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**PETITION FOR ESTABLISHMENT OF THE  
ROMANELLI SHOPS COMMUNITY IMPROVEMENT DISTRICT  
CITY OF KANSAS CITY, MISSOURI**

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**PETITION FOR THE CREATION OF THE  
ROMANELLI SHOPS COMMUNITY IMPROVEMENT DISTRICT**

To the Mayor and City Council of the City of Kansas City, Missouri:

The undersigned real property owner (the "Petitioner"), being the owner of approximately:

- (1) one hundred percent (100%) by assessed value of the real property; and
- (2) one hundred percent (100%) per capita of all owners of real property

within the boundaries of the hereinafter described proposed community improvement district, excluding public right-of-way or minor deviations in property lines determined by survey after the date hereof, does hereby petition and request that the City Council of the City of Kansas City, Missouri create a community improvement district as described herein under the authority of Sections 67.1401 to 67.1571, RSMo (the "CID Act"). In support of this petition, the Petitioner sets forth the following information in compliance with the CID Act:

1. District Name. The name for the proposed community improvement district ("CID" or "District") is:  
  
Romanelli Shops Community Improvement District.
2. Legal Description and Map. A legal description and map generally depicting the boundaries of the proposed District are attached hereto as Exhibit A and Exhibit B, respectively. The proposed district consists of approximately 1.28 acres, more or less, and is located entirely within the City of Kansas City, Missouri.
3. Five-Year Plan. A five-year plan as required by the CID Act is attached hereto as Exhibit C (the "Five Year Plan").
4. Form of District. The proposed District will be established as a political subdivision of the State of Missouri under the CID Act.
5. Board of Directors.
  - a. Number. The District shall be governed by a Board of Directors (the "Board") consisting of five (5) members, whom shall be appointed by the municipality in accordance with this petition.
  - b. Qualifications. Each Member of the Board ("Director") shall meet the following requirements:
    - (1) be at least 18 years of age;
    - (2) be and must declare to be either an owner of real property within the District ("Owner") or an authorized representative of an Owner, an owner of a business operating within the District ("Operator"), or a registered voter ("Resident") residing within the District, as provided in the CID Act;
    - (3) be and have been a resident of the State of Missouri for at least one year immediately preceding the date upon which he or she takes office in accordance with Article VII, Section 8 of the Missouri Constitution; and

(4) be appointed according to a slate submitted as described in this Petition.

c. Initial Directors. The initial directors ("Initial Directors") and their respective terms shall be:

- i. David Palen – Owner’s Representative, Four (4) year term
- ii. Grace Palen – Owner’s Representative, Four (4) year term
- iii. Mitch Kelly – Owner’s Representative, Two (2) year term
- iv. Kyle Kelly – Owner’s Representative, Two (2) year term
- v. Eric Wullschleger – Owner’s Representative, Two (2) year term

d. Terms. Initial Directors shall serve for the term set forth above. Each of the successor directors ("Successor Directors") shall serve a four (4) year term or until his/her successor is appointed in accordance with this Petition. If, for any reason, a Director is not able to serve his/her term, the remaining Directors shall elect an Interim Director to fill the vacancy of the unexpired term.

Notwithstanding anything to the contrary, any Director’s failure to meet the qualification requirements set forth above, either in a Director’s individual capacity or in a Director’s representative capacity, shall constitute cause for the Board to take appropriate action to remove said Director.

e. Successor Directors. Successor Directors shall be appointed by the Mayor with the consent of the City Council by resolution. The Chairman of the District will submit a proposed slate of successor directors to the City of Kansas City, Missouri’s City Clerk (the "City Clerk"), which slate may be comprised of any individuals that meet the above-listed criteria in the discretion of the Executive Director. Upon receipt of a slate of Successor Directors, the City Clerk shall promptly deliver the slate to the Mayor and the Mayor shall appoint the Successor Directors with the consent of the City Council.

6. Assessed Value. The total assessed value of all real property in the District is \$709,408.00.

7. Duration of District. The proposed maximum length of time for the existence of the district is twenty (20) years from the date upon which any sales tax is levied within the District pursuant to this Petition. The District may be terminated prior to the end of such term in accordance with the provisions of the CID Act and this Petition, and said term shall not be extended unless a new petition is submitted and approved pursuant to the terms of the CID Act.

8. Real Property and Business License Taxes. The District will not have the power to impose a real property tax levy or business license taxes.

9. Special Assessments. The District shall not be authorized to levy special assessments against real property benefited within the District for the purpose of providing revenue for construction of certain public and private improvements (the "Improvements") and provision of services (the "Services") benefiting the District as set forth in Section 3 of the Five Year Plan attached at Exhibit C.

10. Sales Tax. Qualified voters of the District may be asked to approve a sales tax of up to one percent (1%) ("District Sales Tax"), in accordance with the CID Act, to fund certain improvements within the District and/or to pay the costs of services provided by the District. Additional details about the District Sales Tax are set forth in the Five Year Plan attached hereto as Exhibit C.

11. Borrowing Limits. Petitioner does not seek limitations on the borrowing capacity of the District.

12. Revenue Limits. Petitioner does not seek limitations on the revenue generation of the District.
13. Authority Limits. Petitioner does not seek limitations on the authority of the District, except as set forth in this Petition.
14. Blight. The undersigned is seeking a determination of blight under Section 67.1401.2(3)(b) RSMo of the CID Act for property located within the District. A Blight Study prepared by Development Initiatives addressing compliance with the factors for a finding of blight as stated in the CID Act is included with this Petition as **Exhibit D**. In order for the District to be able to expend its revenues pursuant to RSMo § 67.1461.2, this Petition seeks the City Council's determination that the use of District revenues as described herein is reasonably anticipated to assist with remediation of the blighted conditions within the District and will serve a public purpose, and approval of this Petition shall be deemed to constitute that such finding has been made.
15. Right to Terminate. The property owners within the District shall have the right to petition the City Council to terminate the District at any time in accordance with the CID Act.
16. City Auditor Right to Audit. The City Auditor shall have the right to audit the books and records of the District at any time upon reasonable request. The District shall make records available to the City Auditor within ten (10) days after written request for the same.
17. **Revocation of Signatures. THE PETITIONER ACKNOWLEDGES THAT THE SIGNATURE OF THE SIGNER OF THIS PETITION MAY NOT BE WITHDRAWN FROM THIS PETITION LATER THAN SEVEN (7) DAYS AFTER THE FILING HEREOF WITH THE CITY CLERK.**

WHEREFORE, Petitioner respectfully requests that the City Council establish the requested Romanelli Shops Community Improvement District in accordance with the information set forth in this Petition and that the Mayor appoint and the City Council consent to the proposed members for the Board of Directors as set forth in this Petition, and take all other appropriate and necessary action that is consistent with the CID Act to establish the requested district.

By executing this petition, the undersigned represents and warrants that he/she is authorized to execute this petition on behalf of the property owner named immediately below.

**G. PALEN INVESTMENTS, LLC,**  
a Minnesota limited liability company

By: [Signature]

Name: DAVID PALEN

Title: AUTHORIZED AGENT

Date: 7/8/19

STATE OF Missouri )

) ss:

COUNTY OF Jackson )

On this 8<sup>th</sup> day of July, 2019, before me appeared DAVID PALEN, to me personally known, who, being by me duly sworn did say that he is the authorized agent of G. Palen Investments, L.L.C., a Minnesota limited liability company, and that said instrument was signed on behalf of said company, and said company acknowledged said instrument to be the free act and deed of said entity.

WITNESS my hand and official seal this 8<sup>th</sup> day of July, 2019.

My Commission Expires: 1/30/2021

[Signature]  
Notary Public

PHYLLIS E. EDWARDS  
NOTARY PUBLIC-NOTARY SEAL  
STATE OF MISSOURI  
CLAY COUNTY  
MY COMMISSION EXPIRES 1/30/2021  
COMMISSION # 13471396

**EXHIBIT A**

**Legal Description of the Romanelli Shops Community Improvement District**

**TRACT I:**

The South 45 feet of Lot 1, all of Lots 2 thru 5, inclusive, and the North 24.69 feet of Lot 6, EXCEPT that part in streets and roads, ARMOUR LAWN, a subdivision in Kansas City, Jackson County, Missouri.

**TRACT II:**

The South 25.31 feet of Lot 6, all of Lots 7, 8, 9, and 10, and the North 12.29 feet of Lot 11, EXCEPT that part in Wornall Road, ARMOUR LAWN, a subdivision in Kansas City, Jackson, Missouri.



EXHIBIT B

General Boundary Map of the Romanelli Shops Community Improvement District



**EXHIBIT C**

**Five Year Plan**

**(Attached)**



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**FIVE-YEAR DISTRICT MANAGEMENT PLAN**

**OF THE**

**ROMANELLI SHOPS COMMUNITY IMPROVEMENT DISTRICT**

**CITY OF KANSAS CITY, MISSOURI**

**The information and details outlined in the following pages represent the strategies, and activities that it is anticipated will be undertaken during the initial five-year duration of the Romanelli Shops Community Improvement District in Kansas City, Missouri. It is an integral and composite part of the petition to establish the Romanelli Shops Community Improvement District.**

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## **Introduction**

The Romanelli Shops Community Improvement District (the “District”) is created pursuant to Section 67.1401 through 67.1571 of the Revised Statutes of Missouri (the “CID Act”). Section 67.1421, RSMo, requires that the petition for the creation of the District be accompanied by a five-year plan which includes a description of the purposes of the proposed district, the services it will provide, the improvements it will make and an estimate of the costs of these services and improvements to be incurred. This Five-Year District Management Plan (the “Plan”) is intended to satisfy this statutory requirement, and is appended to the Petition for Formation of the District as an integral part thereof.

### **Section 1 - Why Create a Community Improvement District?**

The District will encompass two (2) parcels of land containing approximately 1.28 acres, more or less, located at the northwest corner of the intersection of W. Gregory Boulevard and Wornall Road in Kansas City, Missouri (the “Development”). The purpose of the District is to undertake certain improvements and services within the District, as discussed below, and to use or make available its revenue to pay the costs thereof, 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.

### **Section 2 - What is a Community Improvement District?**

A community improvement district is an entity that is separate from the City of Kansas City and is formed by the adoption of an ordinance by the City Council following a public hearing before the City Council regarding formation of the District. A CID may take the form of a political subdivision of the State of Missouri, or a nonprofit corporation that is formed and operated under Missouri corporation laws. CIDs are empowered to provide a variety of services and to construct and/or finance a number of different public improvements, and in a blighted area, private improvements, as set forth more particularly in the CID Act. CIDs derive their revenue from taxes and assessments levied within the boundaries of the CID. Such revenues are then used to pay the costs of the services or improvements. A CID is operated and managed by a board of directors, whose members may be appointed or elected. Board members serve for a designated period of time, and the Board positions are again elected or appointed at the expiration of each term as provided in the petition creating such CID.

### **Section 3 - Management Plan Summary**

The District in this case will take the form of a separate political subdivision of the State of Missouri, which will be governed by a Board of Directors that will consist of five (5) members appointed by the Mayor of Kansas City with the consent of the City Council pursuant to a slate submitted in accordance with the Petition.

#### *District Formation:*

CID formation requires submission of signed petitions from a group of property owners:

- collectively owning more than fifty percent (50%) by assessed value of the real property within the District, and
- representing more than fifty percent (50%) per capita of all owners of real property within the District.

In this case, the Petition to which this Plan is attached has been signed by the owners of approximately 100% of the assessed value and 100% of the per capita property owners within the District, excluding

ownership of public right-of-way or minor deviations in property lines determined by survey after the date hereof.

*Location:*

The Development is located at the northwest corner of the intersection of W. Gregory Boulevard and Wornall Road in Kansas City, Missouri and consists of approximately 1.28 acres, more or less, as more particularly described in the Petition.

*Assessed Value of District:*

The total assessed value of the properties within the District on the date of the Petition is \$709,408.00.

*Improvements and Services:*

The purpose of the District is to provide funding for the construction of certain public and private improvements and the provision of certain services within the District's boundaries. The improvements initially contemplated include potential demolition, remodeling, rehabilitation, and renovation of existing structures, site work, grading, infrastructure improvements, utility improvements, parking improvements, right-of-way improvements, landscaping, parks, lawns, trees, and any other landscape, utility improvements, construction of infrastructure improvements, as well as any other improvements permitted by the CID Act (the "Improvements"). The particular items included within the Improvements may be modified from those listed herein from time to time, and the costs of the Improvements to be financed by the District shall include all associated design, architecture, engineering, financing costs incurred to finance such Improvements, legal and administrative costs of same. The District may also provide funding for the District's formation and its ongoing operation and administration costs on an annual basis.

The District may also fund the provision of services within its boundaries for the benefit of the owner and tenants of the District (the "Services"), which may include: operating, maintaining, installing, equipping, repairing and protecting the common areas within the District, including, without limitation (a) operating, installing, maintaining and repairing the common driveways and access roads, sidewalks, curbs, signs, streetlights, landscaping and parking areas; (b) causing the necessary engineering and planning performed in connection with the Services; (c) streetscaping, gardening and landscaping (including but not limited to purchasing, installing and maintaining trees, shrubs, flowers and other vegetation, maintaining pots and planters, planting and replacing trees located along or adjacent to public rights-of-way and private drives, installing and maintaining lighting, public art, mowing, seeding and fertilizing grass and other vegetation); (d) maintaining and repairing irrigation systems and fire protection systems; (e) maintaining and repairing sanitary and storm sewers; (f) repairing, lighting, restriping, resurfacing and replacing the parking lots; (g) providing or contracting for the provision of cleaning and maintenance services for exterior common areas in order to improve the appearance and image of the District, including but not necessarily limited to litter removal, purchase and maintenance of trash receptacles, cleaning and sweeping of sidewalks, streets, parking areas, private drives, and gutters; (h) snow and ice removal; (i) trash, garbage, and other refuse removal; (j) repair and maintenance of directional and pylon signs; (k) repainting and repairing exterior areas; (l) repair and maintenance of exterior building and canopy lighting systems and components; (m) repair and maintenance of roofs, gutters, downspouts, fascia and columns; (n) the cost of non-administrative personnel (including, without limitation, workers compensation insurance) to implement such services; (o) employing or contracting for the provision of personnel to assist landowners, occupants, and users to improve security and safety conditions within the District, including but not limited to addressing public safety concerns, identifying and reporting public nuisances, and (if deemed advisable by the District)

conducting security patrols; and (p) hiring or contracting for personnel to staff and provide services to the District.

It is also anticipated that all costs, including attorney's fees, associated with formation of the District, including, but not limited to, the preparation of the CID Petition, the negotiation and drafting of any agreements entered into upon formation of the District in furtherance of the District's purposes, and the initial implementation of the District ("Formation Costs") will be reimbursed to the advancing party, or paid directly, from funds generated by the District.

#### *Method of Financing:*

It is proposed that the District will impose a sales and use tax of up to one percent (1%) (the "District Sales Tax"), which is in addition to any other state, county or city sales and use tax. The District Sales Tax is payable on the same retail sales that are subject to taxation pursuant to Sections 144.010 to 144.525, RSMo, except sales of motor vehicles, trailers, boats or outboard motors, and sales to or by public utilities and providers of communications, cable, or video services. All costs of the District shall be financed in the manner and amount determined by the Board of Directors from the amounts on deposit with the CID. Amounts advanced to the District by the Petitioner, or its successors or assigns, to cover the costs contemplated hereunder will be reimbursed by the District upon the availability of funds. All financing costs, including interest costs, associated with any loan obtained by the District, or notes, bonds, or other obligations issued by District to finance Improvements and/or Services may be paid from CID Sales Tax revenues.

#### *Estimated Costs:*

Attached as Exhibit 1 to this Plan is a table setting forth the estimated cost of the Improvements and the Services, and a table setting forth the projected cash flow for the first five years of the District's existence.

#### *City Services:*

The CID Act mandates that existing City services will continue to be provided within a CID at the same level as before the District was created (unless services are decreased throughout the City) and that District services shall be in addition to existing City services. The District anticipates that City services will continue to be provided within the District at the same level as before the District was created, and the District will not cause the level of City services within the District to diminish.

#### *Duration:*

The District will operate for a maximum term of forty (40) years from the date that the District Sales Tax commences to be collected within the District. Notwithstanding that the District is at the time providing Services, but subject to the contractual rights of any third parties, the District may be terminated prior to the end of such maximum term if the Improvements have been completed and the costs thereof paid for or reimbursed in full with CID revenue.

### **Section 4 District Boundaries**

The legal description and a general boundary map of the District are attached as Exhibits A and B to the Petition.

## **Section 5**

### **Facilities and Services to Be Provided**

As explained above, , the purpose of the District is to provide revenue sources in support of contracting with any private property owner to effectuate the Improvements, and providing or contracting for the Services.

## **Section 6**

### **Governing the Community Improvement District**

#### *City Council:*

Following the submission of the Petition, the City Council will conduct a public hearing and then consider an ordinance to create the District.

#### *Board of Directors for District:*

The District will be governed by a Board of Directors that will consist of five members appointed by the Mayor of Kansas City with the consent of the City Council pursuant to the terms of the Petition. It is anticipated that if the District submits names of suggested successor directors to the City in writing at least thirty (30) days prior to the expiration date of the terms of the applicable directors, the Mayor shall appoint such directors as successor directors, with the consent of the City Council, unless the Mayor provides the District with a reasonable written explanation that such suggested successor directors do not meet applicable legal requirements or lack the competency to serve as directors.

#### *Annual Budget:*

The District's budgets will be proposed and approved annually, within the limitations set forth in this Plan, by the District's Board of Directors. Budgets will be submitted annually to the City Council of the City of Kansas City for review and comment in accordance with the CID Act. The District will operate at all times in accordance with the District Rules and Regulations (Section 7) and the Bylaws of the District.

## **Section 7**

### **District Rules and Regulations**

1. The District shall operate at all times in accordance with Bylaws that may be adopted by the Board of Directors. The District shall at all times conduct its proceedings in accordance with Robert's Rules of Order, except as otherwise provided in any Bylaws.
2. The Board of Directors of the District will meet at least on an annual basis.



**EXHIBIT 1 TO FIVE YEAR PLAN OF THE  
ROMANELLI SHOPS COMMUNITY IMPROVEMENT DISTRICT**

ESTIMATED COSTS OF IMPROVEMENTS AND SERVICES<sup>1</sup>

<b>Cost Item</b>	<b>Cost</b>
Construction /Repairs	\$1,722,000
Professional Services (Consulting, Legal, Other)	\$325,000
Financing Costs	\$240,000
Maintenance/Operation	\$210,000
<b>TOTAL:</b>	<b>\$2,497,000</b>

CASH FLOW PROJECTION<sup>2</sup>

<b>CID Year</b>	<b>CID Sales Tax Revenue</b>
1	\$70,000
2	\$72,000
3	\$74,000
4	\$76,000
5	\$78,000

<sup>1</sup> These costs are estimates and may fluctuate based on actual costs incurred for purposes permitted under the CID Act. Only costs permitted to be financed under the CID Act will be financed with revenues of the District. Cost estimates exclude the costs of Services provided on behalf of the District, which shall be determined at the time incurred.

<sup>2</sup> Any annual revenue generated will be utilized to pay any costs of the District as approved in the District annual budget.

**EXHIBIT D**

**Blight Study**

**(Attached)**