City of Hattiesburg, MS

200 Forrest St.
P.O. Box 1898
Hattiesburg, MS 39401

Meeting Agenda - Final

Monday, June 20, 2016

4:00 PM

Council Chambers

City Council - Public Hearing

1. 2016-2731 Hold a Public Hearing to receive public comment on proposed amendments to theTax Increment Financing Plan for the Midtown Hattiesburg Project, as amended for the Elam Arms Development.

Attachments: Public Hearing Notice-6-20-2016

executed Public Notice, Midtown Hattiesburg Project Amended TIF PH, 6-7-16

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Master

File Number: 2016-2731

File ID:	2016-2731	**Type:**	Regular Agenda Item	**Status:**	Agenda Ready
Version:	1	**Reference:**		**In Control:**	City Council
				File Created:	06/13/2016
Brief Title:	Public hearing on TIF plan-Midtown- Elam Arms			**Final Action:**	
				Minute Book Number:	

Title:

Hold a Public Hearing to receive public comment on proposed amendments to theTax Increment Financing Plan for the Midtown Hattiesburg Project, as amended for the Elam Arms Development.

Notes:

Sponsors:		**Enactment Date:**	
Attachments:	Public Hearing Notice-6-20-2016, executed Public Notice, Midtown Hattiesburg Project Amended TIF PH, 6-7-16	**Enactment Number:**	
Contact:		**Meeting Date:**	
Drafter:	Kermas Eaton	**Effective Date:**	

History of Legislative File

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Council - Public Hearing	06/20/2016					

Action Text: Jimmy Gouras of Professional Grant Management Services appeared before the Council to provide an overview and respond to questions from Council members regarding proposed amendments to the Midtown Hattiesburg Project TIF.

Council Vice President Naylor called for public comment.

Rev. Robert Abrams, expressed concern about the cost and said that the City has invested and lost money in Main Street Baptist Church.

Council member Carroll stated that the City has never had a [financial involvement] with Main Street Baptist Church; Mayor DuPree concurred.

Council member Delgado stated that the church is 1st Baptist.

Rev. Abrams repeated that the City lost money.

Council member Carroll disagreed and asked the Mayor to recount details of the sale of the property; the Mayor stated that the City first approached the University of Southern Mississippi and then considered using the property for City offices [before the sale to Sacred Heart]; he said Sacred Heart presently is leasing the property and paying notes.

Council member Carroll stated that the City no longer pays for the [employee] parking lot, and that the Fire Department administration [now] is housed in a building that was owned by the church.

Council member Delgado said she will make this topic for the next Work Session.

Council member Carroll stated that the citizens did not lose money [on the sale of 1st Baptist Church].

Mr. Gouras stated that the City would have no risk with this project.

Chad Edmondson asked why TIFs are not granted consistently in terms of percentage of project costs.

Council members Carroll, Dryden and Naylor responded, and indicated that projects vary depending on the infrastructure work involved and potential benefits to the City.

Mr. Gouras said TIFs are determined on a case by case basis and that the amount of sales tax and property tax generated determines the amount of bonds to be issued.

Mayor DuPree stated that TIFs were developed as an economic development tool and that upgrades like water, sewer and drainage paid for by the developer come back to City coffers and generate income.

Council member Delgado asked whether other cities set limits; Mr. Gouras said they have tried, but failed. He said TIFs are a business decision and are based on benefits; Mr. Gouras said Hattiesburg has tried previously to place a limit on the number of years a TIF will last.

There were no other citizens present who wished to address the Council regarding the proposed TIF plan.

Council Vice President Naylor closed the public hearing at 4:23 p.m.

Text of Legislative File 2016-2731

Title

Hold a Public Hearing to receive public comment on proposed amendments to theTax Increment Financing Plan for the Midtown Hattiesburg Project, as amended for the Elam Arms Development.

Summary

Public Hearing.

Budget Information

Expenditure Type

Purchasing Item

Publication Information

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing will be held on Monday, June 20, 2016, at 4:00 P.M. in the Council Room at City Hall, 200 Forrest Street, Hattiesburg, Mississippi, on amendments to the *Tax Increment Financing Plan, Midtown Hattiesburg District Project, City of Hattiesburg, Mississippi, 2014, as Amended for the Elam Arms Project, February 2016* (the Amended "TIF Plan"), for consideration by the City Council. The City proposes to use the amendments to the Amended TIF Plan in compliance with the Tax Increment Financing Redevelopment Plan, City of Hattiesburg, Mississippi, and further, to designate the project as described in the amendments to the June 2016 Amended TIF Plan as appropriate for development and redevelopment through tax increment financing.

The proposed amendments will (1) increase the authority of the City, acting on behalf of itself and the County to issue Tax Increment Financing Bonds, or notes in one or more series in an amount of up to nine million dollars ($9,000,000), which will represent an increase of three million dollars ($3,000,000) as set forth in the February 2016 Amended TIF Plan; and (2) Authorize the City to pledge to the service of TIF Debt, up to one hundred percent (100%) of the retail sales tax rebates generated by and within the boundaries of the Elam Arms Development, said rebate sales tax rebated from the State of Mississippi to the City.

The general scope of the TIF Plan is a proposal that the City of Hattiesburg (the "City"), acting on behalf of itself and the County will issue one or more series of Tax Increment Financing Revenue Bonds or Notes (the "Bonds") in an amount not to exceed Fifteen Million Dollars ($15,000,000) in order to provide funds necessary to construct various infrastructure improvements in connection with the Project, as Amended for the Elam Arms Project including but not limited to installation of utilities such as water and sanitary sewer; and natural gas lines; relocation of utilities; installation and relocation of electrical services; installation of storm drainage; construction of roadways with curb and gutter; construction of public and private parking facilities; sidewalks, fire protection, installation of traffic signalization and signage; grading; lighting and landscaping of rights-of-way; purchase of rights-of-way necessary for the installation of infrastructure improvements described hereinabove; capitalized interest, engineering, TIF Plan preparation fees; other incidental cost; and related professional fees for the Project. The construction of the aforementioned improvements will be undertaken to provide for the public convenience, health and welfare. A more detailed scope of work including budgets will be identified in development agreements and/or security and reimbursement agreements as necessary and appropriate and when development projects arise.

Proceeds of the Bonds or Notes may also be used to fund capitalized interest and/or a debt service reserve fund as may be permitted under Section 21-45-1, *et. seq.,* Mississippi Code of 1972, as amended.

The June 2016 amendments to the February 2016 Amended TIF Plan provide for the Bonds or Notes be secured solely by a pledge of the City of up to hundred percent (100%) of the incremental increase in ad valorem tax revenues on real and personal property generated by construction and development in the TIF District, as described in the TIF Plan as amended for the Elam Arms Project, and a pledge of up to one hundred percent (100%) of the increased rebated sales tax from the State of Mississippi and generated by and within the boundaries of the Elam Arms Development, and will never be a general obligation of the City secured by the full faith, credit, and taxing power of the City or create any other pecuniary liability on the part of the City other than the pledge of the incremental increase in the ad valorem taxes, and retail sales tax rebates set forth above. The City intends to enter an Interlocal Agreement with Forrest County pursuant to the Regional Economic Development Act to support the Project and allow for efficient use of proceeds of the Bonds. The County is expected to pledge up to one hundred percent (100%) of the incremental increase in ad valorem real and personal property taxes generated by development of the

Elam Arms Project in the TIF District to support the Project as Amended by the Elam Arms Project. The Bonds will likewise never be a general obligation of the County secured by the full faith, credit and taxing power of the County. If deemed necessary and appropriate, the City and the County may require additional security from the developers of the project.

Construction of the Project and payment of the Bonds issued to construct the improvements will be paid as hereinabove set forth and will not require an increase in any kind or type of taxes by the City or the County.

Witness my signature and seal of office, this the 7th day of June, 2016.

____
Kermas Eaton, City Clerk

S E A L

Publish One (1) Time in the *Hattiesburg American* on June 9, 2016.

Send Proof of Publication and Invoice to:

City Clerk
City of Hattiesburg
200 Forrest Street
Hattiesburg, MS 39401

Send copy of Proof of Publication to:

Urban Development Toolbox
7600 Joe Fountain Road
Ocean Springs, MS 39564

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City Council - Agenda Review

1. **Agenda Review.**

2. **Citizens' Forum.**