



COMMUNITY IMPROVEMENT DISTRICTS

Overview

A Community Improvement District (CID) is a special purpose district in which property owners voluntarily tax themselves to fund a broad range of public improvements and/or services to support business activity and economic development within specified boundaries. Created by an ordinance

of the Board of Aldermen, establishment of the CID would be considered upon receipt of a petition, signed by owners of real property, representing more than 50 percent of the assessed valuation within the proposed CID boundary *and* over 50 percent per capita of all owners of real property.

A CID may be established either as a separate political subdivision that is distinct from the municipality or as a not-for-profit corporation. If the CID is organized as a political subdivision, the District can impose a sales tax of up to 1% on most retail sales and/or a real property tax. If the CID is organized as a non-profit corporation, it may only impose special assessments to finance the cost of improvements and services. The District, if desired, may issue tax-exempt revenue bonds to finance capital improvement projects for up to 20 years.

Responsibility for repayment of CID bonds lies solely with the District. As such, the City does not pledge its full faith and credit behind the repayment of the bonds. In terms of governance, a board

of businesses, property owners, and voters either elected or appointed by the Grandview Board of Aldermen oversees District activities.

If the District is funded solely through special assessments, a not-for-profit agency can serve as the administrator. Although the CID is established with the approval of the Board of Aldermen, once formed the District operates independently in accordance with the provisions set forth in the petition and Missouri State Law.

Statutory Requirements

By law, the City must determine that certain requirements have been met before approving the establishment of a Community Improvement District. These requirements are set forth under Sections 67.1401 - 67.1571 of the Revised Statutes for the State of Missouri (RSMo).

Policy Guidelines

The City of Grandview is prepared to approve petitions for CIDs to facilitate business activity and economic development within Grandview, provided the petitions meet the statutory requirements referenced above.

City Application/Approval Process

CID applicants are required to first meet with staff pre-qualification conferences to determine project eligibility. Once deemed eligible, the property owner(s) may file a petition pursuant to RSMo 67.1401 - 67.1571 to the office of the City Clerk. Upon receipt of the petition, the City Attorney shall determine whether the petition substantially complies with statutory requirements. Following confirmation that the petition complies with these requirements, a public hearing will be held by the Board of Aldermen. The Board of Aldermen would then consider whether to approve an ordinance to establish the CID.

Once established, the CID applicant will either seek to impose a sales tax and/or a property tax within the district, or assign a special assessment within the district in accordance with the procedures and provisions set forth in the state statutes. Following the approval of the tax or assessment, the City and the CID board shall enter into a cooperative agreement for the purpose of establishing the terms of the relationship between the City and the CID board.

