

Doug Stone
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January 26, 2023

VIA FIRST CLASS MAIL

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

*Re: 1200 Main/South Loop 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 annual budget for the 1200 Main/South Loop Community Improvement District for the fiscal year ending April 30, 2024.

If you have any questions, please contact me.

Very truly yours,

LEWIS RICE LLC

Doug Stone

Doug Stone

DMG

Enclosure

cc: Eluard Alegre, Esq. (via email)
Matthew Wilks (via email, Matthew.Wilks@kcmo.org, w/ enc.)
Missouri Department of Revenue (via email, LocalGov@dor.mo.gov, w/enc.)
Missouri State Auditor (via email, LocalGovernment@auditor.mo.gov, /enc.)

1200 Main/South Loop Community Improvement District FYE April 30, 2024 Budget

BUDGET MESSAGE

The 1200 Main/South Loop Community Improvement District (the “**District**”) was formed as a political subdivision of the State of Missouri on May 2, 2019 by the City Council of the City of Kansas City, Missouri (the “**City**”) by Ordinance No. 190306 upon a Petition to Establish the District (the “**Petition**”) . The Petition authorized the District to impose within the District, upon qualified voter approval, a one percent (1%) sales and use tax (the “**CID Sales Tax**”). At the initial meeting of the Board of Directors of the District held June 18, 2019, the Board of Directors passed a Resolution approving the one percent (1%) CID Sales Tax, subject to qualified voter approval. On September 25, 2019, the qualified voters approved the one percent (1%) CID Sales Tax by mail-in ballot election. The CID Sales Tax commenced on January 1, 2020.

The District has adopted a fiscal year beginning May 1 and ending April 30 of each year, the same as the fiscal year of the City.

The District entered into a Cooperative Agreement (the “Cooperative Agreement”) with Kansas City Live, LLC (the “Developer”) and the City dated as of September 30, 2020 pursuant to which the District agreed make its revenue available to pay certain costs set forth in the Petition and the Cooperative Agreement. However, until the termination of the 1200 Main/South Loop 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 (the “**Special Allocation Fund**”).

| | <u>FYE 4/30/2024</u> ¹ | <u>FYE 4/30/2023</u> ¹ (REVISED) | <u>FYE 4/30/2022</u> ² (REVISED) |
|--|-----------------------------------|--|--|
| <u>FUNDS AVAILABLE</u> | | | |
| Cash on Hand (Beginning of Fiscal Year) | \$60,067.64 | \$7,535.00 | \$485,752.00 |
| <u>REVENUES</u> | | | |
| CID Sales and Use Tax | \$839,102.40 ³ | \$720,811.68 | \$534,869.00 |
| TOTAL REVENUES | <u>\$899,170.04</u> | <u>\$728,346.68</u> | <u>\$1,020,621.00</u> |
| <u>EXPENDITURES</u> | | | |
| Transfer to Special Allocation Fund | \$414,622.42 | \$334,139.52 | \$516,592.00 |
| Disbursement to Developer for the purpose of operating, maintaining, managing and repairing certain garages within the District as provided by the Cooperative Agreement | \$398,622.42 | \$318,139.52 | \$478,007.00 |
| CID Operating and Administrative Costs | <u>\$16,000.00</u> | <u>\$16,000.00</u> | <u>\$18,487.00</u> |
| TOTAL EXPENDITURES | <u>\$829,244.84</u> | <u>\$668,279.04</u> | <u>\$1,013,086.00</u> |
| <u>FUNDS AVAILABLE</u> | | | |
| Cash on Hand (End of Fiscal Year) | <u>\$69,925.20</u> | <u>\$60,067.64</u> | <u>\$7,535.00</u> |

¹ Estimated

² Actual

³ Due to the effects of the Covid-19 pandemic on the economy, the estimated Sales and Use Tax revenue is adjusted to 80% of the estimated Sales and Use Tax revenue for Year 5 as set forth in the Five Year Plan (\$1,048,878.00)