



Nicole Galloway, CPA

Missouri State Auditor

**Coronado Drive
Transportation Development District**

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Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Coronado Drive Transportation Development District

Financial Status

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

Due to the nature of this report, no rating is provided.

Coronado Drive Transportation Development District

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NICOLE GALLOWAY, CPA **Missouri State Auditor**

Melissa Goodson, Chairperson
and
Board of Directors
Coronado Drive Transportation Development District
Blue Springs, Missouri

The State Auditor is required under Section 238.275, RSMo, to audit a transportation development district prior to the question of abolishment being submitted to a vote. On January 8, 2021, the Board of Directors of the Coronado Drive Transportation Development District approved a resolution with its intent to dissolve the district and request an audit as required by statute. The State Auditor was subsequently notified of this resolution.

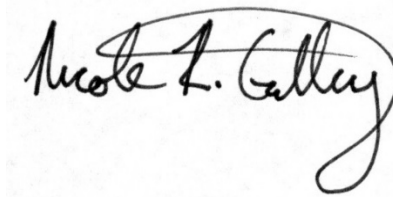
The scope of our audit included, but was not necessarily limited to, the fiscal year ended September 30, 2020, and the period from October 1, 2020, through December 31, 2020. The objectives of our audit were to evaluate the financial status of the district and determine whether it may be abolished pursuant to law.

Our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; and interviewing various personnel of the district, as well as certain external parties. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The audit determined the Board of Directors may proceed with abolishment of the district in accordance with Section 238.275, RSMo.

The accompanying Management Advisory Report presents our findings arising from our audit of the Coronado Drive Transportation Development District.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping flourish at the end of the name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
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In-Charge Auditor:	Joseph T. Magoffin, CFE
Audit Staff:	Sara McCormick, MPPA Thomas R. Johnson, MAcc.

Coronado Drive Transportation Development District Management Advisory Report - State Auditor's Findings

Financial Status

Our audit of the Coronado Drive Transportation Development District (TDD) indicates the financial condition of the district is such that it may be abolished.

The Coronado Drive TDD is located in Jackson County, in the City of Blue Springs. The district was organized in July 2009 by petition of the property owners within the boundaries of the proposed district. The members of the Board of Directors and officers are representatives of the developer and the City of Blue Springs. The district has a fiscal year end of September 30.

In July 2009, the Board of Directors of the district passed a resolution formally approving the imposition of the sales tax after qualified voter approval of the sales tax. In July 2009, the qualified voters of the district¹ approved a one-half (0.50%) percent sales tax on all taxable transactions within the boundaries of the district for a period not to exceed 10 years. The sales tax became effective on January 1, 2010. For the entirety of its life, from 2009 through 2020, the Coronado Drive TDD received \$4,955,000 in sales taxes.

The Coronado Drive TDD was formed for the reconstruction of Coronado Drive east of Adams Dairy Parkway, improvements to the Adams Dairy Parkway and I-70 east bound and I-70 west bound ramp intersections, construction improvements of the Home Depot and Wal-Mart west entrances, and improvements to the Adams Dairy Parkway and RD Mize Road. The project was included as part of a larger redevelopment project which included multiple political subdivisions.² The City of Blue Springs is the public entity with jurisdiction over the local portion of the project and serves as the Local Transportation Authority. The Missouri Highways and Transportation Commission (MHTC) serves as the entity with jurisdiction over the state portion of the project. The project was completed, and the City of Blue Springs subsequently accepted dedication of the project.

The Coronado Drive TDD did not issue bonds or debt instruments to fund the project. Instead, district sales tax revenues were pledged to service bonds issued by the City of Blue Springs as part of a larger redevelopment project. As part of the agreement with the city, the district agreed to give the city all sales tax revenue received for the life of the district.

In January 2021, the Board of Directors approved a resolution formalizing their intent to dissolve the district. The Coronado Drive TDD sales tax expired effective July 31, 2019. The Coronado Drive TDD's legal counsel advised the State Auditor's Office (SAO) of the districts intent to dissolve the district and

¹ The only qualified voter in the district was Walmart Stores East, LP.

² Political subdivisions involved in the Adams Farms redevelopment plan included the Adams Farms Tax Increment Financing Plan Projects A, B and C, Adams Farms TDD, I-70 and Adams Dairy Parkway TDD, and the Coronado Drive TDD.



Coronado Drive Transportation Development District
 Management Advisory Report State Auditor's Findings

requested the SAO proceed with all necessary actions as required pursuant to Section 238.275, RSMo.

The SAO has performed an audit of the Coronado Drive TDD as required by Section 238.275, RSMo. That statute requires the State Auditor to audit the TDD to determine its financial status, and determine whether it may be abolished pursuant to law. That law also states the board shall not propose the question to abolish the district while there are outstanding claims or causes of action pending against it, if its liabilities exceed its assets; or while the district is insolvent, in receivership, or under the jurisdiction of a bankruptcy court.

The following table presents the financial activity and cash balance of the Coronado Drive TDD for the period from October 1, 2009, through September 30, 2019; the year ended September 30, 2020; and the period from October 1, 2020, through December 31, 2020.

	Period October 1, 2020 to December 31, 2020	Year Ended September 30, 2020	Period October 1, 2009 to September 30, 2019
RECEIPTS			
Sales Tax	\$ 0	1,415	4,953,585
Interest	0	105	1,125
Transfers from Adams Farm TIF	0	4,285	0
Total Receipts	0	5,805	4,954,710
DISBURSEMENTS			
Debt Service to the City of Blue Springs	0	0	4,774,352
Professional Fees	13,387	3,822	111,044
Administrative Fees	0	2,092	54,314
Transfers to Adams Farm TIF	0	1,504	0
Total Disbursements	13,387	7,418	4,939,710
RECEIPTS OVER (UNDER) DISBURSEMENTS	(13,387)	(1,613)	15,000
BEGINNING CASH	13,387	15,000	0
ENDING CASH	\$ 0	13,387	15,000

Source: Compiled by the SAO using the TDD's bank statements, transaction register, and audited financial statements.



Coronado Drive Transportation Development District
Management Advisory Report State Auditor's Findings

Based on our audit, the cash balance of the Coronado Drive TDD as of September 30, 2020, was \$13,387 and the cash balance as of December 31, 2020, was \$0. The Coronado Drive TDD's legal counsel indicated the district had no outstanding liabilities as of January 22, 2021 for billed and unbilled legal services and expenses and no further legal expenses were anticipated.

Based on our audit, the Board of Directors may proceed with the abolishment of the Coronado Drive TDD in accordance with Section 238.275, RSMo.