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January 27, 2026

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 (2026-2027)

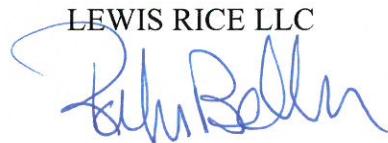
Dear Ms. Sanders:

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, 2027.

If you have any questions, please call me.

Very truly yours,

LEWIS RICE LLC



Ralph E. Bellar, Jr.

Encl.

cc: Erich Steyaert (via email: erich.steyaert@kcmo.org)
Dan Horn (via email: danhorn@blueridgetower.net)

**METRO NORTH CROSSING
COMMUNITY IMPROVEMENT DISTRICT**

**BUDGET FOR FISCAL YEAR BEGINNING MAY 1, 2026
AND ENDING APRIL 30, 2027**

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, as amended by the Petition to Add Property to the District filed December 12, 2024 and approved by the City by Ordinance No. 241089 (the “**Amended Petition**”) (as amended, 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 improvements associated therewith (the “**Project**”). The Project envisioned by the District as set forth in the Petition and the District’s Five Year Plan in the Amended Petition entails the creation, construction, reconstruction, and installation of: (a) Jefferson Street improvements and reconstruction, which may involve sidewalks, curbs, gutters, streetscaping, lighting, traffic signs and/or signals, and related improvements; (b) renovation, reconstruction and rehabilitation of parking lot facilities within the District, including parking lot repairs and replacements, parking lot lighting, parking lot medians and landscaping; (c) lawns, parks, open space, trees, landscaping and monument signage to improve aesthetic appearance; (d) drainage and water utilities, including water lines, storm sewers, detention basins, and appurtenant improvements thereto; (e) site improvements including rock removal, soil grading and reinforcement necessary to construct public improvements; (f) installation of fire hydrants and other public health, safety and welfare improvements or benefits; (g) renovation, reconstruction, and rehabilitation of the former Macy’s building, including roof repairs, rehabilitation, and replacement and exterior façade improvements, including painting and storefront enhancements; (h) renovation, reconstruction, and rehabilitation of the former Macy’s building parking lot facilities, including parking lot repairs, rehabilitation, and replacement, parking lot lighting, parking lot medians, and landscaping; (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 in the Amended Petition; (k) costs associated with undertaking the “**Services**” as set forth in the Five Year Plan. 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 an Amended and Restated Reimbursement Agreement (the “**Reimbursement Agreement**”) dated October 28, 2025, and the District and Metro North Tract 3, LLC (the “**MNT3 Developer**”) entered into a Reimbursement Agreement date October 28, 2025 (the “**MNT3 Reimbursement Agreement**”), pursuant to which Developer and MNT3 Developer have agreed to advance funds in connection with the creation, construction, reconstruction, and installation of the Project and the creation, maintenance and operation of the District, and the District has agreed, subject to annual appropriation, to reimburse Developer and MNT3 Developer for the “**District Costs**” (as that term is defined in the Reimbursement Agreement and the MNT3 Reimbursement Agreement) Developer and MNT3 Developer have incurred on behalf of the District pursuant to the Reimbursement Agreement and MNT3 Reimbursement Agreement. As reflected in the budget, the District will reimburse Developer and MNT3 Developer, as applicable, from available District Revenues for certain District Costs incurred by Developer and MNT3 Developer on behalf of the District that have been submitted to the

District for reimbursement and approved and certified by the District in accordance with the Reimbursement Agreement and MNT3 Reimbursement Agreement.

The District's budget for the fiscal year beginning May 1, 2026, and ending April 30, 2027, contemplates using the District Revenues generated by the one percent (1%) sales and use tax to (i) pay for certain District Costs associated with the Project incurred by the Developer on behalf of the District, 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 2026-2027 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, 2026- April 30, 2027		
Estimated Carry Forward Income as of 4/30/26		\$ 191,598
Estimated Income from 1% CID Sales & Use Tax		\$ 550,000
Total Funds Available		\$ 741,598
Expenses		
Legal Fees		\$ 10,000
Accountant Fees		\$ 2,100
Misc. Fees & Costs		\$ 1,750
Payment to Developer (Reimbursement of District Costs) ¹		\$ 250,000
2026 EATS to TIFC for Metro North Crossing TIF ²		\$ 275,000
Professional Fees		\$ -
Contingency		\$ -
Total Expenses		\$ 538,850.00
Estimated Carry Forward Income		\$ 202,748.00

¹ The District and Metro North Crossing, LLC (the "Developer") have entered into an Amended and Restated Reimbursement Agreement dated October 28, 2025, 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. This budget contemplates the District reimbursing Developer approximately \$250,000 for District Costs incurred by Developer on behalf of the District.

² The 2025 EATS payment to the TIFC is expected to be paid during the FYE 4/30/26 after the District's sales tax revenues for the CYE 12/31/2025 are determined. The 2026 EATS payment to the TIFC is expected to be paid during the FYE 4/30/27 after the District's sales tax revenues for the CYE 12/31/26 are determined.

Metro North Crossing Community Improvement District

2026-2027 Budget

	Budget 2026-2027	Budget 2025-2026	Actual 2024-2025
Estimate Carry Forward Income	\$ 191,598	\$ 155,448.00	\$ 272,786.00
Estimated Income from 1% CID Sales Tax	\$ 550,000	\$ 400,000.00	\$ 297,743.00
Total Funds Available	\$ 741,598.00	\$ 555,448.00	\$ 570,529.00
EXPENSES			
Legal Fees	\$ 10,000.00	\$ 10,000.00	\$ 33,343.00
Accountant Fees	\$ 2,100.00	\$ 2,100.00	\$ -
Miscellaneous Fees & Costs	\$ 1,750.00	\$ 1,750.00	\$ 3,515.00
Payment to Developer (Reimbursement of District Costs) ¹	\$ 250,000.00	\$ 150,000.00	\$ 350,000.00
2026 EATS to TIFC for Metro North Crossing TIF ²	\$ 275,000.00	\$ -	\$ -
2025 EATS to TIFC for Metro North Crossing TIF ²	\$ -	\$ 200,000.00	\$ -
2024 EATS to TIFC for Metro North Crossing TIF ²	\$ -	\$ -	\$ 140,205.00
Professional Fees	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -
Total Expenses	\$ 538,850.00	\$ 363,850.00	\$ 527,063.00
Estimated Carry Forward Income	\$ 202,748.00	\$ 191,598.00	\$ 43,466.00

¹The District and Metro North Crossing, LLC (the "Developer") have entered into an Amended and Restated Reimbursement Agreement dated October 28, 2025, 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.

² The 2025 EATS payment to the TIFC is expected to be paid during the FYE 4/30/26 after the District's sales tax revenues for the CYE 12/31/2025 are determined. The 2026 EATS payment to the TIFC is expected to be paid during the FYE 4/30/27 after the District's sales tax revenues for the CYE 12/31/26 are determined.

BUDGET SUMMARY

The District anticipates the estimated revenues for the fiscal year ending April 30, 2027 from the District's one percent (1%) sales and use tax being \$550,000, which, when combined with the estimated carry over income from the previous fiscal year of \$191,598, equals a total of \$741,598. The District's total expenses are anticipated to be \$538,850, leaving a balance of \$202,748 at the end of the District's fiscal year.