

 **YOUR**

# What Is A SBD?



**LOVE YOUR NEIGHBORHOOD**

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*Adapted from North Central Special Business District Information*



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Odds are, you have seen a few mentions of Special Business Districts (SBDs) in and around St. Louis. You may be asking yourself, “Just what *is* a Special Business District, and how is it helping to improve conditions for neighborhoods in our city?” The term “business district” is misleading, since both residential and commercial properties are involved. Sections 71.790 to 71.808 of the Revised Statutes of Missouri govern Special Business Districts.

The first SBD was the Locust Central Business District, established in 1982. Since then, nearly 200 SBDs were formed in St. Louis; six of these are in the Central West End. Besides the Central West End, SBD locations include Soulard, Cherokee Street and of course downtown.

Proposals are being made for a section of the central corridor which is adjacent to the Central West End and extends north (across Delmar) to take in blocks of Delmar, Enright West Belle and Finney. When approved the SBD will be called the North Central Special Business District.

(Review documents and information): <https://northcentralsbd.wordpress.com>

### **A Separate Legal Entity**

A SBD is a local unit of government, authorized by the state statute and administered by neighborhood stakeholders. Once in place, a SBD is a separate legal entity that can impose taxes based on the assessed value of real estate within the district. By law, the current levels of services are not reduced; rather, services are enhanced.

This activity is financed in part through an allocation of Community Development Block Grant funds from the Department of Housing and Urban Development and the City of St. Louis Community Development Administration.

State legislation requires that a potential SBD contact all property owners that may be involved, creates a district boundary, generates a business plan, and determines a budget and a means of funding. The Mayor appoints a seven member Board of Commissioners. Commissions come from the neighborhood and are term-limited to lead an SBD.

Both revenues and expenses are the domain of the SBD Board of Commissioners rather than the City of St. Louis. All revenue is reserved for the neighborhood, and can only be used in the neighborhood.

### **Special Business Districts help improve neighborhoods by bettering conditions and attracting new growth.**

Community safety, beautification, and capital improvements are all domains of SBDs. Different SBDs may have different focuses, but most concentrate on neighborhood safety and security. Most have special patrols and security cameras. In addition to these, some have been installing special lighting to enhance the area. While many believe SBDs are great, some feel additional property taxes create a burden, especially for the elderly and low-income homeowners.

The CWE North SBD has historically spent their SBD revenue on 3 major safety initiatives. These include adding lighting features, an integrated, all-encompassing network of security cameras, and secondary patrols. All of these are on-going, multi-year initiatives that work in conjunction with each other to help reduce their crime rate. The North SBD alone has spent well over \$1,000,000 on increased neighborhood lighting, and has budgeted more than \$280,000 per year for secondary patrols alone, not including the cost of managing the patrols or other security initiatives within their district.

### **Organizing A SBD**

Special Business Districts are established by a local election. Forming an SBD begins with the submission of a petition of property owners to the St. Louis Board of Aldermen, which may then adopt an ordinance to form the SBD. Upon approval of the SBD by the city, residents in an election must then approve the level of the SBD tax increase.

All registered voting residents of the district are eligible to vote on the SBD measure. In addition, non-residents who own business property or are licensed business owners in the proposed district may apply to the city for a special ballot for voting on the SBD measure. To ensure that neighborhood residents and property owners stay informed before a vote, there usually are a series of public meetings and full documentation available for review.

Full participation is important to the success of forming and managing of an SBD!

## **Kinds of Spending of SBD Funds**

SBDs fund the following types of public improvements and services:

- Special police for the protection and enjoyment of the property owners and the general public using the facilities of such business district
- Landscaping
- Street Lighting, Special Signage
- Infrastructure Repairs or enhancements
- Streets and sidewalks
- Special Events

***Recommendation: groups should retain qualified professional consultation or assistance of counsel in the formation of a Special Business District.***

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**North Central Special Business District:** <https://northcentralsbd.wordpress.com>