

## **COMMUNITY IMPROVEMENT DISTRICT**

A Community Improvement District (CID) may be either a political subdivision or a not-for-profit corporation. CID's are organized for the purpose of financing a wide range of public-use facilities and establishing and managing policies and public services relative to the needs of the district.

### **What services can a Community Improvement District provide?**

A Community Improvement District is essentially a "super-sized" Special Business District (SBD) with more powers and an ability to pull in additional types of revenues. Right now, our SBD is funded by business license fees and property taxes. Business currently pay 50% over and above the normal license fee—averaging about \$60 a year per merchant. (In fact, 48 business pay only \$7.50 a year and 67 pay only \$12.50 a year!) Property owners currently pay 47.81 cents per \$100 of assessed valuation—averaging about \$539 per year.

A CID can add additional revenues (such as sales tax or user fees) and increase other assessments based on what types of services the members ask for. With this added revenue, the CID is better able to meet the needs of business owners, property owners and residents.

For instance, if businesses within the SBD pay an average of \$60 a year to the SBD, that only comes to about \$19,000 a year—just enough to hire two sidewalk sweepers to work 4 hours a day. If the members agree that cleaning and maintenance is a top priority, a CID can raise assessments or create new assessments in order to fund more sweepers and new equipment—like power washers. A CID can also have higher assessments in area with more foot traffic where more trash ends up on the sidewalk.

Below are some examples of services CID's in Missouri and across the nation provide:

### **Cleaning and Maintenance**

Many CID's have a team of uniformed workers that work seven days a week, providing up to 12 hours of services per day. They also have the equipment necessary for deep cleaning of sidewalks and gutters and for snow removal.

Duties throughout the year vary, with sidewalk snow removal prime during the winter months. During warmer weather, when people are out later, shifts are extended to provide sidewalk sweeping in prime entertainment and dining areas. All sidewalks also get a monthly power washing, except in winter, to remove accumulated stains, gum and grime. Finally, in addition to trash and snow removal, some maintenance teams also handle graffiti removal.

### **Ambassadors/Safety Patrols**

Most CID's do not hire their own armed security force but instead have a team of trained community service representatives. These "ambassadors" provide public safety, hospitality and outreach services seven days a week. These uniformed representatives patrol on foot and are equipped with two-way radios, first aid equipment, maps and more. They aid visitors, radio police when needed, and generally act downtown's eyes and ears. Some downtowns also have these ambassadors looking for violations and problems in the public environment, such as clogged sewers, blatant code violations, broken fire hydrants or bent bicycle racks, graffiti and the like. All such problems are reported promptly to the responsible city department and the ambassador follows up to ensure prompt attention and service

With a team of people keeping an eye out, the downtown no longer becomes a comfortable and anonymous area for vandals and other criminals to operate.

## **Marketing**

Currently, the SBD does not handle any marketing. All advertising and promotions are done through the Central Columbia Association, a voluntary merchants' association. They do not have a large budget and their top priority is to meet the needs of their dues-paying members. Although we do a good amount of general District advertising, there is always room for more.

CID's can handle the marketing of downtown—not just to customers but to tourists, new businesses, developers, residents and more. Downtown CID marketing programs involve developing strategic communications plans that support CID initiatives, such as residential development or new business recruitment. This includes creating a strong graphic identity and a consistent message, planning public outreach activities, coordinating and managing special events, disseminating a wide range of publications and information products, and maintaining cooperative relationships with partner organizations.

A CID can also fund marketing studies for the retail, restaurant or residential market—or can track changes in consumer perceptions about the downtown. This information can then be used to develop economic development programs to attract office tenants, retail and restaurant operators or developers.

## **Capital Improvements/Beautification**

CID's can fund public space improvements such as sidewalk amenities, landscaping, flowers, public art and other beautification projects. The SBD has been very successful over the past few years in this area, particularly with financial support from the city. New sidewalk amenities, street lights, banners and wayfinding signs have all been installed in recent years. However, these funds are limited and the SBD does not have the funds for major projects—like the Avenue of the Columns beautification project or District-wide sidewalk reconstruction.

There are many other options but these are a few good examples of what a CID can do. The services a CID provides are determined by surveying the membership so CID's will vary from downtown to downtown, depending on what the members need. Obviously, none of these services come without a price tag but members of CID's across the state have realized that a cooperative and comprehensive plan to address a downtown's most pressing needs is invaluable.

## **Organizing A CID**

By request petition, signed by property owners owning at least 50% of the assessed value of the real property, **and** more than 50% per capita of all owners of real property within the proposed CID, presented for authorizing ordinance to the governing body of the local municipality in which the proposed CID would be located. Language contained in the petition narrative must include a five year plan, describing the purposes of the proposed district, the services it will provide, the improvements it will make and an estimate of the costs of those services and improvements, and the maximum rates of property taxes and special assessments that may be imposed within the proposed district. Other information must state how the CID would be organized and governed, and whether the governing board would be elected or appointed. There are specific rules that provide the required elements of a CID petition, and the procedures for publication, public hearings, etc. Your Missouri Department of Economic Development will be happy to provide details of these rules upon request.

### **Supporting Organizations**

Unlike a Neighborhood Improvement District, a CID is a separate legal entity, and is distinct and apart from the municipality that creates the district. A CID is, however, created by ordinance of the governing body of the municipality in which the CID is located, and may have other direct organizational or operational ties to the local government, depending upon the charter of the CID.

### **Typical Budget Items And Responsibilities**

A CID may finance new facilities or improvements to existing facilities that are for the use of the public. Such public-use facilities include:

1. Convention centers, arenas, meeting facilities, pedestrian or shopping malls and plazas
2. Paintings, murals, fountains or kiosks
3. Parks, lawns, gardens, trees or other landscapes
4. Streetscapes, lighting, benches, marquees, awnings, canopies, trash receptacles, walls
5. Lakes, dams and waterways
6. Sidewalks, streets, alleyways, bridges, ramps, tunnels, traffic signs and signals utilities, drainage works, water, storm and sewer systems and other site improvements
7. Parking lots, garages
8. Child care facilities and any other useful, necessary or desired improvement

A CID may also provide a variety of public services, some of which may be

1. Operating or contracting for the operation of parking facilities, shuttle bus services
2. Leasing space for sidewalk café tables and chairs
3. Providing trash collection and disposal services
4. With consent of the municipality, prohibiting, or restricting vehicular and pedestrian traffic and vendors on streets
5. Within a designated “blighted area”, contract with any private property owner to demolish, or rehabilitate any building or structure owned by such property owner
6. Providing or contracting for security personnel, equipment or facilities

### **Financial Resources**

Funding of CID projects and services must be set forth in the requesting petition that is presented to the local governing body of the municipality in which the CID is located. Funding may be accomplished by district-wide special assessment, rents, fees, and charges for the use of CID property or services, grants, gifts or donations. If the CID is organized as a political subdivision, property and sales taxes may also be imposed within the boundaries of the CID.

The ability of Missouri’s neighborhoods and communities to establish CID’s for the purpose of improving their public use facilities for the enjoyment, convenience, safety and common good of all citizens is an outstanding example of local economic development excellence. The Missouri Department of Economic Development can assist your community by providing information and research resources you can use to create a CID to serve the special needs of your area.