CITY OF JOPLIN
COUNCIL AGENDA ITEM

ITEM
Council Bill 2024-507 – Approving the Termination of the Northpark Lane Community Improvement District (CID)

MEETING DATE
July 15, 2024

ORIGINATING DEPT
Finance

ATTACHMENTS
CB 2024-507 Ordinance; Exhibit "A" Petition to Terminate Northpark Lane Community Improvement District

REVIEWED BY
Department Head: Leslie Haase; Director of Community Development & Neighborhood Improvements: Troy Bolander; City Attorney: Peter Edwards; City Manager: Nick Edwards

SUMMARY
This Council Bill approves the termination of the Northpark Lane Community Improvement District (CID).

BACKGROUND
In June of 2014, the Northpark Mall owners submitted a petition to the City to form a community improvement district (CID) in order to make $10 million in improvements to the mall property. This was the first Community Improvement District in Joplin. A CID is a commonly used financing tool to fund public improvements. This District was a separate political subdivision governed by a board of directors, appointed by the Mayor, with the consent of the City Council. Additionally, the City appointed an ex-officio representative to attend meetings of the Board.

The District added a 1% sales tax within the district to fund the improvements, which was for the installation of new parking lot lighting, the demolition and construction of the existing parking lot, construction of a portion of a walking trail which connected with the trail from MSSU to the mall, and landscaping enhancements. The CID issued bonds in order to make the improvements at the onset. The bonds were not an obligation of the City of Joplin. When formed, the additional sales tax was required to end at the ***earlier*** of the repayment of the debt or twenty years from the effective date.

In 2018, bonds were issued and sold to reimburse the mall owner for the cost of the completion of the CID project. Approximately ten years later, the CID is now able to pay off the bonds and satisfy the balance of the CID's financial obligations. Pursuant to the petition creating the CID, the CID is to be terminated once the CID's financial obligations are satisfied. As such, the property owner has submitted the Petition to Terminate the Northpark Lane Community Improvement District to the City. Upon the termination of the District becoming effective and recognized by the Missouri Department of Revenue, the CID 1% sales and use tax collected within the CID will be discontinued.

Additionally, it is anticipated the District will have some remaining net assets that must be used according to and following the CID Act. A cooperative agreement will be developed in the coming months between the District and the City setting forth how the funds will be used.

FUNDING SOURCE
Not applicable for this item.

RECOMMENDATION
Staff recommends approval of this council bill on first reading.