

## Legislation Text

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**File #:** BILL NO. 20-170, **Version:** 1

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An Ordinance approving the Petition for establishment of the Cedar Creek Community Improvement District.  
(Note: First reading by City Council on September 22, 2020.)

Issue/Request:

An ordinance to approve the Cedar Creek Community Improvement District which includes certain commercial areas of the Cedar Creek Shopping Center which would impose a new 1% sales tax with a maximum duration of 25 years in order to fund rehabilitation and reconstruction work within the boundaries of the District.

Key Issues:

Approval of a new CID which would impose a 1% sales tax within the boundaries of the proposed CID to fund rehabilitation and redevelopment costs.

Proposed City Council Motion:

I move for adoption of An Ordinance approving the Petition for establishment of the Cedar Creek Community Improvement District.

Second Motion: I move for adoption of An Ordinance approving the Petition for establishment of the Cedar Creek Community Improvement District.

Background:

Cadence Commercial Real Estate ("Developer"), through its subsidiary entities which own property within the proposed CID area, have filed a Petition for the formation of a new CID in the southern portion of the Cedar Creek Shopping Center and a parcel of property on the north side of 3<sup>rd</sup> Street. The CID would impose a new 1% sale tax on the commercial retail businesses in the CID area.

The CID is proposed to fund the following rehabilitation and reconstruction improvements and associated soft costs in the combined total of about \$1.5 million in principal costs over the life of the CID:

- Main Center Building Façade improvements
- Parking Lot improvements and common area reconfiguration
- Landscaping
- Signage
- LED Lighting
- Pizza Hut building remodel

Developer estimates that the CID will generate about \$90,000 per year by the year 2023 (increasing each year due to sales growth). Developer estimates that this will generate sufficient funds during the life of the CID to fund all projected costs.

The ordinance would make the CID approval contingent upon the CID entering into a cooperative agreement with the City for implementation of the District. The cooperative agreement would contain the following safeguards and protections for the City:

- The City Finance Department would receive the CID revenues from the Department of Revenue and disburse the revenues pursuant to the terms of the agreement. The City will receive a portion of the CID revenues as reimbursement for this for this administrative work.
- Reimbursable project costs which are incurred by the Developer or other private parties will be reviewed and approved by City staff and the District prior to reimbursement from District revenues.
- The CID will be a political subdivision of the state and must follow all applicable laws such as the Sunshine Law and annual budgeting laws.

The sales tax would go into effect after the approval of a ballot measure in an election that will be conducted by the Jackson County Election Authority among the property owners in the CID area. The CID sales tax would be in addition to the other sales taxes already in effect in the shopping center area, which includes local sales taxes imposed by the City, County and Zoo District.

Impact/Analysis:

This CID would impose a new 1% sales tax that would be in addition to the existing sales taxes, which would create the following total sales tax rate in the CID area:

4.225% - State  
2.250% - City  
1.250% - County  
0.125% - Zoo District  
1.000% - CID  
8.850% - Total

This request presents no direct impact to City general revenues. This will result in up to 25 years of additional 1% sales tax to fund rehabilitation improvements in the CID area.

Timeline:

Developer would conduct the sales tax election this year and begin implementation in 2021.

Curt Petersen, Polsinelli law firm  
Trip Ross, Cadence Commercial Real Estate  
David Bushek, Chief Counsel of Economic Development & Planning  
Mark Dunning, Assistant City Manager

Recommendation: Staff recommends approval of the ordinance.

Committee Recommendation: Not applicable; Developer made a conceptual presentation directly to the City Council.

