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To: cgartner@discoverthedistrict.com
Subject: SBD Update

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S.B.D. Update

October 23, 2007

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• [SBD Funding](#)

The Columbia Special Business District is not funded through sales taxes. Our main revenue sources are business owners (through business license fees) and property owners (through a property tax.)

Business owners pay a yearly fee into the SBD. According to state law, a Special Business District is allowed to assess fees of up to 50% the cost of a business license, with an upper limit of \$375. Business license fees are on a sliding scale and are based on sales revenues.

The average business owner pays \$59 a year to the SBD. About 44% of all businesses pay less than \$20 a year and 15% pay only \$7.50 a year. (To put that into perspective, \$7.50 will buy you about 18 postage stamps.) These fees generate approximately \$19,000 each year for the SBD.

Properties within the SBD are assessed 47.78 cents per \$100 of assessed valuation. State law allows assessments up to 85 cents. The average property



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owner pays \$446 per year, generating approximately \$135,000 a year for the SBD.

Over 70 properties--mainly churches, government buildings, schools and other institutions--pay no assessments due to their non-profit status. However, the City of Columbia, Boone County and the University of Missouri all make contributions in lieu of tax totaling \$27,700 per year.

[Read the SBD's Annual Report...](#)

• CCA Funding

The Central Columbia Association is a merchant's association funded by membership dues and donations. All CCA's revenues are dedicated to marketing, promotion and events. CCA has a volunteer board and no paid employees. The CCA is independent of the SBD but the SBD donates staff and office space to the CCA.

The CCA has approximately 120 members, mainly retail and restaurant, who generate about \$15,000 in dues per year. Dues range from \$120 to \$1,200 a year depending on the size and type of business. About 70% of merchants pay \$120 per year.

The remainder of the CCA 's yearly budget, about \$45,000, is raised by the staff through grants and event sponsorships.

[Learn more about CCA membership...](#)

• Sales Taxes

Sales tax in the SBD is the standard rate for the rest of the city-- 7.55%. Most other retail areas are designated as Transportation Development Districts (TDD) and have a tax rate of 8.05%. This extra 1/2 cent tax is used to fund infrastructure projects-- such as roads--that are necessary to the success of the area.

Retail areas using TDDs with a tax rate of 8.05% include:

- The Columbia Mall
- The Shoppes at Stadium (Old Navy, Macy's, Linen's & Things)
- CenterState (Bass Pro, Lone Star Steakhouse, Ruby Tuesday)
- Grindstone (Walmart, Kohl's)
- Conley Road (Walmart, Lowe's, Staples, Sam's Club)
- Broadway/Fairview (Walmart)

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- Lake of the Woods (Phillips 66, Taco Bell)
- Stadium Corridor (Best Buy, Hobby Lobby)
- Northwoods (Range Line & Smiley Lane)

[Read more about TDDs...](#)

• **Other Revenue Options**

Many cities in Missouri have shifted from a Special Business District to a Community Improvement District (CID). It's similar to a SBD but has the ability to pull in additional assessments, such as sales tax or user fees. This added revenue (along with added powers) helps the CID better meet the needs of their members.

Downtown CID's throughout the state typically use their additional revenues for increased maintenance, safety patrols, marketing and other pressing needs. High pedestrian areas, for instance, may choose to pay user fees for regular power washing of their sidewalks or for snow removal. However, the duties of a CID are decided by the members so any CID created here in Columbia may address any number of different issues. A CID is one future option currently being considered as a way to provide more services to a growing downtown.

[Learn more about CIDs...](#)

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