| PROGRAM DESCRIPTION  |                       |       |  |  |  |  |  |
|--|-----------------------|-------|--|--|--|--|--|
| Department: Economic Development   | HB Section(s):        | 7.055 |  |  |  |  |  |
| Program Name: Missouri Downtown Economic Stimulus Act (MODESA)               | _                     |       |  |  |  |  |  |
| Program is found in the following core budget(s): Missouri Downtown Economic | Stimulus Act (MODESA) |       |  |  |  |  |  |

## 1a. What strategic priority does this program address?

Laser Focused, Customer Centric, Regionally Targeted

## 1b. What does this program do?

- The purpose of MODESA is to redevelop a designated blighted downtown area based upon a redevelopment plan. The program converts underutilized properties and places them back in active production by enabling new sales and additional wages through new jobs. The program is intended to revitalize Missouri downtowns, and is thus limited to redevelopment activities within downtown central business districts.
- MODESA involves the issuance of local bonds or other obligations, which are secured by a pledge of a statutory portion of: (1) economic activity taxes (i.e local sales tax), (2) payments in lieu of taxes i.e (property tax), and (3) withholding and local employment taxes attributable to the increase in taxable activity inside the redevelopment area resulting from redevelopment improvements.
- MODESA redirects 50% of the withholding taxes and 50% of the general revenue sales taxes generated as a result of planned redevelopment activities within a prescribed area for up to 25 years.
- The state taxes are paid and then diverted back to the applicant as a function of the annual appropriation process.
- Per statute, no new applications shall be considered under this program.

2a. Provide an activity measure(s) for the program.

|                  | CY2017    |        | CY2018    |        | CY2019    |        | CY2020    | CY2021    | CY2022    |
|------------------|-----------|--------|-----------|--------|-----------|--------|-----------|-----------|-----------|
|                  | Projected | Actual | Projected | Actual | Projected | Actual | Projected | Projected | Projected |
| Number of Active | 2         | 2      | 2         | 2      | 2         | 2      | 2         | 2         | 2         |
| MODESA Projects  |           | 2      |           | 2      |           | 2      |           | 2         | 2         |

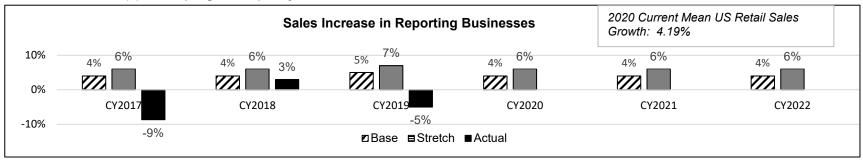
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Department: Economic Development HB Section(s): 7.055

Program Name: Missouri Downtown Economic Stimulus Act (MODESA)

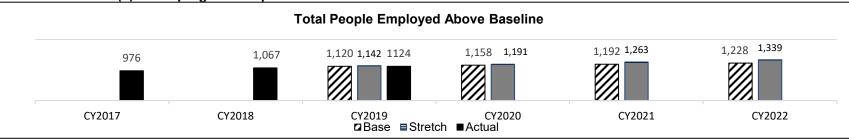
Program is found in the following core budget(s): Missouri Downtown Economic Stimulus Act (MODESA)

# 2b. Provide a measure(s) of the program's quality.



- Note 1: Reflects the yearly increase in net new sales for active projects.
- Note 2: Only reporting businesses are included in the metric, regardless of the sales taxes non-reporting businesses may have produced and paid to the State.
- Note 3: The Base target is set at moderate growth at 4% and the Stretch target is an increase of 2% over the Base.

### 2c. Provide a measure(s) of the program's impact.



- Note 1: Baseline employees is equal to the number of jobs reported by existing businesses within the project area prior to approval of the redevelopment project. Total Baseline employees is 0.
- Note 2: Program was sunset 1/1/2013; no additional projects can be approved.
- Note 3: This is a new measure; therefore, projected data for CY2017 and CY2018 is not available.
- Note 4: Only reporting businesses are included in this metric.

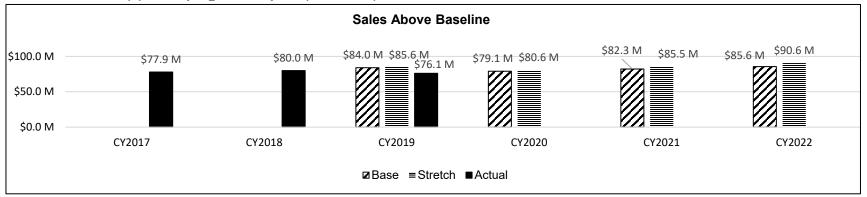
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Department: Economic Development HB Section(s): 7.055

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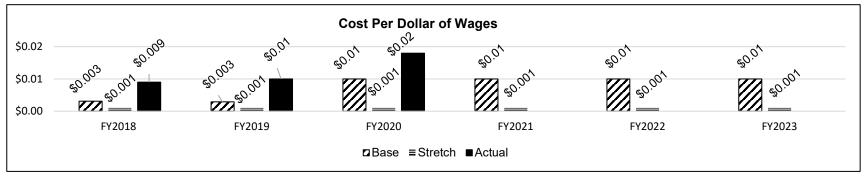
Program is found in the following core budget(s): Missouri Downtown Economic Stimulus Act (MODESA)

# 2c. Provide a measure(s) of the program's impact. (continued)



- Note 1: Baseline sales is equal to the number of gross taxable sales reported by existing businesses within the project area prior to approval of the redevelopment project.
- Note 2: Only reporting businesses are included in the metric, regardless of the sales taxes non-reporting businesses may have produced and paid to the State.
- Note 3: This is a new measure; therefore, projected data for CY2017 and CY2018 is not avaliable.
- Note 4: The Base target is set at 4% growth and the Stretch target is an increase of 2% over the Base.

# 2d. Provide a measure(s) of the program's efficiency.



- Note 1: Reflects the cost to the state divided by total wages for active projects.
- Note 2: Only reporting businesses are included in the metric.

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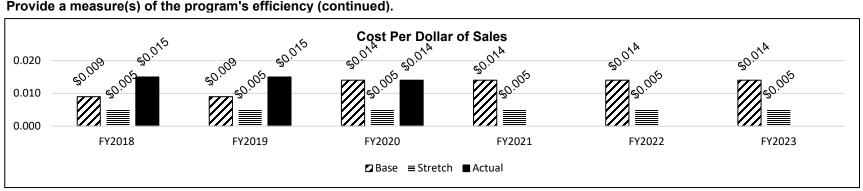
7.055

**Department: Economic Development** HB Section(s):

Program Name: Missouri Downtown Economic Stimulus Act (MODESA)

Program is found in the following core budget(s): Missouri Downtown Economic Stimulus Act (MODESA)

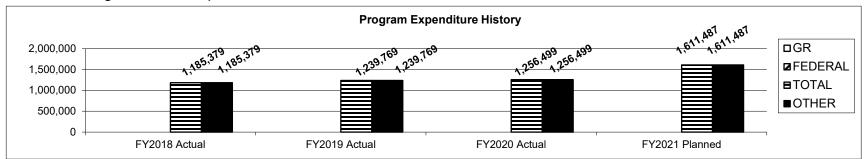
2d. Provide a measure(s) of the program's efficiency (continued).



- Note 1: Reflects the cost to the state divided by total sales for active projects.
- Note 2: Only reporting businesses are included in the metric.
- Note 3: The Base target is an approximate average of the prior four years and the Stretch is set at \$.005.

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3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



Note: Planned Expenditures reflect 3% Governor's Reserve on GR Transfer.

4. What are the sources of the "Other " funds?

Requires a Transfer from General Revenue to the Missouri Downtown Economic Stimulus Act Fund (0766).

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)
Section 99.915, RSMo

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No