

August 28, 2020

Marilyn Sanders
City Clerk
25th Floor, City Hall
414 E. 12th Street
Kansas City, MO 64106
E-mail: Marilyn.Sanders@kcmo.org

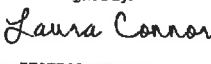
Re: 51st & Oak Community Improvement District (the "District")
Updated Five-Year Plan

Dear City Clerk,

On behalf of Christy Soeken, the Executive Director of the District, please find enclosed herewith the updated five-year plan of the District.

Should you have any questions, please do not hesitate to contact me at (816) 460-2501

Very truly yours,

DocuSigned by:

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Laura E. Connor
Associate

Enclosure

cc:Christy Soeken, by e-mail to christy.soeken@vantrustre.com
A. Brice Harrison, by e-mail to brice.harrison@vantrustre.com
Leah C. FitzGerald, by e-mail to leah.fitzgerald@vantrustre.com
Corey Hampton, by e-mail to corey.hampton@vantrustre.com
Jessica Van Tuyl, by e-mail to jessica.vantuyl@vantrustre.com
Bob Simmons, by e-mail to SimmonsR@umkc.edu

FIVE YEAR DISTRICT MANAGEMENT PLAN
OF THE
51ST & OAK 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 second (2nd) five-year duration of the 51st & Oak Community Improvement District in Kansas City, Missouri.

Introduction

The 51st & Oak Community Improvement District (the “District”) was created pursuant to Section 67.1401 through 67.1571 of the Revised Statutes of Missouri (the “CID Act”). Section 67.1421.2(3)(d), 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. Pursuant to Ordinance No. 150507 passed on July 2, 2015, which became effective on January 1, 2016, the City of Kansas City, Missouri (the “City”) approved the Petition to establish the District (the “Petition”). Pursuant to Section 13 of the Petition, the District is required to submit future five-year plans to the City for comment and review no earlier than one hundred eighty (180) days and no later than ninety (90) days prior to the expiration of each then-current five-year plan. The current five-year plan expires December 31, 2020. This updated Five-Year District Management Plan (the “Plan”), for the period beginning January 1, 2021 through December 31, 2025, is intended to satisfy the requirements of the Petition, as approved by the City.

Section 1 - Description of the District

The District is a separate political subdivision of the State of Missouri, which is governed by a Board of Directors that consists of five (5) members appointed by the Mayor of the City with the consent of the City Council. The District encompasses a mixed-use development project located to the South of 51st Street between Oak Street and Brookside Boulevard, and consists of approximately 3 acres (the “Development”).

Section 2 - Purpose of the District

The ongoing purpose of the District is to finance the costs of certain improvements and services undertaken 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 3 - Management Plan Summary

Improvements and Services:

The ongoing purpose of the District is to provide funding for the District’s ongoing obligation to reimburse 51st & Oak, LLC (together with its successor and assigns, the “Developer”), the ground lessee of all of the real property located in the District, for its financing and construction of certain public improvements as identified in the CID Act. The primary improvements constructed by Developer include (i) the construction of a parking garage; (ii) the construction of streetscape improvements within the District; (iii) the construction of traffic improvements to the public right of way included within the District not otherwise financed by the City, and (iv) the construction of certain sewer improvements within the District not otherwise financed by the City. These improvements are collectively referred to herein as the “Improvements.” The costs of the Improvements financed by and reimbursed to the Developer include all associated design, architecture, engineering, financing, private interest carry, legal and administrative costs of same.

The District is also obligated to reimburse the Developer for all costs, including attorneys’ fees, associated with formation of the District, including, but not limited to, the preparation of the 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”).

Additionally, the District may perform certain ongoing maintenance of the Improvements (the “Services”), and the ongoing administration of the District, which may include legal, accounting, and insurance costs (the “Administrative Costs”), which will be reimbursed to the Developer, or paid directly from funds generated by the District.

Goal of the Improvements and the Services

The primary goals of the District in financing the Improvements and the Services are (i) to foster the development of a property in an emerging area of the City to its highest and best use and (ii) to stimulate economic development through making improvements to the property to serve development that will be occurring thereon.

Method of Financing:

Effective January 1, 2017, the District imposed a one percent (1%) sales and use tax (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 continue to be financed in the manner and amount determined by the Board of Directors from the amounts on deposit with the District. Amounts advanced to the District by the Developer, 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 District Sales Tax revenues.

Projected Costs:

In addition to reimbursement of amounts advanced by the Developer in an amount totaling \$5,249,821, the District is expected to incur ongoing Administrative Costs estimated at \$10,000 per year, and average interest carry on said Developer advances estimated at \$319,587 per year.

Projected Revenue:

The projected District Sales Tax revenue for the second (2nd) five (5) years of the District’s existence is as follows:

Fiscal Year ending:	Est. CID Revenue
4/30/2021	\$296,733
4/30/2022	\$305,635
4/30/2023	\$314,804
4/30/2024	\$324,248
4/30/2025	\$333,975

City Services:

The CID Act mandates that existing City services will continue to be provided within the District 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 continue to operate until December 1, 2045, which is term of thirty (30) years from the effective date of Ordinance No. 150507 approving the Petition, subject to automatic continuation of said term for successive ten (10) year terms as provided in said ordinance. 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 thirty (30) year term if the Improvements have been completed and the costs thereof paid for or reimbursed in full with District Sales Tax revenue.

**Section 4
Facilities and Services to Be Provided**

As explained above, during the second (2nd) five (5) years of the existence of the District, the purpose of the District is to provide revenue sources in support of reimbursing Developer for constructing the Improvements, and providing or contracting for the Services.

**Section 5
Governing the Community Improvement District**

Board of Directors for District:

The District will continue to be governed by a Board of Directors that consists of five (5) members appointed by the Mayor of the City with the consent of the City Council in accordance with the Petition. It is anticipated that if the District (or the University for the University Owner's Representative) 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 of the City 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. If, for any reason, a director is not able to serve his/her term, the remaining directors will elect an interim director to fill the vacancy of the unexpired term, as provided in the Petition.

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 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 6
District Rules and Regulations

1. The District will continue to operate at all times in accordance with Bylaws adopted by the Board of Directors on January 21, 2016. 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.

END OF DOCUMENT