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PETITION TO THE CITY OF KANSAS CITY, MISSOURI

FOR ESTABLISHMENT OF THE

906 GRAND

COMMUNITY IMPROVEMENT DISTRICT

**PETITION FOR THE CREATION OF THE
906 GRAND
COMMUNITY IMPROVEMENT DISTRICT**

To the City Council of Kansas City, Missouri (the “City”):

The undersigned real property owner (the “Petitioner”), being the owner collectively owning—

- (1) one hundred percent (100%) by assessed value of the real property and
- (2) one hundred percent (100%) of the land area

within the boundaries of the hereinafter described community improvement district, does hereby petition and request that the City Council of the City of Kansas City, Missouri (the “City Council”) create a community improvement district as described herein under the authority of Sections 67.1401 to 67.1571, inclusive, RSMo (the “CID Act”).

- A. Proposed District Name. The name for the proposed community improvement district (the “District”) is:

**906 Grand
Community Improvement District**

- B. Legal Description and Map. A legal description and map of the District are attached hereto as Exhibit A. The proposed district is located entirely within the corporate boundaries of the City.
- C. Five Year Plan. A five year plan stating a description of the purposes of the District, the services it will provide, each improvement it will make from the list of allowable improvements under Section 67.1461 of the CID Act, an estimate of the costs of these improvements and services, the anticipated sources of funds to pay the costs, and the anticipated term of the sources of funds to pay the costs, is attached hereto as Exhibit B.
- D. Establishment as Political Subdivision. The District will be established as a political subdivision under the CID Act.
- E. Appointment of Initial Directors.
 - (a) Number. The proposed district will be governed by a Board of Directors, which will consist of 5 members, who are named and shall serve for the terms specified below.
 - (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

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business operating within the District (“Operator”) or an authorized representative of an 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) except for the initial directors named in this Petition, be nominated according to a slate submitted as described in this Petition.

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 of Directors to take appropriate action to remove said Director and elect a Director to serve the remainder of such Director’s term.

(c) The initial directors (“Initial Directors”) and their respective terms shall be as follows:

The Initial Board of Directors:

Gib Kerr*	4 years
David Mashburn	4 years
Roger Summers	2 years
Babette Macy	2 years
Christian Arnold	2 years

If there are no registered voters residing in the District on the date this Petition is filed with the City Clerk, at least one Director must be a resident of the Kansas City, Missouri that is registered to vote, has no financial interest in any real property or business within the District, and is not related (second degree blood or marriage) to any owner of real estate or any business in the CID. The Director(s) identified with an “*” above satisfy such additional qualification requirements.

F. Director Terms; Successor Directors. The Initial Directors shall serve for the terms described above or until his/her successor is appointed in accordance with this Petition (a “Successor Director”). Each Successor Director 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. Successor Directors shall be appointed by the Mayor, with the consent of the City Council, in accordance with the Act and this Petition according to a slate submitted by the Board of Directors to the City Clerk, as provided below in this Section. The City Clerk shall deliver the slate to the Mayor and the City Council. The Board of Directors shall select the slate as follows:

(a) Individuals named as Successor Directors shall meet the qualifications defined in Section E of this Petition.

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(b) Individuals meeting the qualifications set out in this Petition for Successor Directors must be nominated by two sitting directors.

(c) The Directors shall then vote for a slate of nominees who shall consist of the number needed to fill vacancies and the seats of expiring terms.

Following the date the slate is submitted to the City Clerk:

(a) the Mayor shall appoint the Successor Directors according to the slate submitted, and the City Council shall consent by resolution to the appointment; or

(b) the Mayor, or the City Council, may reject the slate submitted and request in writing, with written reasons for rejection of the slate, that the Board of Directors submit an alternate slate.

If an alternate slate is requested, the Board of Directors shall submit an alternate slate to the City Clerk. The City Clerk shall deliver the alternate slate to the Mayor and the City Council. Thereafter:

(a) the Mayor shall appoint the Successor Directors according to the alternate slate submitted, and the City Council shall consent by resolution to the appointment; or

(b) the Mayor, or the City Council, may reject the alternate slate submitted and request in writing, with written reasons for rejection of the alternate slate, that the Board of Directors submit another alternate slate.

The procedure described above shall continue until the Successor Directors are appointed or deemed to be appointed by the Mayor with the consent of the City Council.

G. Total Assessed Value. The total assessed value of all real property in the proposed district is approximately \$1,587,117. Information regarding the assessed value and ownership of each parcel is as follows:

29-220-33-11-01-0-00-000 – Owned by 906 Grand Boulevard Hospitality, LLC
(\$1,344,000)

29-220-33-11-02-1-00-000 – Owned by 906 Grand Boulevard Hospitality, LLC
(\$243,117)

H. Determination of Blight. The Petitioner is seeking a determination of blight under Section 67.1401.2(3) of the CID Act for property located within the District. A Blight Study addressing compliance with the factors for a finding of blight under the CID Act will be considered by the City contemporaneously with this Petition. As set forth in the Five Year Plan attached hereto, it is anticipated that the District will issue debt obligations to fund removal of such blight (as well as other capital improvements), repayment of which will be from District Sales Tax revenues.

I. Term of Existence. The proposed maximum length of time for the existence of the District is twenty-seven (27) years from the date of the ordinance approving the Petition. The term of the District may be extended for up to an additional twenty-

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seven (27) years if the City holds a public hearing and thereafter adopts an ordinance to extend the term of the District as provided in Section 67.1481.6, of the CID Act. The District may be terminated prior to the stated expiration date in accordance with the provisions of the CID Act, and upon the payment or reimbursement (with interest) of all costs of the Improvements, Services, Formation Costs, and Operating/Administrative Costs (as those terms are defined in the Five Year Plan attached hereto). The property owner(s) within the proposed District shall have the right to initiate a petition to terminate the proposed District as provided by Section 67.1481 of the CID Act.

- J. Sales and Use Tax. Qualified voters of the CID will be asked to approve a sales and use tax of up to one percent (1.0%) (“**District Sales and Use Tax**”), in accordance with the CID Act, to assist in the funding of certain Improvements, Services, Formation Costs, and Operating/Administrative Costs (as those terms are defined in the Five Year Plan attached hereto). Additional details about the District Sales and Use Tax are set forth in the Five Year Plan attached as Exhibit B.
- K. Maximum Special Assessment. Petitioners do not propose that special assessments be levied within the District.
- L. Real Estate Tax and Business License Tax. Petitioners will not seek to submit to qualified voters any proposition for approval of a real property tax levy or business license taxes.
- M. No Borrowing Capacity Limitation. Petitioners do not seek limitations on the borrowing capacity of the District.
- N. No Revenue Limitations. Petitioners do not seek limitations on the revenue generation of the District.
- O. No Power Limitation. Petitioners do not seek limitations on the powers of the District.
- P. Audit. The City Auditor shall have the right to examine or audit the records of the District, if established, and the District shall make such records available to the City Auditor within ten (10) days after a written request for the same is made.
- Q. Petitioner Withdrawal Right Notice. **THE SIGNATURES OF THE SIGNERS OF THIS PETITION MAY NOT BE WITHDRAWN FROM THIS PETITION LATER THAN SEVEN (7) DAYS AFTER THE FILING HEREOF WITH THE CITY CLERK.**
- R. Severability. If any provision of this Petition shall be held or determined to be invalid, inoperative or unenforceable as applied in any particular case, or in all cases, because it conflicts with any other provision or provisions of this Petition or for any other reason such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision contained in this Petition invalid, inoperative or unenforceable to any extent whatsoever.

WHEREFORE, Petitioner respectfully requests that the City Council establish the

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requested 906 Grand 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.

[NO FURTHER TEXT; SIGNATURE PAGES FOLLOW]

**EXECUTION PAGE FOR PETITION FOR THE CREATION OF
906 GRAND COMMUNITY IMPROVEMENT DISTRICT**

Name of owner: 906 Grand Boulevard Hospitality, LLC
Owner's telephone number: (501) 945-5744
Owner's mailing address: 119 S. Izard Street, Suite 200, Little Rock, AR 72201
Name of signer/authority: Rocky Govind; Operating Agreement / Manager
Owner's telephone number: (501) 945-5744
Owner's mailing address: 119 S. Izard Street, Suite 200, Little Rock, AR 72201

State what type of entity: Corporation General Partnership
 Limited Partnership Limited Liability Company
 Partnership Urban Redevelopment Corporation
 Not-for-profit Corporation Other (specify) _____

Map and parcel numbers: 29-220-33-11-01-0-00-000 (\$1,344,000)
29-220-33-11-02-1-00-000 (\$243,117)

Assessed value: \$1,587,117

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

Date: 11-24-2021

906 GRAND BOULEVARD HOSPITALITY, LLC,
an Arkansas limited liability company

By: [Signature]
Name: Rocky Govind
Title: Manager

STATE OF Arkansas)
~~MISSOURI~~)
COUNTY OF Pulaski)

On this 24 day November, 2021, before me, a Notary Public, personally appeared Rocky Govind of 906 GRAND BOULEVARD HOSPITALITY, LLC, an Arkansas limited liability company, known to me to be the person described in the foregoing instrument and who, pursuant to due authority, executed the same on behalf of said company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

[Signature]
Notary Public:
My commission expires: 11-04-2026

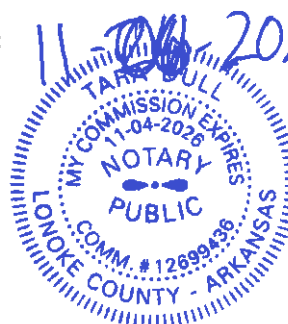


EXHIBIT A
BOUNDARY DESCRIPTION AND MAP OF
COMMUNITY IMPROVEMENT DISTRICT

BOUNDARY DESCRIPTION

TRACT 1:

LOTS 63 AND 64, SWOPE'S ADDITION, IN THE CITY OF KANSAS CITY, JACKSON COUNTY, MISSOURI, ACCORDING TO THE RECORDED PLAT THEREOF.

TRACT 2:

LOT 65, SWOPE'S ADDITION, IN THE CITY OF KANSAS CITY, JACKSON COUNTY, MISSOURI, ACCORDING TO THE RECORDED PLAT THEREOF.

DISTRICT MAP CID

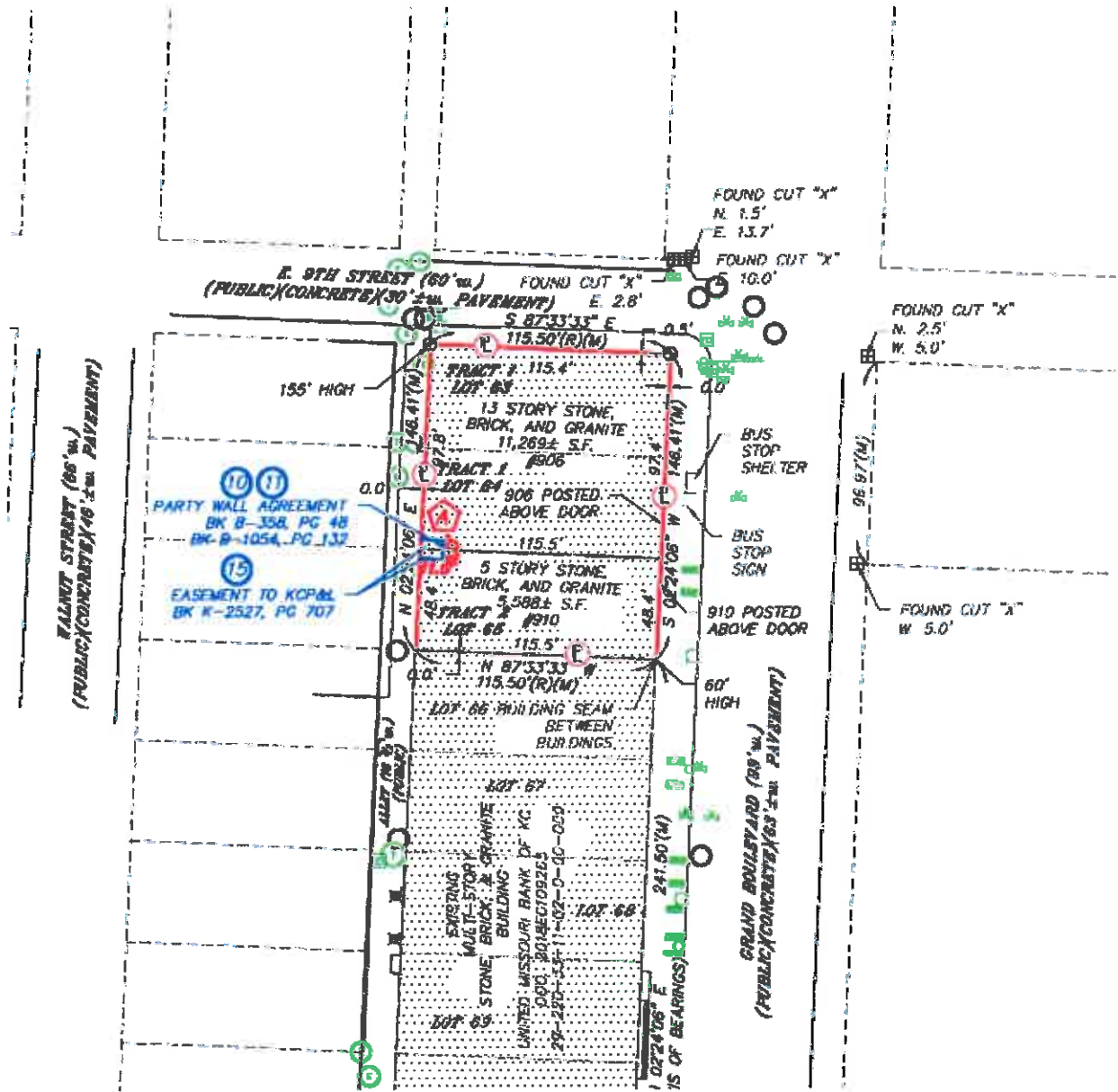


EXHIBIT B
TO THE PETITION FOR ESTABLISHMENT
OF THE
906 GRAND
COMMUNITY IMPROVEMENT DISTRICT
CITY OF KANSAS CITY, JACKSON COUNTY, MISSOURI

FIVE YEAR DISTRICT MANAGEMENT PLAN

The information and details outlined in the following pages represent the anticipated strategies, activities and improvements during the initial five-year duration of the 906 Grand Community Improvement District in the City of Kansas City, Clay County, Missouri. It is an integral and composite part of the petition to establish the 906 Grand Community Improvement District.

Introduction

The 906 Grand 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 District, the services it will provide, each improvement it will make from the list of allowable improvements under Section 67.1461 of the CID Act, an estimate of the costs of these improvements and services, the anticipated sources of funds to pay the costs, and the anticipated term of the sources of funds to pay the costs. This Five Year District Management Plan (the “**Plan**”) is designed to comply with this statutory requirement, and is appended to the Petition for Formation of the District.

Section 1

Why Create a Community Improvement District?

The District is proposed to provide funding for the Improvements, Services, Formation Costs, and Operating/Administrative Costs (as those terms are defined below). The District will enter into an agreement with 906 Grand Boulevard Hospitality, LLC or its assigns (“**Developer**”) whereby Developer will agree to advance such costs, as necessary, and the District will use District Sales and Use Tax (defined below) revenues collected over time to repay Developer with interest. Any obligation of the District will not be a financial obligation of the City of Kansas City, Missouri.

Section 2

What is a Community Improvement District?

A community improvement district (“**CID**”) is an entity that is separate from the City of Kansas City, Missouri (the “**City**”) and is formed by the adoption of an ordinance by the City’s 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 finance a number of different types of improvements. CIDs derive their revenue from taxes and assessments levied within the boundaries of the CID. Such revenues are then used for the benefit of the properties within the CID. 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.

Section 3

Management Plan Summary

This Plan is proposed to improve and convey special benefits to properties located within the boundaries of the District by providing assistance in the construction of certain Improvements and provision of certain Services. 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 members.

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.

The Petition to which this Plan is attached meets these signature requirements.

Location:

The Project includes 906 and 910 Grand Boulevard in Kansas City, Jackson County, Missouri. The boundaries of the District are represented on the map included as Exhibit 1 of this Plan.

Assessed Value of District:

The total assessed value of the properties within the District on the date of the Petition is approximately \$1,587,117.

Improvements:

The District will assist in the funding of the construction of certain improvements (the “**Improvements**”), which are more particularly described in Exhibit 2 of this Plan. The particular items included within the Improvements may be increased or amended from time to time and the costs of the Improvements to be financed by the District shall include all associated design, architecture, engineering, financing, private interest carry, legal and administrative costs of same.

District Services:

The District may also reimburse the advancing party or pay directly for certain services within its boundaries for the benefit of the owner(s) of and tenants within the District (the “**Services**”), which are more particularly described in Exhibit 2 of this Plan.

Formation Costs:

All costs, including attorneys' 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**”) may be reimbursed to the advancing party, or paid directly, from funds generated by the District.

Operating/Administrative Costs:

All costs of operating and administering the District, including, but not limited to, the costs of legal counsel, insurance premium payments, accounting services, and other outside consultants (“**Operating/Administrative Costs**”), may be reimbursed to the advancing party, or paid directly, from funds generated by the District.

Method of Financing:

While the District is permitted to issue notes or incur other obligations, as defined in Section 67.1401.2(10) of the Revised Statutes of Missouri, to pay for the Improvements, Services, Formation Costs, and Operating/Administrative Costs, it is anticipated that the District will enter into an agreement with Developer whereby Developer will agree to advance the costs of the Improvements, Services, Formation Costs, and Operating/Administrative Costs, as necessary, and the District will use District Sales Tax revenues collected over time to repay Developer with interest. The District Sales Tax revenues will come from the District’s imposition of a sales and use tax on all retail sales made in the District which are subject to taxation pursuant to Sections 144.010 to 144.525 of the Revised Statutes of Missouri, except the sale of motor vehicles, trailers, boats or outboard motors and sales to or by public utilities and providers of communications, cable, or video services, all as allowed by Sections 67.1461 and 67.1545 of the Revised Statutes of Missouri (the “**District Sales and Use Tax**”).

Cost:

The total estimated cost during the District’s first five years of operations of the Improvements, Services, and Formation Costs, as well as the estimated annual costs of the Operating/Administrative Costs, are set forth in **Exhibit 2**.

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 proposed maximum length of time for the existence of the District is twenty-seven (27) years from the date of the ordinance approving the Petition. The District may be extended for up to twenty-seven (27) additional years if the City holds a public hearing and thereafter adopts an ordinance to extend the term of the District. The District may be terminated prior to the stated expiration date in accordance with the provisions of the CID Act and upon the payment or reimbursement (with interest) of all costs of the Improvements the District will make or cause to be made, the Formation Costs, the Operating/Administrative Costs, and Services it will provide or cause to be provided.

Governance:

The District's budgets and policies may be refined annually by the District's Board of Directors. Budgets and reports will be submitted annually to the 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 6) and the Bylaws of the District.

Section 4

District Boundaries

A map depicting the boundaries of the District is attached as **Exhibit 1** to the Plan.

Section 5

Facilities and Services to Be Provided

As summarized above, during the first five years, the District will use District Sales and Use Tax revenues to pay for, or repay Developer, with interest, for Developer's advancement of the costs to pay for, construction of the Improvements, provision of the Services, Formation Costs, and Operating/Administrative Costs.

Section 6

District Purpose, Rules, and Regulations

1. The purposes of the District shall be to provide the Services and Improvements as described in this Petition and the Five Year Plan attached hereto, and for all other lawful purposes that may be authorized by the Board and permitted under the CID Act.
2. The District shall operate at all times in accordance with Bylaws that shall be adopted by the Board of Directors. At all times, the District shall conduct its proceedings in accordance with Robert's Rules of Order, except as otherwise provided in the Bylaws.
3. The District will meet on an annual or more frequent basis.
4. The District will annually prepare a budget, and an annual report describing the major activities of the District during the preceding year and upcoming year, and submit to the City pursuant to the requirements of Section 67.1471, RSMo.

EXHIBIT 1
to Five Year District Management Plan
DISTRICT MAP

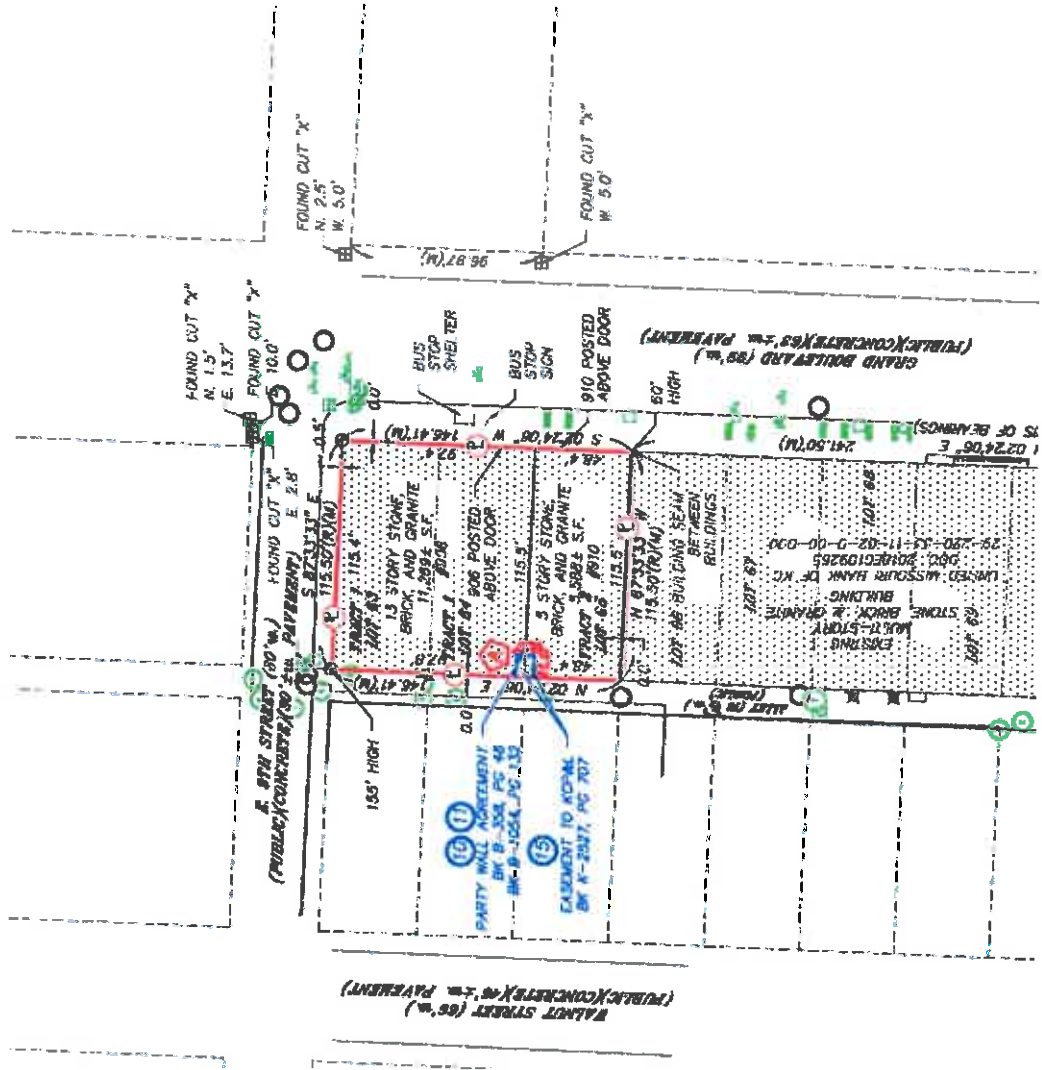


EXHIBIT 2

**to Five Year District Management Plan
ESTIMATED COSTS**

Formation Costs: \$25,000

Improvements: \$2,250,000

- Demolish, remove, renovate, reconstruct, and/or rehabilitate one or more buildings within the District.

Services: \$50,000

- Services are expected to include cleaning, maintenance, and other services within the District and other services the District may provide or cause to be provided under Section 67.1461 of the CID Act. No such Services are expected during the first five years of the District.

Operating/Administrative Costs:

- First year \$7,500

- Subsequent years \$5,000

	2022	2023	2024	2025	2026
Projected CID Sales Tax[^]	\$0	\$91,524	\$108,729	\$122,697	\$130,000
Developer Advances	\$2,282,500	\$0	\$0	\$0	\$0
Formation Costs:	\$25,000	\$0	\$0	\$0	\$0
Improvements:	\$2,250,000	\$0	\$0	\$0	\$0
Operating/Administrative Costs:	\$7,500	\$5,000	\$5,000	\$5,000	\$5,000
Services:	\$0	\$0	\$0	\$0	\$0
Reimbursement of Developer:*	\$0	\$86,524	\$103,729	\$117,697	\$125,000

[^]Term of the source of funds above (projected CID sales tax) is 27 years.

*Reimbursement of Developer will include interest on all reimbursable amounts