

Termination of Community Improvement District (CID) at K-96 & Greenwich



City Manager's Office
Development Services

June 14, 2022



K-96 & Greenwich Interchange



- 4 Funding Sources
 - K-96 STAR Bonds
 - Cabela's CID
 - Capital Improvement Plan
 - \$2,200,000 in special assessments levied against land developed in STAR Bond project; Developer requested a CID to reimburse the special assessments (K96 STAR CID).



Project



- CID Sales tax: 1%
 - Academy, Duluth Trading, Cavenders, Dave & Busters, etc.
- Term: 22 years (Oct. 2015 – Sept. 2036)
- Tax now recommended to end Sept. 30, 2022
 - Raised necessary funding in just 7 years



Status



- City issued \$1,714,110 in special assessment bonds in 2018.
- CID revenue is set aside until reserves are sufficient to retire remaining bonds.
- Staff estimates sufficient reserves by Fall 2022.
 - 15 years early



Next Steps



- State updates tax rates quarterly and requires three-month notice for changes.
- Notice by July 1, 2022 will cease additional tax on Sept. 30, 2022.



Recommended Action



It is recommended the City Council place on first reading the ordinance terminating the K-96 STAR Bond Community Improvement District and authorize the necessary signatures.



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