4 - The City shall work with the Cuba Development Group, Inc., a non-profit corporation, in processing and reviewing applications made under the incentive program.

Section 5 - The City may from time-to-time and on a case-by-case basis negotiate with businesses and industries willing to commit to expand within the City such further incentives as the City deems necessary and advisable.

Section 6 - The City will reserve the right to postpone any new incentives due to financial stress of the City at the sole discretion of the Board of Aldermen.

Section 7 - This resolution shall be in full force and effect as of the date of its passage by the Board of Aldermen of the City of Cuba, Missouri.

READ AND PASSED BY THE BOARD OF ALDERMEN OF THE CITY OF CUBA, MISSOURI, THIS _____ DAY OF NOVEMBER, 2020.

CODY LEATHERS, MAYOR

Attest:

CHRISTINE NASH, CITY CLERK
(City Seal)

Approved this _____ day of _____, 2020.

RAY MORTIMEYER, MAYOR

Attest:

CHRISTINE NASH, CITY CLERK
(City Seal)

Approved as to the form.
WILLIAMS, ROBINSON, RIGLER & BUSCHJOST, P.C.

By:

Lance B. Thurman, #51214
901 North Pine Street, Fourth Floor
Post Office Box 47
Rolla, Missouri 65402
(573) 341-2266

ATTORNEYS FOR THE CITY OF CUBA, MISSOURI

Alderman	Vote on Reading On _____, 2020
Kevin Copling	
Sam Black	
Debbie Martin	
Warren Graddy	
Curtis Holt	
Jeff Bouse	

Exhibit "A"

Incentive Process and Qualifications

1. File Application – Notice of Intent (NOI)
 - a. Non-Refundable Application Fee
 - i. \$250 Non-Land Grant
 - ii. \$500 Land Grant
 - b. Reviewed by Cuba Development Group, Inc. (CDG) and City of Cuba
 - i. 30 Day Review Period
 - ii. Review Committee
 1. CDG President
 2. Director of External Management
 3. Alderman
 4. Mayor
 5. Chairman of Zoning and Planning Commission
 - iii. Committee Recommendation Brought to City Council
 - c. Incentive Letter Awarded by City of Cuba – Board of Aldermen
2. Commit to City Agreement
 - a. Terms
 - i. Incentives
 1. City of Cuba Obligations
 2. Recipient of Incentives Obligations
 - ii. Clawback Provision
 1. Breach of Agreement
 2. Recapture of Land
 3. Repurchase of Land
 4. Fines / Penalties
 - iii. Covenants
 1. Use Restrictions
 2. Zoning Requirements
3. Based on Number of Jobs Created
 - a. Full Time Positions (Min. 35 Hrs / Week)
 - b. Pay Min. County Average Wages (\$13.30 / Hour)
 - c. Provide Min. 51% Healthcare Coverage
 - d. Number of Jobs Dependent Upon Incentive but not less than ten new employees
4. Based on \$ Amount Capital Invested
 - a. New Investment \$250,000 Minimum
 - b. Expansion Investment \$500,000 Minimum
 - c. \$ Capital Investment Dependent Upon Incentive
5. Meet all Zoning Requirements and City Ordinances
 - a. C-1
 - b. C-2
 - c. M-1
 - d. *BP-1 (*Newly Proposed*)
6. Meet all Timeline Requirements
 - a. Jobs created within 12 months of Notice of Intent
 - b. Jobs maintained throughout duration of incentive program
 - c. Capital Improvements created within 12-24 months of Notice of Intent
 - d. Capital Investment made within 12-24 months of Notice of Intent

Resolution – Economic Incentives for Growing Existing Businesses

7. Meet all Reporting Requirements
 - a. File all mandatory quarterly reports with City of Cuba / CDG
 - b. Allow quarterly on-site reviews of facility by City of Cuba / CDG
 - c. Respond to all requests, on time by City of Cuba / CDG
 - d. Allow employee records to be verified by Council's designated person, and copies of records to be kept at City Hall.

8. Qualifying Industries By NAICS Code:
 - 11 Ag, Forestry, Fishing, and Hunting
 - 21 Mining
 - 22 Utilities
 - 23 Construction
 - 31-31 Manufacturing
 - 42 Wholesale
 - 44-45 Retail Trade
 - 48-49 Transportation and Warehousing
 - 51 Information
 - 52 Finance and Insurance
 - 53 Real Estate and Rental and Leasing
 - 54 Professional, Scientific, and Technical Services
 - 55 Management of Companies and Enterprises
 - 56 Administrative and Support and Waste Mgt., Remediation Services
 - 61 Educational Services
 - 62 Healthcare and Social Assistance
 - 71 Arts, Entertainment, and Recreation (Excluding Gaming Operations)
 - 72 Accommodation (Excluding Food, Drinking Establishments)
 - 81 Other Services (Excluding Religious Organizations)
 - 92 Public Administrators

1. City of Cuba Utility User Charge Abatement

- City of Cuba will provide utility hookup for electric, water, and sewer - including cost of materials up to \$2,500 - at no cost to expanding businesses

- City of Cuba Electric, Water, and Sewer Utility User Charge Abatements:
 - Beginning 1 Year after date of Notice of Intent (NOI)
 - Abatements over 3 Year Period
 - Year 1: 14%
 - Year 2: 14%
 - Year 3: 14%

If they are returning business, the new abatement will be on the new meter for expansion only. If it is not possible for a new meter to be installed, abatement shall be on any amount in excess of the average preceding 12 month period.

- City of Cuba offers competitive pricing of Natural Gas with streamlined access to utility

- Qualifying companies required:
 - To locate within the City of Cuba,
 - Create a minimum of 2 new jobs,
 - Capital Investment a minimum of \$75,000

Resolution – Economic Incentives for Growing Existing Businesses

2. City of Cuba Land Grant Incentive (Capital / Labor Intensive)

- City of Cuba may potentially offer land at low to no cost to qualifying companies
- Qualifying companies are required to:
 - Be Located within the City of Cuba on property owned by the City of Cuba
 - Barnett Business and Technology Park
 - Cuba Industrial Park North
 - Cuba Industrial Park South
 - Meet qualifying industry requirement as identified by City of Cuba
- City of Cuba Land Grant(s) are discretionary and subject to limited availability

Land Grant Program – Incentive Package Options 1 – 3

*****Retail Price \$6,000 / Acre**

- Option 1 – Pay Full Retail Price / Acre, Apply for Non-Land Grant Incentives
- Option 2 – Pay 50% Retail Price / Acre (\$3,000 / Acre), Apply for All Incentives
- Option 3 – Full Land Grant (\$6,000 / Acre), Apply for All Incentives

Option 2 – Qualifications

- Jobs - Create Minimum 7 Jobs (Meeting Jobs Incentive Requirements)
- Capital Investment - Minimum Investment of \$225,000 per 3 acres of land purchased at reduced rate
- Timeline - Meet are provisions of Incentive Agreement within / 24 months of date prescribed upon NOI.

Option 3 – Qualifications

- Jobs - Create Minimum 10 Jobs (Meeting Jobs Incentive Requirements)
- Capital Investment - Minimum Investment of \$375,000 per 3 acres of land granted
- Timeline - Meet are provisions of Incentive Agreement within / 24 months of date prescribed upon NOI.

3. City of Cuba Site and Infrastructure Development Assistance

- Development of access roads, including rock, storm drainage, curbing, sidewalks, lighting
- Access to infrastructure such as water, sewer, natural gas, electric
- Landscaping assistance up to \$500 for seed, straw, mulching facility grounds
- New or expanding businesses can also benefit from state-financed infrastructure funds that can lower the cost of providing access to roads, rail, water, sewer, utilities or other works needed for industrial development.

1. State grant funding is discretionary and subject to limited availability.

4. Abandoned Building Renovation Program

- 2% Annual Bonus on Utility Abatement Schedule for Duration of Abatement
 2. i.e. 20% Standard Abatement + 2% Bonus = 22% Abatement

- Facility Landscaping Assistance up to \$500
- Infrastructure Development Assistance
- Qualifying companies required:

Resolution – Economic Incentives for Growing Existing Businesses

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1. Create a minimum of 2 new jobs
2. Renovate currently abandoned building located within City of Cuba.
 - Building cannot have been occupied in past 12 months prior to incentive application
3. Capital Investment minimum of \$250,000 within 12 months of date prescribed on NOI.

5. Entrepreneurial Startup – Micro-business Support Program

- New entrepreneurial ventures can gain key support during first year of business
- Utility Abatement of 10% During first year of operation
- 1 Year Free Membership to the Cuba Area Chamber of Commerce
- Recruiting and Hiring Assistance Through Collaborative Marketing Efforts
- Qualifying companies required:
 1. Create a minimum of 2 new jobs – no more than 5,
 2. Capital Investment of minimum of \$10,000 – no more than \$50,000

6. Corporate Headquarters Relocation Program

- Full Land Grant of up to 6 acres on City Owned Property
- 2% Annual Bonus on Utility Abatement Schedule for Duration of Abatement
 1. i.e. 20% Standard Abatement + 2% Bonus = 22% Abatement
- Recruiting and Hiring Assistance Through Collaborative Marketing Efforts
- Facility Landscaping Assistance up to \$2,000
- Infrastructure Development Assistance
- Qualifying companies required:
 1. Create a minimum of 25 new jobs
 - Must be minimum of 5 newly created jobs;
 - Can be combination of minimum 5 new hires and up to 20 transferred employees from previous location of Corporate Headquarters
 2. Capital Investment minimum of \$500,000.00 within 12 months of date prescribed on NOI.
 3. Relocate Corporate Headquarters from Outside City of Cuba, Missouri to City of Cuba, Missouri.
 4. Have minimum worldwide annual revenue of \$5 Million.

7. City of Cuba Labor Force Training Assistance (Labor Intensive)

- Customized job training programs for new and expanding businesses
- Both new and existing businesses are eligible for funds and training
- Support in recruiting new hires through collaborative marketing efforts
- Amounts depend upon requirements and the number of available job positions
 1. Up to 100% of Vendor Training Costs for new businesses up to \$1,500
 2. 50% for expanding businesses up to \$500
- Qualifying companies required:
 1. Create a minimum of 8 new jobs,
 2. Capital Investment minimum of \$100,000.00 within 12 months of date prescribed on NOI.

8. City of Cuba Child Care Assistance (Labor Intensive)

- Annual \$5,000 Grant Awarded to support employee childcare program for qualifying businesses
- Businesses that start or expand, that provide as a benefit to employees access to a licensed child care facility

Resolution – Economic Incentives for Growing Existing Businesses

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- Qualifying companies required:
 1. Create a minimum of 8 new jobs,
 2. Capital Investment of minimum of \$100,000.00

9. City of Cuba Real Property Tax Exemption

- City of Cuba does not collect Real Property Tax
- All businesses located in the City of Cuba qualify

10. City of Cuba Personal Property Tax Exemption

- City of Cuba does not collect Personal Property Tax
- All businesses located in the City of Cuba qualify

11. CDG Environmental Assessment Support

- CDG can provide access to support and grant resources for ASTM, ESA work
- CDG shall act as an ombudsman for the company to assist and move the project along
- CDG shall provide access to current and past Environmental Assessments completed in community

12. CDG/City of Cuba Fast Track Processing

- Being committed to reducing the roadblocks and paperwork that stand in the way of private investment projects.
- Permits and licenses should be approved within 30-60 days from the time the company submits a completed application.
- Utility Hook-up issued priority preference and completed as scheduled to meet the needs of the business
- CDG shall act as an ombudsman for the company to assist and move the project along