



Office of Missouri State Auditor
Nicole Galloway, CPA

**Community Improvement
Districts**

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auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the review of Community Improvement Districts

<p>Significant Weaknesses Exist in the State's CID Laws</p>	<p>Significant changes to the state's Community Improvement District (CID) laws are necessary to protect taxpayers. State law allows a CID to be formed and taxes and assessments to be imposed without adequate public scrutiny or sufficient public protections. State law also allows sales taxes to be imposed without voter approval and for significant conflicts of interest to potentially occur. CID imposed sales taxes do not have to be disclosed to the public and CID reporting compliance requirements are incomplete and lack enforcement power. State law allows CIDs to overtax the public and remit the excess taxation to conflicted parties. Annual reports of statewide CID sales tax collections and distributions published by the Department of Revenue (DOR) do not include taxes distributed to all districts.</p>
<p>Weaknesses Exist in Sales Tax Administration</p>	<p>The sales tax administration system in place at the DOR does not adequately track sales tax district boundaries, and the DOR does not have adequate procedures in place to ensure district sales taxes are correctly administered, charged, collected, and disbursed.</p>
<p>Noncompliance with Statutory Requirements</p>	<p>CIDs have routinely not complied with state laws regarding budget preparation, annual financial and performance reporting, Sunshine Law compliance, and holding an annual meeting. We determined 11 of the 15 (73 percent) CIDs reviewed did not properly adopt budgets or did not properly provide prepared budgets to the municipalities. Prepared budgets were also often incomplete and sometimes not approved timely. CIDs consistently failed to provide required annual financial reports to the State Auditor's Office and annual performance reports to the Department of Economic Development. We determined 3 of the 15 (20 percent) CIDs reviewed did not comply with the Sunshine Law by failing to prepare board meeting minutes with all required information. We identified 4 of the 15 CIDs did not hold an annual meeting during 2017 as required.</p>

Due to the nature of this report no rating is provided.

Community Improvement Districts

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NICOLE GALLOWAY, CPA **Missouri State Auditor**

Honorable Michael L. Parson, Governor
and
Members of the General Assembly,
and
Joel W. Walters, Director
Department of Revenue
Jefferson City, Missouri

We have audited certain aspects of the state's Community Improvement District (CID) laws and certain information related to a selection of CIDs, in fulfillment of our duties under Chapter 29, RSMo. Due to the increasing number of CIDs in the state, and the significant amount of public money collected and spent by such districts, state laws establishing CIDs are a significant issue to taxpayers. The scope of the audit included, but was not limited to, the year ended December 31, 2017. The objectives of our audit were to:

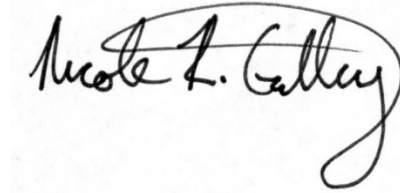
1. Evaluate internal controls over significant management and financial functions related to CIDs.
2. Evaluate compliance with certain legal provisions related to CIDs.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions related to CIDs.
4. Evaluate potential changes needed in state laws governing CIDs.

Except as discussed in the following paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

Government Auditing Standards require us to obtain and report the views of responsible officials of the audited entity concerning the findings, conclusions, and recommendations included in the audit report. Since there is no central agency charged with oversight of CIDs, we could not obtain views of responsible officials for the findings, conclusions, and recommendations outlined in findings 1 and 3 of the Management Advisory Report. We obtained the views of responsible CID officials and municipality officials and included them in the report where appropriate.

For the areas audited, we identified (1) deficiencies in internal controls over management and financial functions related to CIDs, (2) significant non-compliance with legal provisions related to CIDs, (3) significant weaknesses in CID management practices, and (4) significant weaknesses in the state laws for CIDs.

The accompanying Management Advisory Report presents our findings arising from our statewide audit of CIDs.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping initial "N".

Nicole R. Galloway, CPA
State Auditor

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Community Improvement Districts

Introduction

Background

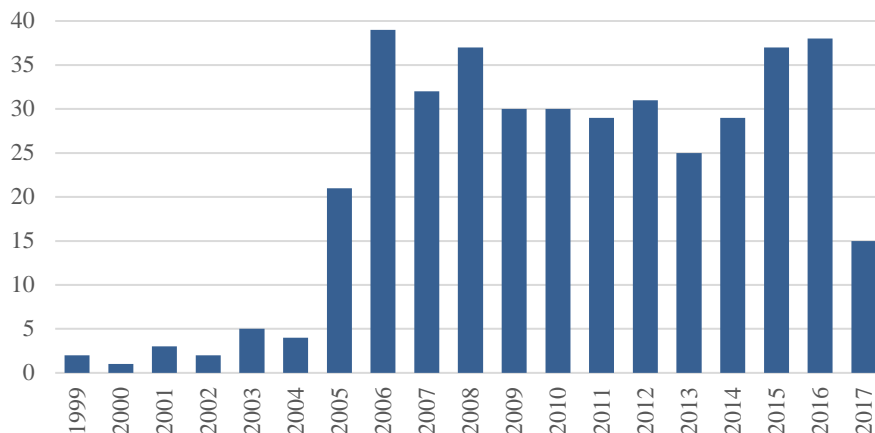
The Community Improvement District Act was established in 1998 and allows for the formation of community improvement districts (CIDs) under Sections 67.1401 to 67.1571, RSMo. CIDs are separate legal entities, either a political subdivision or a not-for-profit corporation, which are established to pay for either public improvements or private projects. The projects are generally financed by these districts through a sales and use tax, special assessment, or real property tax. As of December 31, 2017, approximately 428 CIDs existed throughout the state. During 2017, CIDs received more than \$74.3 million in revenues statewide.

Formation

According to Section 67.1411, RSMo, the governing body of any municipality or county may establish one or more CIDs in the manner provided in the Community Improvement District Act. Section 67.1461.1(16), RSMo, establishes powers of the district and allows the district to provide assistance to or to construct, reconstruct, install, repair, maintain, and equip various public facilities or improvements.

Figure 1 shows the total number of CIDs formed across the state each calendar year from 1999 to 2017 for the 411 CIDs that responded to our questionnaire.

Figure 1: Number of CIDs formed by calendar year, 1999 to 2017



Source: Prepared by the State Auditor's Office (SAO) using data from questionnaires submitted to each CID in existence as of December 31, 2017.

The process of establishing a CID is initiated by the filing of a petition with the governing body where the proposed district is located. Such a petition must be signed by (1) property owners collectively owning more than 50 percent of the assessed value of the real property within the boundaries of the



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proposed district and (2) more than 50 percent per capita¹ of all real property owners within the boundaries of the proposed district.

A petition to form must also include (1) a legal description of the proposed district, including a map illustrating the district boundaries; (2) the name of the proposed district; (3) a notice that the signatures of the signers may not be withdrawn later than 7 days after the petition is filed with the municipal clerk; (4) a 5-year plan stating a description of the purposes of the proposed district, the services it will provide, the improvement it will make and an estimate of costs of these services and improvements to be incurred; (5) a statement as to whether the district will be a political subdivision or a not-for-profit corporation, including the name of the not-for-profit corporation; (6) if the district is to be a political subdivision, a statement as to whether the district will be governed by a board elected by the district or whether the board will be appointed by the municipality; (7) if the district is to be a political subdivision, the number of directors to serve on the board; (8) the total assessed value of all real property within the proposed district; (9) a statement as to whether the petitioners are seeking a determination that the proposed district, or any legally described portion thereof, is a blighted area;² (10) the proposed length of time for the existence of the district; (11) the maximum rates of real property taxes, and, business license taxes in the county seat of a county of the first classification without a charter form of government containing a population of at least 200,000, that may be submitted to the qualified voters³ for approval; (12) the maximum rates of special assessments, and respective methods of assessment that may be proposed by petition; (13) the limitations, if any, on borrowing capacity of the district; (14) the limitations, if any, on the revenue generation of the district; (15) other limitations, if any, on the powers of the district; (16) a request that the district be established; and (17) any other items the petitioners deem appropriate.

Section 67.1421, RSMo, requires the municipal clerk to determine if the petition substantially complies with the requirements and for the governing body of the municipality in which the proposed district is located to hold a public hearing before the governing body can adopt an ordinance approving the petition and establishing a district as set forth in the petition.

¹ As defined by Section 67.1401, RSMo, per capita is one head count applied to each individual, entity or group of individuals or entities having fee ownership of real property within the district.

² As defined by Section 67.1401, RSMo, a blighted area is an area which (1) by reason of the insanitary or unsafe conditions, deterioration of site improvements, or the existence of conditions which endanger life or property by fire and other causes retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals or welfare in its present condition and use; or (2) has been declared blighted or found to be a blighted area pursuant to Missouri law.

³ As defined by Section 67.1401, RSMo, a qualified voter is registered voters or the owners of one or more parcels of real property located within the district.



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Governance

CIDs are governed by a board of directors. If a district is a political subdivision, the district shall be governed by a board consisting of at least 5 but not more than 30 directors. Directors must be (1) at least 18 years old, (2) be either (a) an owner of real property or of a business operating within the district or (b) a registered voter⁴ residing within the district, and (3) any other qualifications set forth in the petition establishing the district. If there are fewer than 5 owners of real property located within a district, the board may be comprised of up to 5 legally authorized representatives of any of the owners of real property located within the district. The board can either be elected or appointed, as provided in the petition. After the district's formation has been approved, the board has the authority to carry out the purposes and provisions of the Community Improvement District Act.

If the district is a not-for-profit corporation, the election and qualification of members to the board of directors must be in accordance with Missouri's Nonprofit Corporation Act (Chapter 355, RSMo).

Allowable projects

CIDs have the powers to provide assistance to or to construct, reconstruct, install, repair, maintain, and equip any of the following public improvements:⁵

- Pedestrian or shopping malls and plazas.
- Parks, lawns, trees, and any other landscaping.
- Convention centers, arenas, aquariums, aviaries, and meeting facilities.
- Parking lots, garages, or other facilities.
- Paintings, murals, display cases, sculptures, and fountains.
- Any other useful, necessary, or desired improvement.

CIDs also have the power to demolish and remove, renovate, reconstruct, or rehabilitate any building or structure owned by a private property owner if the area is declared to be blighted.⁶

⁴ As defined by Section 67.1401, RSMo, a registered voter is a person(s) who resides within the district and whom are qualified and registered to vote pursuant to chapter 115.

⁵ Section 67.1461.1(16), RSMo.

⁶ Section 67.1461.2(1), RSMo.



Community Improvement Districts Introduction

Funding methods

State law allows CIDs 4 different methods to generate revenue:

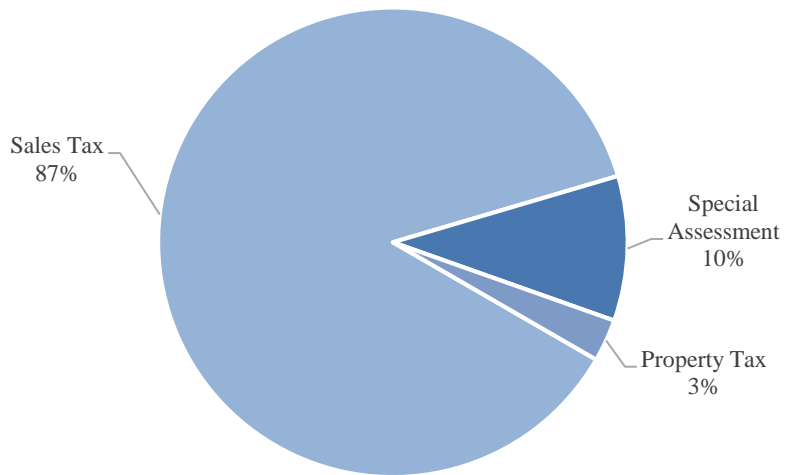
1. Sales and Use Tax - Any district formed as a political subdivision may impose by resolution a district sales and use tax of up to one percent on retail transactions, subject to exceptions cited in state law.
2. Real Property or Business License Tax - The district may levy by resolution a tax upon real property or on any business located within the boundaries of the district, provided no such resolution shall be final nor shall it take effect until the qualified voters approve the tax that the resolution seeks to impose. The district may levy a real property tax rate lower than the tax rate ceiling approved by qualified voters and may increase that lowered tax rate to a level not exceeding the tax rate ceiling without approval of the qualified voters.
3. Special Assessments - A district may levy by resolution one or more special assessments against real property within its boundaries, upon receipt of an in accordance with a petition signed by (1) owners of real property collectively owning more than 50 percent by assessed value of real property within the boundaries of the district, and (2) more than 50 percent per capita of the owners of all real property within the boundaries of the district.
4. To fix, charge, and collect fees, rents, and other charges for use of any of the following:
 - The district's real property, except for public rights-of-way for utilities.
 - The district's personal property, except in a city not within a county.
 - Any of the district's interest in such real or personal property, except for public rights-of-way for utilities.

The majority of CIDs are funded with sales tax. Special assessments and property taxes are funding methods used by approximately 13 percent of the districts. Figure 2 breaks down the percentage of CIDs by funding method for CIDs formed through December 31, 2017, that responded to our questionnaire.



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Figure 2: Percentage of CIDs, by funding method



Source: Prepared by the SAO using data from questionnaires submitted to each CID in existence as of December 31, 2017. Information was not available for 17 districts.

Abolishment

Under state law, upon receipt of a proper petition and after notice of a public hearing, any district may be terminated by ordinance adopted by the governing body of the municipality prior to the expiration of its term if the district has no outstanding obligations. Upon expiration or termination of a district, the assets of such district shall be distributed in accordance with the plan for dissolution as approved by ordinance. The municipality is to make every effort for the assets of the district to be distributed in such a manner so as to benefit the real property that was formerly a part of the district.

Scope and Methodology

The scope of our audit included, but was not limited to, the year ended December 31, 2017. Our methodology included gathering information regarding the CIDs established through discussions with various officials from the Department of Economic Development (DED) and the Department of Revenue (DOR) and reviewing information maintained by those agencies. We sent questionnaires to districts using contact information provided by or obtained from the DED, DOR, SAO, and municipalities. We requested the geographic location of the district, the district's fiscal year, estimated total project costs, estimated revenues when the district was formed, the life of the district, the proposed funding method, when collection of revenues started, district's liabilities/unpaid project costs, businesses/properties within the district, board members, and other information.

To gain an understanding of the legal requirements governing CIDs, we reviewed applicable state laws and interviewed individuals from the DED and DOR.



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We also selected 15 CIDs across the state to review in more detail. The districts selected and their approving municipalities are:

District Name	Approving Municipality
76 Entertainment CID	Branson
BaratHaven CID	Dardenne Prairie
Independence Events Center CID	Independence
Capital Mall CID	Jefferson City
Hope Valley CID	Joplin
12th & Wyandotte CID	Kansas City
Ward Parkway Shopping Center CID	Kansas City
Park Ridge CID	Lee's Summit
Miner Gateway CID	Miner
North Oaks Plaza Shopping Center CID	Northwoods
2317 Belt CID	St. Joseph
East Hills CID	St. Joseph
Downtown St. Louis CID	St. Louis
Liberty Commons CID	St. Robert
Black Mountain CID	Van Buren

During 2017, the SAO performed individual audits of the BaratHaven CID,⁷ the Independence Events Center CID,⁸ the Ward Parkway Shopping Center CID,⁹ and the North Oaks Plaza Shopping Center CID.¹⁰ These districts were also included in our review of additional detail during this audit.

During our review of these districts, our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; testing selected transactions, and performing on-site inspections and observations. These districts were not selected due to any known issues or concerns, and are considered representative of the entire population of CIDs throughout the state.

⁷ SAO, *BaratHaven Community Improvement District*, report number 2017-121, issued October 2017.

⁸ SAO, *Independence Events Center Community Improvement District*, report number 2017-136, issued November 2017.

⁹ SAO, *Ward Parkway Center Community Improvement District*, report number 2017-147, issued December 2017.

¹⁰ SAO, *North Oaks Plaza Shopping Center Community Improvement District*, report number 2017-102, issued September 2017.

Community Improvement Districts

Management Advisory Report

State Auditor's Findings

1. Significant Weaknesses Exist in the State's CID Laws

Significant changes to the state's Community Improvement District (CID) laws are necessary to protect taxpayers. State law allows for the formation of a CID and the imposition of taxes without adequate public scrutiny, sufficient public protections, or voter approval. Without adequate public scrutiny, district petitions are approved without a well-defined purpose for extended, and even perpetual, timeframes. State law also allows for significant conflicts of interest within the governance structure of the districts, giving significant oversight responsibilities to developers and property owners. As a result, there is an increased risk of districts not acting in the public's best interest. State law also does not ensure adequate transparency or sufficient reporting requirements, allows excess taxation without oversight, and does not contain adequate abolishment provisions.

1.1 Districts formed and taxes imposed without public scrutiny or public protections

State law allows a CID to be formed and taxes and assessments to be imposed without adequate public scrutiny or sufficient public protections. As of December 31, 2017, the state had approximately¹¹ 428 CIDs that collected \$74.3 million in taxes and assessments from the public during calendar year 2017. Estimated project costs¹² at the time of formation provided by 396¹³ CIDs totaled more than \$2.2 billion.

A petition must be filed with the municipal clerk in order for a district to be established. State law¹⁴ requires the petition to contain certain elements, including, but not limited to:

- The legal description of the district, including a map illustrating the district boundaries.
- A 5 year plan stating the purposes of the district, the services to be provided, any improvements to be made, and an estimate of the costs to be incurred.
- The method for selecting the board.

¹¹ We do not know the exact number of CIDs in existence because there is no requirement in state law for the State Auditor's Office (SAO) to be notified upon the creation of a district. See section 1.4.

¹² Based on survey questionnaires completed by CIDs. Some districts provided the total estimated project costs while other districts provided the estimated costs for the first 5 years of the district. Therefore, the total estimated project cost is likely significantly higher than reported.

¹³ Not all CIDs returned their questionnaire to the SAO. Additionally, several that returned the questionnaire did not know the estimated project cost when the district was formed. Therefore, we do not know the estimated project costs for all 428 CIDs.

¹⁴ Section 67.1421.2(3), RSMo.



Community Improvement Districts
Management Advisory Report - State Auditor's Findings

- A statement as to whether the petitioners are seeking a blighted designation for the district.
- The proposed length of time for the existence of the district.

The municipality is required to hold a public hearing and then may adopt an ordinance to establish the district.¹⁵

Municipalities do not perform adequate scrutiny

While state law requires the approval of the municipality, there are no provisions requiring the municipality to perform an evaluation to ensure a district is in the best interest of the public before adopting the ordinance establishing it. As a result, municipalities do not always provide adequate scrutiny to ensure a district benefits the public.

According to representatives from the City of Kansas City and the City of St. Louis, their municipalities perform a review to ensure the petition contains all the elements required by state law. The representatives also indicated the petition for the district to form would be approved unless they identified statutory compliance issues. As of December 31, 2017, the City of Kansas City and the City of St. Louis were the approving municipalities for approximately 55 and 60 CIDs, respectively. Additionally, representatives from 6¹⁶ of the 12 (50 percent) municipalities¹⁷ we interviewed indicated they only ensured the petition was compliant with state law. Based on this information, the majority of districts created are not scrutinized by public officials to evaluate the merits of the district and to ensure the district benefits the public even though state law allows them to do so.

Amending state law to require municipalities evaluate the proposed district to ensure it appropriately benefits the public will provide more assurance districts created are in the best interests of the public. In the absence of a law change, municipalities must provide more critical review of district petition documents to ensure the interests of the public are considered.

State law does not require district purpose to be well defined

State law does not require district petition documents contain a well-defined purpose. While state law requires the petition to state the general purpose of the district, the estimated costs to be incurred, and the proposed length of time the district will be in existence, district petition documents do not always specifically define these parameters. As a result, districts are allowed to form with vague purposes.

¹⁵ Section 67.1421.4, RSMo.

¹⁶ City of Branson, City of Independence, City of Jefferson City, City of Kansas City, City of St. Louis, and the City of Van Buren.

¹⁷ We attempted to interview the 13 municipalities that approved the formation of the 15 CIDs selected for further review as documented in the Scope and Methodology section above; however, the City of Northwoods failed to respond to our inquiries.



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We looked at the petition documents for the 15 CIDs reviewed and determined 10¹⁸ of them (67 percent) did not have a well-defined purpose. For example, the petition documents stated the tax revenues could be used for "payment or reimbursement of any other costs or expenses permitted by the CID Act" or some other non-specific purpose.

Requiring the CID petition to better define the purpose of the district would provide better information to the municipality evaluating the merits of the district to ensure the district is in the best interest of the public.

Allowable life of districts not limited, resulting in excessive lifespans as well as perpetual districts

State law does not limit the allowable life of a CID and does not require the expected timeframe stated in the petition to be a defined period. As a result, districts typically have excessive lifespans, and in many cases have perpetual lifespans. Our survey determined the average lifespan for districts with a defined life is 31 years. In addition, the survey determined the state has 75 districts with no defined lifespan.

Requiring the CID petition to have a reasonable and defined lifespan would help the municipality reevaluate whether the district is in the best interests of the public on a periodic basis. Having a defined lifespan would also allow the municipality additional oversight opportunity and would help ensure the district was fulfilling its stated purpose. Without a defined and reasonable lifespan, excessive and unnecessary taxation can occur and CID funds would be at an increased risk of misappropriation.

Districts can be established to pay TIF liabilities

A review of established CIDs identified districts created with the sole purpose of paying down tax increment financing (TIF) liabilities, thereby ensuring the developer is repaid for TIF reimbursable costs sooner than otherwise would occur. We determined 2¹⁹ of the 15 (13 percent) CIDs reviewed are associated with a TIF. These arrangements can involve most CID revenues going toward the TIF, instead of only 50 percent like other economic activity taxes. State law already includes funding mechanisms for developers to be reimbursed for TIF projects but developers/property owner(s) are establishing CIDs to provide additional funding for TIF projects.

It is not clear if state law intended the formation of CIDs for this purpose.

No assessment of economic impact required

No estimate of the economic impact of a potential district is required prior to formation. An economic analysis of a potential district would include an analysis of the projected revenues the district would generate over time. This

¹⁸ 12th & Wyandotte CID, 2317 Belt CID, Black Mountain CID, Capital Mall CID, East Hills CID, Hope Valley CID, Miner Gateway CID, North Oaks Plaza Shopping Center CID, Park Ridge CID, and Ward Parkway Shopping Center CID.

¹⁹ Liberty Commons CID and East Hills CID.



Community Improvement Districts
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information would allow the municipality evaluating the petition to determine the economic activity anticipated if the CID is established. Such information is commonly required for economic development programs. For example, prior to a TIF district being approved, a developer is statutorily required to provide information pertaining to the development's potential economic impact to the community.²⁰ Similarly, at the state level, the Department of Economic Development (DED) requires the assessment of the estimated cost/benefit of proposed projects for some tax credit programs.²¹

Requiring a developer/property owner to demonstrate the estimated economic impact a potential project will generate provides assurance the investment of public monies is in the public's best interest.

No 'but for' determination required

There is no requirement that the developer/property owner(s) provide a 'but for' determination to establish a CID when the project involves a private asset. This determination is typically required to provide assurance that the project involving a private asset would not be possible 'but for' the public incentive being requested. Such a determination is required by statute to establish a TIF district,²² and is required by the DED when evaluating projects applying for state Business Use Incentives for Large Scale Development Program incentives.²³

Requiring a 'but for' determination provides the public some assurance the awarding of public incentives to a project for a private asset is necessary for the development to proceed, and helps ensure the public incentives granted are in the public's best interest.

Conclusion

State law requires municipalities to approve the petition to form a CID. However, state law does not require CID petition documents to include a well-defined purpose, does not require the lifespan of a district to be limited or specifically defined, and does not require any estimate of how much revenue will be collected or an evaluation of the merits of the district. As a result, districts are collecting an unspecified amount of taxes or assessments for undefined purposes for an unknown period of time. State law allows municipalities the flexibility to modify the structure of CIDs, including ensuring the projects are well defined, and the lifespan of the district is limited before forming the district. Municipalities can review the project to ensure the same project is not already receiving public assistance. The municipalities

²⁰ Section 99.810.1(5), RSMo.

²¹ Business Use Incentives for Large Scale Development Program, Brownfield Redevelopment Program, and the Missouri Works Tax Credit Program at Sections 100.810, 447.708.1(6), and 620.2010.2(2), RSMo; respectively.

²² Section 99.810.1(1), RSMo.

²³ Section 100.760(4), RSMo.



Community Improvement Districts Management Advisory Report - State Auditor's Findings

1.2 Public vote not required to impose CID sales tax

can also perform an assessment to ensure the district benefits the public before forming the district. However, our survey results indicate municipal officials are generally not utilizing their oversight capabilities when reviewing district petitions. Once a district is formed, the municipality has limited or no recourse if the district is not structured with adequate public protections, and districts can exist and tax the public for an infinite number of years. Clarifying state law to require petition documents to include more specific language of the district's purpose and lifespan would be in the best interest of taxpayers.

State law allows sales taxes to be imposed without voter approval. During the year ending December 31, 2017, 314 CIDs received sales tax revenue totaling approximately \$57 million.

A significant portion of CID sales taxes are not approved by a vote of the public. State law requires a CID sales tax to be approved by the qualified voters of the district after approved by the district board.²⁴ However, the majority of the districts do not contain registered voters, which allows the developer/property owner to essentially impose the tax. State law allows district boundaries to be customized so as to intentionally not include registered public voters, creating "micro" taxing districts in many cases. Only 14 percent of the districts imposing a sales tax that responded to our survey had registered voters, which would require a public vote to impose a tax. The developer/property owner(s) maintain a controlling interest in the board of directors for a majority of the districts. For those districts that imposed a sales tax and responded to our inquiry, the developer/property owner has a controlling interest on the board for 234 of the 287 (82 percent) districts statewide, and for 11²⁵ of the 12 (92 percent) districts²⁶ we reviewed. As a result, the overwhelming majority of CID sales taxes are not approved by the general public, but rather by the developer/property owner(s).

Allowing developers/property owners and local governments to form special "micro" taxing districts and impose taxes without a public vote is inconsistent with how other sales taxes are imposed. Municipalities and other taxing districts are typically required by state law to put any proposed sales taxes to a public vote. A simple majority vote in favor of the tax is necessary to put it into effect.

²⁴ Section 67.1545.1, RSMo.

²⁵ 12th & Wyandotte CID, 2317 Belt CID, 76 Entertainment CID, Black Mountain CID, Capital Mall CID, East Hills CID, Hope Valley CID, Liberty Commons CID, Miner Gateway CID, North Oaks Shopping Center CID, and Ward Parkway Shopping Center CID.

²⁶ Sales taxes are not imposed for 3 of the 15 districts we reviewed.



Community Improvement Districts
Management Advisory Report - State Auditor's Findings

1.3 State law allows for significant conflicts of interest

State law allows for significant conflicts of interest to occur at CIDs. Approximately 83 percent of district boards are controlled by the developer/property owner(s). These developer controlled boards are responsible for procuring any construction work necessary, services to be performed, and oversight of other CID-related expenses. As a result, there is a significant risk of improper and related party transactions.

Boards are not required to include anyone independent

State law does not require anyone independent of the developer/property owner(s) to be on the board of directors if no registered voters reside within the district. While state law allows the municipality to dictate the make-up of the board before the municipality forms the district, the majority of municipalities do not require independent representation prior to approving the petition. As a result, many of the district boards do not include anyone independent of the developer/property owner. Based on our survey, the developer/property owner has a controlling interest in approximately 83 percent of district boards and 62 percent of district boards do not include anyone independent of the developer/property owner. As a result, developers/property owners find themselves with conflicting interests when representing the CID board. For example, a cooperative agreement we reviewed between the developer, the city and the district²⁷ was signed by the same individual as both the Chairman of the CID Board and the developer.

Requiring someone independent of the developer/property owner(s) to be on the board of directors would provide additional assurance the district is being subjected to appropriate oversight and is acting in the best interest of the public.

Competitive procurement for most services is not required

State law does not require CID boards to competitively procure construction contracts or the majority of the services paid for with public monies.²⁸ Since there are no requirements to ensure the independence of the CID board, there is a higher risk of developer/property owner(s) awarding construction or service contracts to themselves or other related party contractors without allowing other non-related entities to submit proposals for the contracts. We identified numerous instances of contracts being awarded or payments being made to related parties:

- The Downtown St. Louis CID did not competitively procure management services. Instead, the district paid a not-for-profit organization with representatives on the CID Board more than \$1.6 million for management services from July 2016 to June 2017. A conflict of interest exists

²⁷ Park Ridge CID.

²⁸ Sections 8.285 through 8.291 and 8.675 to 8.687, RSMo, require political subdivisions to competitively procure architectural and engineering services and construction management services; respectively.



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between the district and the not-for-profit organization since (1) the two organizations share the same President and CEO, (2) the Chair and Vice Chair of the not-for-profit organization are ex officio members of the CID Board, and (3) the Chair and Vice Chair of the CID Board are ex officio members of the not-for-profit organization's Board of Trustees. The petition filed creating the district requires the CID to contract with the not-for-profit organization for management and to staff day-to-day operations. The CID then entered into a management agreement with the not-for-profit organization allowing the organization to determine the amount of reimbursement as long as it is within the budget of the CID and records are available for the CID Board to review.

- The Independence Events Center CID²⁹ did not competitively procure administrative services and instead contracted with the City of Independence, which had a controlling interest in the Board, to administer the district. The district paid more than \$110,000 annually since 2013 for services that other districts procure for less than \$15,000 annually.
- Ward Parkway Shopping Center CID did not competitively procure construction management services worth \$1.2 million. Instead, members of the Board of Directors approved payments for these services to their employer.
- The North Oaks Plaza Shopping Center CID did not competitively procure parking lot repair services worth approximately \$85,000. The district made payments for these services to a company owned by a Board member.
- The Park Ridge CID did not competitively procure lawn and landscaping services and paid more than \$75,000 for these services in 2017. The district made payments for these services to a company owned by the Chairman of the Board.
- The Black Mountain CID Board leased land from members of the Board for 3 years at a total cost of \$31,600 for signage for a business within the boundaries of the district. The sign being leased was constructed in 2000 with no lease payments being made to the property owners/Board members until the CID payments were made from 2015 through 2018. Board members could not explain how they determined the lease rate.

Based on survey responses submitted by 396 CIDs, districts across the state are anticipating spending more than \$2.2 billion in project costs. Requiring

²⁹ The Independence Events Center CID is the largest CID in the state in terms of sales tax collection.



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competitive procurement of construction and other services would provide assurance the lowest and best bidder was selected and would be in the public's best interest. Transportation Development Districts (TDD) are already required by state law to competitively procure construction contracts in excess of \$5,000.³⁰

1.4 Inadequate transparency to the public

State law does not impose sufficient sales tax and reporting transparency requirements on CIDs. CIDs do not have to disclose the rate of the district sales tax publically at all retail locations within the CID. In addition, CIDs are not required to notify the SAO when they are formed. State law does not impose adequate reporting requirements on CIDs and there is no penalty for not filing the required reports to the public entities.

Sales taxes are not disclosed to the public

There is no requirement in state law to notify the public of the additional sales tax imposed by a CID. As a result, taxpayers may not be aware of the additional tax they are paying to fund the district. Sales taxes are the planned source of revenues for 358 of the 411³¹ districts (87 percent) that responded to our survey.

Informing the public of the additional sales tax charged within the district would increase transparency. State law already requires the rate of a TDD sales tax to be prominently displayed at the cash register area at each retail location in the TDD.³²

Reporting requirements are insufficient and lack enforcement mechanisms

State law does not impose adequate notification and reporting requirements on CIDs. The law also lacks enforcement mechanisms when CIDs fail to meet statutory reporting requirements. We identified the following concerns:

- CIDs are allowed to form without notifying the SAO of their formation. The SAO has authority to audit CIDs³³ and is also required to monitor CIDs to help ensure the districts comply with the financial reporting requirements imposed on all political subdivisions.³⁴
- State law does not impose sufficient financial reporting requirements on CIDs. State law imposes some reporting requirements, including submitting (1) a proposed annual budget to the governing board of the municipality,³⁵ (2) an annual performance report to the municipal clerk

³⁰ Section 238.252(2), RSMo.

³¹ Representatives of 411 CIDs responded to our questionnaire and provided their planned source of revenue. No additional information is known for districts that did not respond.

³² Section 238.280, RSMo.

³³ Section 67.1471.5, RSMo.

³⁴ 15 CSR 40-3.030(5) and Section 105.145, RSMo.

³⁵ Section 67.1471.2, RSMo.



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of the approving municipality and the DED, and (3) an annual financial report to the SAO.³⁶ However, these reporting requirements do not include other important information, such as:

- the funding method.
 - revenues received to date.
 - reimbursable costs by type to date.
 - anticipated reimbursable costs by type.
 - unpaid reimbursable costs.
 - current estimated years until abolishment.
- State law does not have a mechanism to ensure the CIDs provide the reporting already required to the DED and the municipalities. We identified significant noncompliance with reporting requirements (see section 3.2).

Requiring CIDs to report the rate of sales tax imposed, to notify the SAO upon formation, to provide additional reporting, and adding a mechanism to state law to increase reporting compliance would increase transparency and allow the public to be better informed of these districts. Municipalities already have to report the formation of a CID to the DED³⁷ and TIF information to the Department of Revenue (DOR).³⁸ In addition, state law already imposes fines as a mechanism to ensure reporting. For example, state law effective August 28, 2017,³⁹ imposes fines to political subdivision for noncompliance with financial reporting requirements and requires those fines to be paid to local school districts.

1.5 Excess taxation without oversight

State law allows CIDs to overtax the public and remit the excess taxation to conflicted parties. Additionally, state law does not require an audit by the SAO before a district can abolish.

Excess taxation occurs and benefits conflicted parties

State law does not require a district to rescind its funding mechanism once the district expenses have been paid, resulting in excess taxation of the public. State law⁴⁰ requires the excess taxation to go towards the real property that

³⁶ 15 CSR 40-3.030(5) and Section 105.145, RSMo.

³⁷ Section 67.1421.6, RSMo.

³⁸ Section 99.865, RSMo.

³⁹ Section 105.145.9 to 105.145.11, RSMo.

⁴⁰ Section 67.1481.5, RSMo.



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was formerly part of the district and may result in conflicted parties benefiting from the excess taxation.

For example, the Eureka South I-44 CID Board was controlled by the municipality and abolished in November 2014. Prior to abolishment, the district overcharged the public by more than \$120,000. These funds were remitted to the city and placed in the Road Fund. The city-controlled district failed to rescind the sales tax and special assessment timely and as a result, the city received the excess taxation windfall from the district.

Another example involves the Kansas Battlefield CID in Springfield that satisfied its debt in March 2015. However, due to a lack of planning, the sales tax was not rescinded until January 1, 2016, which resulted in the taxpayers being over taxed by approximately \$225,000. This excess taxation resulted in a windfall to the local municipality.

Ensuring any excess taxes collected during the closeout of a CID do not go to the entity that provides oversight would help reduce the conflict of interest faced by those charged with oversight. In addition, as previously noted, fines imposed on political subdivisions for noncompliance with financial reporting requirements are to be paid to local school districts. Similarly requiring any over collections of sales tax revenue remaining after abolishment to be remitted to local school districts would remove the conflict of interest a board or local municipality may face.

Lack of oversight of
abolishment

State law does not require a district to be audited by the SAO prior to abolishment. State law⁴¹ requires a district to be file a petition with the local municipality and the governing body of the municipality to adopt an ordinance in order for a district to be abolished.

Requiring a CID to be audited by the SAO prior to abolishing would provide assurance the district's assets exceed its liabilities and the board has a plan in place for the dissolution of assets. State law⁴² already requires an audit by the SAO in order for a TDD to abolish.

1.6 Lack of reporting
transparency

Annual reports of statewide CID sales tax collections and distributions published by the DOR do not include taxes distributed to all districts. The DOR redacts the amount of sales tax distributed to CIDs that include less than 6 retailers. As a result, sales tax distributions for 2017 for 109 of 314 districts (35 percent), totaling approximately \$5.4 million, are redacted from publicly available DOR reports and the appendix.

⁴¹ Section 67.1481.2, RSMo.

⁴² Section 238.275.3, RSMo.



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State law⁴³ requires annual financial reports, including the amount of receipts, of every political subdivision of the state to be filed with the SAO. State law⁴⁴ also requires these financial reports to be public records. DOR officials assert Section 32.057, RSMo, supersedes this language, and the amount of money collected for CIDs with fewer than 6 businesses must be protected from disclosure to the general public so as not to disclose private taxpayer information. While the recent law change to improve financial reporting compliance of political subdivisions will improve the transparency of CIDs, this change will not resolve the DOR's interpretation of the law that results in public reports of CID distributions being redacted. To comply with DOR's reporting restrictions, some sales tax distribution amounts to individual CIDs are redacted in the appendix because the sales tax information presented in the appendix was obtained from the DOR. However, the total statewide distribution amount presented in DOR reports and our appendix includes all CID sales taxes distributed by the DOR.

Clarification to state law is necessary to ensure the completeness of the distribution reports published by the DOR, and to ensure the transparency of CID tax distributions statewide.

Recommendations

The General Assembly consider amending state law to:

- 1.1 Require municipalities to perform an evaluation of petitioned CIDs and document their results to ensure a district is in the best interest of the public before adopting an ordinance establishing it. In addition, state law should be amended to require the CID's purpose and lifespan be well-defined in the district petition documents. State law should also be amended to require an assessment of economic impact be prepared and presented and require the developer/property owner(s) provide a 'but for' determination to establish a CID when the project involves a private asset. Consideration should also be given to clarifying state law regarding establishing CIDs to repay TIF reimbursable costs.
- 1.2 Require a public vote of the citizens to impose a CID sales tax.
- 1.3 Require a representative of a public entity to be on the board of directors. Also, require CIDs to competitively procure construction contracts and other major services.
- 1.4 Require districts to notify the public of the additional sales tax imposed by a CID and require the approving municipality to notify

⁴³ Section 105.145.2, RSMo.

⁴⁴ Section 105.145.7, RSMo.



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the SAO of a district's formation. In addition, state law should impose more detailed reporting requirements on CIDs and establish a mechanism to ensure CIDs provide required reports to the state and appropriate municipality.

- 1.5 Require districts to rescind their funding mechanism(s) once obligations have been repaid and ensure excess taxation does not benefit conflicting parties. In addition, require an audit of CIDs by the SAO prior to abolishment.
- 1.6 Clarify if sales tax distribution amounts by the DOR should be available to the public.

Auditee's Response

Due to no state or local entity having oversight or management responsibilities over CIDs on a statewide basis, no management response can be obtained. The views of any applicable municipalities, or individual CID board members were obtained as appropriate and considered as part of our audit fieldwork.

2. Weaknesses Exist in Sales Tax Administration

The sales tax administration system in place at the DOR does not adequately track sales tax district boundaries, and the DOR does not have adequate procedures in place to ensure district sales taxes are correctly administered, charged, collected, and disbursed. As a result, our review of the collection and remittance of district sales taxes identified errors for 10 of the 12⁴⁵ (83 percent) districts reviewed for sales tax compliance. Most errors noted involved issues with the department's inability to accurately recognize CID boundaries. This condition was reported to the DOR in previous SAO audits of TDDs in 2017 and Sales and Use Tax procedures in 2015.⁴⁶ During the year ended December 31, 2017, the DOR disbursed \$56.9 million in sales taxes to CIDs.

When a CID enacts a sales tax the DOR requires the district to submit specific documentation to the department including, but not limited to (1) the name of the district imposing the tax; (2) percentage of tax increase; (3) a list of business names, addresses, and Missouri sales tax identification numbers of businesses located in the district, and (4) a map showing street names and district boundaries. DOR personnel will verify the information provided by the district, update the department's tax system, which includes the geographic information system (GIS), and inform the district of the effective date of the tax. The DOR makes available monthly distribution detail reports to each district. These reports provide a listing of open businesses within the

⁴⁵ Only 12 of 15 districts selected for additional review were funded by a sales tax.

⁴⁶ Report 2017-020, *Transportation Development Districts*, issued in April 2017, and report 2015-080, *Sales and Use Tax*, issued September 2015.



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district and a detailed breakdown of the CID sales tax remitted to the district by retailer.

Businesses inside the districts are not remitting CID sales taxes to the DOR In 3 of the 12 (25 percent) districts reviewed,⁴⁷ we identified a total of 4 businesses inside district boundaries charging the CID sales tax but not remitting those taxes collected to the DOR.

For example, CID taxes were collected by a business within the designated district boundaries of the Capital Mall CID. While the business charged the additional district sales tax, the business did not remit the tax to DOR.⁴⁸ Neither DOR personnel nor the sales tax system identified this business as being within the boundaries of the district, and therefore had not identified this business as being noncompliant. We confirmed with DOR personnel that this business is within the district boundaries, but they indicated the district did not provide notification this business was within the district boundaries. The CID did not elect to receive the monthly distribution reports from the DOR that would have allowed district officials to identify they were not receiving sales taxes from the business.

Businesses inside the districts are not charging the CID sales tax In 9 of the 12 (75 percent) districts reviewed,⁴⁹ we identified a total of 16 businesses within the district boundaries not charging the CID sales tax and thus did not remit such collections to the DOR.

For example, CID taxes were not being charged by a business within the designated district boundaries of the Hope Valley CID. DOR personnel indicated the business was not in their system as being inside the district boundaries because the business owners indicated on their initial sales tax application that it was not in the district. After SAO inquiries with district officials, they notified the DOR that the business should be collecting the tax. Since the DOR failed to recognize this business as being within the district boundaries, the business did not charge the additional district sales tax and did not remit the district sales tax to the DOR.

Neither DOR personnel nor the sales tax system identified that this business was within the boundaries of the district and should be charging the additional district sales tax and remitting this district sales tax to the DOR. Even though DOR personnel utilize a GIS to determine the political subdivisions a business is in, they rely upon the business and/or district to inform them of businesses within the district boundaries. CID officials were aware this

⁴⁷ Capital Mall CID, East Hills CID, and Independence Events Center CID.

⁴⁸ Follow up action to determine the status of any sales taxes collected but not remitted is beyond the scope of our audit. This matter was referred to the DOR for follow up.

⁴⁹ 76 Entertainment CID, Black Mountain CID, Capital Mall CID, East Hills CID, Hope Valley CID, Independence Events Center CID, Liberty Commons CID, North Oaks Plaza Shopping Center CID, and Ward Parkway Shopping Center CID.



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Businesses outside the districts are charging district sales tax

business was within the boundaries of the district and should have been charging the additional district sales tax; however, they failed to identify the business was not included on the monthly DOR reports that detail the breakdown of sales taxes remitted each retailer.

In 2 of the 12 (17 percent) districts reviewed,⁵⁰ we identified a total of 2 businesses not within the district boundaries charging the CID sales tax.

For example, CID taxes were collected by a business that was approximately 1 mile outside the designated district boundaries of the Miner Gateway CID. DOR personnel indicated when this business opened, the business provided the department with an address and informed them the business was within the boundaries of the district. The DOR coded the business as being within the boundaries of the district without confirming the location of the business and the district's boundaries. The business was actually outside the district boundaries and had no legal authority to collect the district sales tax based on our review of the district. The business remitted the additional district sales tax collected to the DOR and the DOR remitted the taxes to the district. Neither DOR personnel nor the department's sales tax system identified this business was not within the boundaries of the district and had no legal authority to charge the additional district sales tax. The CID was not aware this business was charging the additional district sales tax because the district chose not to receive the monthly DOR distribution reports.

In addition, a business located approximately 4 miles outside the boundaries of the Independence Events Center CID charged the CID sales tax. DOR personnel indicated they registered this business as a business within the boundaries of the district based on a sales tax return filed by the business. The business had no legal authority to collect the district sales tax based on our review of the district. Neither DOR personnel nor the department's sales tax system identified this business was not within the boundaries of the district and had no legal authority to impose the additional district sales tax.

Conclusion

The DOR imposes requirements on taxing districts, including CIDs, which are beyond what the DOR requires of cities and counties. Special taxing districts in the state are required to notify the DOR when new businesses are added, which is not required of large political subdivisions like cities and counties. DOR officials indicate the department's system is capable of identifying the applicable tax rates that should be charged by a new business in a city or county, but for smaller taxing districts, such as CIDs, the entity is responsible for monitoring for new businesses and notifying the DOR.

⁵⁰ Independence Events Center CID and Miner Gateway CID.



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State law⁵¹ requires the DOR to perform all functions incident to the administration, collection, enforcement, and operation of the district sales tax. The DOR has a fiduciary duty to the public to ensure taxes are administered correctly and to detect and prevent improper taxation.

Recommendation

The DOR implement controls to prevent or detect improper taxation.

Auditee's Response

The Missouri Department of Revenue provided the Missouri State Auditor's office (SAO) detailed financial and business location reports for twelve Community Improvement Districts (CIDs). Errors were identified for ten of the CIDs reviewed. There are approximately 795 unique businesses within those 10 CIDs. The SAO discovered issues with 22 businesses, representing a 97 percent accuracy rate. The DOR has addressed all issues contained in the report and made necessary corrections to those businesses.

In September 2017, the department began using a new Integrated Tax System which interfaces with the Sales Tax Rate Geographic Information System (STRGIS). When registrations are completed, the interface with STRGIS systematically provides department staff a rate and location code associated with the business address. This will help the department identify if the address is within a district, even when the taxpayer reports they are not within a district. In the previous tax system, at the time of registration, department employees had to perform a manual check for the address in STRGIS. In some instances this manual review did not occur, resulting in incorrect registrations. This improvement should result in greater accuracy.

The DOR continues to work closely with the Office of Administration - Information Technology Services Division to ensure accurate and timely updates are made to STRGIS. In addition, in response to House Bill 1858 passed in the most recent legislative session, the department will begin working with political subdivisions to view the addresses currently located within their boundaries.

Reports that provide a list of the open businesses registered within the district and monthly distributions from each business within the CID are available to each CID free of charge. Prior to implementation of the Integrated Tax System, political subdivisions were provided one free report per year, and charged \$35 for each subsequent report requested by the CID. The department has notified CIDs of the availability of these reports.

The department requests updates from the CIDs as new businesses are added or if their taxing boundaries change. The department also requires other political subdivisions, including cities and counties, to notify the department

⁵¹ Section 32.087.6, RSMo.



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of new businesses as a result of annexations or if they identify any discrepancies on their reports. The department's ability to provide accurate rate for each district is limited by the completeness of information provided by each CID. It is common for districts to have undeveloped areas without addresses at the time the district is formed. If the district does not provide notification of new businesses within the district, the department does not have the ability to identify specific businesses when the boundaries do not encompass the entire city or county.

Auditor's Comment

Due to incorrect boundaries in DOR's mapping system, sales tax errors were identified in 10 of the 12 (83 percent) districts reviewed, which includes 5 districts with multiple errors. Given the significant error rate found in districts reviewed as part of the audit, improper taxation is likely occurring in other special taxing districts throughout the state.

3. Noncompliance with Statutory Requirements

CIDs have routinely not complied with state laws regarding budget preparation, annual financial and performance reporting, Sunshine Law compliance, and holding an annual meeting.

3.1 Annual budgets

CIDs routinely do not comply with state laws requiring budgets be reported to municipalities, contain certain information, and be adopted timely.

Lack of transparency to municipalities

We determined 11 of the 15 (73 percent) CIDs reviewed did not properly adopt budgets or did not properly provide those budgets to the municipality.

- Four⁵² CIDs did not prepare an annual budget for the fiscal year 2017.
- Two⁵³ CIDs prepared a fiscal year 2017 budget but failed to provide the budget to the municipality.
- Five⁵⁴ CIDs failed to submit their annual budget to the municipality within the timeframe required by state law. These CIDs submitted their fiscal year 2017 budget to the municipality between 29 to 169 days after the statutory deadline.

Section 67.010.1, RSMo, requires political subdivisions to prepare an annual budget. Section 67.1471.2, RSMo, requires CIDs to submit a proposed budget

⁵² Black Mountain CID, Hope Valley CID, Liberty Commons CID, and Miner Gateway CID.

⁵³ 12th & Wyandotte CID and North Oaks Plaza Shopping Center CID.

⁵⁴ 2317 Belt CID, BaratHaven CID, Capital Mall CID, Independence Events Center CID, and Ward Parkway Shopping Center CID.



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to the governing body of the municipality between 180 and 90 days prior to the first day of the fiscal year.

Budgets were incomplete

We determined 5 of the 9⁵⁵ (56 percent) CIDs reviewed prepared incomplete budgets.

- The budgets for 2⁵⁶ CIDs did not contain a budget message or a general budget summary.
- The budgets for 2⁵⁷ CIDs did not contain a comparative statement of actual and estimated revenues and expenditures for the preceding 2 years.
- The budget for 1⁵⁸ CID did not contain a budget message, budget summary, or contain a comparative statement of actual estimated revenues and expenditures for the preceding 2 years.

Section 67.010.1, RSMo, requires a CID board to present a budget with a complete financial plan to include a budget message describing the important features of the budget and major changes from the preceding year, comparative statement of estimated revenues and expenditures for the preceding 2 years, and a general budget summary.

Budgets were not approved timely

We determined 2⁵⁹ of the 11 (18 percent) CIDs⁶⁰ reviewed that adopted a budget did not adopt their budgets timely. Those CIDs adopted their budget at least 45 days after the statutory deadline.

Section 67.1471.3, RSMo, requires CID boards to adopt an annual budget no later than 30 days prior to the start of the CIDs fiscal year.

3.2 Annual reports

CIDs consistently failed to provide required reports to the SAO and DED.

⁵⁵ We could only review the budgets for 9 of the 15 CIDs because the Black Mountain CID, Hope Valley CID, Liberty Commons CID, and Miner Gateway CID failed to adopt a budget. The Downtown St. Louis CID and Park Ridge CID are not-for-profit established CIDs, and Section 67.010, RSMo, does not apply to not-for-profit CIDs.

⁵⁶ 12th & Wyandotte CID and North Oaks Plaza Shopping Center CID.

⁵⁷ 76 Entertainment CID and Capital Mall CID.

⁵⁸ 2317 Belt CID.

⁵⁹ Capital Mall CID and Ward Parkway Shopping Center CID.

⁶⁰ We could only review the timelines of approving budgets for 11 of the 15 CIDs because the Black Mountain CID, Hope Valley CID, Liberty Commons CID, and Miner Gateway CID failed to prepare a budget, and therefore could not adopt a budget in an annual Board meeting.



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Annual financial report

For their most recent fiscal year, we determined 92 of the 403⁶¹ (23 percent) CIDs failed to provide an annual financial report to the SAO and 39 of the 403 (10 percent) submitted their report late.

Annual performance report

Based on DED records, the compliance rate on performance report requirements is low. For their most recent fiscal year, we determined 163 of the 430⁶² (38 percent) CIDs failed to provide an annual performance report to the DED and 65 of the 430 (15 percent) CIDs submitted their report after the statutory deadline. Only 202 of 430 districts (47 percent) timely filed the required performance reports with the DED.

Section 105.145, RSMo, requires all political subdivision, including CIDs, to file annual financial statements with the SAO. 15 CSR 40-03.030(5) requires a CID to submit the annual financial statements to the SAO within 6 months following the end of the fiscal year. Additionally, Section 67.1471.4, RSMo, requires a CID to submit an annual performance report to DED within 120 days after the end of the fiscal year.

3.3 Sunshine Law

We determined 3 of the 15 (20 percent) CIDs reviewed did not comply with the Sunshine Law by failing to prepare Board meeting minutes with all required information. We identified the following errors:

- Two⁶³ CIDs failed to indicate the Board members present and absent in the minutes.
- One⁶⁴ CID failed to indicate where the meeting was held in the minutes.
- One⁶⁵ CID failed to indicate the time the meeting was held in the minutes.

Section 610.020.7, RSMo, states minutes of open and closed meetings shall be taken and retained by the public governmental body, including, but not limited to, a record of any votes taken at such meetings. The minutes shall include the date, time, place, members present, members absent, and a record of any votes taken.

⁶¹ Seventeen CIDs were established as not-for-profit organizations, which are not required to submit annual financial reports. Eight CIDs were established in 2017 and did not have to submit a financial report until after our review period.

⁶² DED indicated 430 CIDs were active as of January 23, 2018.

⁶³ 2317 Belt CID and Black Mountain CID.

⁶⁴ Black Mountain CID.

⁶⁵ East Hills CID.



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3.4 Annual meetings

We determined 4⁶⁶ of the 15 (27 percent) CIDs reviewed did not hold an annual meeting during 2017.

Section 67.1471.3, RSMo, requires CID boards to hold an annual meeting.

Recommendations

CID Boards:

- 3.1 Ensure compliance with state law by adopting a budget, submitting the budget timely to the municipality, including all information in the budget required by state law, and adopting the budget by the deadline established by state law.
- 3.2 Ensure annual financial reports and performance reports are filed with the appropriate entities within the time frames established by state law.
- 3.3 Ensure meeting minutes include all the information required by the Sunshine Law.
- 3.4 Ensure compliance with state law by holding at least one meeting of the Board of Directors annually.

Auditee's Response

Due to no state or local entity having oversight or management responsibilities over CIDs on a statewide basis, no management response can be obtained. The views of any applicable municipalities, or individual CID board members were obtained as appropriate and considered as part of our audit fieldwork.

⁶⁶ Black Mountain CID, Hope Valley CID, Liberty Commons CID, and Miner Gateway CID.

Appendix

Community Improvement Districts

CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs
Adair County					
Baltimore Commons	Kirksville	Perpetual	\$ R	R	1,883,000
Franklin Street	Kirksville	Perpetual	N/A	N/A	1,000,000
North Baltimore Street	Kirksville	Perpetual	R	N/A	2,500,000
South 63 Corridor	Kirksville	35	90,494	N/A	463,400
Subtotal Adair County			100,516	R	5,846,400
Barry County					
Monett Marketplace	Monett	20	R	N/A	700,000
Subtotal Barry County			R	-	700,000
Boone County					
Business Loop	Columbia	20	33,190	60,899 (14)	- (4)
Downtown (Columbia)	Columbia	20	578,148	207,933 (13)	475,000 (5)
East Ashland Plaza	Ashland	30	R	R	2,437,767
North 763	Columbia	25	30,986	N/A	1,084,980
Subtotal Boone County			R	R	3,997,747
Buchanan County					
2317 Belt	St. Joseph	Perpetual	R	N/A	927,000
Ag Expo	Buchanan County	35	N/A	845,845 (2)	- (4)
Belt Highway and Beck Road	St. Joseph	40	R	R	8,276,068
Cook Crossings	St. Joseph	25	R	155,666 (12)	13,000,000
East Hills	St. Joseph	Perpetual	597,368	5,836 (10)	15,600,000
St. Joseph Downtown	St. Joseph	30	54,755	49,491	130,000
The Commons	St. Joseph	20	42,964	N/A	10,576,893
Tuscany Village Project 1	St. Joseph	40	R	R	74,041,847
Subtotal Buchanan County			1,179,903	1,057,562	122,551,808
Butler County					
Green Forest	Poplar Bluff	45	N/A	N/A	3,980,000
Highway 67 South	Butler County	30	R	N/A	615,000
Kelly Town Plaza	Poplar Bluff	30	R	R	1,200,775
Qulin Highway North	Qulin	30	- (6)	N/A	171,000
Stateline	Butler County	30	R	N/A	865,000
Sycamore Street	Poplar Bluff	30	N/A	N/A	300,000
Subtotal Butler County			65,096	R	7,131,775
Camden County					
X American Center	Camdenton	X	25,891	X	X
Arrowhead Center	Osage Beach	33	R	N/A	28,000,000
Ball Parks of the Ozarks	Camden County	30	N/A	N/A	- (4)
Greenview	Camden County	35	26,951	N/A	165,000
Ozark Bar-B-Que	Camden County	5	- (6)	N/A	50,000
Peninsula Development	Camden County	40	N/A	N/A	7,829,226
Sunrise Beach Market Center	Village of Sunrise Beach	30	R	N/A	1,609,960
Toad Cove Complex	Camden County	Perpetual	- (7)	N/A	- (4)
Toad Cove Resort	Camden County	Perpetual	- (7)	N/A	- (4)
Subtotal Camden County			212,880	-	37,654,186
Cape Girardeau County					
Downtown Cape Girardeau	Cape Girardeau	Perpetual	154,046	N/A	255,000 (5)
Town Plaza	Cape Girardeau	20	132,834	6,464 (10)	4,284,900
Subtotal Cape Girardeau County			286,880	6,464	4,539,900
Carter County					
Black Mountain	Van Buren	30	R	N/A	850,000
Ellsinore Herren Ave	Ellsinore	30	R	N/A	541,000
Ellsinore Highway 60	Ellsinore	30	N/A	N/A	199,250
Landing River Center	Carter County	30	R	N/A	952,000
Leerjak	Ellsinore	50	R	R	1,250,000
Subtotal Carter County			88,006	R	3,792,250

Appendix

Community Improvement Districts

CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs
Cass County					
58 Highway Regional Market	Raymore	20	134,928	104,855 (13)	14,500,000
211th Street	Peculiar	50	R	N/A	9,500,000
Cedar Tree	Belton	40	N/A	- (12)	6,210,406
Downtown Pleasant Hill	Pleasant Hill	Perpetual	N/A	- (7)	- (4)
Eastern Hills	Harrisonville	25	N/A	6,180 (11)	287,500
Foxridge	Raymore	20	N/A	56,388 (12)	1,067,850
Foxwood Village	Raymore	30	R	N/A	1,228,028
Grand Hill	Belton	25	N/A	- (7)	150,000
Highway 58 and Dean Avenue	Raymore	25	R	R	9,170,328
Jeter Farm	Raymore	30	N/A	R	436,000
Northwest Cass	Village of Loch Lloyd	30	N/A	- (7)	8,500,000
Raymore Galleria CID	Raymore	30	84,486	N/A	3,454,435
Stonegate	Raymore	Perpetual	N/A	78,780 (12)	414,950
TXRH	Belton	20	R	R	1,815,102
Y Belton	Belton	30	N/A	- (7)	280,000
Y Highway Market Place	Belton	25	R	R	7,128,037 (8)
Subtotal Cass County			521,222	248,914	64,142,636
Christian County					
Avicenna	Ozark	30	- (6)	N/A	2,206,000
Bluff Drive	Ozark	20	N/A	15,582 (11)	142,500
Clever Highway 14	Clever	30	- (6)	N/A	261,700
Deerbrook Marketplace	Ozark	30	N/A	N/A	3,285,480
Highlandville	Highlandville	30	R	N/A	2,000,000
Highway J & 17th Street	Ozark	30	R	N/A	1,657,769
McCroskey Street	Nixa	20	38,025	556 (10)	500,000
Ozark Downtown	Ozark	N/A	- (6)	N/A	- (4)
Town & Country Village	Ozark	25	R	R	8,930,000
Subtotal Christian County			124,433	R	18,983,449
Clay County					
210 Highway	Kansas City	Perpetual	228,610	N/A	- (4)
901 South 291	Liberty	27	R	R	980,000
Antioch Center	Kansas City	50	447,511	N/A	10,000,000
Blue Jay Crossing	Liberty	50	75,869	329 (10)	4,878,362
Creekwood Commons	Kansas City	20	318,110	598 (10)	1,926,678
Crossroads Shop Center	Liberty	50	102,141	1,044 (10)	3,875,000
Downtown Excelsior Springs	Excelsior Springs	20	35,047	60 (10)	45,000 (5)
Elms Hotel	Excelsior Springs	33	R	R	15,748,226
Flintlock Plaza	Kansas City	Perpetual	115,074	636 (10)	250,900
Flintlock Shoppes	Kansas City	Perpetual	237,644	2,766 (10)	296,500
Historic Downtown Liberty	Liberty	30	75,958	53 (10)	463,000
Commercial Homestead	Liberty	99	N/A	- (3)	1,150,000
Hubach Hills & North Cass Parkway	Raymore	32	N/A	- (3)	4,884,627
Kearney West Side	Kearney	30	82,911	N/A	533,000
Liberty Commons	Liberty	35	220,876	8,670 (10)	10,694,140
Liberty Corners	Liberty	30	237,687	1,237 (10)	1,350,000
Liberty Tri Shop Center	Liberty	50	164,435	2,220 (10)	1,835,000 (5)
Liberty Triangle	Liberty	50	950,246	8,923 (10)	54,185,000
Meadowbrook Village	Gladstone	15	62,958	362 (10)	923,632
Metro North Square and Commons	Kansas City	23	134,337	2,665 (10)	13,495,922
North Haven Center	Liberty	30	N/A	- (3)	635,000
North Oak Village	Kansas City	30	332,817	12,411 (10)	10,000,000
Oak Barry	Kansas City	23	369,177	2,576 (10)	15,136,000
Renaissance Plaza	(9) Kansas City	20	N/A	N/A	406,344 (8)
Rogers Plaza	Liberty	50	R	R	21,824,722
Shoppes at Kearney	Kearney	30	344,572	264 (10)	4,000,000
South Bristol Center	Kansas City	30	N/A	- (3)	2,988,991
Twin Creeks Center	Kansas City	30	N/A	- (3)	6,937,886
Villages	Kansas City	20	243,803	762 (10)	1,383,000
Vintage Plaza	Excelsior Springs	20	67,691	643 (10)	1,000,000
Subtotal Clay County			5,110,009	47,962	191,826,930

Appendix

Community Improvement Districts

CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs
Cole County					
Capital Mall	Jefferson City	37	730,181	5,936 (10)	5,091,537
Russellville Route C	Russellville	30	- (6)	N/A	222,000
Southside Munichburg	Jefferson City	8	N/A	25,240 (12)	1,100,000
	Subtotal Cole County		<u>730,181</u>	<u>31,176</u>	<u>6,413,537</u>
Cooper County					
Boonville Highway 5	Boonville	30	N/A	N/A	154,500 (5)
Hail Ridge	Cooper County	50	R	N/A	2,000,000
Windsor Place	Village of Windsor Place	50	38,175	175 (10)	7,195,080 (5)
	Subtotal Cooper County		<u>R</u>	<u>175</u>	<u>9,349,580</u>
Crawford County					
Bourbon Route 66	Bourbon	30	- (6)	- (6)	835,200
	Subtotal Crawford County		<u>-</u>	<u>-</u>	<u>835,200</u>
Dallas County					
Urbana Highway 65	Urbana	30	- (6)	N/A	193,000
	Subtotal Dallas County		<u>-</u>	<u>N/A</u>	<u>193,000</u>
Dunklin County					
Senath Commercial Street	Senath	30	- (6)	N/A	213,450
	Subtotal Dunlin County		<u>-</u>	<u>N/A</u>	<u>213,450</u>
Franklin County					
East Main & Highway 47	Union	20	71,717	1,436 (10)	800,000
East Osage	Pacific	20	146,197	217 (10)	1,365,053
Highway 100	Franklin County	50	1	527 (10)	1,400,000
Osage Commercial Area	Pacific	20	109,289	223 (10)	1,500,000
Phoenix Center II	Washington	Perpetual	480,330	N/A	20,962,207
Sullivan Marketplac	Sullivan	30	29,807	509 (10)	555,000
Union	Union	30	42,832	211 (10)	650,000
Viaduct Commercial Area	Pacific	20	61,109	485 (10)	865,898
	Subtotal Franklin County		<u>941,282</u>	<u>3,608</u>	<u>28,098,158</u>
Gentry County					
Stanberry Highway 169	Stanberry	30	- (6)	N/A	816,450
	Subtotal Gentry County		<u>-</u>	<u>N/A</u>	<u>816,450</u>
Greene County					
Airport Plaza	Springfield	50	65,184	-	3,245,737
Brentwood Center N/S	Springfield	20	R	-	1,950,000
College Station	Springfield	50	33,527	-	3,270,662 (8)
Commercial Street	Springfield	Perpetual	38,727	715 (10)	203,000
Convention and Entertainment	Springfield	50	N/A	1,395,063 (15)	18,500,000
Crocker Highway 17	Crocker	30	N/A	-	204,683
Downtown Springfield	Springfield	Perpetual	336,910	234,139 (13)	211,125
Glenstone Marketplace	Springfield	Perpetual	N/A	-	2,250,000
X Hickory Hills Marketplace	Springfield	X	X	X	X
X James River Commons	Springfield	X	1,337,152	11,348 (10)	X
Logan Estates	Rogersville	50	N/A	R	3,932,736
Northwest Area	Springfield	25	66,431	1,632 (10)	2,902,500
Shops at James River	Springfield	50	126,941	-	2,390,300 (5)
Springfield Plaza	Springfield	50	R	R	90,444,791
Strafford Plaza	Strafford	30	R	-	540,900
X Wilson Creek Market Place	Battlefield	X	R	R	X
	Subtotal Greene County		<u>2,111,543</u>	<u>1,644,281</u>	<u>130,046,434</u>
Harrison County					
Bethany 136	Bethany	20	45,418	126 (10)	350,000
	Subtotal Harrison County		<u>45,418</u>	<u>126</u>	<u>350,000</u>

Appendix

Community Improvement Districts
 CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs
Howell County					
63 Bypass	West Plains	33	41,818	1,153 (10)	8,250,000
Ozark Hills	West Plains	30	R	R	1,130,094
Ramseur Farm	West Plains	30	- (3)	N/A	4,500,000
South 160	West Plains	50	119,229	N/A	2,251,500
Southern Hills	West Plains	Perpetual	534,060	N/A	7,500,000
Subtotal Howell County			R	R	23,631,594
Jackson County					
12th and Wyandotte	Kansas City	Perpetual	R	R	32,800,000
23rd and Sterling	Independence	Perpetual	R	N/A	2,390,000
3 Trails Village	(9) Kansas City	-	R	R	-
39th Street	Kansas City	20	195,632	1,208 (10)	75,000 (5)
4840	Kansas City	16	R	R	3,974,298
5050 Main	Kansas City	30	R	R	1,539,000
51st and Oak	Kansas City	Perpetual	N/A	R	4,144,395
Adam's Dairy Landing	Blue Springs	50	N/A	390,673 (12)	2,326,786
Arrowhead	Independence	35	26,004	N/A	9,554,320
Blue Parkway & Colbern Road	Lee's Summit	40	R	N/A	23,558,788
Bridgewood Plaza	Oak Grove	30	35,783	N/A	963,848
Brighton Creek Commons	Kansas City	Perpetual	- (3)	N/A	8,000,000
Broadway Area	Kansas City	35	227,719	N/A	- (4)
Brookside	Kansas City	30	404,193	113,364 (13)	469,000 (5)
Brywood Centre	Kansas City	Perpetual	242,009	432 (10)	4,414,857
Crackerneck Center	Independence	30	R	N/A	5,177,018
Ditzler	Raytown	Perpetual	R	R	4,000,000
Downtown Kansas City	Kansas City	31	N/A	2,706,703 (12)	8,049,290 (8)
Downtown Lee's Summit	Lee's Summit	Perpetual	360,416	11,489 (10)	162,000 (5)
Fall Creek	Blue Springs	20	N/A	355,253 (12)	45,646,000
Grain Valley Marketplace	Grain Valley	30	R	R	1,734,846 (8)
X Grandview Crossing	Grandview	X	24,138	15,461 (10)	X
Greenway Fields Neighborhood	Kansas City	25	N/A	48,325 (12)	43,988 (5)
Hartman Heritage Center	Independence	Perpetual	N/A	88,474 (12)	125,000 (5)
Highway 50 & Todd George	Lee's Summit	30	160,039	718 (10)	1,221,586
Highway 350	Raytown	25	595,976	6,563 (10)	1,050,000
Independence Avenue	Kansas City	40	810,760	41,401 (13)	230,000 (5)
Independence Event Center	Independence	35	5,815,609	N/A	60,000,000
Intercontinental	Kansas City	Perpetual	R	R	15,898,667
Interstate 470	Lee's Summit	Perpetual	130,762	-	2,500,000
Interstate 470 & View High	Lee's Summit	Perpetual	N/A	- (3)	4,038,000
Lake Lotawana	Lake Lotawana	Perpetual	11,127	191,680 (13)	4,600,000 (19)
Landing Mall	Kansas City	Perpetual	85,479	561 (10)	352,363 (5)
Langsford Plaza	Lee's Summit	Perpetual	33,872	180 (10)	415,600 (5)
Main Street	Kansas City	15	N/A	- (7)	- (4)
Marketplace 152	Kansas City	Perpetual	N/A	- (3)	7,210,000
Marketplace Shopping Center	Independence	Perpetual	N/A	- (3)	541,850 (8)
Martin City	Kansas City	40	337,036	28,416 (13)	500,000 (5)
Noland Fashion Square	Kansas City	25	197,340	1,362 (10)	5,614,349 (5)
Noland Road	Independence	30	1,493,508	N/A	1,500,000 (8)
Oaks at Woods Chapel	Blue Springs	33	R	R	12,507,991
Park Ridge	Lee's Summit	Perpetual	N/A	251,627 (16)	2,300,000 (8)
Performing Arts	Kansas City	Perpetual	216,993	14,810 (10)	49,000,000
Pershing and Grand	Kansas City	30	126,664	7 (10)	691,000 (5)
Pine Tree	Lee's Summit	20	N/A	- (3)	2,400,000
Plaza East	Kansas City	Perpetual	55,954	51 (10)	590,000 (8)
Prairie Landing	Independence	Perpetual	N/A	- (7)	- (4)
X Raintree 150 Center	Raytown	X	49,138	X	X
X Ramsgate	Independence	X	X	X	X
Raytown Crossing	Raytown	Perpetual	R	R	2,088,596
Raytown Square	Raytown	Perpetual	123,242	16,079 (10)	7,200,000
Red Bridge	Kansas City	10	82,500	53,477 (13)	211,500 (5)
Red Bridge Shopping Center	Kansas City	20	47,358	175,678 (13)	10,699,013
X Ritter Plaza	Kansas City	X	R	R	X

Appendix

Community Improvement Districts
 CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs
River Market	Kansas City	19	N/A	312,145 (12)	1,322,239 (5)
Shoal Creek Valley	Kansas City	Perpetual	N/A	- (3)	350,000 (5)
Shops on Blue Parkway	Kansas City	Perpetual	142,706	672 (10)	115,076 (5)
Skelly	Kansas City	Perpetual	75,364	727 (10)	171,390 (5)
State Line Shopping Center	Kansas City	20	82,395	339 (10)	6,757,147
Stone Canyon	Independence	Perpetual	N/A	- (7)	14,205,000 (19)
Summit Fair	Lee's Summit	Perpetual	758,873	534,854 (12)	19,865,751
Summit Point	Lee's Summit	100	N/A	- (7)	- (4)
Sunrise Farms	Grandview	50	R	R	15,700,000
Trinity Woods	Independence	30	N/A	- (7)	74,000 (5)
Troost Avenue	Kansas City	Perpetual	229,656	25,116 (13)	200,000 (5)
Truman Road	Kansas City	20	104,886	44,014 (13)	160,000 (5)
Truman's Marketplace	Grandview	40	435,521	355,953 (12)	8,700,000
Uptown	Kansas City	20	52,678	255 (10)	103,000 (5)
Waldo	Kansas City	Perpetual	580,769	37,085 (13)	211,000 (5)
Ward Parkway Shopping Center	Kansas City	40	1,511,555	19,718 (10)	24,364,800
Watts Mill	Kansas City	20	70,246	137 (10)	1,730,000
Westport	Kansas City	15	N/A	1,114,531 (12)	761,053 (5)
Westport II	Kansas City	20	509,565	3,756 (10)	275,000 (5)
White Oak	Blue Springs	23	R	R	49,639,471
Zona Rosa	Kansas City	23	N/A	201,350 (12)	5,500,000
Subtotal Jackson County			17,506,815	7,240,935	502,713,876
Jasper County					
510 Rangeline	Joplin	20	N/A	- (3)	990,000
Briarbrook	Carl Junction	20	N/A	159,809 (11)	1,900,000
Downstream Q Store	Newton County	30	N/A	- (7)	6,500,000 (5)
Northpark Lane	Joplin	20	1,041,733	16,855 (10)	10,000,000
Peachtree Village	Carthage	30	7,253	2,392 (10)	2,528,136
South Main Street	Joplin	30	N/A	- (3)	5,222,394
Subtotal Jasper County			1,048,986	179,056	27,140,530
Jefferson County					
Biltmore East	Jefferson County	20	92,232	251 (10)	1,500,000
High Ridge Commons	Jefferson County	30	758,685	N/A	10,500,000
McNutt Road Corridor	Herculanum	30	402,747	N/A	7,000,000
Peach Tree	Hillsboro	30	R	N/A	2,528,136
X Richardson Crossing	Arnold	X	19,432	1,823 (10)	X
Ridgecrest	Arnold	40	30,906	527 (10)	300,000
Springdale	Jefferson County	40	33,613	4,573 (10)	1,592,000
Truman Village	Festus	25	N/A	1,266 (10)	1,700,000
Twin City Mall	Crystal City	30	163,117	N/A	4,617,893
Subtotal Jefferson County			R	8,440	29,738,029
Johnson County					
Knob Noster Ninth Street	Knob Noster	30	- (6)	N/A	244,000
Subtotal Johnson County			-	N/A	244,000
Laclede County					
The Fountains	Lebanon	25	47,780	N/A	1,200,000
Lebanon Marketplace	Lebanon	25	31,998	7,059 (11)	954,000
Southdale Center	Lebanon	25	56,731	67 (10)	3,270,000
Subtotal Laclede County			136,509	7,126	5,424,000
Lincoln County					
Lincoln Crossing	Troy	25	73,723	2,415 (10)	2,820,000
Subtotal Lincoln County			73,723	2,415	2,820,000
Livingston County					
Stoneybrooke	Chillicothe	25	205,578	7,726 (10)	1,451,500
Subtotal Livingston County			205,578	7,726	1,451,500
Marion County					
SZC Development District Inc.	Hannibal	14	R	N/A	4,500,000
Subtotal Marion County			R	-	4,500,000

Appendix

Community Improvement Districts
 CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs
Miller County					
Eagles Landing	Lake of the Ozarks	26	R	R	17,869,959
Isla Del Sol	Miller County	Perpetual	N/A	121,939 (18)	1,218,815
	Subtotal Miller County		<u>R</u>	<u>R</u>	<u>19,088,774</u>
New Madrid County					
Lilbourn Highway D	Lilbourn	30	- (6)	N/A	211,000
	Subtotal New Madrid County		<u>-</u>	<u>N/A</u>	<u>211,000</u>
Newton County					
Big Spring Plaza	Neosho	Perpetual	55,352	2,663 (10)	626,944
Highway 166	Newton County	30	R	N/A	4,442,996
Hope Valley	Joplin	30	94,311	4,196 (10)	56,789,717
Neosho Developers	Newton County	50	N/A	413 (11)	3,000,000
	Subtotal Newton County		<u>R</u>	<u>7,272</u>	<u>64,859,657</u>
Nodaway County					
Mary Mart	Maryville	30	28,549	454 (10)	1,597,500
	Subtotal Nodaway County		<u>28,549</u>	<u>454</u>	<u>1,597,500</u>
Pemiscot County					
Hayti Ventures	Hayti	20	R	R	175,000
Steele Highway 61	Steele	30	- (6)	N/A	198,050
	Subtotal Pemiscot County		<u>R</u>	<u>R</u>	<u>373,050</u>
Perry County					
Perryville Highway 61 & Kingshighway	Perryville	30	- (6)	N/A	348,000
	Subtotal Perry County		<u>-</u>	<u>N/A</u>	<u>348,000</u>
Pettis County					
Galaxy West	Sedalia	30	- (3)	N/A	364,212 (8)
	Subtotal Pettis County		<u>-</u>	<u>N/A</u>	<u>364,212</u>
Phelps County					
Forum Plaza	Rolla	25	184,928	210	4,000,000
	Subtotal Phelps County		<u>184,928</u>	<u>210</u>	<u>4,000,000</u>
Platte County					
9 Highway Corridor	Parkville	20	20,528	68 (10)	3,483,616
Edgewood Farms	Kansas City	20	R	R	7,660,306 (8)
KC International Airport	Kansas City	30	488,785	133,130 (10)	1,100,000 (5)
Northmoor Associates	Northmoor	50	17,221	199 (10)	X
X Parkville Old Towne Market Center	Parkville	X	52,881	686 (10)	X
PC-I	Parkville	30	335,629	N/A	- (4)
Platte City Market Center	Platte City	Perpetual	R	R	1,092,344
Riverside Gateway Crossing	Riverside	Perpetual	112,656	497 (10)	- (4)
The Old Foundation	Kansas City	Perpetual	R	R	296,500 (5)
Tiffany Landing	Kansas City	Perpetual	R	R	810,000
	Subtotal Platte County		<u>1,323,176</u>	<u>157,048</u>	<u>14,442,766</u>
Pulaski County					
Liberty Commons	St. Robert	25	72,993	N/A	1,275,000
Plattner	St. Robert	30	R	N/A	351,000
Westgate	Waynesville	Perpetual	51,243	N/A	2,200,000
	Subtotal Pulaski County		<u>R</u>	<u>N/A</u>	<u>3,826,000</u>
Ralls County					
Highway 61	New London	50	R	R	657,889
	Subtotal Ralls County		<u>R</u>	<u>R</u>	<u>657,889</u>

Appendix

Community Improvement Districts
 CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs
Randolph County					
Downtown Moberly	Moberly	20	6,462	737 (10)	- (4)
Meadow Ridge	Moberly	20	N/A	3 (20)	584,000
Moberly Crossing	Moberly	20	23,323	216 (10)	754,109
Subtotal Randolph County			29,785	956	1,338,109
Scott County					
Miner Gateway	Miner	23	43,079	930 (10)	2,100,000
Subtotal Scott County			43,079	930	2,100,000
St. Charles County					
BaratHaven	Dardenne Prairie	41	N/A	- (7)	4,200,000
Bear Creek	Wentzville	44	381,191	N/A	22,955,000
Belleau	O'Fallon	40	56,365	22,993 (13)	3,000,000
Bryan Road	Dardenne Prairie	20	23,750	64,662 (13)	3,600,000
Caledonia	O'Fallon	21	8,418	1,345 (10)	3,000,000
Cora Marie	Dardenne Prairie	40	N/A	- (3)	25,000,000
Elm & 370	St. Charles	20	16,451	3,584 (10)	825,000
Elm Point Commons	St. Charles	25	N/A	224,480 (12)	2,530,000
Fairgrounds Road	St. Charles	25	N/A	- (3)	1,000,000
Fountain Lakes Commerce Center North	St. Charles	30	R	R	- (4)
Fountain Lakes Community Center South	(9) St. Charles	-	R	R	- (4)
Mountain Farm	Weldon Spring	24	R	R	1,250,000
O'Fallon Retail Walk	O'Fallon	20	282,192	495 (10)	7,911,000
Old Town Cottleville	Cottleville	40	115,927	850 (10)	5,700,000
Plaza at Noahs Ark	St. Charles	Perpetual	356,430	276,864 (13)	18,895,000
Shoppes of Mid Rivers	St. Peters	23	35,127	212 (10)	7,800,000
St Charles Riverfront	St. Charles	Perpetual	298,309	52,630 (10)	16,870,000
St Peters Hotel	St. Peters	25	R	R	1,500,000
Suemandy Dr 1	St. Peters	40	R	R	2,400,000
Suemandy Dr 2	St. Peters	25	R	R	2,400,000
Suemandy/Mid Rivers	St. Peters	40	1,025,235	6,257 (10)	13,700,000
Veterans Memorial Parkway	St. Charles	30	23,895	- (10)	3,000,000
Waterbury Storm Water	O'Fallon	Perpetual	33,114	1,176 (10)	250,000
Wentzville Bluffs	Wentzville	20	171,110	256,293 (13)	6,495,000
West Clay Extension	St. Charles	35	339,565	N/A	6,000,000
West Pearce	Wentzville	Perpetual	R	R	1,083,000
Zumbuhl Road/Hwy 94	St. Charles	15	32,439	1,180 (10)	410,978
Subtotal St. Charles County			3,560,882	1,133,820	161,774,978
St. Clair County					
Collins	St. Clair County	30	- (6)	N/A	925,000
Subtotal St. Clair County			-	N/A	925,000
St. Francois County					
GPMVLC	Farmington	20	-	N/A	2,716,259
Maple Valley Plaza	Farmington	Perpetual	65,407	72 (10)	4,000,000
Mineral Area	Farmington	30	121,765	2,956 (10)	2,000,000
Subtotal St. Francois County			187,172	3,028	8,716,259
St. Louis County					
25 North Central	Clayton	23	N/A	R	1,500,000
370/Missouri Bottom Road/Taussig Road	Hazelwood	25	N/A	38,551 (12)	1,529,000
1030 Woodcrest Terrace	St. Louis County	40	N/A	- (3)	3,250,000
8750 Manchester Road	Brentwood	20	33,007	1,994 (10)	1,332,500
10100 Watson Road	Sunset Hills	25	R	R	900,000
10700 Pear Tree Lane	Edmundson	40	228,841	864 (10)	2,000,000
Adie/St Charles Rock Road	St. Ann	40	R	R	500,000 (8)
Affton Plaza	St. Louis County	Perpetual	29,503	N/A	14,845,000
Arbors of Rockwood	Eureka	32	N/A	- (3)	3,413,573
Berkeley Northpark	Berkeley	40	R	R	20,000,000
Brentwood Blvd/Clayton Road	Richmond Heights	Perpetual	R	R	5,800,000

Appendix

Community Improvement Districts
 CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs
Bridgeton NWP	Bridgeton	40	R	R	2,000,000 (8)
Center at Kendrick Plaza	Shrewsbury	30	R	N/A	2,600,000
Chambers/West Florissant	Dellwood	Perpetual	73,374	77 (10)	1,150,000 (8)
Cheshire	Richmond Heights	40	R	R	1,000,000
Chesterfield Blue Valley	Chesterfield	Perpetual	1,303,742	21,235 (10)	30,000,000
Colonial Marketplace	St. Louis County	30	289,562	N/A	2,500,000
Crestwood Market	Crestwood	Perpetual	N/A	- (7)	1,257,671 (8)
Crestwood Point	Crestwood	Perpetual	N/A	- (7)	515,000
Crestwood Square	Crestwood	Perpetual	75,400	502 (10)	2,000,000
Crossings	Wildwood	Perpetual	107,239	2,486 (10)	8,256,914
Daniele	Clayton	25	R	R	2,250,000
Deer Creek Center	Maplewood	23	235,237	575 (10)	2,600,000
Delmar/Delcrest	University City	Perpetual	R	N/A	704,545
Ellisville Marketplace	Ellisville	23	87,455	1,370 (10)	2,300,000
Eureka Pointe	Eureka	20	47,030	N/A	600,000
Flori Drive	Green Park	20	R	R	988,882
Fountain Plaza	Ellisville	20	199,751	3,529 (10)	1,300,000
Grant Center	Village of Marlborough	20	42,231	228 (10)	795,000
Green Trails	St. Louis County	30	6,170	N/A	3,800,000
Hadley Township South 2	Richmond Heights	23	168,537	N/A	8,000,000
Hazelwood Commerce Center	Hazelwood	23	R	140,673 (17)	19,000,000 (8)
Hilltop	Bridgeton	50	1,030,538	N/A	7,000,000
Hilltop Village Center	Eureka	30	50,441	198 (10)	6,932,782
Jennings Station Road	Jennings	20	R	N/A	1,113,500
Kendrick Plaza	Shrewsbury	30	579,561	1,244 (10)	5,750,000
Kirkwood Square	Kirkwood	30	590	N/A	750,000
Lafayette Center	Manchester	25	303,907	N/A	4,660,000
Lemay	St. Louis County	94	212,630	N/A	19,000,000 (8)
Manchester/Ballas	Des Peres	40	1,834,526	17,915 (10)	10,000,000 (8)
Manchester Lindbergh Southeast	Kirkwood/St. Louis County	23	R	R	1,200,000
Market at McKnight	Rock Hill	33	266,978	2,877 (10)	14,350,000
Mayfair Plaza	St. Louis County	23	124,799	6,055 (10)	- (4)
Midwest Plaza	St. Louis County	30	20,737	N/A	31,000
Missouri Bottom Road	Bridgeton	50	R	R	1,758,884
Natural Bridge/St. Charles Rock Road	Bridgeton	30	N/A	- (3)	2,474,470
North County Festival Square	Ferguson/St. Louis	Perpetual	187,896	948 (10)	500,000
North Oaks Plaza Shopping Center	Northwoods	20	104,198	846 (10)	1,500,000
NorthPark-Ferguson	Ferguson	40	N/A	71,344 (12)	7,000,000
NP Kinloch	Kinloch	30	N/A	- (3)	13,000,000
NP Kinloch II	Kinloch	30	N/A	- (3)	6,000,000
NWP	St. Ann	24	R	R	6,500,000
OHM Woodson Terrace	Woodson Terrace/ St. Louis County	Perpetual	R	117,039 (17)	2,751,268
Old Dorsett Road	Maryland Heights	23	R	R	643,000 (8)
Paddock Forest	St. Louis County	25	64,518	998 (10)	- (4)
Plaza On the Boulevard - Jennings	Jennings	Perpetual	130,970	951 (10)	6,000,000
Robinwood West	St. Louis County	99	N/A	- (7)	350,000
Route 141 Marshall Road	Valley Park	Perpetual	R	R	555,000
St. Charles Rock Road	St. John	20	146,168	3,750 (10)	4,000,000
Telegraph Crossing North	St. Louis County	50	42,402	561 (10)	1,425,000
The Crossings at Richmond Heights	Richmond Heights	30	N/A	- (3)	6,957,936
Tori Pines Commons	St. Louis County	21	2,713	1,239 (10)	390,832
Upper West End Park	Frontenac	15	N/A	- (3)	166,960
Victoria Crossing	St. Louis County	21	6,935	184 (10)	585,926
Viking Conference Center	Sunset Hills	20	73,075	401 (10)	1,241,500
Watson-Laclede Station Road	Village of Marlborough	20	36,653	11 (10)	467,119
Westport Plaza 1	Maryland Heights	40	366,870	2,974 (10)	2,700,000 (8)
X Westport Plaza 2	Maryland Heights	X	X	X	X
Subtotal St. Louis County			9,388,425	525,899	286,443,262

Appendix

Community Improvement Districts
 CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs
City of St. Louis					
14th and Market	St. Louis City	30	268,769	N/A	- (4)
1100 Washington Avenue	St. Louis City	40	R	R	1,000,000 (8)
X 1133 Washington Avenue	St. Louis City	X	R	R	X
1201 Washington	St. Louis City	20	4,913	886 (10)	5,000,000 (8)
1225 Washington	St. Louis City	40	70,060	1,379 (10)	3,000,000 (8)
1601 South Jefferson	St. Louis City	40	35,032	247 (10)	575,000
1831/2000 Sidney Street	St. Louis City	40	R	R	175,000 (8)
2017 Chouteau	St. Louis City	25	57,907	2,652 (10)	1,400,000
212 South Grand	St. Louis City	20	R	R	125,000 (8)
2350 South Grand	St. Louis City	25	R	R	130,000 (8)
4101 Laclede	St. Louis City	20	N/A	- (3)	1,400,000
501 Olive	St. Louis City	22	N/A	- (3)	383,820 (8)
60 Plaza Square	St. Louis City	40	N/A	- (7)	1,500,000
620 Market	St. Louis City	32	R	R	9,000,000
705 Olive	St. Louis City	40	R	N/A	1,163,221 (8)
840 East Taylor	St. Louis City	40	R	R	1,270,000
Ballpark Village	St. Louis City	40	329,526	2,351 (10)	40,000,000
Bevo	St. Louis City	25	N/A	72,226 (12)	127,500 (5)
Broadway Hotel	St. Louis City	32	380,759	N/A	43,625,669 (8)
Carondelet Commons	St. Louis City	30	N/A	- (3)	2,000,000
Carrie Ave	St. Louis City	40	R	N/A	650,000
Cherokee Street	St. Louis City	20	N/A	- (3)	100,000 (5)
Cheshire Annex	St. Louis City	40	R	R	1,000,000 (8)
Chouteau Crossing	St. Louis City	40	R	R	750,000
City Hospital Powerhouse	St. Louis City	20	R	R	634,019 (8)
City Hospital RPA2 Phase 1	St. Louis City	40	R	R	1,881,708 (8)
Cozens/MLK/Grand	St. Louis City	20	30,638	1,443 (10)	- (4)
Crowne Plaza	St. Louis City	25	R	N/A	6,500,000
Cupples Station Building 9	St. Louis City	40	R	R	8,100,000 (8)
CWE Business	St. Louis City	40	786,058	34,609 (10)	4,000,000 (8)
The Downtown St. Louis	St. Louis City	10	N/A	3,190,692 (12)	2,908,877 (8)
East Loop	St. Louis City	24	N/A	173,167 (21)	1,827,000 (8)
Euclid South	St. Louis City	20	389,427	1,405 (10)	350,718
Euclid Laclede	St. Louis City	25	N/A	- (7)	8,613,609
Forsyth Associates	St. Louis City	50	R	N/A	50,000 (5)
Gentry's Landing	St. Louis City	25	N/A	- (3)	31,000,000 (8)
Georgian Square	St. Louis City	32	R	R	7,017,500 (8)
Grand Center Area	St. Louis City	5	N/A	- (7)	348,216 (5)
Grand Center Area Two	St. Louis City	5	N/A	- (7)	76,000 (5)
Grove	St. Louis City	20	232,042	100,607 (13)	1,100,000 (8)
Hadley Dean Building	St. Louis City	40	N/A	R (10)	100,000 (8)
Hampton/Berthold	St. Louis City	40	R	R	13,200,000
Laclede Landing	St. Louis City	30	61,692	1,679 (10)	92,200 (5)
X Lafayette Square Townhouses	St. Louis City	X	X	X	X
Laurel	St. Louis City	25	R	N/A	91,000,000
Loughborough Commons	St. Louis City	20	619,410	N/A	5,000,000
Magnolia	St. Louis City	40	R	R	350,000 (8)
North Broadway Carrie	St. Louis City	40	R	R	500,000
Orpheum Theatre	(9) St. Louis City	-	R	R	X
Park Pacific	St. Louis City	32	R	R	69,700,000
Railway Exchange Building	St. Louis City	40	18,132	1,383 (10)	1,500,000 (8)
Residence Inn Downtown St. Louis	St. Louis City	40	64,965	11,399 (10)	24,674,927 (8)
Riverfront Hotel	St. Louis City	Perpetual	495,778	6,811 (10)	43,288,131
Riverside	St. Louis City	Perpetual	N/A	- (7)	365,000 (5)
Soda Fountain Square	St. Louis City	20	24,118	1,912 (10)	400,000
South Grand	St. Louis City	20	122,732	211,195 (13)	178,820 (5)
St. Louis Convention Center Hotel 3	St. Louis City	35	550,863	N/A	160,000 (5)
Syndicate Trust	(9) St. Louis City	-	N/A	R	- (4)
Tucker and Cass	St. Louis City	40	N/A	- (3)	900,000
Union Station	St. Louis City	40	362,474	6,810 (10)	3,000,000 (8)
Subtotal City of St. Louis			<u>5,857,133</u>	<u>3,837,719</u>	<u>443,191,935</u>

Appendix

Community Improvement Districts

CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs
Ste. Genevieve County					
Ozora	Ste. Genevieve County	23	R	N/A	3,010,000
	Subtotal Ste. Genevieve County		R	N/A	3,010,000
Taney County					
76 Entertainment	Branson	Perpetual	427,724	8,353 (10)	16,608,515
Branson Commerce Park	Branson	35	N/A	- (3)	13,875,000
X Branson Creek	Branson	X	X	X	X
Branson Hills	Branson	50	940,810	N/A	7,253,348 (8)
Branson Hills Infrastructure	Branson	30	31,397	781,078 (12)	15,000,000
Forsythe Road	Branson	25	N/A	- (3)	2,500,000
Historic Downtown Branson	Branson	20	441,115	N/A	300,000 (5)
Southtowne	Hollister	30	260,718	8,412 (10)	3,971,420 (8)
	Subtotal Taney County		2,101,764	797,843	59,508,283
Texas County					
Licking Route 32	Licking	30	- (6)	N/A	244,250
	Subtotal Texas County		-	N/A	244,250
Statewide Totals			\$ 56,939,691	17,364,052	2,312,167,343

- R Amount redacted. The Department of Revenue (DOR) asserts that the amount of money collected for CIDs with fewer than 6 businesses must be protected from disclosure to the general public citing Section 32.057, RSMo.
- X The CID did not return a completed survey.
- N/A Not Applicable
- (1) Information was obtained from the DOR and is on a calendar year basis.
- (2) Information was obtained from entity survey information filed with the SAO.
- (3) No revenues collected as of December 31, 2017.
- (4) The CID reported no estimated project cost on survey information filed with the SAO.
- (5) The CID reported estimated project cost only for the initial year.
- (6) The CID has stopped collections.
- (7) The CID revenue was not reported to the SAO for the CID's 2017 fiscal year as of June 25, 2018.
- (8) The CID reported estimated project cost was for the first 5 years.
- (9) The CID has been abolished/terminated.
- (10) Use tax revenue amount; this amount was obtained from the DOR and is on a calendar year basis.
- (11) Property tax revenue amount; this amount was obtained from the CID's 2017 financial statements and is based on the CID's fiscal year end. Fiscal year ends vary by CID.
- (12) Special assessment revenue amount; this amount was obtained from the CID's 2017 financial statements and is based on the CID's fiscal year end. Fiscal year ends vary by CID.
- (13) Use tax and special assessment revenue amounts; these amounts were obtained from the DOR and the CID's 2017 financial statements, which are based on the CID's fiscal year end. Fiscal year ends vary by CID.
- (14) Use tax and property tax revenue amounts; these amounts were obtained from the DOR and the CID's 2017 financial statements, which are based on the CID's fiscal year end. Fiscal year ends vary by CID.
- (15) Property tax, amusement sales tax, hotel/motel and restaurant/meals tax revenue amounts; all amounts were obtained from the CID's 2017 financial statements. Fiscal year ends vary by CID.
- (16) Special assessment revenue amount for the 2017 calendar year. Calculated using information obtained from CID.
- (17) Special assessment revenues, use tax redacted.
- (18) Real property tax and special assessment revenues.
- (19) The CID did not report estimated projects costs on the survey information filed with the SAO; however, the CID reported actual project costs on survey information filed with the SAO. This amount represents the actual project costs.
- (20) Interest revenue, obtained from the CID's 2017 financial statements, which are based on the CID's fiscal year end. Fiscal year ends vary by CID.
- (21) Rental and other revenues, obtained from the CID's 2017 financial statements, which are based on the CID's fiscal year end. Fiscal year ends vary by CID.