Appendix E

Missouri Financing Options

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Financing and economic development programs and incentives available in Missouri generally fall within six categories: bonds, taxing options, regulatory options, tax credits, development and redevelopment programs, and financing programs. The following provides an overview of all or most such programs/incentives in each of those categories:

I. Bonds

1. General Obligation Bonds

Missouri municipalities have the ability to raise funds for public improvements through the issuance of General Obligation Bonds (GOB), long-term obligations of a municipality, backed by its full faith and credit. GOBs may be used to pay for all or a part of public infrastructure costs and must be authorized by a vote of the public. The vote requirement for their issuance is four-sevenths at the general municipal election day (April), primary election day (August), or general election day (November), and two-thirds at all other elections. GOBs are subject to certain constitutional statutory limitations, primarily limiting the amount of debt a city can incur based upon a set percentage of its assessed value.

2. Revenue Bonds

Revenue bonds are typically issued in Missouri to finance facilities that have a definable user or revenue base. They are secured by the pledge of a specific source of funds from the facility or project that is financed. Revenue bonds are most often used to finance water, sewer, and utility improvements. Revenue bonds must be authorized by a vote of users of the financed services. Citizens using the services pay for the financing costs through the rates or fees that are charged. Usually included in the issuance of such bonds are requirements that adequate fees be charged in order to amortize the debt, maintain the financed facility, and fund certain reserve mandates. The interest and principal of these bonds do not constitute an indebtedness or obligation of the city issuing the bonds.

II. Taxing Options

1. Excise Taxes

An Excise Tax is a method of raising revenue by levying a tax on a particular activity. An excise tax can be defined as a tax that is measured by the amount of business done, income received, or by the extent to which a privilege may have been enjoyed or exercised by the taxpayer, irrespective of the nature or value of the taxpayer’s assets or investments in business. It is different than a property tax, which is based on the assessed value of property and is different than an impact fee, because it is not subject to the benefit requirements.

The purpose of the excise tax is to raise revenue, not to pay for costs created by the activity upon which the tax is imposed. There is no legal limit on the excise tax rate, nor is there a prescribed methodology that a community must follow to establish the rate of the tax. In establishing the tax rate, a community is constrained only by its responsibility to exercise its legislative power reasonably. The Hancock Amendment to the Missouri Constitution prevents an excise tax from being imposed unless first approved by a simple majority of voters.

Unlike an impact fee, the funds collected from an excise tax do not have to be "earmarked" for a particular purpose, such as street improvements. The funds collected from an excise tax may be simply placed in the community's general fund to be used for any valid public purpose. While "earmarking" of funds is not legally necessary, from a practical standpoint, a city can state that the purpose of the excise tax is to provide, for example, street improvements. In addition to the aforementioned excise taxes, Missouri statutes allow third class and special charter cities to impose an excise tax in the form of a license tax on "building contractors."

2. Capital Improvements Sales Tax

Missouri statutes authorize cities to impose a sales tax of up to one-half of one percent on all retail sales in the municipality for the purpose of funding capital improvements, including operation and maintenance. The sales tax must be authorized by the city council and approved by a simple majority of the voters in an election. If the measure fails to obtain a simple majority, it cannot be resubmitted to the voters for at least 12 months. A city may issue bonds to be retired from revenues derived from the capital improvements sales tax, such bonds must be approved by either four-sevenths or two-thirds of voters.

3. Transportation Sales Tax

Missouri statutes authorize cities to impose a sales tax of up to one-half of one percent on all retail sales in the municipality to generate revenues for transportation purposes. The sales tax must be authorized by the city council and approved by a simple majority of voters in an election. The proceeds of the tax must be used for transportation purposes, which is defined to include the construction, reconstruction, repair and maintenance of; acquisition of lands and rights-of-way for; and planning and feasibility studies for roadways and bridges; and the financial support of public mass transportation systems. This statute also authorizes a city to issue bonds for transportation purposes to be retired by the revenues from the sales tax imposed. These bonds do not count against the city's debt limit.

4. Stormwater Control and Local Parks Sales Tax

Missouri statutes authorize cities to impose a sales tax of up to one-half of one percent on all retail sales in the municipality for the purpose of providing funding for stormwater control, for local parks, or for both. The sales tax must be authorized by the city council and approved by a simple majority of the voters in an election. If the measure fails to obtain a simple majority, it cannot be resubmitted to the voters for at least 12 months.

III. Regulatory Options

1. Development Exactions

Communities have historically relied on Development Exactions (DE) as a means to obtain developer participation in the construction of infrastructure improvements needed to serve new development. DEs may be defined as any requirement to; 1) construct a public improvement or dedicate land for public improvement or 2) make a monetary contribution for a public improvement imposed as a condition of development approval. Examples include:

- Requirements to construct and dedicate to the public streets, sewers, water lines etc., within a subdivision.
- Requirements to dedicate right-of-way for streets abutting, but not within, the subdivision.
- Requirements to construct off-site improvements, e.g. a traffic signal.
- Requirements to make a monetary contribution to pay a portion of the cost of some public improvement, e.g. fees for park and recreation facilities.

DEs are usually imposed by communities at the time of zoning or subdivision approval and occur at no cost to the community.

2. Impact Fees

An Impact Fee (IF) is a type of development exaction whereby the developer is required by the approving community to pay a fee as a condition of development approval. Collected fees must be spent within a reasonable period of time from the date paid on the type of infrastructure improvement for which they are paid, and in a location that provides benefit to the developer. The amount of the fee collected, with respect to each development, cannot exceed an amount that reasonably reflects the cost of constructing those improvements, required as a result of the demand for new infrastructure capacity created by the development.

There is no specific statutory authority for communities in Missouri to impose impact fees but such authority may be inferred from several sources.

IV. Tax Credits

1. Tax Credits for New and Expanding Businesses

State income tax credits are available to private businesses that meet minimum investment and job creation requirements based on the type of use and whether the activity involves a new or existing expanded business. Unlike deductions that reduce the amount of taxable income; tax credits reduce actual taxes due. Thus, each dollar of tax credit represents one dollar's value to a private business having a tax liability.

Eligible new or expanding businesses include manufacturing, warehousing, wholesale distribution, mining, insurance, research and development, rural electric cooperatives, television and radio stations, cable television, recycling operations, computer-related services, and certain office activities.

Tax credits for new or expanding business facilities are generally available for a maximum period of ten years. New business facilities may be entitled to an additional ten years of tax credits for further expansions. Each benefited expansion must represent an investment of over $1 Million and create 25 jobs. Eligible expansions may occur in the eighth, ninth, or tenth year of the initial term, or at any time subsequent to the expiration of the initial term. The formula to earn the tax credits is based on:

- $75 for a new Missouri company for each new job and for each $100,000 of new capital investment created by the project; or
- $100 for an existing Missouri company for each new job and for each $100,000 of the new capital investment created by the project.

2. Enterprise Zones

Businesses locating or expanding in enterprise zones (designated “distressed” areas targeted for intensive economic development efforts) may receive various incentives. These include real property tax abatement; awards of tax credits; job training credits; favorable state tax treatment for investments; income as well as waivers of business license fees; and local zoning restrictions and other “burdensome” local development requirements.

Eligible new or expanding businesses include industrial, manufacturing, retail, hotels, motels, and recreational facilities excluding excursion gambling boats. This enables statutes, establishing a maximum of fifty enterprise zones throughout the state and allows for designation of additional zones by special legislation.

Businesses investing in a location or expansion within an enterprise zone may enjoy substantial tax advantages, such as local property tax abatement for up to 25 years for any improvements made to real property after the zone was designated. By employing certain kinds of individuals and by offering training, it is possible for businesses to receive up to $1,600 in tax credits per employee per year for a maximum of 10 years. Tax credits of $400 can be earned for each new job created and additional credits of $400 can be earned for every year the new employee is a resident of the zone. Another $400 of credit is possible for hiring certain disadvantaged workers or those who have been unemployed for the last three months. A maximum of $400 credit for each employee trained can be earned for expenses incurred by a new business in an enterprise zone, as long as it is not covered by an existing federal, state or local program.

Fifty percent of Missouri taxable income attributed to a new business facility in an enterprise zone will be exempt from state income taxation. This exemption is available for 10 years and must satisfy the following 30% requirement: 30% of new employees are 1) residents that have lived in the enterprise zone for a period of at least one full calendar year or 2) employees that are “difficult to employ”, which means they have not been hired in the last three months or are eligible for aid to families with dependent children. Certain businesses may be exempt from the 30% requirement depending upon the business classification and total number of persons employed.

3. Enhanced Enterprise Zones

Enhanced Enterprise Zones are specified geographic areas designated by local governments and certified by the Department of Economic Development. Individual business eligibility will be determined by the zone based on creation of sustainable jobs in a targeted industry or demonstrated impact on local industry cluster development. Gambling establishments, retail trade, and food and drink establishments do not qualify. This discretionary program provides income tax credits each year for a maximum of ten years after the program takes effect. To receive credits in any of the ten years, the business must create at least two new jobs and $100,000 in new investment in that year, as compared to the year prior to the commencement of operations at the business.

Tax credits are authorized by the Department of Economic Development based on state economic benefit, supported by the number of new jobs, and new capital investment that the project is anticipated to create. Tax credits can only be applied to tax liability for the year in which they were earned and are refundable, they may also be transferred, sold or assigned. Total tax credits issued under this program are limited to $4M annually until 12-31-06 and $7 million annually thereafter.

4. Neighborhood Assistance Act

Business may receive state tax credits for contributing cash, labor, or services to eligible neighborhood assistance projects in any Missouri city or county. The Department of Economic Development must approve projects before businesses can receive credit for contributing to them. Eligible projects include community services, education, job training, crime prevention, physical revitalization, and economic development efforts.

Tax credits may equal up to 50% of the contribution and may be used to offset income, franchise, or financial institution taxes. The credit is claimed in the tax year the contribution was made, and may be carried forward the next succeeding five years. There is an annual state-wide cap of $32 million in tax credits for the Neighborhood Assistance Act.

5. Historic Preservation Tax Credits

The state provides an incentive to businesses and individuals to redevelop historic commercial and residential structures through income tax credits in an amount equal to 25% of the total amounts expended. Rehabilitation and preservation costs must exceed 50% of the taxpayer's total basis in the property. Preservation activities must also meet rehabilitation standards of the Secretary of the Interior.

Historic preservation tax credits unused in any year may be carried back for a period of three years or carried forward for a period of ten years and are transferable.

6. Research and Development Tax Credit

A tax credit amounting to 6.5% of the taxpayer's qualified research expenses may be claimed against state income tax liability. In order to receive this credit, certification by the Director of the Department of Economic Development is required as proof that the taxpayer made qualified research expenses. The credit may be carried forward up to five years.

7. Business Use Incentives for Large Scale Development (BUILD)

Eligible businesses are those involved in manufacturing, processing, research and development, or providing services in interstate commerce that invest a minimum of $15 Million in an economic development project creating at least 100 new full-time jobs. Also eligible are office industries that have investments of at least $10 million and create at least 500 new jobs. Businesses involved in retail, health or professional services and any which close or significantly reduce operations in one area of the state and relocate the same operation to another part of the state are not eligible.

The Missouri Development Finance Board may borrow money or issue revenue bonds to finance the costs of eligible projects. The eligible business pays an assessment to the Board up to 5% of the employees' wages. The board will deposit the assessment into a special fund for the eligible project, for the purpose of reimbursing project costs, retiring revenue bonds, or other debt incurred to finance the project.

The eligible business can claim the amount of employee assessments paid to the Board as a state tax credit if all of the following conditions are met: 1) the project will create new jobs; 2) the project will strengthen the economy of the state; 3) the political subdivisions affected by the project have committed local incentives to the project; 4) receiving the credit is a major factor in the project's development and not receiving the credit will likely cause the project to be discontinued; 5) awarding the credit will produce an overall positive fiscal impact to the state; and 6) there is at least one other state that the applicant verifies is being considered for the project.

8. Quality Jobs Act

Four programs, each with separate qualification requirements and overseen by the Department of Economic Development, are contained within the act: The Small Business and Expanding Business Program; the Technology Business Program; the High Impacts Program; and the Job Retention Program. To qualify for any of the programs, employers must pay workers the average county wage, or above, and offer basic health insurance including 50% of premiums. Employers retain a portion of withholding taxes paid to employees, but employees continue to receive full credit for taxes withheld from their pay.

The first three aforementioned programs allow the state to use a portion of withholding taxes on wages paid to employees in newly created jobs as an incentive for the creation of jobs. The total amount of tax credit issued for all three programs combined is limited to $12 million annually. Under the Job Retention program, companies must have employed at least 1,000 full-time, year-round employees during the two years prior to their application to the program. The job retention tax credit will be a maximum of 50% of the withholding tax generated by the employees at a company for five years, with tax credits capped at $750,000 annually.

V. Development and Redevelopment Programs

1. Tax Increment Financing

The purpose of Tax Increment Financing (TIF) is to encourage redevelopment of 1) blighted areas, 2) conservation areas and/or 3) economic development areas that would not be developed without public assistance. Redevelopment of these legislatively designated areas will increase the equalized assessed valuation of the property, thereby generating new revenues to a city or county that can be used to pay for specified costs of a redevelopment project. These costs may include installation, repair, construction/reconstruction of streets, and acquisition and construction of other public facilities within the designated area.

Property taxes and other revenues generated by the existing businesses in the designated area are frozen when the redevelopment plan is approved by the city or county. New tax revenues from property and economic activity taxes, attributable to the redevelopment, are paid into a “special allocation fund” and are used to retire loans, bonds, debentures, and other indebtedness issued by a municipality or county to pay for the improvements. These new tax revenues are the source of the term “increment,” and they are also referred to as payments in lieu of taxes (“PILOTS”) and economic activity taxes (“EATS”). The former is derived from the increase in property values due to private redevelopment in the project area, and the latter refers to capture of up to 50% of certain locally imposed taxes such as local sales, franchise, utility taxes, and local earnings taxes generated by the redevelopment.

Certain new state revenues (one-half of general state sales tax or one-half of state individual income tax withheld from new employees in the redevelopment area) generated by a redevelopment project may be captured under limited circumstances where the area is blighted and is located in either an enterprise zone, federal empowerment zone, or a central business district or urban core area, with at least one 50-year-old building that suffers from a 20-year pattern of declining population or property tax revenue. State statutes also authorize bonds to be issued that are paid from the PILOTS and EATS generated in the redevelopment area. The bonds do not count against the city or county’s debt limit.

In a TIF plan, the PILOTS, EATS, and certain new state revenues in the designated redevelopment area may be captured for up to 23 years. A “redevelopment area” covered by a TIF plan may be broken down into several redevelopment project areas, each being the geographic boundary of individual “redevelopment projects” which, when all completed, result in full implementation of the TIF plan. Separating the entire redevelopment into individual projects allows for maximizing the benefits of tax increment financing, delaying the commencement of the 23 year maximum term for each project for up to 10 years until construction of the project is ready to commence.

TIF is premised on the philosophy that redeveloping an area spurs economic development, which in turn generates new tax revenue to pay for the cost of redevelopment and more; all of which results in a net gain to the community. Although the city or county issues notes or bonds to pay for part of the cost of redevelopment, it does not pledge its general fund to the repayment of the TIF obligations; rather, the TIF obligations are repayable solely from the new tax revenues deposited in the special allocation fund. In effect, the city or county, along with the other affected taxing jurisdictions, “pays” for a portion of the redevelopment by foregoing a portion of the increased tax revenue until the notes or bonds are paid off.

2. *Missouri Downtown and Rural Economic Stimulus Act*

The Missouri Downtown and Rural Economic Stimulus Act (MODESA) is an alternative financing mechanism to state and local tax increment financing. It provides for the possible capture of the incremental increase in certain specified local and state tax revenues for use in defraying certain costs of redevelopment projects. MODESA is patterned after TIF but is quicker and more flexible at obtaining necessary approvals for the capturing of state (as opposed to local) tax revenue.

3. *Special Business Districts*

According to state statutes, cities have the authority to establish special business districts upon petition, by one or more owners of real property, in the proposed district. The purpose of the law is to grant special districts the power to levy special fees and taxes in each district for the maintenance and improvement of the special business district. Property owners in the district may be taxed on an ad valorem basis at the rate of $.85 per $100 of assessed valuation. Businesses may be assessed a license tax. Fees and taxes may be used for the purpose of maintaining and improving public facilities in the district, including construction of new or reconstruction of existing streets. Discretion as to the types and amounts of expenditures lies solely with the City Council, which appoints a commission or advisory board to make recommendations as to expenditures and uses. The district may issue general obligation bonds for up to 20 years if authorized by the City Council and approved by either four-sevenths or two-thirds of the voters in the district. These general obligation bonds count against the city's debt limit.

4. Urban Redevelopment Corporations (Chapter 353)

Any Missouri city may establish an Urban Redevelopment Corporation to redevelop areas that have been designated as blighted, due to age, obsolescence, or physical deterioration. The designated redevelopment area can be as small as a single lot or building. The corporation may acquire land through eminent domain. The governing body retains discretion to approve or deny such grants. A maximum of 100% of improvements to real property may be exempt from state and local property taxes for the first 10 years. For the next 15 years, 50% of the real property taxes on both the land and improvements are abated.

The grant of tax abatement provided in Chapter 353 involves a cap or limitation on future assessed valuations of affected real property in the redevelopment area. Thus the effect of the tax abatement extends to the real property levies of the state and of all political subdivisions. A city may require that payments, in lieu of taxes (PILOTS), be made to taxing jurisdictions to reduce the amount of tax abatement.

5. Neighborhood Improvement Districts

Municipalities may issue temporary notes or long-term general obligation bonds (up to 20 years) for the purpose of making public improvements within an area, known as a Neighborhood Improvement District ("NID"). Property within the boundaries of the NID must be benefited by public improvements, including streets and parks, and is assessed to reimburse the municipality for its costs. There are two independent methods authorized for the creation of these districts. Landowners within the designated area must authorize formation of the NID, either by a favorable vote of approval, or by submission of a petition to the City Council, which must be signed by at least two-thirds of the owners of record of all real property located within the proposed district.

Once formation of the NID is authorized, the City Council may, by resolution or ordinance, determine the advisability of the specified improvements and order that the district be established. To secure general obligation bonds to finance improvements, a portion of the total cost is assessed against each landowner within the NID and the special assessment becomes a tax lien against the property. The bonds may be issued without a vote of the public if the city agrees to rely on existing revenues and surpluses as a source of repayment in the event that the special assessments made against the property in the NID prove to be insufficient to fund repayment. Bonds issued pursuant to this option do not count against the city's regular debt limit, cannot exceed the estimated cost of improvements by more than 25%, and cannot exceed 10% of the assessed value of all tangible property in the city.

6. Community Improvement Districts

A Community Improvement District (CID) is a special purpose, self-taxing district which has broad authority to levy and collect special assessments and taxes, to fix and collect fees for use of CID properties, to construct and maintain a variety of public improvements, to support business activity and economic development within the district boundaries, and to issue tax exempt revenue and general obligation bonds. A CID may be established upon receipt of a petition signed by 1) owners of real property representing more than 50% of the assessed valuation within the proposed CID boundary and 2) over 50% per capita of all owners of real property within the boundary.

A CID may be organized as either a political subdivision or as a not for profit corporation; in both instances it is governed by a board of directors. Construction, reconstruction, repair, and maintenance of public improvements in a CID may be funded by the imposition of special assessments. The latter may be imposed only by the board of directors, following receipt of a special assessment petition signed by groups #1 and #2 noted above. The petition must also specify the projects to be funded by the special assessments, the method of allocation, the amount of the proposed assessments, and the expiration date of the assessments. If the CID is a political subdivision, the improvements may also be funded by a real-property tax levied within the district after approval by a majority of the qualified voters within the district.

7. Transportation Development District

The purpose of a Transportation Development District (TDD) is to fund, promote, plan, design, construct, improve, maintain, and operate one or more transportation projects, or to assist in such an activity. A TDD is created when a petition is submitted to the circuit court from either 50 registered voters in each county in the district, or by all of the owners of real property in the district if it contains no registered voters, or by the municipality or county. The petition must identify the district’s boundaries, each proposed project, and a proposal for funding the projects. After receiving the petition and holding a hearing to determine that the petition complies with the law, the circuit court enters a judgment. If the judgment is favorable to the petition, an election will be held. If a simple majority of registered voters or property owners within the boundaries vote in favor, the TDD is created. If the issue fails, it cannot be resubmitted to the voters again for two years. If approved, an election is held within 120 days to elect a board of directors for the district.

A TDD may fund approved transportation projects (subject to the approval of the municipality or county or the Missouri Highway and Transportation Commission, depending on the project) utilizing one or more financing mechanisms (special assessments, property taxes, and sales taxes not to exceed 1% and tolls) authorized in the election. TDDs are also authorized to issue bonds, including revenue bonds, by resolution of the board of directors without a vote of the public. These bonds do not count against a city’s debt limit.

8. Special Road Districts

A county may form a Special Road District (SRD) comprised of any portion of territory within its boundary. An SRD is administered by commissioners who maintain sole, exclusive, and entire control and jurisdiction over all public highways, bridges, and culverts, other than roads and highways controlled by the State Highways and Transportation Commission. Such control covers improvements, repairs, and construction of aforementioned infrastructure. The road district may issue bonds, levy a special tax for road improvements, or repairs, and issue special assessments.

9. Transportation Corporations

Transportation Corporations (TC) are private entities formed to fund, promote, plan, design, construct, improve, maintain, and operate one or more transportation projects or to assist in such activity. TCs are created by submission of an application signed by at least three registered voters to the Missouri Highway and Transportation Commission (MHTC) requesting that a TC be created to act within a designated area. The application must include preliminary plans and specifications, including the proposed plan for financing the project. Projects are limited to those that will be a part of the state highway system.

The TC is governed by a board of directors appointed by the MHTC and is granted the power to contract, lease, or purchase real or personal property, and to sue and be sued. All TC projects must be approved by the MHTC. TCs may charge fees for services, collect tolls and issue bonds, including revenue bonds, without a vote of the public. Fees, tolls, and bonds are not subject to any set maximums.

VI. Financing Programs

1. Industrial Development Bonds

Industrial Development Bonds (IDB) may be issued by municipalities and industrial development authorities established by municipalities, or by the Missouri Development Finance Board. IDBs finance acquisition of real and/or personal property (equipment) for a development project for a private company. The primary incentive for a company to use bond financing is that funds may be obtained at lower interest rates than with conventional financing. Because the interest paid to bondholders is exempt from federal and state income taxes, IDBs offer a lower rate of interest to the company. The entity which issued the IDBs retains ownership of the property and leases it back to the company under a lease purchase arrangement whereby at the end of the term of the bonds, the company acquires ownership of the property.

IDBs can only be used to finance manufacturing projects. Proceeds from IDBs may only be used for fixed assets. A company's total capital expenditures must be less than $10 million in the same location for three years before and three years after the bond issue. A company cannot have more than $40 million of total outstanding tax-exempt bonds for all its locations and/or related companies.

2. Missouri First Linked Deposit – Job Creation

The State Treasurer provides low-interest, linked-time deposits of state funds to a participating Missouri Lending institution up to two percent below the one-year Treasury Bill rate, with the lender passing on this interest savings to the business borrower.

To be eligible for a linked deposit loan, the borrower must be a new, existing, or expanding for-profit company that is able to create or retain at least one new job for each $25,000 borrowed, and employs 10 or more persons. The funds may be used for any purpose approved by the lender, such as relocation expenses, working capital, interim construction, inventory, site development, and machinery and equipment.

Any Missouri bank may participate in the program. The State Treasurer will offer deposits of state funds dollar-for-dollar, for the amount of approved loans. The minimum deposit is $90,000 and there is no maximum. Deposits (and therefore loans) are made for a one-year period and are generally not renewable. In certain cases, if additional job creation is anticipated, deposits may be renewed, subject to available funds.

3. Community Development Block Grants

The federally funded Community Development Block Grant (CDBG) program provides funds which the Missouri Department of Economic Development can distribute to cities under populations of 50,000 and counties under populations of 200,000. The purpose of CDBGs is to improve local communities by providing suitable living conditions and expanding economic opportunities for low and moderate income persons.

Four areas of the CDBG program are designed to enhance economic opportunity. By assisting in job retention and creation, communities that meet the population guidelines can benefit from these enhancement opportunities. 1) The Missouri Development Action Grant (MoDAG) program provides CBDG funds for low-interest loans to businesses that create or retain jobs primarily for low- and moderate-income persons. MoDAG loans are targeted to manufacturers and may be used for land, buildings, construction or renovation of facilities, machinery and equipment, and working capital. 2) Industrial Infrastructure Grants of up to $500,000 are available to assist in providing public infrastructure such as utilities and roads to support new business locations and expansions. To receive such a grant, a community must have a firm commitment from a company that it will locate or retain jobs in the recipient community. 3) CDBG Loan Guarantees of up to 90% on funds obtained from a private lender, up to a maximum of $400,000, can be provided to new or expanding businesses that are retaining or creating jobs for low- and moderate-income workers. 4) Through Missouri's Speculative Building Loan Program, short-term (30-month maximum) loans of up to $1 million can be made to block grant eligible communities for construction/renovation of speculative industrial shell buildings.