

Voting Item #4 – Neighborhood Improvement District Program Project

The Missouri Neighborhood Improvement District Program was designed to provide a practical, flexible and responsive tool to finance public infrastructure in response to citizen needs. Simply defined, a Neighborhood Improvement District (NID) is a geographically defined area within which certain public improvements are financed by the local governmental entity (either city or county) through the issuance of general obligation bonds. These general obligation bonds are then paid through special tax assessments imposed on the owners of real estate property in the NID area by either the City or County. The basic premise of NID financing is that only those who benefit from the financed improvements pay for the improvements. The contracts, bidding, completed work acceptance, etc. are all handled by the county once the NID is established.

The cost of repairing all of the subdivision streets to an acceptable level that would require minimal maintenance and pave the streets that are currently gravel is more than what can be raised through reasonable annual assessments. Because we estimate it would be 10-15 years to adequately repair and upgrade all of our streets, the trustees are considering establishing a NID for this purpose. In addition to the street repair, the funding that would be available from Jefferson County as a NID could also be used to resolve the storm water drainage and run-off problems in the subdivision through the installation of curbing and a storm sewer system. The cost to repair the streets alone is estimated to be over \$1 million. It is unknown what the exact cost would be for the street repairs and the storm sewer system until an engineering study is done. If the NID financing is approved for this project, only the lot owners in Hermitage Hills Subdivision who will benefit from these improvements would be billed a special tax assessment through the County as part of their annual real estate property taxes to re-pay this debt to the County. (This would exclude lots located on Saline Road). It is estimated this special assessment would be billed each year for 15 – 20 years. The amount of the special tax assessment will be determined by the total cost of the project and the number of lot owners included in the NID.

This voting item if approved, will allow the trustees to use funds allocated for road repairs in 2013 to obtain the engineering study and legal assistance needed as a preliminary step to establishing the NID. This money would be refunded back to the subdivision by the county if the NID process is completed and paid for by the NID property tax. The estimated cost of the engineering study is \$5,000. If this item is not approved, the trustees cannot move forward with the NID funding option for repairing the streets in the subdivision and resolving water drainage problems and must look to either another funding source or higher street assessments. For more information on the Missouri Neighborhood Improvement District Program please go to the website:

www.laketishomingo.com/Hpoa/sewer/NID/generalinfo.html