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CITIZENS SUMMARY

Findings in the audit of the Pershall Road Transportation Development District

Background

The Pershall Road Transportation Development District (TDD) was formed in July 2003 for the purpose of improving Pershall Road including a new shoulder and widening of the road, improvements to a secondary access road, improvements related to vehicular access and traffic flow, and the accompanying grading, drainage, pavement, curb, gutter, sidewalk, storm water facilities, structures, signing, striping, lighting, traffic signals, landscaping, and other related infrastructure. The project was completed in July 2004, and the City of Ferguson and the Missouri Highways and Transportation Commission (MHTC) subsequently accepted ownership of the project. Project costs for the Pershall Road TDD totaled \$615,611.

The project was funded by a 1 cent (1 percent) sales tax on all taxable transactions within the boundaries of the district. The sales tax was effective January 2004.

In January 2005, the Pershall Road TDD financed the project through a revenue note for \$615,611, the total project cost. The note was issued to the district by Cracker Barrel Old Country Store, Inc., the district's property owner. In March 2023, Cracker Barrel Old Country Store, Inc. went out of business, leaving no remaining businesses within the district's boundary to generate sales tax. In November 2023, Cracker Barrel Old Country Store, Inc. canceled its note for the district. Prior to the note's cancellation, the district paid occasional interest, but zero principal. The Board repealed the district's sales tax on January 2024, effective after March 2024.

Based on the audit, the cash balance of the Pershall Road TDD as of December 31, 2023, was \$36,216. According to the district's administrator, after additional costs were paid out in 2024, the district's cash balance was \$11,159 as of July 31, 2024, and the district expects to incur costs related to the dissolution of the district of \$11,059 of legal fees and \$100 of banking fees. Any fees that are incurred above the remaining cash amount will be covered by the property owner directly. If the district has any cash remaining after satisfying its liabilities, it will distribute the excess cash between the City of Ferguson and the MHTC, as appropriate.

Financial Status

The audit of the Pershall Road Transportation Development District indicates the financial condition of the district is such that it may be abolished.

Because of the nature of this audit, no rating is provided.