

Ralph E. Bellar, Jr.
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January 25, 2023

VIA EMAIL: Marilyn.Sanders@kcmo.org

Ms. Marilyn Sanders, City Clerk
City of Kansas City, MO
25th Floor, City Hall
414 E. 12th Street
Kansas City, Missouri 64106

Re: Metro North Crossing Community Improvement District
Proposed Annual Budget (2023-2024)

Dear Ms. Sanders:

Pursuant to Section 67.1471.2 of the Revised Statutes of Missouri, enclosed for review and comment is the proposed annual budget for the Metro North Crossing Community Improvement District (the “District”) for the fiscal year ending April 30, 2024.

If you have any questions, please call me.

Very truly yours,

LEWIS RICE LLC



Ralph E. Bellar, Jr.

Encl.

cc: Dave Horn (via email: dhorn@blueridgecrossing.com) (w/encl)
Dan Horn (via email: danhorn@blueridgetower.net) (w/encl)
Missouri Department of Revenue (via email: LocalGov@dor.mo.gov)
Missouri State Auditor’s Office (via email: LocalGovernment@auditor.mo.gov)

**METRO NORTH CROSSING
COMMUNITY IMPROVEMENT DISTRICT**

BUDGET FOR FISCAL YEAR BEGINNING MAY 1, 2023
AND ENDING APRIL 30, 2024

BUDGET MESSAGE

The Metro North Crossing Community Improvement District (“**District**”) was formed as a political subdivision of the State of Missouri, by the City Council of the City of Kansas City, Missouri (the “**City**”) by Ordinance No. 170975, adopted on December 14, 2017. The District has adopted a fiscal year beginning May 1 and ending April 30 of each year, the same as the fiscal year for the City. The District was formed to provide, or cause to be provided, for the benefit of the District, certain eligible services and eligible improvements, all as described in the Petition to Establish the Metro North Community Improvement District, filed December 6, 2017 (the “**Petition**”).

The District’s sole source of revenue (the “**District Revenues**”) is a one percent (1%) sales and use tax imposed on sales within the District. The District’s one percent (1%) sales and use tax became effective October 1, 2018.

The District’s primary purpose is to assist the owner or owners of property within the District to finance the development of such property, specifically the installation and construction of certain public improvements associated therewith (the “**Project**”). The Project envisioned by the District as set forth in the Petition entails the creation, construction, reconstruction, and installation of: (a) public road improvements to Barry Road, including, but not limited to, sidewalks, curbs, gutters, streetscaping, lighting, traffic signs and/or signals and improvements to the public street infrastructure at the intersection of North Jefferson Road and Barry Road; (b) public road improvements to the intersection of Barry Road and North Wyandotte Drive, including, but not limited to, sidewalks, curbs, gutters, streetscaping, lighting, traffic signs and/or signals; (c) public road improvements to extend the road throughout the proposed development, including, but not limited to, sidewalks, curbs, gutters, streetscaping, lighting, traffic signs and/or signals; (d) construct a new public road (Metro North Crossing Drive) to extend North Jefferson Street to North Wyandotte Street; (e) drainage and water utilities, including water lines, storm sewers, detention basins, and appurtenant improvements thereto; (f) site improvements including rock removal, soil grading and reinforcement necessary to construct public improvements; (g) lawns, trees, landscaping and monument signage to improve aesthetic appearance; (h) installation of fire hydrants and other public health, safety and welfare improvements or benefits; (i) any other useful, necessary, or desired improvements to be built and arranged in a manner consistent with neighboring properties, and as may be allowed by the Community Improvement District Act under Sections 67.1401 to 67.1571, RSMo, including, as desirable or appropriate, the acquisition of all types of real estate interests, including but not limited to easements, licenses, leases and fee simple title; (j) costs associated with undertaking the “Purposes” as set forth in the Five Year Plan attached as Exhibit C to the Petition to Establish the Metro North Crossing Community Improvement District; (k) costs associated with undertaking the “Services” as set forth in the Five Year Plan attached as Exhibit C to the Petition to Establish the Metro North Crossing Community Improvement District. The District also desires to pay for certain administrative expenses, professional fees and operating costs of the District, all as reflected in the District’s budget.

The District and Metro North Crossing, LLC (the “**Developer**”) entered into a Reimbursement Agreement dated February 22, 2018, pursuant to which Developer has agreed to advance funds in connection with construction, reconstruction, and installation of the Project and the creation of the District, and the District has agreed, subject to annual appropriation, to reimburse Developer for the “District Costs” (as that term is defined in the Reimbursement Agreement) Developer has incurred on behalf of the District pursuant to the Reimbursement Agreement. The amounts Developer advances to pay Project costs during the fiscal year will not be shown as an expense to the District for that fiscal year, but will instead be reflected in a footnote to the budget and noted as District Costs Developer has advanced on behalf of the District pursuant to the Reimbursement Agreement. To date, Developer has not requested certification of District Costs.

The District’s budget for the fiscal year beginning May 1, 2023, and ending April 30, 2024, contemplates using the District Revenues generated by the one percent (1%) sales and use tax to (i) pay for certain District Services, and (ii) to pay for certain administrative and professional fees and operating costs of the District. The proposed amount of

the District's expenditures is based solely on the revenue projected to be generated by the District's one percent (1%) sales and use tax during the fiscal year and from sales tax income carried forward from previous years.

A payment to the Tax Increment Financing Commission of Kansas City of fifty percent (50%) of the incremental economic activity taxes ("EATS") pursuant to Section 99.845.3 of the Revised Status of Missouri is included in the 2023-2024 budget. The EATS payment is required by the TIF statute and is to be used to reimburse eligible redevelopment project costs under the Metro North Crossing Tax Increment Financing Plan. The EATS consist of fifty percent (50%) of the one percent (1%) CID sales tax generated within the boundaries of the Metro North Crossing TIF District over the amount of such taxes generated within the TIF District in the calendar year prior to the adoption of the ordinance designating the TIF redevelopment project area.

Metro North Crossing		
Community Improvement District Budget		
May 1, 2023- April 30, 2024		
Estimated Carry Forward Income as of 4/30/23		\$ 208,148
Estimated Income from 1% CID Sales & Use Tax		\$ 280,000
Total Funds Available		\$ 488,148
Expenses		
Legal Fees		\$ 10,000
Accountant Fees		\$ 2,100
Misc. Fees & Costs		\$ 1,750
District Services (e.g. public area maintenance, lawn maintenance, snow removal, landscaping, monument signs, utilities, security, road maintenance and replacement, sidewalks, trail system, and District beautification)		\$ 75,000
Payment to Developer (Reimbursement of District Costs) ¹		\$ -
2023 EATS to TIFC for Metro North Crossing TIF ²		\$ 140,000
Professional Fees		\$ -
Contingency		\$ -
Total Expenses		\$ 228,850.00
Estimated Carry Forward Income		\$ 259,298.00
¹ The District and Metro North Crossing, LLC (the "Developer") have entered into a Reimbursement Agreement dated February 22, 2018, pursuant to which Developer has agreed to advance funds in connection with construction, reconstruction, and installation of the Project and the creation of the District and the District has agreed, subject to annual appropriation, to reimburse Developer for the "District Costs" (as that term is defined in the Reimbursement Agreement) Developer has incurred on behalf of the District pursuant to the Reimbursement Agreement. To date, Developer has not submitted any District Costs to the District for certification and this budget does not contemplate any payments to Developer for District Costs.		
² The 2022 EATS payment to the TIFC is expected to be paid during the FYE 4/30/23 after the District's sales tax revenues for the CYE 12/31/2022. are determined. The 2023 EATS payment to the TIFC is expected to be paid during the FYE 4/30/24 after the District's sales tax revenues for the CYE 12/31/23 are determined.		

Metro North Crossing Community Improvement District 2022-2023 Budget

	Budget 2023-2024	Budget 2022-2023	Actual 2021-2022
Estimate Carry Forward Income	\$ 208,148.00	\$ 149,498.00	\$ 196,650.00
Estimated Income from 1% CID Sales Tax	\$ 280,000.00	\$ 200,000.00	\$ 179,455.00
Total Funds Available	\$ 488,148.00	\$ 349,498.00	\$ 376,105.00

EXPENSES

Legal Fees	\$ 10,000.00	\$ 10,000.00	\$ 10,633.00
Accountant Fees	\$ 2,100.00	\$ 2,100.00	\$ 2,509.00
Miscellaneous Fees & Costs	\$ 1,750.00	\$ 1,750.00	\$ -
District Services (e.g. public area maintenance, lawn maintenance, snow removal, landscaping, monument signs, utilities, security, road maintenance and replacement, sidewalks, trail system, and District beautification)	\$ 75,000.00	\$ 27,500.00	\$ -
Payment to Developer (Reimbursement of District Costs) ¹	\$ -	\$ -	\$ -
2023 EATS to TIFC for Metro North Crossing TIF ²	\$ 140,000.00	\$ -	\$ -
2022 EATS to TIFC for Metro North Crossing TIF ²	\$ -	\$ 100,000.00	\$ -
2021 EATS to TIFC for Metro North Crossing TIF ²	\$ -	\$ -	\$ 164,793.00
Professional Fees	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -
Total Expenses	\$ 228,850.00	\$ 141,350.00	\$ 177,935.00
Estimated Carry Forward Income	\$ 259,298.00	\$ 208,148.00	\$ 198,170.00

¹The District and Metro North Crossing, LLC (the "Developer") have entered into a Reimbursement Agreement dated February 22, 2018, pursuant to which Developer has agreed to advance funds in connection with construction, reconstruction, and installation of the Project and the creation of the District and the District has agreed, subject to annual appropriation, to reimburse Developer for the "District Costs" (as that term is defined in the Reimbursement Agreement) Developer has incurred on behalf of the District pursuant to the Reimbursement Agreement. To date, Developer has not submitted any District Costs to the District for certification and this budget does not contemplate any payments to Developer for District Costs.

²The 2018 EATS payment of \$19,395 and the 2019 EATS payment of \$46,174.50 were paid during the FYE 4/30/21. The 2022 EATS payment to the TIFC is expected to be paid during the FYE 4/30/23 after the District's sales tax revenues for the FYE 4/30/23 are determined. The 2023 EATS payment to the TIFC is expected to be paid during the FYE 4/30/24 after the District's sales tax revenues for the FYE 4/30/24 are determined.

BUDGET SUMMARY

The District anticipates the estimated revenues for the fiscal year ending April 30, 2024 from the District's one percent (1%) sales and use tax being \$280,000, which, when combined with the estimated carry over income from the previous fiscal year of \$208,148, equals a total of \$488,148. The District's total expenses are anticipated to be \$228,850, leaving a balance of \$259,298 at the end of the District's fiscal year.