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**CID POLICY RECOMMENDATIONS**  
**ORDINANCE NO. 210565**  
**REVISED**

*Neighborhood Planning and Development Committee*  
**9/14/21**



## BACKGROUND

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First Utilized 2002

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Effective Tool for Redevelopment and  
Neighborhood Stabilization

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Approximately 75 Active CIDs in KCMO

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Single-beneficiary CIDs have been a primary  
policy concern for City Council for many years



# CURRENT POLICY CONSIDERATIONS\*

Policy Comprised of  
Multiple  
Ordinances/Resolutions

Impact of overall Tax  
Burden

Single-Beneficiary CIDs

Overlapping CIDs

Blight Justifications

Community  
Benefits/Engagement

Reporting  
Requirements/Compliance

Administrative  
Costs/Burdens

\*Based on prior Council policy discussion, audit recommendations, and community survey feedback

# ORDINANCE SUMMARY

Initial Presentation  
to NPD on  
8/11/21

- Repeals prior Resolutions
- Codifies/Centralizes Policy – Amends Ch 74, Enacts Article VII

Establishes:

- Purpose
- Requirements to Establish a CID
- Restrictions
- Reporting Requirements
- Fines/Fees

## FEEDBACK FROM IMPACTED STAKEHOLDERS



DEVELOPMENT  
ATTORNEYS – 8/9/21



CID EXECUTIVE  
DIRECTORS – 8/16/21



# SUMMARY OF REVISIONS



## GENERALLY (74-301)

- Established to pay for public improvements or private projects through sales/use tax, special assessment or real property tax
- To establish additional local requirements to RSMO 67.1401 – 67.1571 “Community Improvement District Act:
- Shall consider public benefit, tax burden, fiscal impact, overlapping districts, alignment with City goals – **MOVED TO NEW SEPARATE SECTION**

## REQUIREMENTS ON ESTABLISHMENT OF A CID (74-302)

- **Petition** – notification of right to terminate, right for City Auditor to audit, estimate and description of revenues being used for public benefits
- **Board Composition** – **Still requires all new CID Boards to include 1 community member**
- **Term: CIDS limited to 20 Years. May go up to 27 Years if Sales Taxes being used for D/S on CapX, Blight Removal, or Both (consistent with State Statute).**
- **Blight Determination** – blight study no less than 5 years old, location/total AV, budget delineating expenditures related to blight remediation, schedule for remediation, capital outlays on property prior to seeking a blight finding,
- **City Manager Execution** – Not without Council approval
- **Cooperative Agreement** – regarding local and state requirements and to establish applicable PILOTs



# CRITERIA FOR REVIEW FOR ESTABLISHMENT OF CID (74-303)

- **Alignment with City Goals**
- **Community Benefits** – Preference for petitions with minimum of 10% of revenues over initial term for community benefits as identified in the petition ~~in conference with City~~
- **Overlapping** – ~~Combined tax rate cannot exceed 1%, requires permission of any previously existing CID, requires approval by supermajority of Council~~ Whether there are any existing CIDs in proposed boundaries and if existing CIDs support
- **Analysis of Overall Tax Rate (NEW)** – Breakdown of proposed taxes, comparison to neighboring cities, and impact on the City's ability to impose additional taxes. Such information shall be provided by the Finance Department
- **Shorter Term (NEW)** – Consideration of Need for Length of Term
- **Construction Budget** – Whether completion of exterior improvements is prioritized
- **Pre-Existing Blight** – Evaluation of whether existing property owners responsible for factors establishing blight ~~are not eligible~~
- **Interior Private Blight** – ~~Limit~~ Whether > 25% of revenues shall be used for interior blight remediation
- **Petitioner Provided Letter** – Describing Criteria to be Evaluated (except Tax Rate Analysis)

## RESTRICTIONS

### *MOVED ALL PROVISIONS TO REQUIREMENTS AND CRITERIA*

- **Overlapping** – MOVED TO CRITERIA
- **Board Composition** – MOVED TO REQUIREMENTS
- **Term** – MOVED TO REQUIREMENTS.
- **Community Benefits** – MOVED TO CRITERIA
- **Pre-Existing Blight** – MOVED TO CRITERIA
- **Interior Private Blight** – MOVED TO CRITERIA
- **City Manager Execution** – MOVED TO REQUIREMENTS

## REPORTING REQUIREMENTS (74-304)

- **Annual Reports** – detailed breakdown of revenues used for public infrastructure, exterior improvements, interior improvements, other improvements, and services; **contact information for current board members including required neighborhood representative.**
- **Clerk Notifications** – to Council for each Annual Budget/Report Received
- **Annual Staff Reports to NPD** – October 1<sup>st</sup>, CIDs not current on reporting
- **CIDs as requested** by City Council

## FINES/FEES/MISC (74-305)

- **Fees** (City Reimbursement/Cost Recovery) – reasonable and actual expenses related to 1) review of budgets/reports, 2) review/approval of petitions and 3) review/approval of amended petitions. Shall not exceed 1.5% of revenues collected in preceding year.
- **Fines** - \$100/30 days delinquent on reporting up to max of \$3000
- **Ineligibility** – CIDs with unpaid fees/fines are ineligible to amend or extend terms until paid
- **Waiver** – Provides for waiver of Fees/Fines by City Planning Director
- **Effective Dates:** 74-302 (Creation) and 74-303 (Restrictions) shall apply to future CIDs only. CIDs circulating petitions prior to effective date of new Code have 90 Day grace period, after which new Code will apply.



THANK YOU



QUESTIONS? COMMENTS?