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**PETITION TO THE
CITY OF COLUMBIA, MISSOURI
FOR THE CREATION OF THE
BUSINESS LOOP
COMMUNITY IMPROVEMENT DISTRICT**

Submitted December 11, 2014

**PETITION FOR THE CREATION OF THE
BUSINESS LOOP COMMUNITY IMPROVEMENT DISTRICT**

To the City Council of the City of Columbia, Boone County, Missouri (the "City"):

The undersigned property owners (the "Owners"), being the Owners of record of more than fifty percent (50%) by assessed value of the real property within the boundaries of the proposed BUSINESS LOOP COMMUNITY IMPROVEMENT DISTRICT (the "District"), and who constitute more than fifty percent (50%) per capita of all owners of real property within the boundaries of the District, do hereby petition and request that the City create and establish a community improvement district as described herein to fund all or part of the cost of services and improvements to be provided and to be made within the District under the authority of Sections 67.1401 to 67.1571, RSMo. (the "Community Improvement District Act" or "Act"). In support of this Petition and request, the Owners state as follows:

1. **Legal Description and Map of District Boundaries; Ownership.** The legal descriptions of all real properties proposed to be included within the boundaries of the District are attached hereto as Exhibit A.

2. **Map of District Boundaries.** A map illustrating the District boundaries is attached hereto as Exhibit B. The boundaries of the District are contiguous.

3. **Listing of Property Owners within District Boundaries.** A list of the owners of all properties included within the boundaries of the District as of the date of the filing of this Petition is attached hereto as Exhibit C. The undersigned are the owners of record of more than fifty percent (50%) by assessed value of the real property within the boundaries of the proposed District, and constitute more than fifty percent (50%) per capita of all owners of real property within the boundaries of the District.

4. **Name of District.** The name of the proposed district is the "BUSINESS LOOP COMMUNITY IMPROVEMENT DISTRICT."

5. **Signatures May Not Be Withdrawn Later Than Seven Days After Submittal.** Notice has been provided to all Petition signers that their signatures may not be withdrawn later than seven (7) days after the filing of this Petition with the City Clerk. This notice is included on each signature page attached to this Petition.

6. **Five-Year Plan.** A five-year plan stating a description of the purposes of the District, the improvements it will make, and an estimate of costs of these improvements to be incurred is attached hereto as Exhibit D.

7. **Type of District.** The District will be a political subdivision.

8. **Board of Directors.**

a. Appointment of the Board of Directors. The District will be governed by a board of directors (the “Board of Directors” or the “Board”), whose members shall be appointed by the Mayor or the then chief elected officer of the City of Columbia (the “Mayor”) with the consent of the City Council or the then governing body of the City of Columbia (the “City Council”) and whose initial members of the Board will be the persons named in paragraph 9 for the terms stated therein. Subsequent appointments of Board members shall occur as follows:

i. The Board of Directors shall submit to the Mayor a slate of proposed successor directors (some or all of which may be the then existing directors) for those Board members whose terms will expire within 6 months or less.

ii. Within 30 days of receiving the slate, the Mayor shall either approve the slate and seek consent of same from the City Council at the next regular meeting of the City Council or return the slate to the Board of Directors with a request for alternates for any or all of the Board positions identified on the slate.

iii. Should the Mayor return the slate to the Board within such 30 day period, the Board of Directors shall resubmit the slate to the Mayor with 2 alternates for each of the Board positions requested by the Mayor. Within 10 days of receiving the resubmitted slate, the Mayor shall choose from the alternate(s), approve the slate, and seek consent of the City Council at the next regular meeting of the City Council.

iv. Should the City Council refuse to consent to the slate submitted to it by the Mayor, it shall request alternates for any or all of the Board positions identified on the slate. Within 10 days of such refusal, the Mayor shall request such alternates from the Board of Directors. Within 10 days of receiving a slate from the Board containing the requested alternates, the Mayor shall choose from the alternate(s), approve the slate, and seek consent of the City Council at the next regular meeting of the City Council.

b. Number. There shall be seven (7) directors on the Board of Directors, initially. At all times there shall be at least five (5) directors on the Board of Directors.

c. Qualifications. Each director must meet the following requirements:

i. Be at least 18 years of age;

ii. Be either an owner of real property within the District, as defined in the Act, an owner of a business operating within the District as defined in the Act, or a registered voter residing in the District; and

9. **Proposed Initial Board of Directors.** The following individuals are proposed to serve as the initial Board of Directors. The term of the members of the Board of Directors shall be three (3) years. However, the Board of Directors will have a staggered term such that approximately one-third (1/3) of the Board of Directors is up for appointment every year. For this reason, the proposed initial term for each member of the Board of Directors is included next to their name in parenthesis.

- a. Chris Burnam, property owner (3 years)
- b. Paul Land, property owner (3 years)
- c. Vicky Kemna, Boone Electric Cooperative (2 years)
- d. Tom May, MFA Oil (2 years)
- e. Gary Ennis, Property Owner (1 years)
- f. Dan Rader, Property Owner (1 years)
- g. Dave Griggs, Property Owner (1 year)

All of the above-named persons meet the requirements set forth above.

10. **Total Assessed Value.** The total assessed value of all real property located within the District is Eleven Million Nine Hundred Thirty-Eight Thousand Seven Hundred Sixty-Three and 00/100 Dollars (\$11,938,763.00) as depicted on the chart attached as Exhibit E.

11. **Determination of Blight.** The District does not seek a determination of blight.

12. **Life of District.** The District will continue to exist and function for (1) a period of twenty (20) years following the effective date of the ordinance establishing the District; or (2) until all of the District's Obligations, as "Obligations" is defined in the Act, have been repaid, whichever occurs last.

13. **Maximum Rates of Real Property Assessments, Business License Tax, and Sales Tax.**

a. **Special Assessments.** The District will impose special assessments against the real property within its boundaries according to the system set out below in paragraph 14. Assessments will include costs of issuance of the CID Obligations, as defined below in paragraph 15(d), as well as interest on the same.

b. **License Taxes.** The District is not requesting to impose any license taxes at this time.

c. **Sales Taxes.** The District will seek to impose an additional one-half (1/2) cent sales tax on all eligible retail sales within the District boundaries.

14. **Maximum Rates of Special Assessments and the Method of Assessment.** The District shall be authorized to levy special assessments against real property benefited within the District. These special assessments shall be levied against real property within the District for the purpose of providing revenue for completion of the District Projects identified in the Five-Year Plan attached as Exhibit D (the "Improvements"). The maximum amount charged for any special assessment shall be 0.60 per \$100 of assessed valuation. The initial special assessment rate is anticipated to be 0.4778 per \$100 of assessed valuation. The initial special assessment rate may be adjusted as provided by the CID Act, but such adjustment shall not exceed the maximum amount set forth in this Petition, nor may such amount be increased by more than five percent (5%) in any given year. The special assessments shall be levied against each parcel of real property within the District. District authorization to levy special assessments shall expire on December 31, 2035, unless there remain outstanding any District Obligations, at which time, the authorization to charge a special assessment shall continue until such District Obligations have been paid in full. All tracts of land in the District will receive special benefits from the Improvements.

15. **Agreement Relating to CID Special Assessment Collection, Funding of Improvements, and CID Projects.** The Boone County collector shall collect the special assessments made upon all real property within the District in the same manner as other real property assessments are collected. If the Boone County collector shall refuse to make such collections, the District shall make other satisfactory and lawful arrangements to ensure the collection of the special assessments.

a. **Collection Fee.** If the Boone County collector is willing to collect the special assessments of the District, the County collector shall be entitled to deduct the reasonable and actual cost of collecting all District special assessments, which deduction shall not exceed one percent (1%) of the total collected. The District will provide any assistance and cooperate with the County collector in the collection of the special assessments.

b. **District Treasury.** Upon receipt of District special assessment funds, the collector, on or before the fifteenth (15th) day of each month (or such date as is agreed upon by the collector) and after deducting the collection fee set out above, shall remit the amount received to the District treasurer. The District treasurer shall execute a receipt therefore, which shall be delivered to the collector. The sums shall be deposited into a District account (the "Fund") by the District treasurer.

c. **Collection of Additional Sales Tax.** If approved by the qualified voters within the District, the sales tax will be collected by the Missouri Department of Revenue, consistent with the CID Act. The proceeds will then be delivered to the District via accepted Missouri Department of Revenue procedures and deposited into the Fund for use by the District.

d. Funding of Improvements. Until the District issues CID Obligations, the District will fund District Projects from the receipt of special assessment proceeds and any sales tax proceeds, if a tax is imposed, and will pay unpaid District costs and expenses, including program management and business services costs, as said costs and expenses are incurred in a manner consistent with the normal and customary operations of a community improvement district. The District may issue taxable or tax-exempt Obligations (the "CID Obligations"), the proceeds of which shall fund the District Projects. The CID Obligations will be secured by the special assessments, which constitute liens against the real property within the District, and any additional sales tax charged on retail sales occurring within the District, and shall be payable from the revenues generated by the special assessments and the additional sales tax. These revenues shall be held in the Fund, and distributed as set out below.

e. Prioritization of Disbursements if CID Obligations Exist. If there shall be outstanding CID Obligations, all disbursements from the Fund shall be made in the following manner and order of preference, all of which will be identified in subsequent documentation prepared specifically for the CID Obligations:

i. to the payment of arbitrage rebate, if any, owed with respect to the CID Obligations under Section 148 of the Internal Revenue Code of 1986, as amended, including any costs of calculating arbitrage rebate;

ii. to payment of any District administrative costs and expenses, including, but not limited to, the payment of any collection fee (if not already deducted prior to deposit in the Fund) or other administrative costs owed to the County collector or the City;

iii. for payment to the trustee or any paying agent for the CID Obligations, an amount sufficient for payment of any fees, charges, costs and expenses which are due and owing to the trustee or any paying agent;

iv. to payment of interest becoming due and payable on any CID Obligations;

v. to payment of principal and premium, if any, becoming due and payable on any CID Obligations;

vi. for transfer to the debt service reserve fund created for the CID Obligations, such amount as may be required to restore any deficiency in said fund as provided in the indenture authorizing the issuance of the CID Obligations;

vii. to the payment of any unpaid verified Improvement Costs; and

viii. to the optional redemption of any CID Obligations.

16. Limitations on Borrowing Capacity. The District shall not have any limitations on its borrowing capacity.

17. **Limitations on Revenue Generation of the District.** The District shall not be limited in the amount of revenue that can be generated by the Special Assessment and Sales Taxes.

18. **Other Limitations on District Powers.** The District will have the authority and powers granted to community improvement districts and political subdivisions under the Act and as otherwise provided by law.

19. **Annual Reports and Meetings.** The District shall comply with the reporting and meeting requirements described in RSMo. § 67.1471, and acknowledges that such meetings shall be open to the public.

20. **Request for Establishment.** The undersigned Petitioners respectfully request that the City Council of the City of Columbia, Missouri establish the District in accordance with this Petition.

21. **Severability.** If any provision of this Petition shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case, or in all cases, because it conflicts with any other provision or provisions of this Petition or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision contained in this Petition invalid, inoperative or unenforceable to any extent whatsoever.

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