



OVERVIEW

The Community Improvement District (CID) Act allows cities and counties to create community improvements districts for the purpose of financing certain projects within their communities. The creation of a CID is a particularly useful tool of economic development in that it can help facilitate beneficial private development and redevelopment without negatively impacting the tax base of the approving municipality. A CID can exist for a maximum of 22 years.

FINANCING METHODS

CID Projects may be financed by: (a) special property tax assessments levied on property within the CID, (b) a special sales tax on the sale of tangible personal property at retail or the rendering or furnishing services within the CID, or (c) a combination thereof.

Revenue generated by the above sources is available to pay for eligible improvements and costs, and can occur through either a bond issuance or a pay-as-you-go account. With bond issuance, the city would use special obligation bonds to finance CID Projects.

The CID sales tax may be imposed in any increment of .10% or .25%, with a maximum total sales tax rate of 2%.

ELIGIBLE PROJECT COSTS

CID funds may be used to acquire, plan, design, engineer, improve, construct, demolish, remove, renovate, reconstruct, rehabilitate, maintain, restore, replace, renew, repair, install, relocate, furnish, equip, extend or finance:

1. Buildings, structures, and facilities;
2. Site improvements, including without limit sidewalks, streets, roads, interchanges, highway access roads, intersections, alleys, parking lots, bridges, ramps, tunnels, overpasses and underpasses, traffic signs and signals, utilities, pedestrian amenities, abandoned cemeteries, drainage systems, water systems, storm systems, sewer systems, lift stations, underground gas, heating and electrical services and connections located within or without the public right-of-way, and water mains and extensions;
3. Parking garages;
4. Streetscape, lighting, street light fixtures, street light connections, street light facilities, benches or other seating furniture, trash receptacles, marquees, awnings, canopies, walls and barriers;
5. Parks, lawns, trees and other landscaping;
6. Communication and information booths, bus stops and other shelters, stations, terminals, hangars, rest rooms and kiosks;
7. Paintings, murals, display cases sculptures, fountains and other cultural amenities;
8. Airports, railroads, light rail and other mass transit facilities;
9. Lakes, dams, docks, wharfs, lakes or river ports, channels and levies, waterways and drainage conduits; and
10. Operating expenses, including security, entertainment, public events, business promotion, employee training, and market studies.





CID PETITION PROCESS

A CID is formed by the petition of landowners within the proposed CID. According to the CID Act, a petition to create a CID must be signed by the owners of at least 55% of the total land area and total assessed property value within the proposed district. Upon receipt of the petition, the City Council may approve the CID. In cases in which no special sales tax is requested (i.e. only special property tax assessments are requested), the City Council may create the requested CID without notice or a public hearing. If a special sales tax is requested, the City Council must give notice and hold a public hearing pursuant to the CID Act.

A CID petition must contain:

1. The general nature of the proposed CID project;
2. A statement of the public purpose being served by the use of CID financing;
3. The estimated cost of the proposed CID project including maximum amount of CID funding to be paid prior to termination of CID;
4. The proposed method of financing the project (special assessments or special sales tax);
5. The proposed amount and method of assessment;
6. The proposed method of financing (pay-as-you-go or special obligation bonds);
7. A map of the proposed CID; and
8. The legal description of the boundaries of the proposed CID.

For more information please review: K.S.A. 12-6a26-6a36, or contact City Manager Ty Lasher.

