

Denise M. Goodson
816-472-2543
dmgoodson@lewisricekc.com

August 18, 2022

**VIA EMAIL AND
FIRST CLASS MAIL:**

City Clerk
25th Floor, City Hall
414 E. 12th Street
Kansas City, MO 64106
Marilyn.Sanders@kcmo.org

VIA EMAIL:

Missouri Dept. of Economic Development
Attn: CID Annual Report
301 W. High Street
Jefferson City, MO 65102
redemption@ded.mo.gov

Re: Grand Reserve Community Improvement District (“CID”)
Annual Report for FYE April 30, 2022

Ladies/Gentlemen:

Enclosed please find the Annual Report for the Grand Reserve Community Improvement District.

Please do not hesitate to contact me if you have any questions or if I may be of further assistance.

Very truly yours,

LEWIS RICE LLC

Denise Goodson

Denise M. Goodson, Legal Assistant

DMG

Enclosure

cc: Doug S. Stone, Esq. (via email w/o enc.)
David Roos (via email w/ enc.)
Kate Luczowski (via email w/ enc.)

ANNUAL REPORT FOR
GRAND RESERVE
COMMUNITY IMPROVEMENT DISTRICT (“CID”)

SECTION I

Date: August 18, 2022 for Fiscal Year End April 30, 2022
CID Contact Information: Douglas S. Stone, Esq. (<mailto:dstone@lewisricekc.com>)
Political Subdivision or Not for Profit: Political Subdivision
Date of and Ordinance No: July 16, 2020 Ordinance No. 200551

SECTION II

PURPOSES OF CID AND SERVICES PERFORMED DURING FISCAL YEAR:

The CID encompasses the former Federal Reserve Bank building at 925 Grand Boulevard, the garage abutting the Federal Reserve Bank building to the east and the former high-security entrance area to the north of 925 Grand (the “Development”), all of which are being redeveloped by the property owner, Delta Quad Holdings, LLC (the “Developer”) pursuant to the Grand Reserve TIF Plan, as amended from time to time (the “TIF Plan”). The purpose of the CID is to undertake certain improvements within the CID, including specifically improvements constituting “Redevelopment Project 1” and the “Adjoining Redevelopment” (as those terms are defined in the TIF Plan), as more fully set forth in Section 5 of Exhibit C to the CID’s formation petition, and to use or make available its revenue to pay a portion of the costs thereof that are not funded by “Economic Activity Taxes”, “PILOTS” or the “City Additional Contribution” (all as defined by the TIF Plan), including without limitation debt service on any notes, bonds or other obligations issued and outstanding from time to time to finance all or any of such costs, as as set forth in Exhibit C to the CID’s formation petition.

The CID did not provide any services.

SECTION III

BOARD MEMBERS AS OF DATE OF MOST RECENT ANNUAL MEETING:

Hasan Adelani (hasan.adelani@gmail.com)

Richard Linsmeier (rlinsmeier@rowellc.net)

Denise Goodson (dmgoodson@lewisricekc.com)

Cheryl Naylor (cnaylor@lewisricekc.com)

VACANT

SECTION IV

REVENUE AND EXPENSES:

INCOME:		
a) Cash on Hand (Beginning of Fiscal Year)		\$ 0.00
b) Sales Tax (Sales Tax not yet imposed)		\$ 0.00
TOTAL INCOME		\$ 0.00
EXPENSES:		
I. Administrative:		
a) Disbursements for Qualified CID Reimbursable Costs	\$ 0.00	
b) Operating and Administrative Costs	\$ 0.00	
SUB-TOTAL	\$ 0.00	
II. Services:		
a)	\$ 0.00	
SUB-TOTAL	\$ 0.00	
III. Capital Improvements		
a) Public Infrastructure Improvements	\$ 0.00	
b) Exterior Improvements	\$ 0.00	
c) Interior Improvements	\$ 0.00	
d) Other Improvements	\$ 0.00	
SUB-TOTAL	\$ 0.00	
IV. Other		
a) Transfer to Special Allocation Fund*	\$ 0.00	
SUB-TOTAL	\$ 0.00	
EXPENSE TOTAL:		
I. Administrative	\$ 0.00	
II. Services	\$ 0.00	
III. Capital Improvements	\$ 0.00	
IV. Other	\$ 0.00	
TOTAL EXPENSES	\$ 0.00	
TOTAL INCOME		\$ 0.00
LESS TOTAL EXPENSES		\$ 0.00
BALANCE		\$ 0.00

*Until the termination of the Grand Reserve Tax Increment Financing Plan (the "TIF Plan"), one half of the CID Sales Tax revenue will be captured as economic activity taxes in accordance with the TIF Plan for deposit in the Special Allocation Fund maintained with respect to the TIF Plan.

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Date CID Submitted Proposed Annual Budget for FYE 2022 to City Clerk: 3/17/2021
Date CID Adopted Annual Budget for FYE 2022: 3/31/2021

SECTION V

LIST OF RESOLUTIONS APPROVED DURING FISCAL YEAR (ATTACH COPIES):

RESOLUTION NUMBER	RESOLUTION TITLE
Resolution 2022-1	Resolution of Grand Reserve Community Improvement District Approving the Minutes of the March 30, 2021 Initial Board of Directors Meeting
Resolution 2022-2	Resolution of Grand Reserve Community Improvement District Electing Officers
Resolution 2022-3	Resolution of the Grand Reserve Community Improvement District Approving the Budget for Fiscal Year 2023 and Appropriating Funds

SUBMIT FORM AND ATTACHMENTS TO:

Missouri Dept of Economic Development
Attn: CID Annual Report
301 W. High Street, P. O. Box 118
Jefferson City, MO 65102
Phone: 1-573-526-8004
Fax: 1-573-522-9462
Email: missouridevelopment@ded.mo.gov

City Clerk
25th Floor, City Hall
414 E. 12th Street
Kansas City, MO 64106
Phone: 816-513-6401
Fax: 816-513-3353
Email: Marilyn.Sanders@kcmo.org

GRAND RESERVE COMMUNITY IMPROVEMENT DISTRICT

RESOLUTION NO. 2022-1

**RESOLUTION OF GRAND RESERVE COMMUNITY IMPROVEMENT DISTRICT
APPROVING THE MINUTES OF THE MARCH 30, 2021 INITIAL BOARD OF
DIRECTORS MEETING**

WHEREAS, the Bylaws of Grand Reserve Commons Community Improvement District (the "District") require the District to keep minutes of Board of Directors' meetings;


WHEREAS, the Board of Directors of the District conducted the initial Board of Directors meeting on March 30, 2021; and

WHEREAS, minutes of such meeting have been prepared and circulated to members of the Board.

NOW, THEREFORE, BE IT RESOLVED, as follows:

1. That the minutes of the initial Board of Directors meeting held on March 30, 2021 are attached hereto as **Exhibit A** and shall be and are hereby approved in all respects.
2. This Resolution shall take effect immediately.

PASSED by the Board of Directors of Grand Reserve Community Improvement District on March 24, 2022.



Richard Linsmeier, District Manager

EXHIBIT A

MARCH 30, 2021 MEETING MINUTES

[SEE ATTACHED]

**GRAND RESERVE
COMMUNITY IMPROVEMENT DISTRICT**

**MINUTES OF THE INITIAL MEETING OF
THE BOARD OF DIRECTORS OF THE DISTRICT**

The initial meeting of the Board of Directors (“Board”) of the Grand Reserve Community Improvement District (the “District”) was held on March 30, 2021 commencing at 3:00 p.m., at 1010 Walnut, Suite 500, Kansas City, Missouri, 64106, pursuant to due notice.

The following members of the Board were present by telephonic conference call: Hasan Adelani, Richard Linsmeier, Cheryl Naylor and Denise Goodson. Also present by telephonic conference call were Doug Stone of Lewis Rice, LLC, Kate Luczkowski and David Roos. Mr. Stone offered to direct the meeting because officers had not yet been appointed. After determining that a quorum of Board members was present, Mr. Stone called the meeting to order.

Mr. Stone opened the meeting with explanation of the protocol for the meeting. For those not previously familiar, he then explained Community Improvement Districts generally and how such entities use sales taxes (and other sources of possible revenue not imposed by this District) to fund projects.

Mr. Stone then confirmed that all oaths of office had been executed by four of the initial Directors of the District and discussed that one of the designees to be an initial Director lacked qualification to be a Director. It was determined that a fifth Director would be appointed at a later date. Ms. Naylor made a motion to adopt Resolution No. 2021-1, acknowledging the Directors’ Oaths of Office and the lack of qualification of a particular designee, which Mr. Adelani seconded. A vote was held and Resolution No. 2021-1 was unanimously adopted.

The next order of business taken up by the Board was the election/appointment of officers of the District. Mr. Stone explained that the Directors would choose who among them would take each office. Discussion ensued, upon the conclusion of which, Ms. Naylor made a motion to adopt Resolution No. 2021-2, appointing Mr. Adelani as Chairman, Mr. Linsmeier Campbell as District Manager, Ms. Goodson as Secretary and Ms. Naylor as Treasurer. Mr. Adelani seconded the motion. A vote was held and Resolution No. 2021-2 was unanimously adopted.

The next order of business was the adoption of Bylaws for the District. Mr. Stone noted that a correction needed to the Bylaws as presented to remove reference to a Developer. Ms. Naylor made a motion to adopt Resolution No. 2021-3, revised as discussed by Mr. Stone, and ratifying actions in furtherance of formation of the District, which Mr. Adelani seconded. A vote was held and Resolution No. 2021-3 was unanimously adopted.

The Board then considered the designation of a Principal Office of the District. Mr. Stone explained that the Lewis Rice, LLC office will be temporarily designated the Principal Office, to be changed at a future point. Ms. Naylor made a motion to adopt Resolution No. 2021-4, designating the Principal Office of the District, which Mr. Adelani seconded. A vote was held and Resolution No. 2021-4 was unanimously adopted.

The next order of business taken up by the Board was the Board's expression of intent to comply with the Missouri Sunshine Law. Mr. Stone gave a short explanation regarding Sunshine Law compliance as it would pertain to the District. Discussion ensued, upon the conclusion of which Ms. Naylor made a motion to adopt Resolution No. 2021-5, expressing the District's intent to comply with the Sunshine Law and the appointment of Ms. Goodson to be the Custodian of the records of the District. Mr. Adelani seconded the motion. A vote was held and Resolution No. 2021-5 was unanimously adopted.

The meeting agenda then called for the meeting to be opened to public comments; however, no members of the public were present. Accordingly, the meeting continued.

The Board then discussed the authorization of engagement of legal counsel. Mr. Stone opened the discussion by noting that although the proposed resolution would authorize engaging him/his firm as counsel for the District, the Directors could choose whatever firm they preferred for the engagement. Discussion ensued, upon the conclusion of which, Ms. Naylor made a motion to adopt Resolution No. 2021-6, engaging legal counsel and authorizing execution of an engagement letter between the District and Lewis Rice LLC, which Mr. Adelani seconded. A vote was held and Resolution No. 2021-6 was unanimously adopted.\

The next order of business was to adopt a Budget for the Fiscal Year ending April 30, 2022. Mr. Stone explained that currently there is a zero budget for the District as the Sales Tax proposed in the Petition establishing the District has not been imposed. Discussion ensued, and upon conclusion of which, Ms. Naylor made a motion to adopt Resolution No. 2021-7, adopting the Budget for Fiscal Year ended April 30, 2022, which Mr. Adelani seconded. A vote was held and Resolution No. 2021-7 was unanimously adopted.

There being no other business to come before the Board, Ms. Naylor made a motion to adjourn, which Mr. Adelani seconded. Accordingly, the meeting was adjourned.

Respectfully submitted,

Denise Goodson, Secretary

GRAND RESERVE COMMUNITY IMPROVEMENT DISTRICT

RESOLUTION NO. 2022-2

**RESOLUTION OF GRAND RESERVE COMMUNITY IMPROVEMENT DISTRICT
ELECTING OFFICERS**

WHEREAS, the Bylaws of the Grand Reserve Community Improvement District (the "District") require the District's Board of Directors (the "Board") to elect a Chairman, District Manager, Secretary and Treasurer and such other officers or employees as the Board deems necessary;

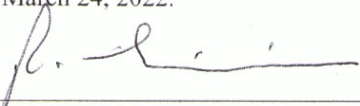
WHEREAS, the Board desires to elect a Chairman, District Manager, Secretary and Treasurer as the officers of the District in accordance with the Bylaws; and

WHEREAS, the Chairman, District Manager, Secretary and Treasurer shall have the powers and duties described in the Bylaws.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District, as follows:

1. Hasan Adelani is elected Chairman of the District.
2. Richard Linsmeier is elected District Manager of the District.
3. Denise Goodson is elected Secretary of the District.
4. Cheryl Naylor is elected Treasurer of the District.
5. Each officer of the District shall exercise those powers and perform those duties as set forth in the Bylaws of the District.
6. Each officer of the District elected above shall serve a term of one year and until his or her successor has been duly elected.
7. This Resolution shall take effect immediately.

PASSED by the Board of Directors of Grand Reserve Community Improvement District on March 24, 2022.



Richard Linsmeier, District Manager

GRAND RESERVE COMMUNITY IMPROVEMENT DISTRICT

RESOLUTION NO. 2022-3

RESOLUTION OF THE GRAND RESERVE COMMUNITY IMPROVEMENT DISTRICT APPROVING THE BUDGET FOR FISCAL YEAR 2023 AND APPROPRIATING FUNDS

WHEREAS, on July 16, 2020, the City Council of the City of Kansas City, Missouri (the "City") adopted Ordinance Number 200551, pursuant to which the City approved the Petition for the Establishment of the Grand Reserve Community Improvement District (the "Petition"), and established the Grand Reserve Community Improvement District (the "District") for the purposes set forth in the Petition;

WHEREAS, Missouri law, including the Community Improvement District Act, Sections 67.1401, *et seq.*, RSMo, as amended (the "Act"), requires that the District submit to the City a proposed annual budget for review and comment by the City's City Council, and adopt an annual budget.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District, as follows:

1. The District approves the proposed annual budget for its fiscal year ending April 30, 2023 ("FYE 2023") attached hereto as Exhibit A, and hereby appropriates all District revenues realized by the District during FYE 2023 to pay for the costs and expenses reflected on the District's Budget with respect to FYE 2023.
2. This Resolution shall take effect immediately.

PASSED by the Board of Directors of the Grand Reserve Community Improvement District on March 24, 2022.



Richard Linsmeier, District Manager

Exhibit A

FYE 2023 Annual Budget

[SEE ATTACHED]

**Grand Reserve Community Improvement District
FYE April 30, 2023 Budget**

BUDGET MESSAGE

The Grand Reserve Community Improvement District (the “**District**”) was formed as a political subdivision of the State of Missouri on July 16, 2020 by the City Council of the City of Kansas City, Missouri (the “**City**”) by Ordinance No. 200551 upon a Petition to Establish the District (the “**Petition**”). The District’s fiscal year begins May 1 and ends April 30 of each year, the same as the fiscal year of the City.

The District currently has no source of revenue. However, the Petition authorized the District to impose a one percent (1%) sales and use tax (the “**CID Sales Tax**”) within the District upon qualified voter approval. It is possible that the District will seek qualified voter approval of the CID Sales Tax in the later part of this fiscal year. It is anticipated that the first fiscal year in which CID Sales Tax will be collected will be the fiscal year commencing on 5/1/2023, although if the sales tax does commence within the fiscal year of this Budget, the District will amend this Budget.

The District is located within the Redevelopment Area created by the Grand Reserve Tax Increment Financing Plan, as amended (the “**TIF Plan**”), and more specifically, a portion of the District is located within Redevelopment Project Area 1 of the TIF Plan. Until the termination of the TIF Plan, one half of the CID Sales Tax revenue generated within Redevelopment Project Area 1 of the TIF Plan will be captured as economic activity taxes in accordance with the TIF Plan for deposit in the Special Allocation Fund maintained with respect to the TIF Plan (the “**Special Allocation Fund**”).

	<u>FYE 4/30/2023</u>	<u>FYE 4/30/2022</u>	<u>FYE 4/30/2021</u> ¹
<u>REVENUES</u>			
CID Sales and Use Tax	\$0.00	\$0.00	\$0.00
TOTAL REVENUES	\$0.00	\$0.00	\$0.00
<u>EXPENDITURES</u>			
Transfer to Special Allocation Fund	\$0.00	\$0.00	\$0.00
Disbursements for Qualified CID Reimbursable Costs	\$0.00	\$0.00	\$0.00
CID Operating and Administrative Costs	\$0.00	\$0.00	\$0.00
TOTAL EXPENDITURES	\$0.00	\$0.00	\$0.00
TOTAL ESTIMATED ENDING BALANCE	\$0.00	\$0.00	\$0.00

¹ The District was established in the middle of FYE 2021, and did not adopt a budget for FYE 2021. The District had no source of revenue during FYE 2021. Costs to form the District, and initial operating and administrative costs, were advanced for the District by the sole property owner in the District.