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Missouri State Auditor

Olive Boulevard
Transportation Development District

Report No. 2023-038

August 2023

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Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Olive Boulevard Transportation Development District

Background

The Olive Boulevard Transportation Development District (TDD) was formed in September 2004 for the purpose of improving Olive Boulevard and included various construction projects, traffic improvements, utility burials, and landscaping. The project was completed in December 2018 and the City of Creve Coeur subsequently accepted ownership of the project. The Olive Boulevard TDD projects totaled approximately \$5,790,000.

The project was funded by a voter-approved one-half percent sales tax on all taxable transactions within the boundaries of the district. The Board of Directors approved rescinding the sales tax in February 2022, and the bond debt associated with the project was satisfied in April 2022.

Based on the audit, the cash balance of the Olive Boulevard TDD as of December 31, 2022, was \$435,300. As of December 2022, the District had estimated outstanding legal fees of \$33,100 and accounting fees of \$7,500 needed to dissolve the District. After the district's final costs and professional fees are paid, the remaining balance will be distributed to the City of Creve Coeur in accordance with state law.

Financial Status

The audit of the Olive Boulevard TDD 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.

Olive Boulevard Transportation Development District

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SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

Heather Silverman, Chairperson
and
Board of Directors
Olive Boulevard Transportation Development District
Creve Coeur, 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 February 24, 2022, the Board of Directors of the Olive Boulevard Transportation Development District approved a resolution of 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 June 30, 2022, and the period from July 1 through December 31, 2022. 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 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 Olive Boulevard Transportation Development District.

A handwritten signature in black ink that reads "Scott Fitzpatrick". The signature is written in a cursive, flowing style.

Scott Fitzpatrick
State Auditor

Olive Boulevard Transportation Development District Management Advisory Report - State Auditor's Findings

Financial Status

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

The Olive Boulevard TDD is located in St. Louis County, in the City of Creve Coeur. The District was organized in September 2004 by petition of the property owners/developer within the proposed TDD. The district consisted of several dozen parcels of property at the time of formation with 23 property owners within the district's boundaries. The members of the Board of Directors and officers consist of 7 members: 4 members representing the City of Creve Coeur, 2 members representing the property owners, and 1 vacancy. The district has a fiscal year end of June 30.

The Olive Boulevard TDD was formed for the purpose of improving Olive Boulevard and included various construction projects, traffic improvements, utility burials, and landscaping. The City of Creve Coeur is the public entity with jurisdiction over the local portion of the project and serves as the Local Transportation Authority. The resulting transportation improvements are not intended to be merged into state highways; therefore, the Missouri Highways and Transportation Commission (MHTC) has no direct interest in the TDD. The project was completed in December 2018, and the City of Creve Coeur subsequently accepted ownership of the project. Project costs totaled \$5,790,000.

In September 2004, the qualified voters of the district approved a 1/2-cent (0.5 percent) sales tax on all taxable transactions within the boundaries of the district. The Board of Directors subsequently passed a resolution formally establishing that sales tax rate to be effective October 1, 2004, for 25 years unless terminated sooner.

In June 2005, the Olive Boulevard TDD issued \$5,090,000 in revenue bonds to pay project costs, and subsequently borrowed \$700,000 from a developer/property owner to fund an additional project. In July 2015 the District issued \$2,690,000 in bonds for the purpose of refunding the prior bonds, paying the costs of issuance for said bonds, executing bond documents, and authorizing the engagement of an agent, counsel, and trustee. The Olive Boulevard TDD satisfied this debt in April 2022. The Board approved rescinding the sales tax in February 2022, and subsequently notified the Department of Revenue (DOR) to stop collecting the district's tax. Sales tax collection expired March 31, 2022.



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From 2010 through December 31, 2022, the District received \$5,673,602 in sales tax revenues.¹ See the table below for district's financial activity for the year ended June 30, 2022, and the period July 1 through December 31, 2022.

In February 2022, the Olive Boulevard TDD Board formalized its intent to dissolve the District. The District subsequently advised the State Auditor's Office (SAO) of this resolution in March 2022 and requested the SAO proceed with all necessary actions as required pursuant to Section 238.275, RSMo. That statute requires the State Auditor to audit the district to determine its financial status, and determine whether it may be abolished pursuant to law. It 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 balances for the year ended June 30, 2022, and the period July 1, 2022, through year ended December 31, 2022.

	July 1, 2022 through December 31, 2022	Year Ended June 30, 2022
RECEIPTS		
Sales Tax	\$ 5,257	662,242
Interest	67	0
Miscellaneous Income	0	12,212
Total Receipts	5,324	674,454
DISBURSEMENTS		
Administration	25,140	43,011
Principal	0	314,735
Total Disbursements	25,140	357,746
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	(19,816)	316,708
BEGINNING CASH	455,116	138,408
ENDING CASH	\$ 435,300	455,116

Source: Compiled by the SAO using the district's bank accounts and financial statements.

Based on our audit, the cash balance of the Olive Boulevard TDD as of December 31, 2022, was \$435,300. As of December 2022, the District had estimated outstanding legal and accounting fees needed to dissolve the District of \$33,110 and \$7,500; respectively. According to District legal

¹ District sales tax information prior to 2010 was not available from the District or from the DOR.



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counsel, there are no pending, threatened, or unasserted claims or assessments against the district. District officials confirmed the district is not insolvent, in receivership, or under the jurisdiction of a bankruptcy court. Based on these representations, district assets are sufficient to pay any remaining costs and obligations. After the district's final costs and professional fees are paid, the remaining balance will be distributed to the City of Creve Coeur in accordance with Section 238.275.5(1), RSMo.

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