

January ___, 2021

TO: Tax Increment Financing Commission of Independence, Missouri

FROM: David Martin

RE: Summary of the First Amendment to the Crackerneck Creek Tax Increment Financing Plan

This memorandum provides a brief summary of the history of the Crackerneck Creek Tax Increment Financing Plan (the “Crackerneck Creek TIF Plan”), as background information for the proposed First Amendment to the Crackerneck Creek TIF Plan (the “Amendment”) which would allow for residential use within two redevelopment project areas approved as part of the Crackerneck Creek TIF Plan.

TIF Plan Approval and Summary

The Crackerneck Creek TIF Plan was approved by the City Council on October 18, 2004 for the purpose of providing TIF reimbursement for costs associated with the construction of the Bass Pro Shops development at the southwest corner of the intersection of Interstate Highway 70 and Highway 291 / Interstate Highway 470. Proceeds of several bond issues were used to reimburse the developer for public and private costs associated with the development of the Redevelopment Area described in the Crackerneck Creek TIF Plan.

The Redevelopment Area was slow to develop, with retail portions developing several years behind the initially anticipated schedule. However, significant retail and restaurant uses have been developed. The 160,000 square foot Bass Pro Store opened for business in March, 2008. A 55,000 square foot Hobby Lobby and a 25,000 square foot Mardels (a retailer selling Christian-oriented merchandise) opened in 2009. An 8,500 square foot Cheddar’s Casual Café restaurant opened in 2011, a 6,200 square foot Pizza Ranch opened in 2014 and the Stony Creek Inn, a 167 room hotel with approximately 30,000 square feet of conference space, opened in 2015. An approximately 14,732 square foot Duluth Trading Company location opened in 2016 and an approximately 13,566 square foot Los Cabos Mexican restaurant opened in 2017.

The original Crackerneck Creek TIF Plan described a mixed use of retail, restaurant, hotel and recreational developments and improvements but did not include residential use. The uses, by Project Area, allowed in the original Crackerneck Creek TIF Plan, are shown below:

Project Area 1 – 40 Highway Retail Development

Size: Approximately 23.6 acres.

Use: Mixed Retail Development (shops and restaurants) can accommodate up to approximately 177, 000 s.f.

Project Area 2 – East Retail Development

Size: Approximately 17.9 acres.

Use: Mixed Retail Development (shops and restaurants) can accommodate up to approximately 190, 000 s.f.

Project Area 3 – Bass Pro Site Development

Size: Approximately 20.9 acres.

Use: Bass Pro Shops Outdoor World Development (store and restaurant) approximately 160, 000 s.f.

Project Area 4 – Bass Pro Hotel Development

Size: Approximately 4.1 acres.

Use: Hotel Development approximately 150 - 200 rooms

Project Area 5 – West Retail Development

Size: Approximately 23.9 acres.

Use: Mixed Retail Development (shops and restaurants) can accommodate up to approximately 170, 000 s.f.

Project Area 6 – City Park Open Space Development

Size: Approximately 82.6 acres.

Use: Park and open space uses, including a 14 acre lake for fishing, an extensive walking trail system, wetland and prairie restoration areas, 60 foot waterfall, interpretive areas, outdoor demonstration/meeting areas.

Project Area 7 – Transportation and Roadway Improvements

Size: Approximately 19.4 acres.

Outstanding Bond Issues

Debt obligations have been issued by the City in multiple series which are being repaid from a combination of Crackerneck Creek TIF revenues, transportation development district revenues, and state supplemental TIF revenues. These obligations were used to finance the reimbursable project costs under the Crackerneck Creek TIF Plan. The following bonds are currently outstanding:

- \$14,030,000 Taxable Infrastructure Facilities Revenue Bonds (City of Independence, Missouri – Crackerneck Creek Project) Series 2006B
- \$14,005,000 Taxable Infrastructure Facilities Refunding Revenue Bonds (City of Independence, Missouri – Crackerneck Creek Project) Series 2013A
- \$10,835,000 Infrastructure Facilities Refunding Revenue Bonds (City of Independence, Missouri – Crackerneck Creek Project) Series 2013B
- \$47,060,000 Infrastructure Facilities Refunding Revenue Bonds (City of Independence, Missouri – Crackerneck Creek Project) Series 2015C

Amendment

The Amendment is proposed to allow for residential use within Project Area 1 and Project Area 5 of the Redevelopment Area. The developer has received interest in developing multifamily projects within such project areas. The amendment would not extend the collection period for the Crackerneck Creek TIF Plan, the last year of collections for which is 2026. Payments in lieu of tax generated by the increase in property value caused by any residential development would be captured as TIF revenues and be applied to the repayment of the bonds described above, or bonds issued to refinance such bonds.