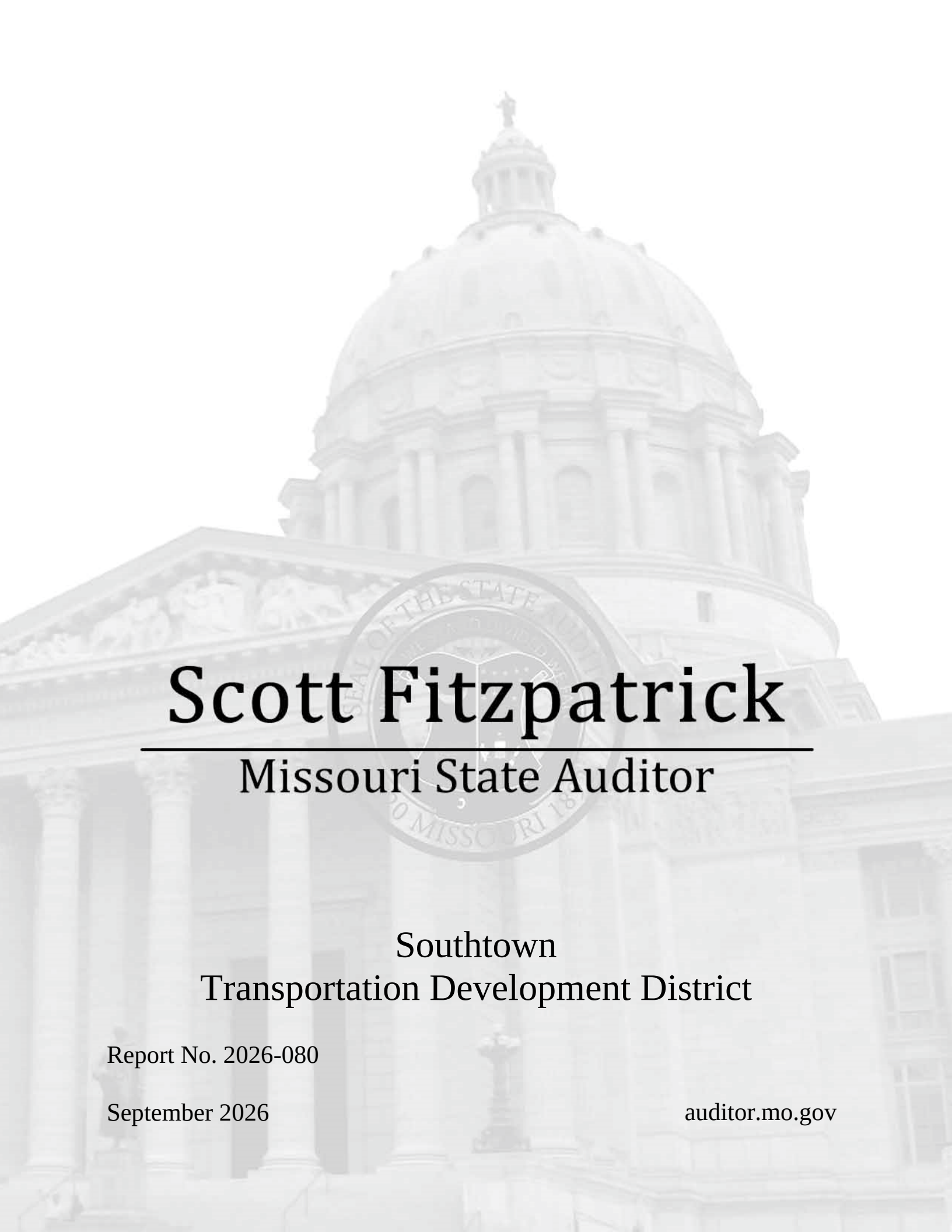




Scott Fitzpatrick

Missouri State Auditor

Southtown Transportation Development District

Report No. 2026-080

September 2026

auditor.mo.gov



Scott Fitzpatrick
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Southtown Transportation Development District

Background

Located in the City of St. Louis, the Southtown Transportation Development District (TDD) was formed in April 2024 with a primary project to construct a 468 car parking lot to service a multi-store retail development located at Chippewa Street and South Kingshighway Boulevard, the associated roadwork and signalization, and the accompanying site acquisition, design, demolition, earthwork, excavation, shoring, topsoil, soils testing, structural excavation, finish grading, general conditions, asphalt, striping, concrete curbs, road widening, traffic signal additions and rework, and related improvements.

The TDD is also associated with the Southtown Redevelopment Project created by the St. Louis Tax Increment Financing Commission. The TDD's sales tax revenues were used to satisfy TDD-specific portions of debt incurred by the Southtown Redevelopment Project.

The City of St. Louis is the public entity with jurisdiction over the local portion of the project and serves as the Local Transportation Authority. The project was deemed substantially completed in March 2005, and the City of St. Louis subsequently accepted ownership of the project. The estimated cost for the project was \$7,500,000.

In May 2004, the Board of Directors passed a resolution formally approving the submission of the proposed sales tax rate to the qualified voters of the district and establishing a sales tax rate of 1 percent on all taxable transactions within the TDD's boundaries. The sales tax was effective December 31, 2005. In March 2005, the TDD issued revenue bonds to finance project costs. The district refinanced its bond debt in November 2006 and again in March 2015 before satisfying its project debt in its entirety in January 2025. In September 2025, the Board of Directors approved a resolution to repeal the sales tax collections, and subsequently the Department of Revenue was notified in April 2026, of the resolution. The sales tax was repealed on April 30, 2026.

Based on the audit, the cash balance of the Southtown TDD as of December 31, 2025, was \$142,838. Per the district, their cash balance has since increased to approximately \$225,000 as of July 22, 2026. According to the district, remaining estimated liabilities total approximately \$28,000 which include legal expenses and other administrative expenses. Based on these representations, the district has sufficient cash to pay any remaining costs and obligations. After the district's final costs are paid, the remaining balance of approximately \$197,000 will be transferred to the City of St. Louis in accordance with state law.

Financial Status

The audit of the Southtown 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.

Southtown Transportation Development District

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SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

Laura Lashley, Chairman
and
Board of Directors
Southtown Transportation Development District
City of St. Louis, 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 September 9, 2025, the Board of Directors of the Southtown 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 year ended December 31, 2025. 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 this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the 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 a reasonable basis for our findings and conclusions based on our audit objectives.

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 conclusions arising from our audit of the Southtown Transportation Development District.

Scott Fitzpatrick
State Auditor

Southtown Transportation Development District Management Advisory Report - State Auditor's Conclusions

Financial Status

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

The Southtown TDD is located in the City of St. Louis. The district was organized in April 2004 by petition of the property owner/developer within the proposed TDD. The district consists of 1 property owner. There are 5 members of the Board of Directors, including 1 vacancy, and 4 additional non-board members serving as other officers, agents, and advisors. The TDD has a fiscal year end of December 31. The TDD is also associated with the Southtown Redevelopment Project created by the St. Louis Tax Increment Financing Commission. The TDD's sales tax revenues were used to satisfy TDD-specific portions of debt incurred by the Southtown Redevelopment Project.

The TDD's primary project was the construction of a 468 car parking lot to service a multi-store retail development located at Chippewa Street and South Kingshighway Boulevard, the associated roadwork and signalization, and the accompanying site acquisition, design, demolition, earthwork, excavation, shoring, topsoil, soils testing, structural excavation, finish grading, general conditions, asphalt, striping, concrete curbs, road widening, traffic signal additions and rework, and related improvements. The City of St. Louis is the public entity with jurisdiction over the local portion of the project and serves as the Local Transportation Authority. The project was deemed substantially completed in March 2005, and the City of St. Louis subsequently accepted ownership of the project. The estimated cost for the project was \$7,500,000.

In May 2004, the Board of Directors passed a resolution formally approving the submission of the proposed sales tax rate to the qualified voters of the district and establishing a sales tax rate of 1 percent on all taxable transactions within the TDD's boundaries. The sales tax was effective December 31, 2005.

In March 2005, the TDD issued revenue bonds to finance project costs. The district refinanced its bond debt in November 2006 and again in March 2015 before satisfying its project debt in its entirety in January 2025. In September 2025, the Board of Directors approved a resolution to repeal the sales tax collections, and subsequently the Department of Revenue was notified of the resolution in April 2026. The sales tax was repealed on April 30, 2026.

In September 2025, the Board of Directors approved a resolution formalizing its intent to dissolve the district, advised the State Auditor's Office (SAO) of this resolution, 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; its liabilities exceed its assets; or the



Southtown Transportation Development District
Management Advisory Report - State Auditor's Conclusions

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 December 31, 2025.

	Year Ended December 31, 2025
RECEIPTS	
Sales Tax	\$ 164,745
Interest	21
Total Receipts	164,766
DISBURSEMENTS	
Legal Fees	4,426
Administration Fees	13,000
Insurance	1,200
Bank Fees	507
Termination Expense	3,000
Total Disbursements	22,133
RECEIPTS OVER (UNDER) DISBURSEMENTS	142,633
BEGINNING CASH	205
ENDING CASH	\$ 142,838

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

Based on our audit, the cash balance of the Southtown TDD as of December 31, 2025, was \$142,838. Per the district, their cash balance has since increased to approximately \$225,000 as of July 22, 2026. According to the district, remaining estimated liabilities total approximately \$28,000 which include legal expenses and other administrative expenses. Based on these representations, the district has sufficient cash to pay any remaining costs and obligations. After the district's final costs are paid, the remaining balance of approximately \$197,000 will be transferred to the City of St. Louis in accordance with Section 238.275.5(1), RSMo, after an agreement is drafted.

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