

WEST END NEIGHBORHOOD

An Introduction to Special Business &
Community Improvement Districts

WELCOME AND INTRODUCTIONS

Table of Contents

- **Special Taxing Districts 101**
 - Special Business Districts
 - Community Improvement Districts
- **Benefits of a Special Taxing District**
 - Why do communities use special taxing districts?
- **Governance of a SBD and CID**
- **West End Neighborhood**
 - Analysis of West End neighborhood
- **Neighboring Taxing districts**
 - Overview of neighboring taxing districts
- **Explanation of Taxing Rates**

SPECIAL TAXING DISTRICTS 101

The Basics

Special Business Districts

- A Special Business District (SBD) is a unit of very local government that is authorized by state statute and instituted and operated by neighborhood residents. Once authorized by the city, an SBD is a separate legal entity.
- An SBD can impose taxes based on the assessed value of property within that neighborhood.
- In general, both revenues and expenditures are controlled by the neighborhood's SBD rather than the city or state government.
- All revenue is reserved for and used *only* to benefit the neighborhood and only in the neighborhood.
- The revenues raised are designated by residents for specific public projects, such as neighborhood improvements and security.
- SBD is led by a seven member Board of Commissioners appointed by the mayor and term-limited.

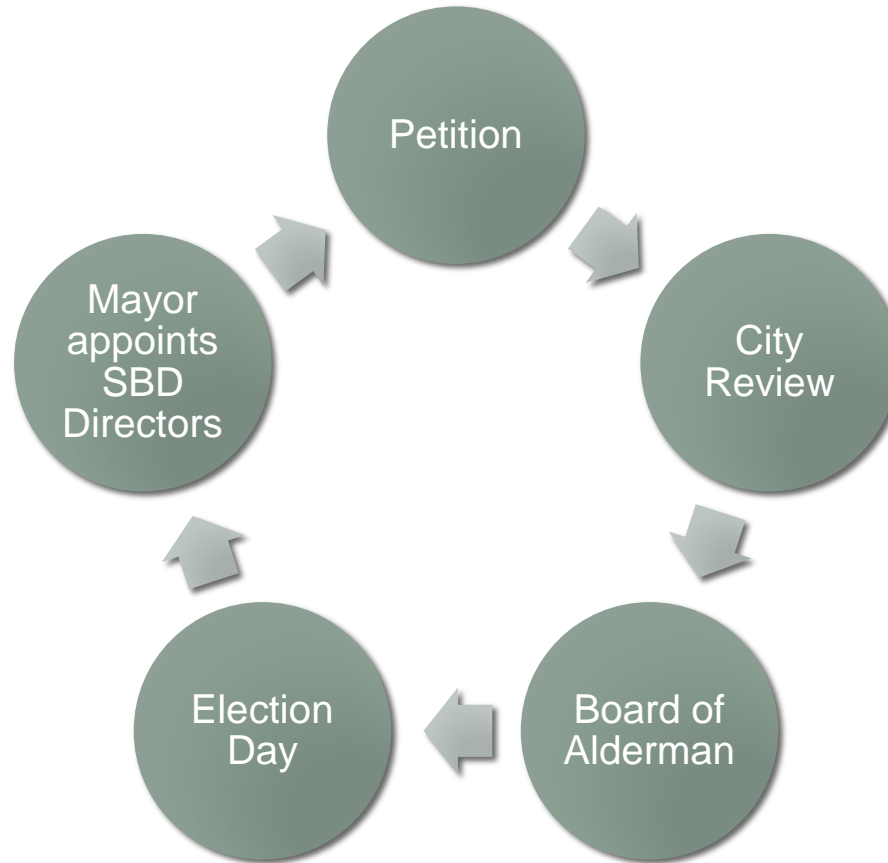
Special Business Districts

- The term “business district” is misleading, since both residential and commercial properties are taxed. Sections 71.790 to 71.808 of the Revised Statutes of Missouri govern SBDs.
- Forming the SBD begins with submitting a petition to the city’s Board of Alderman. The Board of Alderman will hold public hearings on the matter which will lead to a creation of a city ordinance to place the matter before the proposed district’s voters in an election. Both registered voters and property owners within the district may vote on the matter.
- The ordinance creating the SBD must specify what public projects the money is to be spent on as well as the time period in which the district must be renewed by voters (maximum of 10 years).

How the Process is Organized



How the Process Works



Community Improvement Districts

- Community Improvement Districts are designed to help improve the community by bettering conditions for existing businesses, and attracting new growth
- The district boundaries are contiguous. Those properties within the CID share in both the costs and the benefits of the improvements and services provided
- The district is a separate legal entity, distinct and apart from the municipality that creates it

Community Improvement Districts

- There are two main types of CIDs in Missouri:
 - 1. Political subdivisions (which are funded by public money via sales tax assessments)
 - 2. Not-for-profits (which are funded by special assessments)

Organizing a CID

- The district is created by 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.

BENEFITS OF A SPECIAL TAXING DISTRICT

The Basics

Why Are Special Taxing Districts Needed?

- Dwindling resources and diminished public services.
 - Special Taxing Districts allow neighborhoods to enhance existing city services (Additional Security, cleanliness/beautification, etc.)
 - Special Taxing Districts allow neighborhoods to take on projects that the city couldn't otherwise afford (Public Improvements, Neighborhood Marketing, etc.)
- Local control of decision making.
 - Special Taxing Districts allow local stakeholders to prioritize and control decisions regarding the taxes collected.
 - Special Taxing Districts' board of commissioners are responsible and accountable for the expenditure of the taxes collected.

How Can a Special Taxing District Benefit Your Community?

- The Special Taxing District takes nothing away from the city. We achieve all these objectives without lessening the city's tax base and without reducing funding for schools.
- The Special Taxing District will enable our neighborhood's residents, for the first time ever, to invest property tax dollars in neighborhood improvements rather than see them go outside the community.
- The Special Taxing District will provide a stable, reliable, on-going source of the substantial funds we need for infrastructure improvements, maintenance, and security enhancements
- Because the Special Taxing District can work independently of many of the city's public contracting regulations, individual projects will become much more cost effective.

How the Funds Can Be Used

PROJECTS

- public facilities or improvements
- landscaping, lawns, and trees
- sidewalks, streets, alleys, ramps, traffic signage
- parking lots and garages

SERVICES

- provision of security personnel
- provision of cleaning/maintenance to public and private property
- refuse collection and disposal
- business and special event marketing
- promote business retention and development
- contracting for economic, planning, and marketing studies

GOVERNANCE OF THE SPECIAL TAXING DISTRICT

The Basics

Who Will Govern the SBD?

- Seven Member Board of Directors
 - Made up of residential property owners, renters, commercial property owners, and business owners
- Appointed by the mayor and approved by Board of Alderman
- The petition which creates the SBD determines the qualifications of the directors beyond the basic mandatory requirements or two renters and five property owners (i.e. geographic distribution, type of renter, type of owner, etc.)
- Think about what your board would look like:
 - Which stakeholder groups should be represented?
 - How many of each type of stakeholder?

CID Governance

- The activities CID are guided by a Board of Directors, which is comprised of business and commercial property owners throughout the district.
- The board acts as both ambassadors and active promoters of the area and its offerings. In addition to this governance group
- The CID meets with the stakeholders to provide a forum for the exchange of ideas, voicing of concerns and collaboration on efforts between the merchants and community.

WEST END

Neighborhood Overview

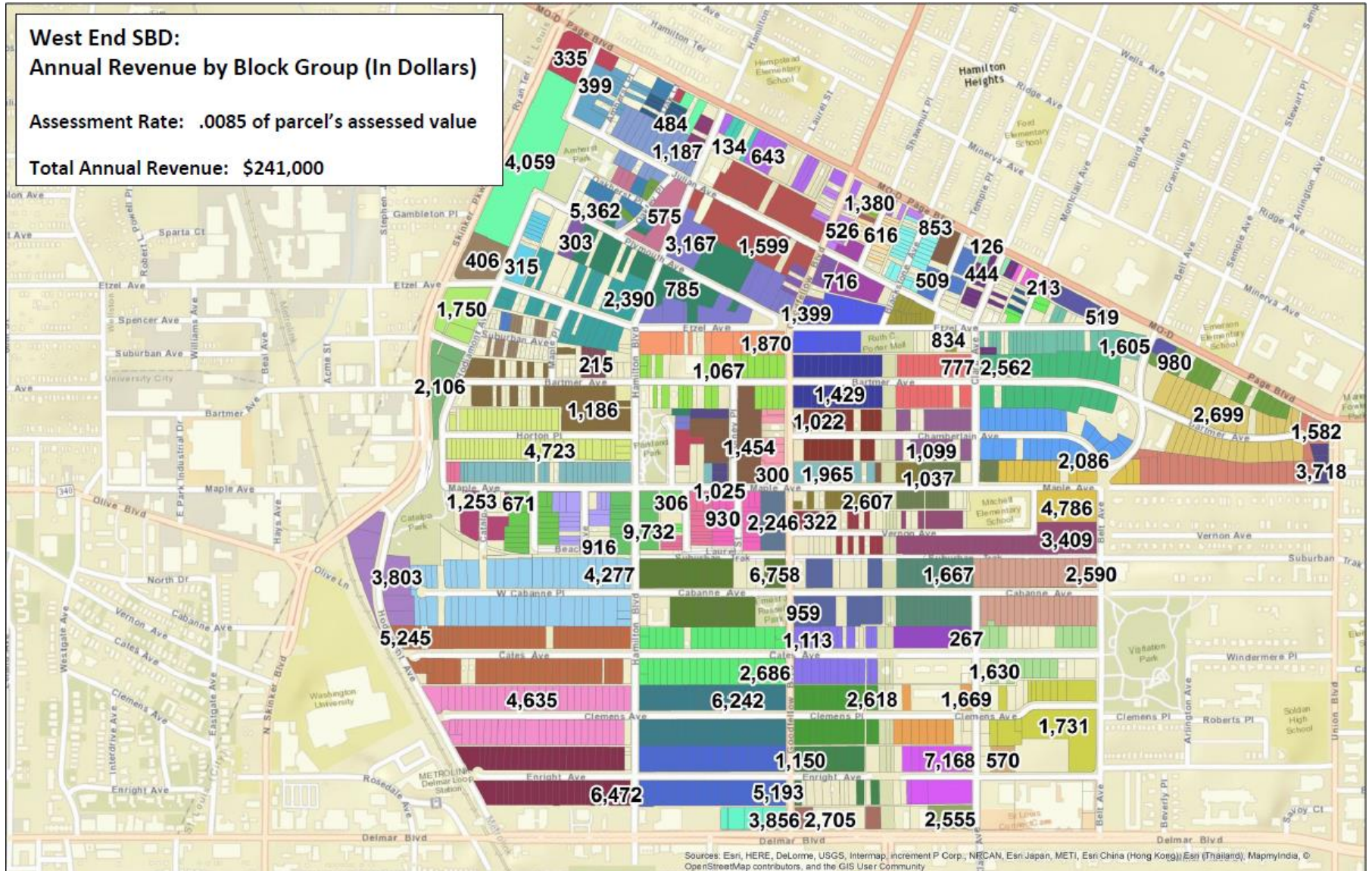
Revenue Map at \$.85

West End SBD:

Annual Revenue by Block Group (In Dollars)

Assessment Rate: .0085 of parcel's assessed value

Total Annual Revenue: \$241,000

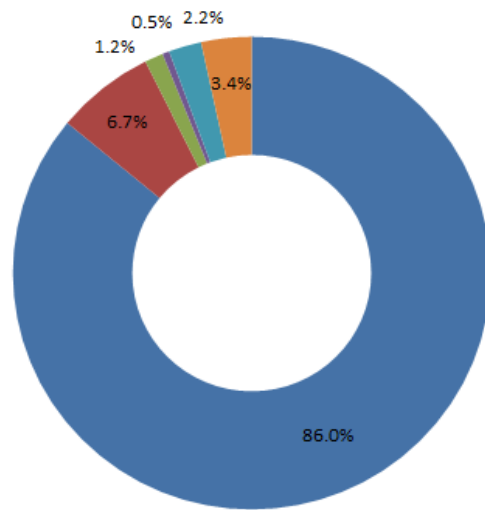


Neighborhood overview

- The West End and Visitation Park had a population of 7,448 residents in 2010. Population density was 6,715 persons per square mile, which was greater than the City's overall density of 5,160 persons per square mile.
- In 2014, median family household income in the West End and Visitation Park was \$36,076, below the City's median family HH income of \$44,758 and the St. Louis MSA at \$70,470.
- The West End and Visitation Park had a median age of 32.9 years in 2010, younger than the City's median age at 34 years and the St. Louis MSA at 37.8 years

Neighborhood Overview

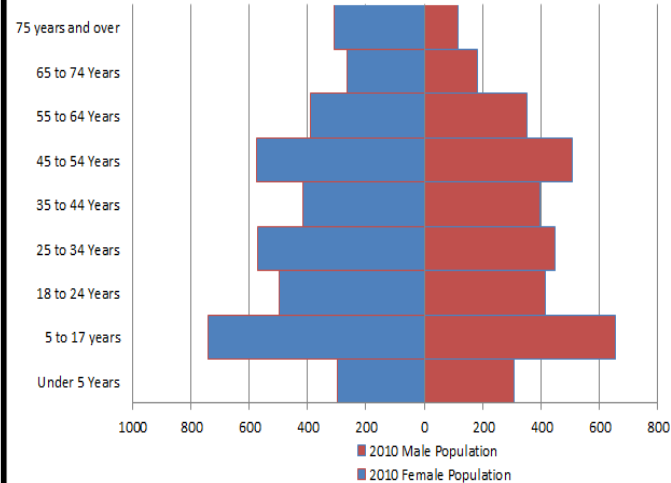
**West End & Visitation Park
Racial Composition, 2010**



- Black or African American Alone
- White Alone
- Asian Alone
- Other
- Two or More races
- Hispanic or Latino:

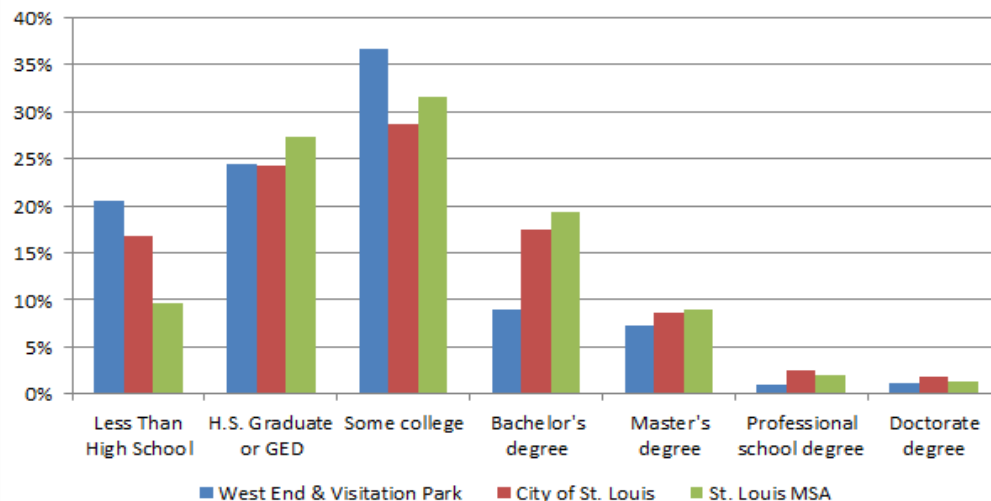


West End & Visitation Park Age Distribution, 2010



Neighborhood Overview

Educational Attainment
Population 25 years and older, 2014



19%

19% of WE & VP residents above the age of 25 have earned a Bachelor's degree or higher level of educational attainment. This is lower than the St. Louis MSA rate of 31.5%

2,200+

There are over 2,200 households with an annual income over \$50k within 1 mile of the center of the West End and Visitation Park

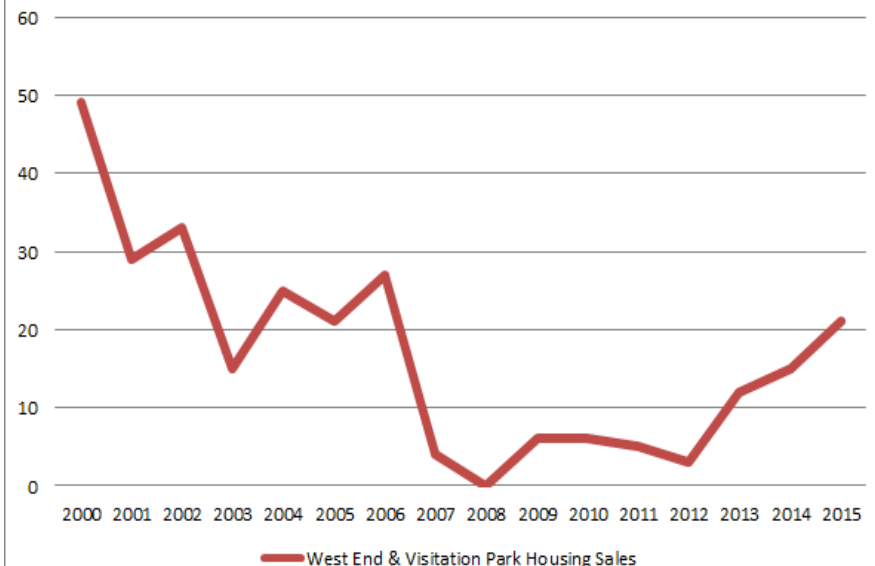
West End	1 mile radius	3 mile radius	5 mile radius
Population	22,810	154,675	388,799
Total Households	9,970	64,809	161,924
Avg Annual HH Income	\$ 36,319	\$ 47,966	\$ 45,579
Households with Annual Income above \$40k per year	3,036	25,815	65,512
Households with Annual Income above \$50k per year	2,212	20,007	50,029
Households with Annual Income above \$60k per year	1,643	15,638	38,434
Households with Annual Income above \$100k per year	774	7,438	15,565
Household Income per Sq Mile	\$ 116,058,769	\$ 109,406,206	\$ 94,248,242
Households per Sq Mile	3,196	2,281	2,068

Neighborhood Overview

Average Housing Sale Price, 2000-2015



West End & Visitation Park Housing Sales



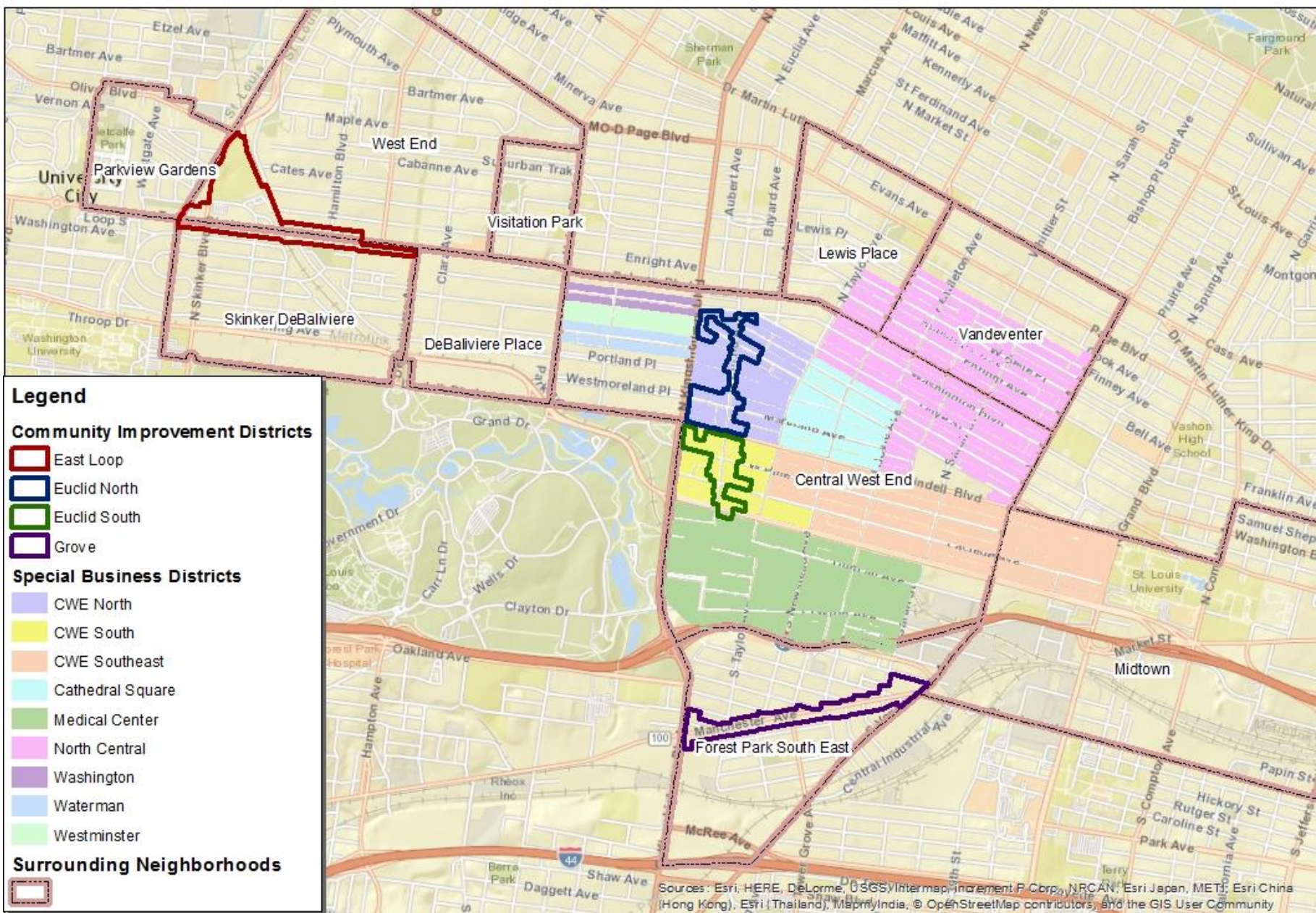
Hamilton Place Historic District Boundaries



NEIGHBORING TAXING DISTRICTS

Neighborhood Overview

Combined Map: SBD's, CID's, and Surrounding Neighborhoods



What are the other SBD's doing?

DeBaliviere Place SBD

- \$309,000 annual budget

Central Square SBD

- \$95,000 annual budget

CWE North SBD

- \$405,000 annual budget

CWE South SBD

- \$244,000 annual budget

CWE Southeast SBD

- \$224,000 annual budget

Cathedral Square SBD

- \$95,000 annual budget

Washington SBD

- \$95,000 annual budget

Westminster SBD

- \$95,000 annual budget

What are the other SBDs and CIDs doing?

- **East Loop, New CID (Newly Established)**
 - \$450,000 annual budget
- **Euclid North CID**
 - \$80,000 annual budget
- **Euclid South CID**
 - \$348,000 annual budget

Euclid South Cid

- Beautification
 - twice weekly care and watering of the District's planters and trees. The maintenance includes a matching schedule for regular cleaning of the sidewalk and streets, emptying curbside trash containers, plus upkeep of the street furniture and lighting.
- Marketing
 - The CID launched phase one of its marketing and communication strategy by activating a social media campaign with the creation of CWELive Twitter, Instagram and Facebook accounts.
- Public Safety
 - The Euclid South CID established the Guide Program in February 2016. These well-trained officers work in conjunction with off-duty police officers contracted by the CWE South Special Business District.
- Infrastructure
 - The \$7M Euclid Streetscape Project is a multi-phased plan to thoroughly upgrade the public realm along Euclid, Lindell Boulevard to Forest Park Avenue. All new sidewalks, pedestrian streetlights, and trees will provide a stronger sense of place

Cathedral Square SBD

- Beautification

- In cooperation with Gateway Greening the garden at Maryland and Boyle was improved thanks to several members of the CSSBD. Through a grant with Gateway Greening the SBD was able to spruce up the overgrown garden.

- Public Safety

- Residents along Newstead noticed that north-bound traffic was moving way too fast. SBD installed roundabouts on Waterman and Lake to slow traffic.

EXPLANATION OF TAXATION

The Basics

How Does My Home Value Affect the Extra Amount I Would Pay?

- In the City of St. Louis, residential property taxes are assessed at 19% of a home's appraised value
- Commercial property real estate tax is assessed at 32% of appraised value
- Maximum collection: .85cents per \$100 of property's assessed value
- Tax abated property pay based on the pre-development value of the property during the tax abatement period
- The SBD boundary determines the total revenue collected

59XX CLEMENS

Max assessment is \$.85 for every \$100 of City Assessed Value

\$36,800

- Property appraised value

\$6,992

- City assessed value
- Assessed value is 19% of Appraised Value

\$59.43

- Additional tax per year
- **\$4.95 per month**

Based on City of St. Louis Public Tax Records

60XX CATES

Max assessment is \$.85 for every \$100 of City Assessed Value

\$47,700

- Property appraised value

\$9,063

- City assessed value
- Assessed value is 19% of Appraised Value

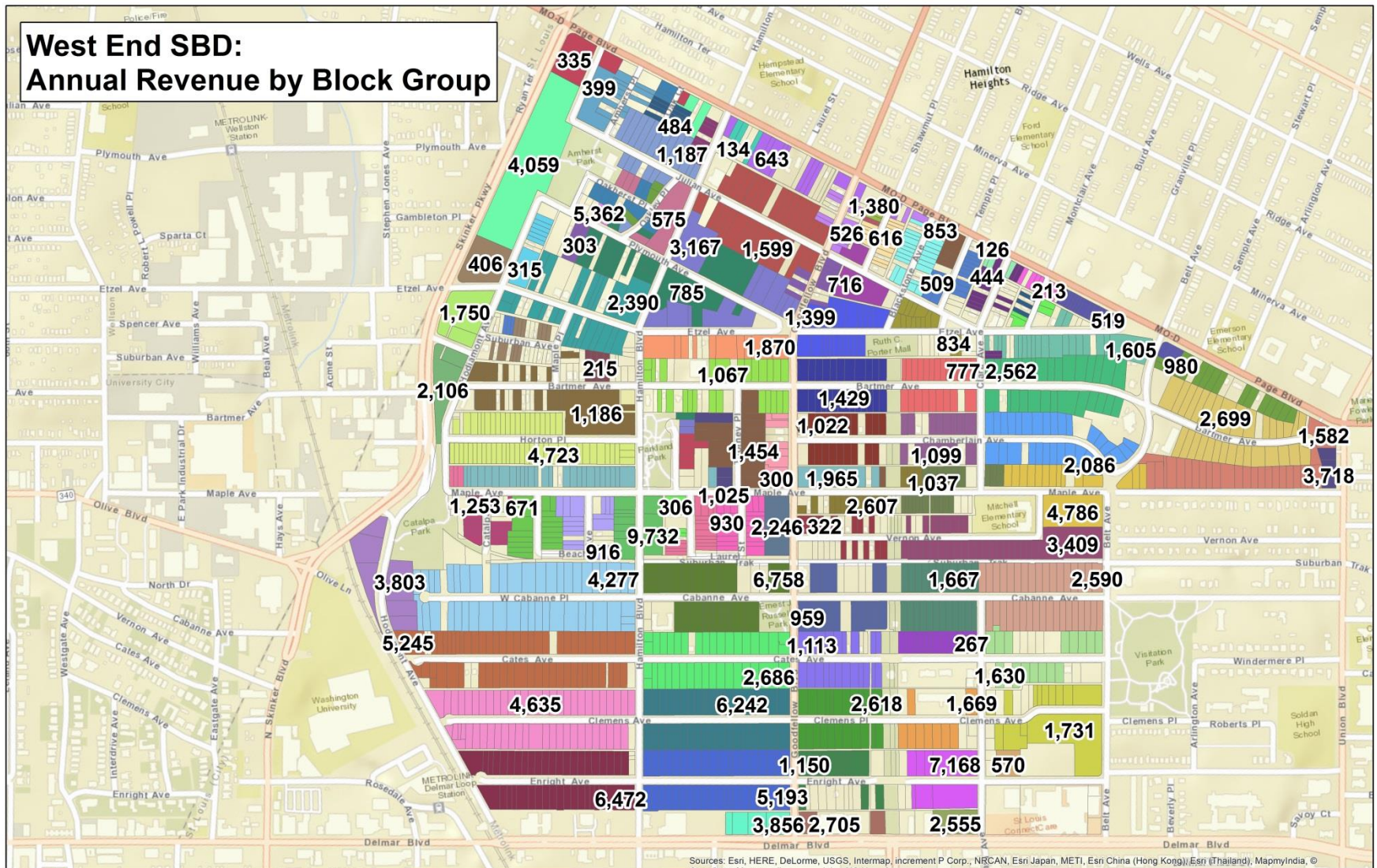
\$77.04

- Additional tax per year
- **\$6.41 per month**

Based on City of St. Louis Public Tax Records

Revenue Map at \$.85

West End SBD: Annual Revenue by Block Group



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), MapmyIndia, ©

NEXT STEPS

Moving Forward

Future Meeting Topics

- Are you interested in moving forward and if so, what type of district (SBD or CID) do you prefer?
- What will your district look like?
- How will we use the money?
- What is our calendar for getting this done?
- How do we make our case to the Alderman for support?
- How will we structure the board composition?
- How will we update the affected neighbors and stakeholders about the process?

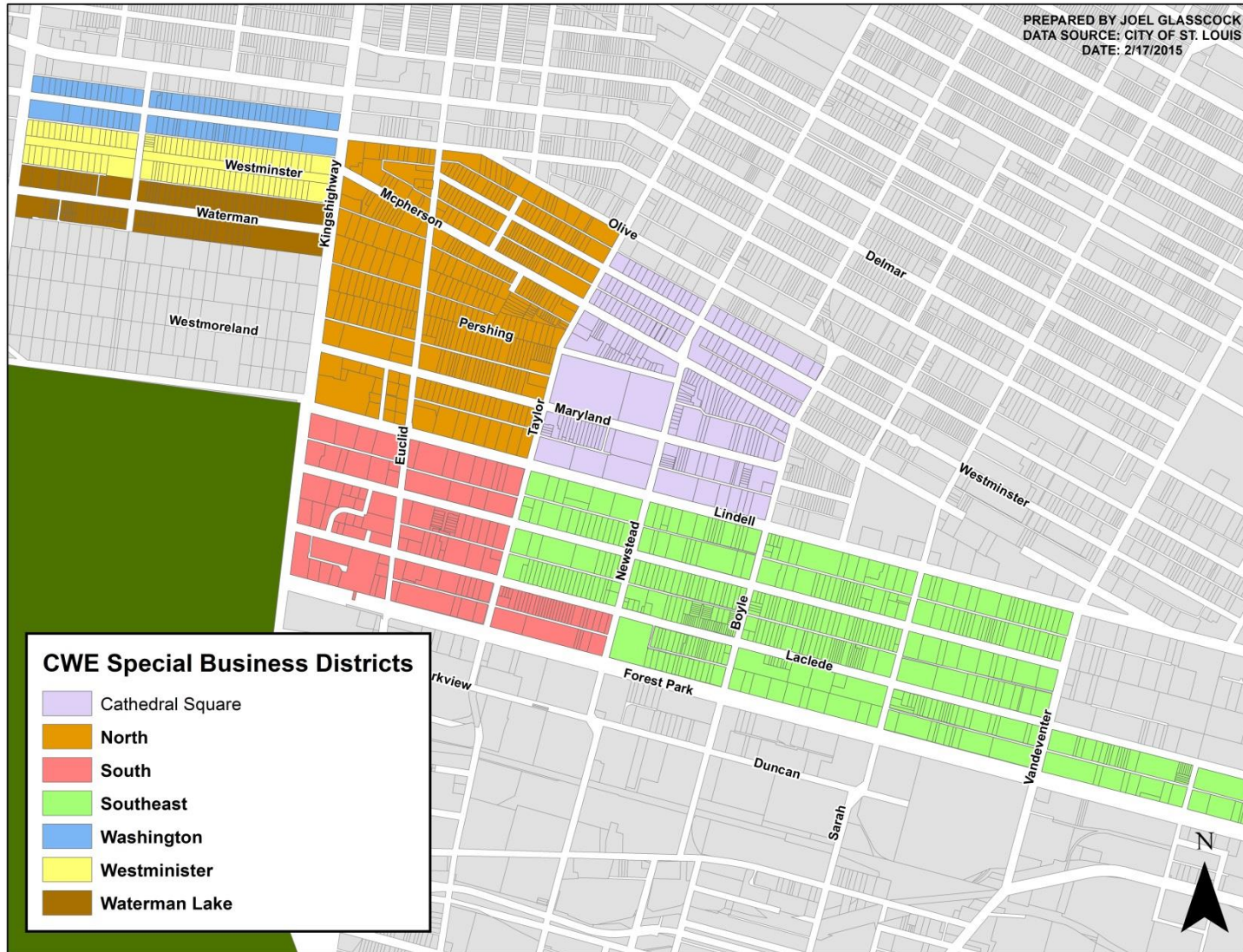
Moving Forward

- What other information would you like for us to gather?
- Who else should be invited to the table?
- How often would you like to meet?

NEARBY SBD'S AND CID'S

Appendix 1

Where are the other SBD's Nearby?



DeBaliviere Place SBD



- Located just north of Forest Park between Union and DeBaliviere
- Annual Operating Budget of \$309,000

East Loop CID

- Located between Washington Blvd and south of the interception of Olive and Skinker Blvd
- \$450,00 operating budget



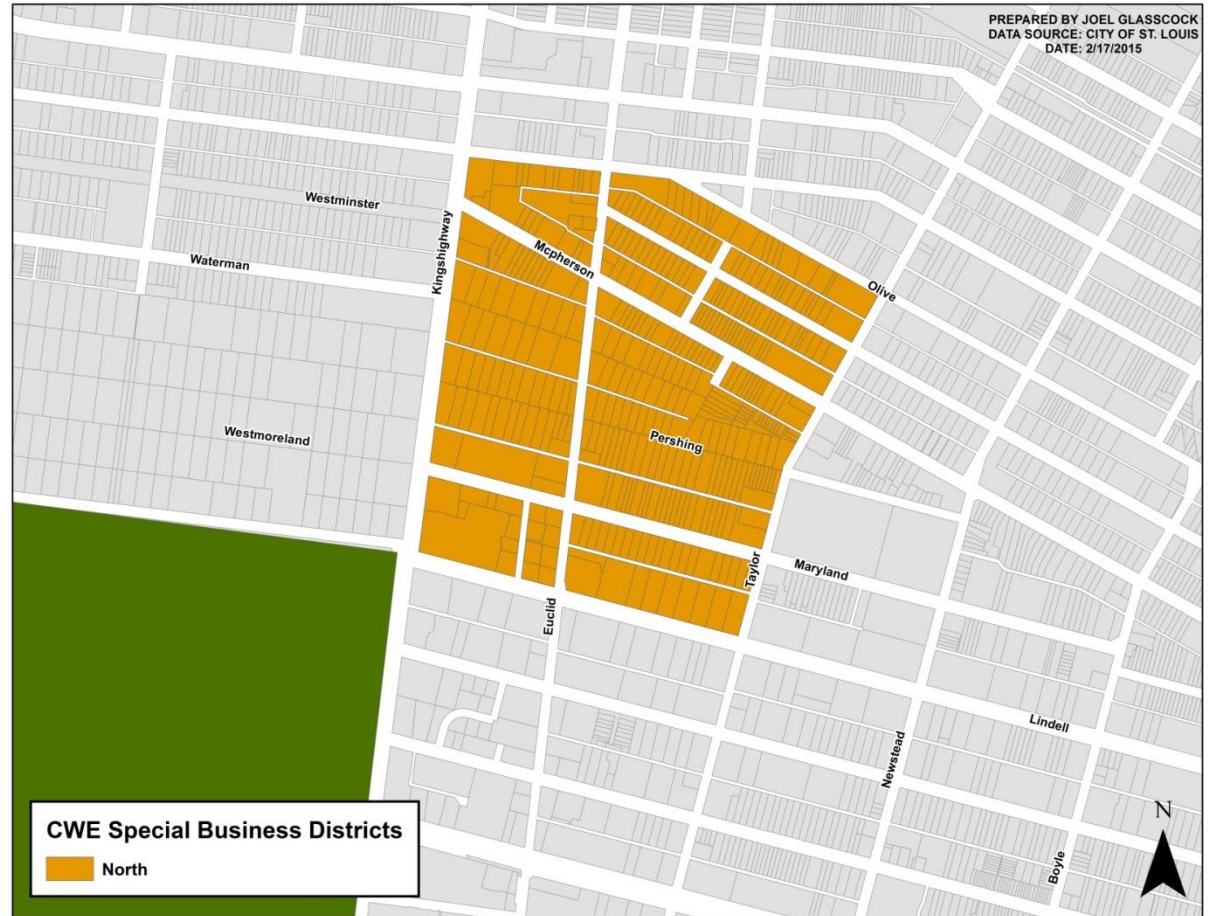
Central Square SBD

- Located in the north central portion of the neighborhood
- Annual operating budget of \$95,000



CWE North SBD

- Located North of Lindell between Kingshighway & Taylor
- Annual operating budget of \$405,000



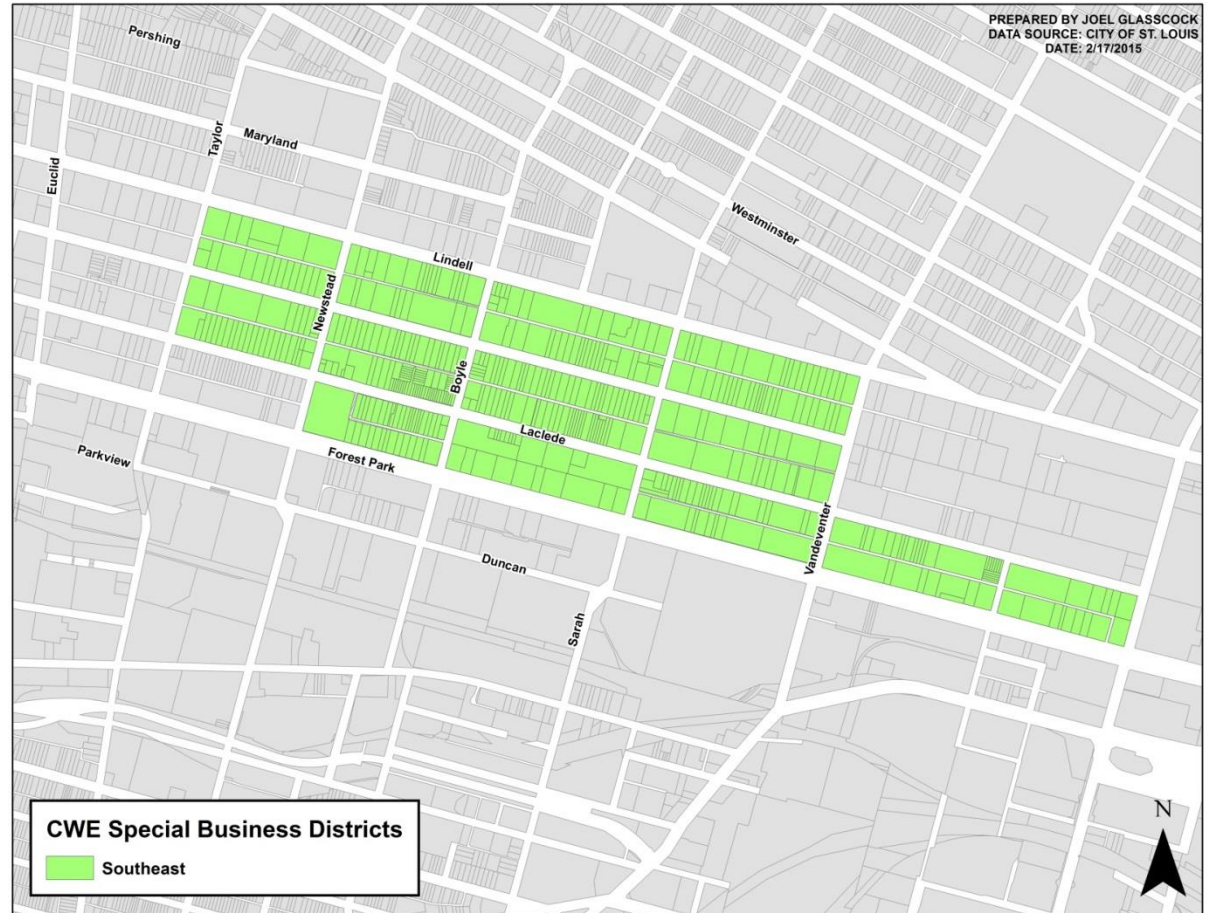
CWE South SBD

- Located south of Lindell between Kingshighway & Taylor
- Annual budget of \$244,000



CWE Southeast SBD

- Located south of Lindell between Taylor and Grand
- Annual budget of \$224,000
- Up for renewal in 2018



Waterman- Lake & Washington Place SBD

- Waterman- Lake
 - Located on Waterman Place between Union & Kingshighway
- Washington
 - Located on Washington Place between Union & Kingshighway
- Annual operating budget of \$95,000



Euclid North CID

- Located on Euclid between Lindell and Washington
- Annual budget of \$80,000



Euclid South CID

- Located along Euclid between Lindell and Forest Park Avenue
- Annual budget of \$348,000



EXAMPLES OF TAXES PAID INTO THE DISTRICT

Appendix 2

Increase at \$.85

Appraised Value	Assessed Value	Annual Increase	Daily Cost
\$50,000	\$9,500	\$81	.22¢
\$100,000	\$19,000	\$162	.44¢
\$200,000	\$38,000	\$323	.89¢
\$300,000	\$57,000	\$485	\$1.33
\$400,000	\$76,000	\$646	\$1.77

If your home is tax abated, you would pay based on the pre-development value of your home until the tax abatement has expired.

Increase at \$.80

Appraised Value	Assessed Value	Annual Increase	Daily Cost
\$50,000	\$9,500	\$76	.21¢
\$100,000	\$19,000	\$152	.42¢
\$200,000	\$38,000	\$304	.83¢
\$300,000	\$57,000	\$456	\$1.25
\$400,000	\$76,000	\$608	\$1.67

If your home is tax abated, you would pay based on the pre-development value of your home until the tax abatement has expired.

Increase at \$.75

Appraised Value	Assessed Value	Annual Increase	Daily Cost
\$50,000	\$9,500	\$71	.20¢
\$100,000	\$19,000	\$143	.39¢
\$200,000	\$38,000	\$285	.78¢
\$300,000	\$57,000	\$428	\$1.17
\$400,000	\$76,000	\$570	\$1.56

If your home is tax abated, you would pay based on the pre-development value of your home until the tax abatement has expired.

Increase at \$.70

Appraised Value	Assessed Value	Annual Increase	Daily Cost
\$50,000	\$9,500	\$67	.18¢
\$100,000	\$19,000	\$133	.36¢
\$200,000	\$38,000	\$266	.73¢
\$300,000	\$57,000	\$399	\$1.09
\$400,000	\$76,000	\$532	\$1.46

If your home is tax abated, you would pay based on the pre-development value of your home until the tax abatement has expired.