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P. Hrngs. \_\_\_\_\_  
Pgs. 5  
Filed: 04-16-19

Sponsored by: Schilling

First Reading: \_\_\_\_\_

Second Reading: \_\_\_\_\_

COUNCIL BILL 2019-101

GENERAL ORDINANCE \_\_\_\_\_

AN ORDINANCE

1 AUTHORIZING the termination of the Downtown Springfield Special Business District  
2 and authorizing staff to complete the necessary steps to finalize  
3 termination of said District. (Staff and Planning and Zoning  
4 Commission recommend approval.)  
5  
6

7 WHEREAS, the City of Springfield established the Downtown Springfield Special  
8 Business District (“SBD”) with the passage of General Ordinance 3218 in 1981 to  
9 provide free public parking for the Downtown Area; and  
10

11 WHEREAS, in 1999 the City approved the establishment of the Downtown  
12 Springfield Community Improvement District (“CID”), which was empowered by state  
13 law with greater flexibility and authority to fulfill the goals of the Special District; and  
14

15 WHEREAS, the Downtown Springfield CID assumed the duties of the Downtown  
16 Springfield SBD, and has continued to do so; and  
17

18 WHEREAS, the Downtown Springfield SBD has ceased to operate since that  
19 time, has collected no taxes, holds no assets, and does not have an active  
20 management board; and  
21

22 WHEREAS, state law has been established providing a procedure for the  
23 termination of the SBD.  
24

25 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF  
26 SPRINGFIELD, MISSOURI, as follows, that:  
27

28 Section 1 – The Downtown Springfield SBD, having ceased to function and its  
29 duties being assumed by the Downtown Springfield CID, should be dissolved.  
30

31 Section 2 – The City Manager, or his designee, shall proceed to take such steps  
32 necessary to comply with state law to terminate the Downtown Springfield SBD,  
33 including; initiating a petition to be filed with the Circuit Clerk; obtaining orders from the

34 court to hold an election; assisting the County Clerk with the election; engaging counsel  
35 as needed for any court actions; and complying with any further conditions required by  
36 the statute.

37  
38 Section 3 – This Ordinance shall be in full force and effect from and after  
39 passage.

40  
41 Passed at meeting: \_\_\_\_\_

42  
43 \_\_\_\_\_  
44 Mayor

45  
46 Attest: \_\_\_\_\_, City Clerk

47  
48 Filed as Ordinance: \_\_\_\_\_

49  
50 Approved as to form: *Paul Rykowski*, Assistant City Attorney

51  
52  
53 Approved for Council action: *Jason A. Hage*, City Manager  
54

## **EXPLANATION TO COUNCIL BILL 2019-101**

FILED 04-16-19

ORIGINATING DEPARTMENT: Planning and Development Department

PURPOSE: Authorizing the termination of the Downtown Springfield Special Business District and authorizing staff to complete the necessary steps to finalize termination of said District. (Staff and Planning and Zoning Commission recommend approval.)

BACKGROUND INFORMATION: In 1981, the City Council established the Downtown Springfield Special Business District (“SBD”) by General Ordinance 3218, which encompasses a portion of the downtown area as shown on the attached map. See “Exhibit A.” The primary purpose of the SBD was to operate and maintain free public parking lots in downtown Springfield. The SBD had the power to assess taxes to fund these operations. The Downtown Springfield Community Improvement District (“CID”) assumed responsibility for the parking lots after it was established in 1999. While the SBD hasn’t collected taxes or been operational since 2000, it remains a corporate entity.

Terminating the SBD will remove an outdated and unused taxing entity from the books, as well as provide more flexibility for use of the City parking lots downtown. As long as the SBD remains in place, the City is obligated to maintain a number of free public parking spaces equal to the number of spaces available when the SBD tax was collected. As downtown redevelopment has occurred and continues to occur, City staff believes it would be beneficial to have maximum flexibility for these parking lots. At some point in the future, City Council could determine that the best use of the City parking lots would be converting them to paid parking lots, offering overnight parking passes, or selling the property for development. There are no immediate plans to convert any lots to paid parking or any other use at this time.

To terminate the SBD, 8% of registered voters within the District must sign a Petition seeking termination and file it against the governing body of the SBD. In this case, the governing body is the City Council of Springfield. In addition, the Petition must account for any assets, give notice to interested parties, and apply to the Circuit Court for a hearing and order to terminate the district. If the Court approves the termination, City staff will work with the County Clerk to hold a required termination vote within the District.

City staff has received the requisite number of signatures from registered voters residing within the SBD. As the District no longer serves a purpose and is essentially defunct, staff requests permission from City Council to hire outside counsel to initiate the suit for termination on behalf of the Petitioners and take any further steps needed to repeal the sections of the City Code which established the District.

REMARKS: The original state law that authorized the creation of an SBD did not contain

a provision allowing for termination of an SBD. Springfield sought an amendment to this law in 2006 to terminate the Downtown Springfield SBD. The state law amendment was approved, but the City didn't pursue termination immediately, to avoid confusion with the renewal of the Downtown CID, which was also taking place in 2006. As Springfield's population grew, it outgrew the population bracket contained in the legislation allowed Springfield to terminate its SBD. During the 2017 session, another piece of legislation was passed which clarified the existing law and cleared the way for termination of the SBD after following a prescribed process.

Submitted by:



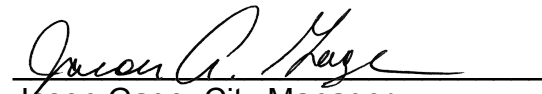
Sarah Kerner  
Sarah Kerner, Economic Development Director

Recommended by:



Mary Lilly Smith  
Mary Lilly Smith, Planning Director

Approved by:



Jason Gage  
Jason Gage, City Manager

# Exhibit A

