



Community Improvement Districts, Missouri

Missouri is famous for the Gateway Arch, St. Louis Cardinals, barbecue, and a celebrated music history of jazz, blues, country, and bluegrass. Along with major cities like Kansas City and St. Louis, it is home to more than 6,300 caves, vast areas of protected wilderness, and numerous lakes—including Lake of the Ozarks, which has more shoreline than California. The State hosts many large consumer product companies, but farming and cattle are its most important economic sectors. To enhance business growth and retention in communities, Missouri authorizes Community Improvement Districts (CIDs).

Missouri Community Improvement Districts Background

In 1997, the State enacted the Community Improvement District Act, which had provisions relating to sales taxes for economic development and tourism. In 1998, to allow business property owners to take control of improving their communities, the act was reintroduced to approve CIDs. The key champion was Franklin "Kim" Kimbrough, president of the Downtown St. Louis Partnership, who stated that CIDs, “provide more equity, participation and, ultimately, more impact than business tax districts.”

CIDs are local special taxing districts that collect revenue within their designated boundaries to pay for special public facilities, improvements, or services. They are nonprofit, public-private partnerships and all 50 states, along with Canada and the Caribbean, have CID legislation. The most widely known use of a CID was the clean-up of New York City’s Times Square.

Although approved by the local municipality, a CID is a separate political subdivision with the power to govern itself and impose and collect special assessments or additional property and sales taxes. It may also generate funds by fees, rents, or charges for district property or services and through grants, gifts, or donations.

Community Improvement Districts (CIDs)

In 2002, the first CID in Missouri—Three Trails Village CID—was created in Kansas City. Since that time, more than 36 CIDs have been formed. The State has two main types of CIDs: political subdivisions, funded by public money through sales tax assessments, and not-for-profits, funded by property tax or special assessments.

Business and industrial property owners within a defined geographic district, which is usually a commercial area, design and pay for CIDs. They can be used for community safety, beautification, business retention, economic growth, and capital improvements, and are intended to supplement, not replace, basic services provided by municipalities and the fundamental responsibilities of property owners. Depending on the needs of the community it serves, a CID can have many focuses or just a few. In Kansas City, for instance, the Crossroads CID is jointly focused on public safety and beautification, while the Ward Parkway CID is primarily focused on reinvigorating the local retail climate.



A CID may finance new facilities or improvements to existing ones, but they must be for public use. Examples include convention centers, arenas, or other meeting facilities; murals, fountains or kiosks; parks, lawns, gardens, and trees; streetscapes, lighting, benches, marquees, awnings, canopies, and trash receptacles; sidewalks, streets, alleyways, bridges, ramps, tunnels, traffic signs, and signals; site improvements such as drainage, water, storm, and sewer systems; parking lots and garages; and child care facilities. A CID may also provide public services, such as operating or contracting parking facilities; shuttle bus services; leasing space for sidewalk café tables and chairs; providing trash collection and disposal services; contracting with private property owners to demolish or rehabilitate structures within designated blighted areas; and providing or contracting for security personnel, equipment, or facilities.

CIDs are created by ordinance of the local governing body of a municipality upon presentation of a petition signed by owners of real property within the proposed district's boundaries. In Missouri, the petition must include a five-year plan describing its purposes and services, the improvements it will make, how the governing board of directors will be formed, and a budget estimate. It must also include the funding method, which may be through district-wide special assessments, rents, fees, and charges for the use of CID property or services; and grants, gifts, or donations. If the CID is organized as a political subdivision, property and sales taxes may also be imposed.

The petition must then be signed by more than 50 percent of all property owners within the proposed CID and all property owners who own at least 50 percent of the assessed property value. The signed petition is presented for ordinance to the governing body of the municipality where the CID will be located. The CID may have direct ties to the local government even though it is a separate legal entity from the municipality that creates it. Each year, the CID must file an annual report with the clerk of the creating municipality and the Department of Economic Development, which does not have oversight or audit responsibility for these districts.

CID improvements have had a measurable impact in Missouri. In Kansas City, for example, the Downtown CID is helping renew the business and cultural hub by making it cleaner, safer, and more attractive. One of the ways it is doing this is by providing 24-hour ambassadors who patrol the streets, clean sidewalks, remove graffiti, work with the police to deter crime, and offer services to the homeless. Largely as a result of their efforts, more than \$8.8 billion has been invested in Downtown Kansas City since 2003 when the CID was formed.

Thanks to CIDs, cities throughout Missouri are being transformed. Blighted, crime-ridden areas are being beautified and made safer while communities that were already prosperous are becoming even better—helping spur the State's economic growth.



Resources:

[Wikipedia - Missouri](#)

[National Geographic Kids - Missouri](#)

[Visit Missouri - Homepage](#)

[Missouri Dept of Economic Development - Local Incentive Programs](#)

[Economic Development Corporation - What Is A Community Improvement](#)

[Downtown Kansas City - About](#)

[Lauber Municipal Law background article](#)