

City of Liberty

Chapter 100 Industrial Development Bonds Tax Abatement

Missouri law allows cities to provide qualified businesses an exemption of the new real and personal property taxes for up to 10 years by the issuance of industrial revenue bonds or through a lease/purchase agreement. The issuance of bonds also allows cities to offer a sales tax exemption on the purchase of building materials.

The City of Liberty may provide a 50% tax abatement to new and existing businesses on real property investments if the project meets the standard criteria listed below. The City of Liberty's tax abatement program is also structured to allow a 75% and up to 90% tax abatement if certain enhanced criteria are met as well as 100% tax abatement for science and technology uses or Class A office buildings.

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Abatement Criteria and Adjustments

All projects receiving a property abatement must meet the following criteria:

A. Standard Abatement (50% abatement)

- Capital investment of \$6,000,000 for a new business
- Capital investment of \$3,000,000 for an expansion of an existing business

B. Enhanced Abatement (75% abatement with a maximum 90% abatement)

- Capital investment of \$6,000,000 for a new business
- Capital investment of \$3,000,000 for an expansion of an existing business
- At least 50 new full-time employees
- The average wage of full-time employees exceeds the Clay County average wage
- For every 30 new employees above the initial 50, a business may receive an additional 1%
- For every 5% of full-time employees paid above double the average county wage, a business may receive an additional 1%
- A business that is located within a planned Green Park may receive an additional 5% abatement
- A new building that is LEED certified or is designed with a high attention to detail and includes quality building materials may receive an additional 5% abatement

C. Science & Technology/Office Abatement (100% abatement)

- Capital investment of \$6,000,000 for a new business
- Capital investment of \$3,000,000 for an expansion of an existing business
- The business must be a science, research technology, or engineering based business that is related to agricultural, biological, life sciences, informational technology, or engineering research

or

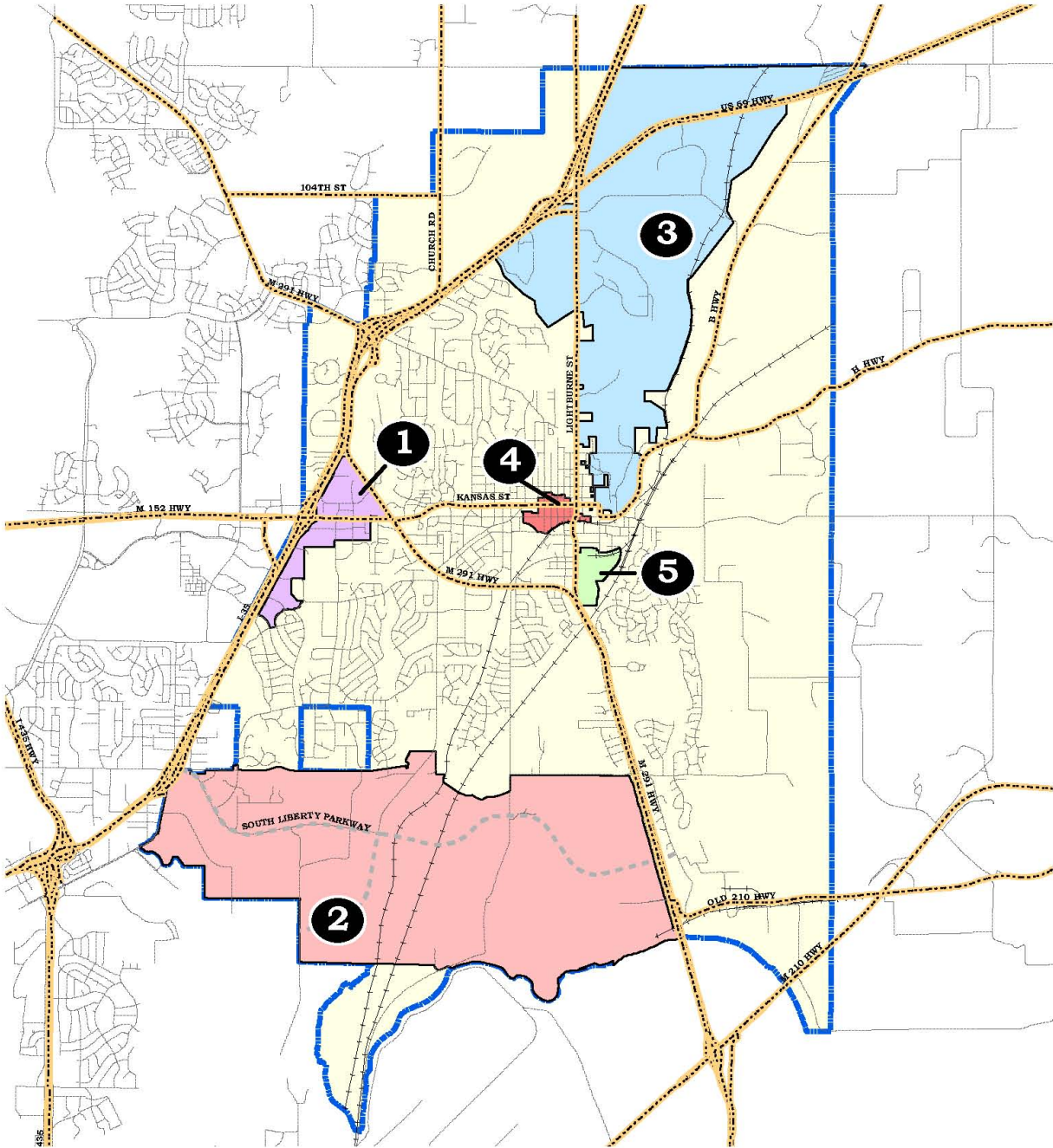
The project must be a Class A office building of at least three or more stories

- The business and/or project must be located within the Science & Technology Designated Priority Areas
- At least 30 new full-time employees
- The average wage of full-time employees exceeds the Clay County average wage

* See Ordinance for procedure and review criteria



Science & Technology Designated Priority Areas



- (1) Liberty Triangle/Stewart Rd
 - (2) South Liberty Parkway Corridor
 - (3) Hallmark & Surrounding Property
 - (4) Downtown Business District
 - (5) Lightburne St/291 Hwy
- Map Document: (G:\Cynthia\AdminRequests\Project\Jacob\TargetDevelopment\Site.mxd)
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