



**CITY OF STARKVILLE
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO: IX.E.
AGENDA DATE: 06-02-2015
PAGE: 1**

SUBJECT: DISCUSSION AND CONSIDERATION OF A RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI, DETERMINING THE NECESSITY FOR AND INVOKING THE AUTHORITY GRANTED TO MUNICIPALITIES BY THE LEGISLATURE WITH RESPECT TO TAX INCREMENT FINANCING AS SET FORTH IN CHAPTER 45 OF TITLE 21, MISSISSIPPI CODE OF 1972, AS AMENDED, DETERMINING THAT THE HPM DEVELOPMENT PROJECT IS A PROJECT ELIGIBLE FOR TAX INCREMENT FINANCING; THAT A PUBLIC HEARING BE CONDUCTED IN CONNECTION WITH THE TAX INCREMENT FINANCING PLAN, AND FOR RELATED PURPOSES.

AMOUNT & SOURCE OF FUNDING:

FISCAL NOTE: N/A

**REQUESTING
DEPARTMENT: BOARD OF ALDERMEN**

**DIRECTOR'S
AUTHORIZATION: BOARD OF ALDERMEN**

FOR MORE INFORMATION CONTACT: BOARD OF ALDERMEN

AUTHORIZATION HISTORY:

SUGGESTED MOTION: MOVE APPROVAL OF A RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI, DETERMINING THE NECESSITY FOR AND INVOKING THE AUTHORITY GRANTED TO MUNICIPALITIES BY THE LEGISLATURE WITH RESPECT TO TAX INCREMENT FINANCING AS SET FORTH IN CHAPTER 45 OF TITLE 21, MISSISSIPPI CODE OF 1972, AS AMENDED, DETERMINING THAT THE HPM DEVELOPMENT PROJECT IS A PROJECT ELIGIBLE FOR TAX INCREMENT FINANCING; THAT A PUBLIC HEARING BE CONDUCTED IN CONNECTION WITH THE TAX INCREMENT FINANCING PLAN, AND FOR RELATED PURPOSES.

RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI, DETERMINING THE NECESSITY FOR AND INVOKING THE AUTHORITY GRANTED TO MUNICIPALITIES BY THE LEGISLATURE WITH RESPECT TO TAX INCREMENT FINANCING AS SET FORTH IN CHAPTER 45 OF TITLE 21, MISSISSIPPI CODE OF 1972, AS AMENDED, DETERMINING THAT THE HPM DEVELOPMENT PROJECT IS A PROJECT ELIGIBLE FOR TAX INCREMENT FINANCING; THAT A PUBLIC HEARING BE CONDUCTED IN CONNECTION WITH THE TAX INCREMENT FINANCING PLAN, AND FOR RELATED PURPOSES.

WHEREAS, the Mayor and Board of Aldermen of the City of Starkville, Mississippi, (the "Board" of the "City"), acting for and on behalf of the City, hereby find, determine and adjudicate as follows:

1. The Mississippi "Tax Increment Financing Act," Title 21, Chapter 45, Mississippi Code of 1972, as amended (the "Act"), authorizes municipalities and counties in the State of Mississippi to undertake and carry out redevelopment projects, as defined therein, with the use of Tax Increment Financing ("TIF"), and also to carry out such projects jointly with other local governmental units pursuant to the Interlocal Cooperation Act, Title 17, Chapter 13, Mississippi Code of 1972, as amended (the "Interlocal Act").

2. The Board has received and has conducted hearings on the Tax Increment Financing Redevelopment Plan, City of Starkville, Mississippi, February 2006 (the "Redevelopment Plan") for the Municipality, and has approved the Redevelopment Plan on April 4, 2006. The Redevelopment Plan constitutes a qualified plan under the Act.

3. The Board has been presented with a tax increment financing plan entitled *Tax Increment Financing Plan. HPM Development Project, City of Starkville, Mississippi* (the "TIF Plan"), the purpose of which is to provide a financing mechanism to pay for the cost of constructing various infrastructure improvements, which may include but are not limited to, installation, rehabilitation and/or relocation of utilities such as water, sanitary sewer, construction, renovation, or rehabilitation of drainage improvements, roadways, curbs, gutters, sidewalks, surface parking, relocation of electrical lines, lighting, signalization, landscaping of rights-of-way, related architectural/engineering fees, attorney's fees, TIF Plan preparation fees, issuance costs, capitalized interest, and other related soft costs (the "Infrastructure Improvements"). The TIF Plan has attached as exhibits the map and legal description of the land to be included in the proposed TIF District. The TIF District should be established by the Board as described in the TIF Plan, and the Redevelopment Plan should have the TIF Plan attached or included by reference therein after a public hearing on the matter.

4. HMP Development, LLC, a Mississippi limited liability company (the "Developer"), is proposing to develop a Chevrolet, Chrysler, Dodge, Jeep Ram Dealership Complex and mixed use development containing a convenience store, restaurant, 20,000 square feet of office space and approximately 15 single family housing units (the "Project") in the City and in the proposed TIF District (the "TIF District"), as described in the TIF Plan. The City will

enter into an Interlocal Cooperation Agreement with Oktibbeha County, Mississippi (the "County"), pursuant to the Interlocal Act to support the Project and to allow TIF Bond proceeds to be used to pay for the costs of the Infrastructure Improvements to support the Project. These costs will equal or exceed the sum of Three Million Dollars (\$3,000,000). The Developer is requesting the assistance of the City and the County in providing funding for the Infrastructure Improvements by the utilization of TIF.

5. The Project appears to be a project of major economic significance within the City and to qualify as a project eligible for TIF under the Redevelopment Plan; and the participation on the part of the City is necessary and would be in the public interest and would benefit the economic and financial well-being and the public health, safety and welfare of the City.

6. The Developer intends to acquire and construct all or a portion of the Infrastructure Improvements at its expense to facilitate the development of the Project, based on the anticipation that TIF moneys will be available in the future. Upon establishment of the TIF District and the approval of the inclusion of the TIF Plan as a part of the Redevelopment Plan, the City wishes to reimburse the Developer for this expense in whole or part, up to the amount of moneys available from the proceeds of TIF bonds in the principal amount not to exceed Three Million Dollars (\$3,000,000), at the time or times TIF bonds are issued in the future. These bonds will be secured solely by a pledge of that portion of the increase in ad valorem taxes on real and personal property generated within the TIF District and that portion of the increase in sales taxes generated within the TIF District specified in the TIF Plan. The funds derived from the sale of the bonds will be used to acquire and construct or reimburse the Developer for costs of the Infrastructure Improvements. These bonds shall never constitute an indebtedness of the City within the meaning of any state constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City, other than from the sources set forth herein, or a charge against its general credit or taxing powers.

7. The City reasonably expects that it and or the Developer for the Project will incur expenditures for the Infrastructure Improvements prior to the issuance of the Bonds, and that it should declare its official intent to reimburse expenditures made in anticipation of the issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE CITY, AS FOLLOWS:

SECTION 1. The TIF District as described in the TIF Plan should be established and the TIF Plan adopted and approved as a part of the Redevelopment Plan after holding a public hearing on the matter. The Board hereby gives notice of its intention to create and establish the TIF District and to approve the TIF Plan as a part of the Redevelopment Plan.

SECTION 2. The Board hereby declares its intention, upon establishment of the TIF District and the approval of the TIF Plan, to issue tax increment financing bonds not to exceed Three Million Dollars (\$3,000,000), in one or more series or advances as it sees fit in the future, for the Infrastructure Improvements. These bonds will be secured solely by a pledge of the increase in ad valorem taxes of the City and the County on real and personal property generated within the TIF District and the increase in sales taxes rebates for the City generated within the

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TIF District as described in the TIF Plan. The funds derived from the sale of the bonds will be used for the Infrastructure Improvements. These bonds shall never constitute an indebtedness of the City within the meaning of any state constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City, other than from the sources set forth herein, or a charge against its general credit or taxing powers.

SECTION 3. Pursuant to Section 1.150-2 of the Treasury Regulations (the "Reimbursement Regulations"), the Board hereby declares its official intent to reimburse expenditures made for the Infrastructure Improvements prior to the issuance of the Bonds with proceeds of the Bonds to the extent permitted by the Reimbursement Regulations. The Bonds will be secured solely by a pledge of the increased ad valorem taxes for the City and the County and sales tax rebates for the City generated within the proposed Tax Increment Finance District.

SECTION 4. A public hearing shall be held with respect to the TIF Plan and the issuance of the TIF bonds at the regular meeting room of the Board at the City Hall of the City of Starkville, Mississippi at 5:30 o'clock p.m., on the 21st day of July, 2015.

SECTION 5. The City Clerk is hereby directed to publish a notice of the public hearing in the *Starkville Daily News*, a newspaper in which the City is authorized to publish legal notices, two (2) times over two (2) consecutive weeks, the first publication of which shall not be more than twenty (20) days and not less than ten (10) days prior to the date set forth in Section 3 above, pursuant to and in compliance with the requirements of Section 21-45-11 of the Act. A copy of the TIF Plan will be available for examination in the office of the City Clerk at City Hall, Starkville, Mississippi.

Alderman _____ moved and Alderman _____ seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

Alderman Ben Carver	voted: _____
Alderman David Little	voted: _____
Alderman Scott Maynard	voted: _____
Alderman Roy A' Perkins	voted: _____
Alderman Jason Walker	voted: _____
Alderman Lisa Wynn	voted: _____
Alderman Henry Vaughn, Sr.	voted: _____

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted this, the 2nd day of June, 2015.

City of Starkville, Mississippi

Parker Wiseman, Mayor

ATTEST:

Lesa Hardin, City Clerk

ATTACHMENT A
NOTICE OF HEARING

ATTACHMENT A
NOTICE OF HEARING

**NOTICE OF PUBLIC HEARING
TAX INCREMENT FINANCING PLAN
HPM DEVELOPMENT PROJECT
CITY OF STARKVILLE, MISSISSIPPI**

Notice is hereby given that a public hearing will be held on the 21st day of July, 2015, at 5:30 o'clock p.m. at City Hall, in the Courtroom, at 101 East Lampkin Street, Starkville, Mississippi 39759, on the *Tax Increment Financing Plan, HPM Development Project, City of Starkville, Mississippi* (the "TIF Plan"), for consideration by the Mayor and Board of Aldermen of the City of Starkville, Mississippi (the "City"). The City proposes to use the TIF Plan in compliance with the Tax Increment Financing Redevelopment Plan, City of Starkville, Mississippi, February 2006, and further, to designate the project described in the TIF Plan as appropriate for development and tax increment financing.

The general scope of the TIF Plan is for the City to issue tax increment financing revenue bonds or notes (the "Bonds"), in one or more series in an amount not to exceed Three Million Dollars (\$3,000,000), which funds will be used for the purpose of providing a financing mechanism to pay for the cost of constructing various infrastructure improvements, which may include but are not limited to, installation, rehabilitation and/or relocation of utilities such as water, sanitary sewer, construction, renovation, or rehabilitation of drainage improvements, roadways, curbs, gutters, sidewalks, surface parking, relocation of electrical lines, lighting, signalization, landscaping of rights-of-way, related architectural/engineering fees, attorney's fees, TIF Plan preparation fees, issuance costs, capitalized interest, and other related soft costs (the "Infrastructure Improvements"). The Bonds shall be secured solely by a pledge of the incremental increase in ad valorem tax revenues on real and personal property and sales tax rebates within the TIF District, as described in the TIF Plan, and will not 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 sales tax rebates referenced above.

Construction of the Infrastructure Improvements and payment of the bonds issued to construct the Infrastructure Improvements will be paid as hereinabove set forth and will not require an increase in any kind or type of taxes within the City.

Copies of the TIF Plan and the Tax Increment Financing Redevelopment Plan are available for examination in the office of the City Clerk in Starkville, Mississippi.

This hearing is being called and conducted, and the TIF Plan has been prepared as authorized and required by Sections 21-45-1 *et seq.*, Mississippi Code of 1972, as amended.

Witness my signature and seal, this the 2nd day of June, 2015.

Lesa Hardin, City Clerk

Publish Two (2) Times in the *Starkville Daily News* on the following dates:

JULY 9, 2015 AND JULY 16, 2015

Send Proof of Publication and Invoice To:

**City of Starkville, MS
Attention: Lesa Hardin, City Clerk
101 East Lampkin Street
Starkville, Mississippi 39759**

Send TWO Proofs of Publication To:

**Lezlin Walker
Jones Walker LLP
P.O. Box 427
Jackson, MS 39205-0427**

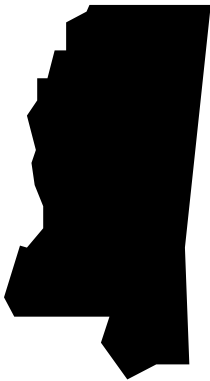


**TAX INCREMENT FINANCING PLAN
HPM DEVELOPMENT PROJECT**

City of Starkville, Mississippi

Prepared by:

GOURAS & ASSOCIATES



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**TAX INCREMENT FINANCING PLAN
HPM DEVELOPMENT PROJECT
CITY OF STARKVILLE, MISSISSIPPI
June 2015**

ARTICLE I

A. PREAMBLE

1. The administration and implementation of this Tax Increment Financing Plan, HPM Development Project, City of Starkville, Mississippi, June 2015 (the "TIF Plan") will be an undertaking of the City of Starkville (the "City"), is authorized pursuant to Section 21-45-1 *et seq.*, Mississippi Code of 1972, as amended (the "TIF Act"), and will be administered and implemented as a joint undertaking of the City of Starkville, Mississippi, (the "City") and Oktibbeha County, Mississippi, (the "County").
2. HPM Development, LLC (the "Developer") proposes to develop a Chevrolet, Chrysler, Dodge, Jeep Ram dealership complex and mixed use development containing a convenience store, restaurant, 20,000 square feet of office space and approximately 15, single family housing units (the "Project"). The Project will be strategically located off Highway 12, Pat Station Road and Old West Point Road in the City of Starkville. The Project will represent a private investment in excess of \$21,000,000. In its entirety, the Project is expected to encompass approximately 25.68 acres consisting of real property more particularly described in Article VII of this TIF Plan and the plat by James Bret Brasher completed as of July 2013 attached hereto as "Exhibit A" (the "Plat"), the land described in the Plat and Article VII of this Plan being collectively referred to as the "TIF District".
3. The City and County will enter into an interlocal cooperation agreement which will designate the City as the primary party in interest in carrying the Project forward. The issuance of bonds to provide funds to finance the costs of infrastructure improvements identified in the TIF Plan shall be a joint undertaking of the City and County whereby the City may issue Tax Increment Financing Bonds in one or more series as authorized herein to finance the Project as more fully described herein (the "TIF Bonds"). The TIF Bonds authorized by this TIF Plan shall not exceed \$3,000,000.
4. The Governing Body does hereby find and determine that the Project is in the best interest of the City and its future development and that it is in the best interest of the City and its citizens that the provision of Section 21-45-9 of the Act requiring dedication of the "redevelopment project" to the City not apply to those Improvements which are constructed on the privately owned portion of the Project.

5. The tax increment financing funds as identified herein will be used to defray the cost of infrastructure improvements to serve the project and the community as a whole.
6. The Developer has provided information to the City regarding the proposed site plan, the amount of the private investment, sales tax, and job creation projections. Estimates of ad valorem taxes were made through consultation with the office of the Oktibbeha County Tax Assessor and valuations of similar projects in the region.

B. STATEMENT OF INTENT

1. The City may issue TIF Bonds in one or more series, pursuant to the authority outlined hereinabove, in one or more series, in an amount not to exceed Three Million Dollars (\$3,000,000), which will be secured solely by a pledge of the increased ad valorem taxes from real and personal property and sales tax rebates generated within the TIF District, which funds will be used to pay the cost of constructing various infrastructure improvements which may include but are not limited to, acquiring and constructing improvements, which may include, but not necessarily be limited to, installation, rehabilitation and/or relocation of utilities such as water, sanitary sewer, construction, renovation, or rehabilitation of drainage improvements, roadways, curbs, gutters, sidewalks, surface parking, relocation of electrical lines, lighting, signalization, landscaping of rights-of way, related architectural/engineering fees, attorney's fees, TIF Plan preparation fees, issuance costs, capitalized interest, and other related soft costs (collectively, the "Infrastructure Improvements").
2. After sufficient development of the Project has been substantially completed, either in total or in phases, the City will issue the TIF Bonds in one or more series and reimburse the Developer in accordance with a development agreement to be entered into between the parties as authorized by the TIF Act.
3. The construction of the Infrastructure Improvements will be undertaken to provide for the public convenience, health, and welfare.

C. PUBLIC CONVENIENCE AND NECESSITY

1. The public convenience and necessity requires participation by the City and County in the Project. The Project will accomplish the following, which will provide for the public convenience and necessity and serve the best interests of the citizens of the City and County.
 - a. Construction of the Project will represent a private investment of approximately \$21,900,000.

- b. It is estimated the Project will create construction jobs over the life of the Project with an estimated payroll \$8,400,000.
- c. It is estimated that Phase 1 of the Project will create 70 new permanent full-time jobs and 10 part-time jobs with an estimated payroll of approximately \$4,000,000. Phases 2 and 3 will create approximately 50-75 new jobs.
- d. It is expected that the Project will result in an annual real and personal property tax *increase* of about \$44,090 for the City.
- e. It is expected that the Project will result in an annual real and personal property tax *increase* of about \$101,379 for the County.
- f. It is anticipated that the Project will yield an annual real and personal property tax *increase* of about \$133,536 for the School District.
- g. The annual sales generated by the retail development are expected to reach \$42,400,000.
- h. The Project is expected to result in annual sales tax rebates to the City of about \$421,335¹.
- i. The development of the Project will include new businesses and will help diversify and expand the tax base of the City.

¹ Certain sales associates with the automobile dealerships are taxed by the State at 3%, 5% and 7%
Revised 5-29-15 11:45 AM
FOR JUNE 2 AGENDA

**ARTICLE II
PROJECT INFORMATION**

A. REDEVELOPMENT PROJECT DESCRIPTION

1. The Project is expected to encompass approximately 25.68 acres and will consist of three automobile dealerships, approximately 20,000 square feet of office space, a convenience store, a restaurant, and approximately 15 single family housing units. The estimated Project costs is in excess of \$21,000,000.
2. Project Location
 - a. Property Description and Map: The Project is located on 25.68 acres, as more particularly described in Article VII and Exhibit A attached hereto.
 - b. Environmental Characteristics and Zoning: Development of the Project site will require improvements such as (but not limited to) installation and/or relocation of utilities such as acquiring and constructing improvements, which may include, but not necessarily be limited to, installation, rehabilitation and/or relocation of utilities such as water, sanitary sewer, construction, renovation, or rehabilitation of drainage improvements, roadways, curbs, gutters, sidewalks, surface parking, relocation of electrical lines, lighting, signalization, landscaping of rights-of way, related architectural/engineering fees, attorney's fees, TIF Plan preparation fees, issuance costs, capitalized interest, and other related soft costs. All proposed uses shall comply with the applicable zoning ordinances of the City. The property is currently zoned as C-2 General Commercial.

B. DEVELOPER INFORMATION

1. Developer's Name: HPM Development, LLC,
a Mississippi limited liability company
FEIN 47-3642244
2. Developer's Address: HPM Development, LLC
P.O. Box 969
Brandon, MS 39043

**ARTICLE III
ECONOMIC DEVELOPMENT IMPACT DESCRIPTION**

A. JOB CREATION

1. Construction Jobs: The Project is expected to create construction jobs. Construction payroll is estimated to be \$8,400,000.
2. Permanent Jobs: It is estimated that Phase 1 of the Project will create 70 new permanent full-time jobs and 10 part-time jobs with an estimated payroll of approximately \$4,000,000. Phases 2 and 3 will create approximately 50-75 new jobs.

B. FINANCIAL BENEFIT TO THE COMMUNITY

1. Ad Valorem Tax Increases: The construction and development of the Project will generate significant ad valorem tax revenues for the City, the County, and the School District. The following are estimates of new ad valorem tax revenues expected to be generated after the entire Project has been completed. The estimates for real property taxes are based on assumed new true value of \$12,200,000 for the development, and estimates for personal property taxes are based upon an assumed new true value of \$1,175,000 for furniture, fixtures, equipment, and inventory.

ENTITY	MILLAGE RATE	CURRENT TAXES	AFTER PROJECT*	INCREMENT
<i>City of Starkville Real Property & Personal Property*</i>	21.98	\$7	\$44,097	\$44,090[^]
<i>Oktibbeha County Real Property & Personal Property*</i>	50.54	\$17	\$101,396	\$101,379[^]
<i>School District Real Property Taxes**</i>	66.57	\$20	\$133,556	\$133,536
TOTAL	139.09	\$44	\$279,049	\$279,005

*Note: Assumes constant values and millage rates.

** School taxes are not eligible for use

[^]All of these taxes (together with the Retail Sales rebates discussed below) will be pledged to service the debt on the TIF Bonds. However, the TIF Bonds will be SIZED based upon 50% of the City's increase in real and personal property ad valorem taxes and 50% of sales tax rebates, and 50% of the County's incremental increase in real and personal property ad valorem taxes

2. Retail Sales: It is estimated that the Project will generate approximately \$42,400,000 in sales annually which will create annual sales tax rebates of \$421,335. These sales tax rebates will be pledged by the City to service the debt on the TIF Bonds in addition to the incremental increase in the real and personal property ad valorem taxes discussed above; however, the amount of TIF Bonds to be issued shall be determined by using fifty percent (50%) of the sales tax rebates to service the debt on the TIF Bonds and fifty percent (50%) of the incremental increases in ad valorem real and personal property taxes discussed above.

**ARTICLE IV
THE OBJECTIVE OF THE TAX INCREMENT FINANCING PLAN**

A. PUBLIC CONVENIENCE AND NECESSITY

The primary objective of this TIF Plan is to serve the public convenience and necessity by participating in the Project. The TIF Plan will provide financing to construct the Infrastructure Improvements to serve the general public and the 25.68 acre development as described in detail in the preamble to this TIF Plan.

B. LOCAL CODES AND ORDINANCES

The Project and the Infrastructure Improvements will be constructed in accordance with standards, codes, and ordinances of the City.

C. HEALTH AND WELFARE OF THE PUBLIC PROVIDED FOR

The Infrastructure Improvements will provide for the health and welfare of the public by providing for safe and adequate infrastructure improvements which may include but are not limited to, the cost of constructing various infrastructure improvements which may include but are not limited to, acquiring and constructing improvements, which may include, but not necessarily be limited to, installation, rehabilitation and/or relocation of utilities such as water, sanitary sewer, construction, renovation, or rehabilitation of drainage improvements, roadways, curbs, gutters, sidewalks, surface parking, relocation of electrical lines, lighting, signalization, landscaping of rights-of way, related architectural/engineering fees, attorney's fees, TIF Plan preparation fees, issuance costs, capitalized interest, and other related soft costs.

ARTICLE V

A STATEMENT INDICATING THE NEED AND PROPOSED USE OF THE TAX INCREMENT FINANCING PLAN IN RELATIONSHIP TO THE REDEVELOPMENT PLAN

The proposed use of the TIF Plan is to provide a financing mechanism for the construction of Infrastructure Improvements necessary to serve the public that will utilize the induced development.

ARTICLE VI

A STATEMENT CONTAINING THE COST ESTIMATE OF THE REDEVELOPMENT PROJECT, PROJECTED SOURCES OF REVENUE TO MEET THE COSTS, AND TOTAL AMOUNT OF INDEBTEDNESS TO BE INCURRED

A. COST ESTIMATE OF REDEVELOPMENT PROJECT

1. The development of the TIF District will represent a private investment of approximately \$21,900,000. The proceeds of the TIF Bonds will be used to pay the cost of constructing various Infrastructure Improvements, more particularly described in Article I, Section B.
2. The Governing Body does hereby find and determine that the Project is in the best interest of the City and its future development and that it is in the best interest of the City and its citizens that the provision of Section 21-45-9 of the Act requiring dedication of the "redevelopment project" to the City not apply to those Improvements which are constructed on the privately owned portion of the Project.
3. The construction of the Infrastructure Improvements will be undertaken to provide for the public convenience, health, and welfare.
4. Proceeds of the TIF Bonds 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, annotated.

B. PROJECTED SOURCES OF REVENUE TO MEET COSTS

1. The Developer will secure financing to construct the Project including the work to be funded with TIF Bonds.
2. The City will all pledge the ad valorem tax increases from the real and personal property and the increased sales tax rebates within the TIF District to secure the TIF Bonds.
3. The County will pledge all the increased ad valorem taxes on real and personal property from the TIF district to secure the TIF Bonds.
4. The amount of TIF Bonds to be issued shall be determined by the using **fifty percent (50%)** of the increased ad valorem taxes of the City, **fifty percent (50%)** of the increased sales taxes generated within the TIF District, and **fifty percent (50%)** of the increased ad valorem taxes of the County.

C. **TOTAL AMOUNT OF INDEBTEDNESS TO BE INCURRED**

1. The City will issue up to Three Million Dollars (\$3,000,000) in TIF Bonds, in one or more series, which shall be secured by the City with the pledge of all of the incremental increases in ad valorem real and personal property taxes and all of the sales tax rebates and all of the County's incremental increases in ad valorem real and personal property taxes from within the TIF District; **provided, however, that the amount of TIF Bonds to be issued shall be determined by using 50% of the City's sales tax rebates, 50% of the City's incremental increases in ad valorem taxes and 50% of the incremental increases in the County's ad valorem taxes generated from within the District.** The Tax Increment Financing Redevelopment Plan, Starkville, Mississippi February 2006 and this **Tax Increment Financing Plan, HMP Development Project, City of Starkville, Mississippi, June 2015** shall be a joint undertaking by the City and the County including, but not necessarily limited to, the issuance of the TIF Bonds, which may include bonds, notes, or other debt obligations, in one or more series, to provide funds to defray the cost of the Infrastructure Improvements.
2. It is expected that Bonds or Notes can be obtained at an annual interest rate of 5% for up to fifteen (15) year tax increment debt obligations. Annual principal and interest payments are estimated to be up to approximately **\$283,402** assuming the 5% rate and tax increment obligations over a period of up to fifteen (15) years.
3. The increase in ad valorem real and personal property and sales tax revenues to be generated for the City are estimated to be **\$465,425**. The increase in ad valorem real and personal property revenues to be generated for the County are **\$101,379**.
4. The surplus for the City is estimated to be **\$232,712** annually and is to be deposited into the general fund of the City to be used for any lawful purpose. The surplus for the County is estimated to be **\$50,689** annually and is to be deposited into the general fund of the County to be used for any lawful purpose.
5. The amount and timing of the issuance of the TIF Bonds shall be determined pursuant to further proceedings of the City.

**ARTICLE VII
REAL PROPERTY TO BE INCLUDED IN TAX INCREMENT FINANCING DISTRICT**

A. PARCEL NUMBERS FOR THE TIF DISTRICT

The real property to be included in the TIF District from which the ad valorem real and personal property tax revenues and sales tax rebates will be generated to finance the TIF Bonds contains approximately 25.68 acres and is described below and in the Plat.

PARCEL	TRUE	ASSESSED	COUNTY	CITY	SCHOOL
117F-00-002.00*	\$2,010	\$302	\$17	\$7	\$20
TOTALS	\$2,010	\$302	\$17	\$7	\$20

The above True and Assessed Values were obtained from the Oktibbeha County Tax Assessor's office and a copy of the information is attached hereto as Exhibit B.

ARTICLE VIII
DURATION OF THE TAX INCREMENT FINANCING PLAN'S EXISTENCE

The duration of this TIF Plan shall be thirty (30) years from the date of approval thereof.

ARTICLE IX

ESTIMATED IMPACT OF TAX INCREMENT FINANCING PLAN UPON THE REVENUES OF ALL TAXING JURISDICTIONS IN WHICH A REDEVELOPMENT PROJECT IS LOCATED

A. AD VALOREM TAX INCREASES

The construction and development of the Project will generate significant ad valorem tax revenues for the City, the County, and the School District. The following are estimates of new ad valorem tax revenues expected to be generated after the entire Project has been completed. The estimates for real property taxes are based on assumed new true value of \$12,200,000 for the development, and estimates for personal property taxes are based upon an assumed new true value of \$1,175,000 for furniture, fixtures, equipment, and inventory.

ENTITY	MILLAGE RATE	CURRENT TAXES	AFTER PROJECT*	INCREMENT
<i>City of Starkville Real Property & Personal Property*</i>	21.98	\$7	\$44,097	\$44,090^
<i>Oktibbeha County Real Property & Personal Property*</i>	50.54	\$17	\$101,396	\$101,379^
<i>School District Real Property Taxes**</i>	66.57	\$20	\$133,556	\$133,536
TOTAL	139.09	\$44	\$279,049	\$279,005

***Note: Assumes constant values and millage rates. ** School taxes are not eligible for use**

^All of these taxes (together with the Retail Sales rebates discussed below) will be pledged to service the debt on the TIF Bonds; however, the TIF Bonds will be SIZED based upon 50% of the City's increase in real and personal property ad valorem taxes and 50% of sales tax rebates, and 50% of the County's incremental increase in real and personal property ad valorem taxes

B. RETAIL SALES

It is estimated that the Project will generate approximately \$42,400,000 in sales annually which will create annual sales tax rebates of \$421,335. These sales tax rebates will be pledged by the City to service the debt on the TIF Bonds in addition to the incremental increase in the real and personal property ad valorem taxes discussed above; however, the amount of TIF Bonds to be issued shall be determined by using fifty percent (50%) of the sales tax rebates to service the debt on the TIF Bonds and fifty

percent (50%) of the incremental increases in ad valorem real and personal property taxes discussed above.

ARTICLE XI

THE GOVERNING BODY OF THE CITY SHALL BY RESOLUTION FROM TIME TO TIME, DETERMINE (i) THE DIVISION OF AD VALOREM TAX RECEIPTS, IF ANY, THAT MAY BE USED TO PAY FOR THE COST OF ALL OR ANY PART OF A REDEVELOPMENT PROJECT; (ii) THE DURATION OF TIME IN WHICH SUCH TAXES MAY BE USED FOR SUCH PURPOSES; (iii) IF THE GOVERNING BODY SHALL ISSUE BONDS FOR SUCH REDEVELOPMENT PROJECT; AND (iv) SUCH OTHER RESTRICTIONS, RULES AND REGULATIONS AS IN THE SOLE DISCRETION OF THE GOVERNING BODY OF THE CITY SHALL BE NECESSARY IN ORDER TO PROMOTE AND PROTECT THE PUBLIC INTEREST.

Through the adoption of the TIF Plan, HPM Development Project, City of Starkville, Mississippi, June 2015, the Governing Body of the City acknowledges the above and shall adopt the necessary resolutions when deemed necessary and appropriate.

**ARTICLE XII
PLAN OF FINANCING**

A. SECURITY FOR THE TIF BONDS

The TIF Plan provides for the City to issue the TIF Bonds which will be secured by the pledge of incremental increases in ad valorem real and personal property taxes and sales taxes generated by the Project. The City will pledge all of the ad valorem tax increases and all of the sales tax rebates to the City. The County will pledge all of its tax increases in ad valorem real and personal property taxes; **provided, however, the amount of TIF Bonds to be issued shall be determined by using fifty percent (50%) of the incremental increases in the City's ad valorem taxes, fifty percent (50%) of sales tax rebates to the City, and fifty percent (50%) of the incremental increases in the County's ad valorem real and personal property taxes.**

B. FURTHER PROCEEDINGS OF THE CITY

Such decision on the most advantageous method for the City to incur the debt will be made pursuant to further proceedings of the City.

C. AMOUNT AND TIMING OF ISSUANCE

The amount and timing of the issuance of the TIF Bonds shall be determined pursuant to further proceedings of the City.

EXHIBIT A

PLAT OF TIF DISTRICT

[ATTACHED]

CERTIFICATE OF OWNERSHIP

I, THE UNDERSIGNED OWNER OF THE REAL ESTATE SHOWN AND DESCRIBED HEREIN, DO HEREBY CERTIFY THAT I HAVE LAID OFF, PLATTED, AND SUBDIVIDED, AND DO HEREBY LAY OFF, PLAT, AND SUBDIVIDE THE REAL ESTATE IN ACCORDANCE WITH THE WITHIN PLAT, AND DO HEREBY DEDICATE THE PUBLIC ROADS AND EASEMENTS SHOWN HERE ON TO THE CITY OF STARKVILLE FOR PUBLIC USE FOREVER.

OWNER _____ Date _____

DEDICATION OF UTILITY EASEMENTS

THE UNDERSIGNED OWNER OF THE MILL AT MSU, AS SHOWN ON THE FORGOING PLAT, DOES BY THIS INSTRUMENT CONVEY TO THE CITY OF STARKVILLE, MISSISSIPPI, ALONG WITH THE RIGHT OF INGRESS AND EGRESS, ALL UTILITY EASEMENTS TO BE USED BY THE CITY OF STARKVILLE, MISSISSIPPI FOR PROVIDING PUBLIC SERVICES.

IT IS UNDERSTOOD AND AGREED THAT THE CITY OF STARKVILLE IS HELD HARMLESS FROM LIABILITY OR PAYMENT OF COMPENSATION TO THE ADJUTING PROPERTY OWNERS OR ENTITY DERIVING THEREFROM, FOR DAMAGES RESULTING FROM UTILITY LINE FAILURES OR DAMAGES TO IMPROVEMENTS WITHIN THE AFOREMENTIONED EASEMENTS, UP TO, BUT NOT LIMITED TO, BUILDINGS, LIGHT FIXTURES, MAILBOXES, ORNAMENTAL LANDSCAPING, TURF GRASS, FENCES, ALONG WITH PRIVATE ROAD AND PARKING LOT SURFACES, CURBS AND GUTTERS, AS A RESULT OF INGRESS, EGRESS AND THE INSTALLATION, MAINTENANCE OR REPLACEMENT OF UTILITY LINES.

IT IS FURTHER UNDERSTOOD THAT THE ELEVATION OF ANY STRUCTURE CONSTRUCTED ON A LOT SHALL BE SUCH THAT THE MINIMUM SLOPE, PER THE PREVAILING CODE REQUIREMENTS FOR HORIZONTAL SEWER DRAINS, IS MAINTAINED BETWEEN THE STRUCTURE AND THE POINT OF CONNECTION TO THE PUBLIC SANITARY SEWER COLLECTION SYSTEM.

ACKNOWLEDGEMENT

STATE OF MISSISSIPPI COUNTY OF _____

PERSONALLY APPEARED BEFORE ME, THE UNDERSIGNED AUTHORITY IN AND FOR SAID COUNTY AND STATE, ON THIS THE _____ DAY OF _____, 20____, WITHIN MY JURISDICTION, THE WITHIN NAMED OWNER AND THAT HE EXECUTED THE ABOVE AND FOREGOING INSTRUMENT, AFTER HAVING BEEN DULY AUTHORIZED TO DO SO.

NOTARY PUBLIC

MY COMMISSION EXPIRES _____

STATEMENT OF SURVEYING ACCURACY

I, JAMES BRET BRASHER, HEREBY STATE THAT THIS MAP CORRECTLY REPRESENTS A SURVEY AND PLAN MADE BY ME OR UNDER MY SUPERVISION; THAT ALL MONUMENTS SHOWN HEREON ACTUALLY EXIST; AND THEIR LOCATION, SIZE, TYPE, AND MATERIAL ARE CORRECTLY SHOWN; AND THAT ALL REQUIREMENTS OF THE STARKVILLE, MS, SUBDIVISION REGULATIONS HAVE BEEN FULLY COMPLIED WITH.

JAMES BRET BRASHER, PLS NO. 3231, MISSISSIPPI

DATE OF EXECUTION _____

SURVEYING CERTIFICATION

I, JAMES BRET BRASHER, HEREBY STATE THAT THIS MAP CORRECTLY REPRESENTS A SURVEY COMPLETED BY ME OR UNDER MY SUPERVISION IN JULY OF 2013; AND IS A TRUE AND CORRECT REPRESENTATION OF A SURVEY MADE ON THE GROUND; AND THAT ALL MONUMENTS, WHICH WERE FOUND OR PLACED ON THE PROPERTY, ARE CORRECTLY DESCRIBED AND LOCATED.

JAMES BRET BRASHER, PLS NO. 3231, MISSISSIPPI

DATE OF EXECUTION _____

ACKNOWLEDGEMENT

STATE OF MISSISSIPPI COUNTY OF _____

PERSONALLY APPEARED BEFORE ME, THE UNDERSIGNED AUTHORITY IN AND FOR SAID COUNTY AND STATE ON THIS _____ DAY OF _____, 20____, WITHIN MY JURISDICTION, THE WITHIN NAMED JAMES BRET BRASHER, PLS, WHO ACKNOWLEDGED THAT HE IS THE LAND SURVEYOR OF RECORD, EXECUTED THE ABOVE AND FOREGOING INSTRUMENT, AFTER FIRST HAVING BEEN DULY AUTHORIZED TO DO SO.

NOTARY PUBLIC

MY COMMISSION EXPIRES _____

STATEMENT OF COMPARISON

WE, MONICA BANKS, CHANCERY CLERK, AND JAMES BRET BRASHER, PROFESSIONAL LAND SURVEYOR, DO HEREBY STATE THAT WE HAVE CAREFULLY COMPARED THE ORIGINAL PLAT OF HPM DEVELOPMENT, LLC. MADE BY SAID JAMES BRET BRASHER WITH THE DUPLICATE THEREOF FOR FILING IN THE PUBLIC RECORDS OF OKTIBBEHA COUNTY, MISSISSIPPI, AND THAT THIS IS AN EXACT DUPLICATE OF THE ORIGINAL SURVEY AND PLAT.

WITNESS OUR SIGNATURES THIS THE _____ DAY OF _____, 20____.

MONICA BANKS

JAMES BRET BRASHER, PLS

CERTIFICATE OF RECORDING

THIS DOCUMENTS WAS FILED FOR RECORD _____, 20____ IN SLIDE _____ AT _____ AM/PM.

SIGNATURE _____

NAME _____, CLERK

CERTIFICATE OF APPROVAL

PURSUANT TO THE CITY OF STARKVILLE, MISSISSIPPI, SUBDIVISION REGULATIONS, THIS DOCUMENT WAS GIVEN APPROVAL BY THE STARKVILLE CITY PLANNING AND ZONING COMMISSION AT A MEETING HELD ON THIS THE _____ DAY OF _____, 20____. ALL OF THE CONDITIONS ON APPROVAL HAVING BEEN COMPLETED, THIS DOCUMENT IS HEREBY ACCEPTED, AND THIS CERTIFICATE EXECUTED UNDER AUTHORITY OF THESE REGULATIONS.

FIRE DEPARTMENT _____

PUBLIC WORKS DIRECTOR _____

ELECTRIC DEPARTMENT _____

CITY ENGINEER _____

COMMUNITY DEVELOPMENT DIRECTOR _____

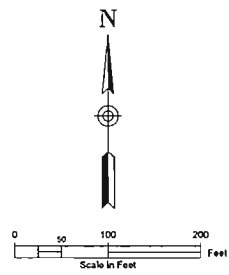
PURSUANT TO THE STARKVILLE, MISSISSIPPI, SUBDIVISION REGULATIONS, THIS DOCUMENT WAS GIVEN APPROVAL BY THE MAYOR AND BOARD OF ALDERMAN AT A MEETING HELD ON THIS THE _____ DAY OF _____, 20____. ALL OF THE CONDITIONS OF APPROVAL HAVING BEEN COMPLETED, THIS DOCUMENT IS HEREBY ACCEPTED, AND THIS CERTIFICATE EXECUTED UNDER AUTHORITY OF THESE REGULATIONS, PROVIDED, HOWEVER, THIS APPROVAL SHALL BE INVALID, NULL AND VOID, UNLESS THIS PLAT IS FILED WITH THE CHANCERY CLERK WITHIN SIX MONTHS HEREAFTER.

DATE OF EXECUTION _____

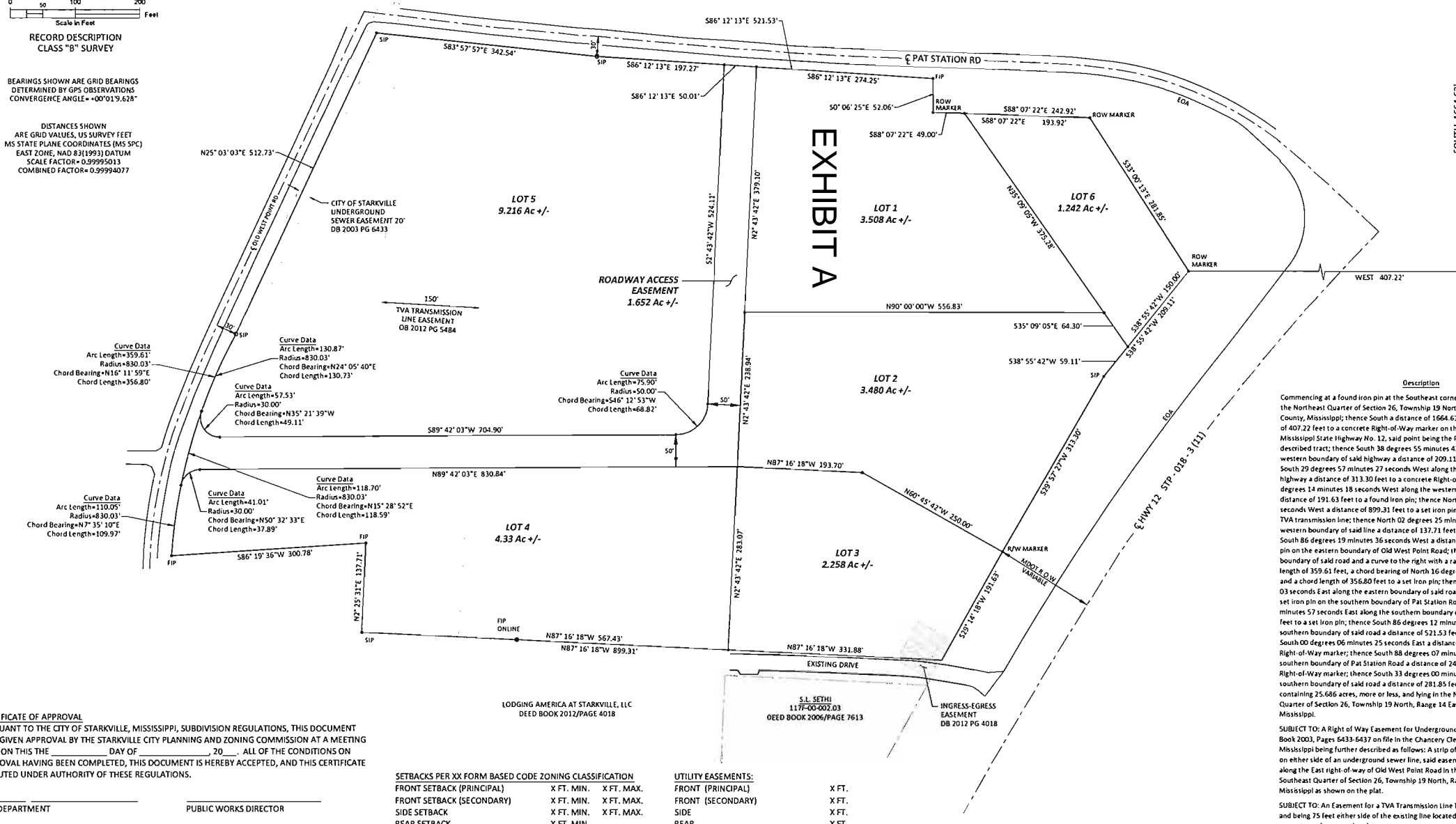
MR. PARKER WISEMAN MAYOR, CITY OF STARKVILLE, MS

CITY CLERK _____

HPM Development, LLC. LOCATED IN NO. 1/2 OF THE S.E. 1/4 of SECTION 26 T-19N., R-14E OKTIBBEHA COUNTY, MISSISSIPPI LOTS 1 THRU 6

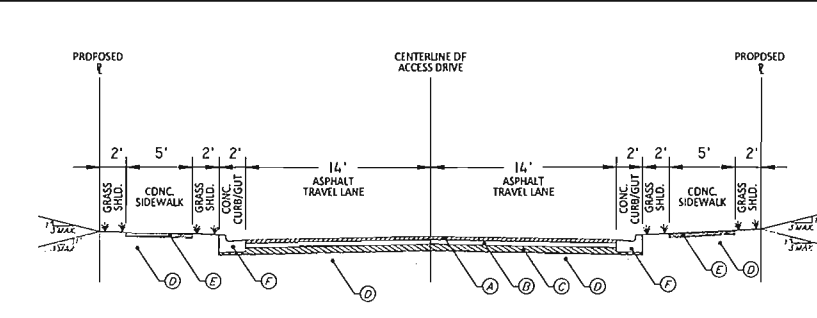


RECORD DESCRIPTION CLASS "B" SURVEY BEARINGS SHOWN ARE GRID BEARINGS DETERMINED BY GPS OBSERVATIONS CONVERGENCE ANGLE = +00°01'9.628" DISTANCES SHOWN ARE GRID VALUES, US SURVEY FEET MS STATE PLANE COORDINATES (MS SPC) EAST ZONE, NAD 83(1993) DATUM SCALE FACTOR = 0.99995013 COMBINED FACTOR = 0.99994077



P.O.C. FOUND IRON PIN AT THE SE COR. OF THE NE QUARTER OF SECTION 26, T-19-N, R-14-E, OKTIBBEHA COUNTY, MS

Table with 4 columns: SETBACKS PER XX FORM BASED CODE ZONING CLASSIFICATION, FRONT SETBACK (PRINCIPAL), FRONT SETBACK (SECONDARY), SIDE SETBACK, REAR SETBACK, and UTILITY EASEMENTS: FRONT (PRINCIPAL), FRONT (SECONDARY), SIDE, REAR.



TYPICAL ACCESS ROAD X-SECTION NOTES AND LEGEND

- 1. THE ASPHALT SURFACE AND BINDER COURSE SHOULD CONFORM TO THE MOST RECENT EDITION OF THE MISSISSIPPI DEPARTMENT OF TRANSPORTATION (MDOT) STANDARD SPECIFICATION FOR ROAD AND BRIDGE CONSTRUCTION FOR HOT MIX ASPHALTIC CONCRETE SURFACE COURSE. THE BASE COURSE SHOULD CONFORM TO THE MDOT STANDARDS FOR BASE COURSE COMPACTED TO 100 PERCENT OF MODIFIED PROCTOR (ASTM D-1557) MAXIMUM DRY DENSITY. 2. TACK COAT SHOULD BE PROVIDED ATOP EACH PAVEMENT SECTION. Legend items A through F.

Commencing at a found iron pin at the Southeast corner of the Northeast Quarter of the Northeast Quarter of Section 26, Township 19 North, Range 14 East, Oktibbeha County, Mississippi; thence South a distance of 1664.63 feet; thence West a distance of 407.22 feet to a concrete Right-of-Way marker on the western boundary of Mississippi State Highway No. 12, said point being the Point of Beginning of the herein described tract; thence South 38 degrees 55 minutes 42 seconds West along the western boundary of said highway a distance of 209.11 feet to a set iron pin; thence South 29 degrees 57 minutes 27 seconds West along the western boundary of said highway a distance of 313.30 feet to a concrete Right-of-Way marker; thence South 29 degrees 14 minutes 18 seconds West along the western boundary of said highway a distance of 191.63 feet to a found iron pin; thence North 87 degrees 16 minutes 18 seconds West a distance of 899.31 feet to a set iron pin on the western boundary of a TVA transmission line; thence North 02 degrees 25 minutes 31 seconds East along the western boundary of said line a distance of 137.71 feet to a found iron pin; thence South 86 degrees 19 minutes 36 seconds West a distance of 300.78 feet to a found iron pin on the eastern boundary of Old West Point Road; thence run along the eastern boundary of said road and a curve to the right with a radius of 830.03 feet, an arc length of 359.61 feet, a chord bearing of North 16 degrees 11 minutes 59 seconds East, and a chord length of 356.80 feet to a set iron pin; thence North 25 degrees 03 minutes 03 seconds East along the eastern boundary of said road a distance of 512.73 feet to a set iron pin on the southern boundary of Pat Station Road; thence South 83 degrees 57 minutes 57 seconds East along the southern boundary of said road a distance of 342.54 feet to a set iron pin; thence South 86 degrees 12 minutes 13 seconds East along the southern boundary of said road a distance of 521.53 feet to a found iron pin; thence South 00 degrees 06 minutes 25 seconds East a distance of 52.06 feet to a concrete Right-of-Way marker; thence South 88 degrees 07 minutes 22 seconds East along the southern boundary of Pat Station Road a distance of 242.92 feet to a concrete Right-of-Way marker; thence South 33 degrees 00 minutes 13 seconds East along the southern boundary of said road a distance of 281.85 feet to the Point of Beginning, containing 25.686 acres, more or less, and lying in the North half of the Southeast Quarter of Section 26, Township 19 North, Range 14 East, Oktibbeha County, Mississippi.

SUBJECT TO: A Right of Way Easement for Underground Sewer Line recorded in Deed Book 2003, Pages 6433-6437 on file in the Chancery Clerks Office of Oktibbeha County, Mississippi being further described as follows: A strip of land 20 feet wide, lying 10 feet on either side of an underground sewer line, said easement lying and being situated along the East right-of-way of Old West Point Road in the Northwest Quarter of the Southeast Quarter of Section 26, Township 19 North, Range 14 East, Oktibbeha County, Mississippi as shown on the plat.

SUBJECT TO: An Easement for a TVA Transmission Line being 150 feet in total width and being 75 feet either side of the existing line located on the western side of the property as shown on the plat.

SUBJECT TO: The following described permanent and perpetual non-exclusive easement for ingress-egress situated in the Southeast Quarter of Section 26, Township 19 North, Range 14 East, Oktibbeha County, Mississippi being the same easement located in Deed Book 2012 Page 4018 on file in the Chancery Clerks Office of Oktibbeha County, Mississippi and being further described as follows:

Commencing at a found iron pin at the Southeast corner of the Northeast Quarter of the Northeast Quarter of Section 26, Township 19 North, Range 14 East, Oktibbeha County, Mississippi; thence South a distance of 2265.96 feet; thence West a distance of 788.66 feet to a found iron pin on the West line of Mississippi Highway 12 said point being the Point of Beginning of the herein described easement; thence North 29 degrees 14 minutes 18 seconds East along the West line of said highway a distance of 34.00 feet; thence North 60 degrees 45 minutes 42 seconds West a distance of 60.00 feet; thence South 29 degrees 14 minutes 18 seconds West a distance of 68.00 feet; thence South 60 degrees 45 minutes 42 seconds East a distance of 60 feet to a point on the West line of said highway; thence North 29 degrees 14 minutes 18 seconds East along West line of said highway a distance of 34.00 feet to the Point of Beginning.

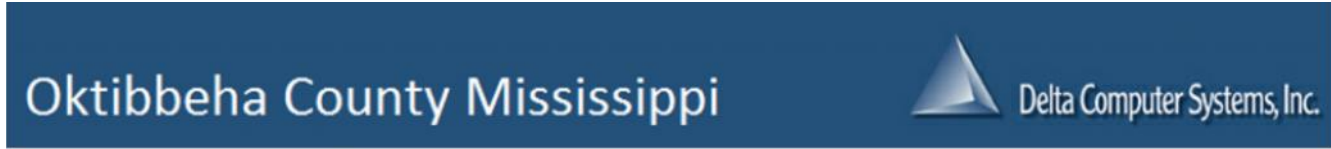


EXHIBIT B

DATA FROM COUNTY TAX ASSESSOR

[ATTACHED]

EXHIBIT B



Property Link OKTIBBEHA COUNTY, MS

Current Date **5/ 4/2015** **Tax Year 2014**
Records Last Updated **5/ 1/2015**

PROPERTY DETAIL

OWNER GILLIS JOSEPH A **ACRES** : 25.22
 730 ALABAMA ST **LAND VALUE** : 2010
IMPROVEMENTS : **NA**
 COLUMBUS MS 39703 **TOTAL VALUE**: 2010
ASSESSED : 302

PARCEL 117F-00-002.00
ADDRESS **NA**

TAX INFORMATION

YEAR 2014	TAX DUE	PAID	BALANCE
COUNTY	16.23	16.23	0.00
CITY	6.64	6.64	0.00
SCHOOL	20.10	20.10	0.00
TOTAL	42.97	42.97	0.00

LAST PAYMENT DATE 2 / 6 / 2015

MISCELLANEOUS INFORMATION

EXEMPT CODE **LEGAL** PT NW4 SE4
HOMESTEAD CODE None **MAP** 117F DB/PG 2012/5484
TAX DISTRICT 3110 **B** 2012 P 5484 09/13/2012
PPIN 002641
SECTION 26
TOWNSHIP 19N
RANGE 14E

Book 2012 **Page** 5484

[PURCHASE COUNTY TAX SALE FILES](#)

TAX SALES HISTORY, FOR UNPAID TAXES

<u>Year</u>	<u>Sold To</u>	<u>Redeemed Date/By</u>
NO TAX SALES FOUND		

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[ONLINE PROPERTY TAX PAYMENTS](#) | [ONLINE CAR TAG PAYMENTS](#)

[TERMS OF USE](#) | [PRIVACY POLICY](#)