

SUMMIT FAIR
COMMUNITY IMPROVEMENT DISTRICT

SUMMIT FAIR PROJECT
SUMMIT PLACE PROJECT

BUDGET FOR FISCAL YEAR BEGINNING JULY 1, 2018
AND ENDING JUNE 30, 2019
BUDGET MESSAGE

The Summit Fair Community Improvement District (the “**District**”) was formed as a political subdivision of the State of Missouri on April 17, 2008 by the City Council of the City of Lee’s Summit, Missouri (the “**City**”) by Ordinance No. 6619. The City, the District and RED Lee’s Summit East, LLC (the “**Summit Fair Developer**”) entered into a Cooperative Agreement dated October 28, 2008, as amended by the First Amendment to Cooperative Agreement and the Second Amendment to Cooperative Agreement (as amended, the “**Summit Fair Cooperative Agreement**”) pursuant to which the District agreed to undertake the “CID Improvements” (as defined in the Summit Fair Cooperative Agreement). Summit Fair Developer and City also entered into that certain Amended and Restated Tax Increment Financing Contract dated as of May 27, 2008, as the same has been amended by the First Amendment, Second Amendment to Amended and Restated Tax Increment Financing Contract, Third Amendment to Amended and Restated Contract and the Fourth Amendment to Amended and Restated Contract (as amended, the “**Summit Fair TIF Contract**”).

On May 15, 2014 the City adopted Ordinance No. 7465 which added property to the District in connection with the Summit Place project, and the District sales tax immediately became effective in such area. On August 14, 2014, the City, the District and RED LSE, LLC (the “**Summit Place Developer**”) entered into a Cooperative Agreement (the “**Summit Place Cooperative Agreement**”) pursuant to which the District agreed to undertake the certain additional “CID Improvements”, as that term is defined in the Summit Place Cooperative Agreement (hereinafter referred to as the “**Summit Place CID Improvements**”) and to provide for, among other things, the implementation of the CID sales tax for the Summit Place project. Summit Place Developer and City also entered in that certain Tax Increment Financing Contract dated as of August 7, 2014 (the “**Summit Place TIF Contract**”) which, among other things, contemplates the addition of the Summit Place Project to the District and the construction of the Summit Place CID Improvements.

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

The District’s sources of revenue for the Summit Fair project (the “**Summit Fair District Revenues**”) are (i) special assessments levied pursuant to the Missouri Community Improvement District Act, Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri (the “**CID Act**”), in an amount equal to one dollar and twenty-four cents (\$1.24) per square foot of building floor area within the Summit Fair project and (ii) a one percent (1%) sales tax imposed on sales within the Summit Fair portion of the District. The District’s one percent (1%) sales tax was imposed beginning July 1, 2009 and the District’s special assessments were assessed and collected beginning with the fiscal year ending June 30, 2011. The District’s source of revenue (the “**Summit Place District Revenues**”) for the Summit Place project is limited to the one percent (1%) sales tax imposed on sales within the Summit Place portion of the District. The Summit Place portion of the District is not subject to the District’s special assessment described above.

The Summit Fair Cooperative Agreement contemplates that “District Obligations” (as defined in the Summit Fair Cooperative Agreement) that are paid with Summit Fair District Revenues may be issued with the approval of the District and the City, the proceeds of which will be used for the purpose of funding all, or an appropriate portion of, the “CID Improvement Costs” (as defined in the Summit Fair Cooperative Agreement). District Obligations were issued by the Industrial Development Authority of Lee’s Summit, Missouri in August of 2012 in the Par Amount of \$11,850,000.00 to partially fund the CID Improvements described in the Summit Fair Cooperative Agreement. District Obligations and “TIF Obligations” (as defined in the Summit Fair TIF Contract) were issued by The City of Lee’s Summit, Missouri in December of 2017 with a total Par Amount of \$33,450,000 of which \$5,649,781 was transferred to the CID account to partially fund the CID Improvements described in the Summit Fair Cooperative Agreement.

The Summit Place Cooperative Agreement contemplates that "District Obligations" (as defined in the Summit Place Cooperative Agreement) that are paid with Summit Place District Revenues may be issued with the approval of the District, Summit Place Developer, and the City, the proceeds of which will be used for the purpose of funding all, or an appropriate portion of, the "CID Improvement Costs" (as defined in the Summit Place Cooperative Agreement), but no such obligations have yet been issued.

SUMMIT FAIR COMMUNITY IMPROVEMENT DISTRICT
BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2019

SUMMIT FAIR PROJECT

Proposed Budget
Fiscal Year Ending
June 30, 2019

ESTIMATED REVENUES

CID Sales Tax Revenue ⁽¹⁾	\$763,742
CID Special Assessment Revenue ⁽²⁾	\$627,396
Interest Income	\$0
Bond Issuance - Par Amount	\$0
Transfer of Funds from District Account	\$0
Developer Advanced Funds	\$0
TOTAL ESTIMATED REVENUES	\$1,391,138

PROPOSED EXPENDITURES

1. Land	\$0
2. Site/Landscape	\$0
3. Land for Ward Road (I-470 to Blue Parkway)	\$0
4. Land for Blue Pkwy Realignment N. of Chipman	\$0
5. Demolition - North of Chipman (Blue Parkway)	\$0
6. Blue Parkway (North of Chipman)	\$0
7. Ward Road & Associated Utility Relocations	\$0
8. Bond Issuance Expenses, Reserve Funds, etc.	\$0
9. Interest	\$0
10. Revenues Collected by City as EATS	\$381,871
11. District Administrative Costs	\$50,000
12. City Previous Years Administrative Costs/Professional Fees	\$0
13. District Previous Years Administrative Costs/Professional Fees	\$0
14. Revenues Pledged for District Obligations - Net	\$959,267
15. District Costs of Formation	\$0
TOTAL PROPOSED EXPENDITURES	\$1,391,138

Notes:

(1) The City's 1% administrative fee has already been deducted from the amounts shown. FYE 2019 estimates per Revenue Study in 2012 CID Bond OS.

(2) The County's 1% collection fee for assessing and collecting the District's special assessments has already been deducted from the amounts shown.

SUMMIT FAIR COMMUNITY IMPROVEMENT DISTRICT
BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2019
WITH COMPARISON TO PREVIOUS TWO YEARS

SUMMIT FAIR PROJECT

	Proposed Budget Fiscal Year Ending June 30, 2019	Estimated (Unaudited) Fiscal Year Ending June 30, 2018	Actual (Audited) Fiscal Year Ending June 30, 2017
<u>ESTIMATED REVENUES</u>			
CID Sales Tax Revenue ⁽¹⁾	\$763,742	\$745,417	\$680,950
CID Special Assessment Revenue ⁽²⁾	\$627,396	\$627,396	\$534,854
Interest Income	\$0	\$0	\$9
Bond Issuance - Net Amount	\$0	\$5,649,781	\$0
Transfer of Funds from District Account	\$0	\$0	\$0
Developer Advanced Funds	\$0	\$3,172,750	\$0
TOTAL ESTIMATED REVENUES:	\$1,391,138	\$10,195,344	\$1,215,813
<u>PROPOSED EXPENDITURES</u>			
1. Land	\$0	\$3,463,015	\$0
2. Site/Landscape	\$0	\$3,858,310	\$0
3. Land for Ward Road (I-470 to Blue Parkway)	\$0	\$0	\$0
4. Land for Blue Pkwy Realignment N. of Chipman	\$0	\$0	\$0
5. Demolition - North of Chipman (Blue Parkway)	\$0	\$247,468	\$0
6. Blue Parkway (North of Chipman)	\$0	\$0	\$0
7. Ward Road & Associated Utility Relocations	\$0	\$1,253,737	\$0
8. Bond Issuance Expenses, Reserve Funds, etc.	\$0	\$0	\$0
9. Interest	\$0	\$0	\$0
10. Revenues Collected by City as EATS	\$381,871	\$372,709	\$340,475
11. District Administrative Costs	\$50,000	\$50,000	\$43,072
12. City Previous Years Administrative Costs/Professional Fees	\$0	\$0	\$0
13. District Previous Years Administrative Costs/Professional Fees	\$0	\$0	\$0
14. Revenues Pledged for District Obligations - Net	\$959,267	\$950,104	\$825,329
15. District Costs of Formation	\$0	\$0	\$0
TOTAL PROPOSED EXPENDITURES	\$1,391,138	\$10,195,344	\$1,208,876

Notes:

(1) The City's 1% administrative fee has already been deducted from the amounts shown. FYE 2018 and FYE 2019 estimates per Revenue Study in 2012 CID Bond OS.

(2) The County's 1% collection fee for assessing and collecting the District's special assessments has already been deducted from the amounts shown.

SUMMIT FAIR COMMUNITY IMPROVEMENT DISTRICT
BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2019

SUMMIT PLACE PROJECT

Proposed Budget
Fiscal Year Ending
June 30, 2019

ESTIMATED REVENUES

CID Sales Tax Revenue ⁽¹⁾	\$0
Bond Issuance - Par Amount	\$0
Transfer of Funds from District Account	\$0
Developer Advanced Funds	\$6,580,243
TOTAL ESTIMATED REVENUES	\$6,580,243

PROPOSED EXPENDITURES

1. General Conditions	\$38,273
2. Other On-Site Site Improvements	\$3,684,880
3. Off-Site Improvements	\$2,425,378
4. Professional Services (Eng/Arch/Legal/Finance/Other)	\$175,504
5. Interest Carry	\$63,947
6. Closing and Financing Costs	\$42,960
7. General Contingency	\$99,301
8. Bond Issuance Expenses, Reserve Funds, etc.	\$0
9. Interest	\$0
10. Revenues Collected by City as EATS	\$0
11. District Administrative Costs	\$50,000
12. City Previous Years Administrative Costs/Professional Fees	\$0
13. District Previous Years Administrative Costs/Professional Fees	\$0
14. Revenues Pledged for District Obligations - Net	\$0
15. District Costs of Formation/Expansion	\$0
TOTAL PROPOSED EXPENDITURES	\$6,580,243

Notes:

(1) No CID Sales Tax Revenues are projected for the Summit Place Project for Fiscal Year ending June 30, 2019

SUMMIT FAIR COMMUNITY IMPROVEMENT DISTRICT
BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2019
WITH COMPARISON TO PREVIOUS YEAR

SUMMIT PLACE PROJECT

	Proposed Budget Fiscal Year Ending June 30, 2019	Estimated (unaudited) Fiscal Year Ending June 30, 2018	Actual (audited) Fiscal Year Ending June 30, 2017
<u>ESTIMATED REVENUES</u>			
CID Sales Tax Revenue ⁽¹⁾	\$0	\$0	\$0
Bond Issuance - Net Amount	\$0	\$0	\$0
Transfer of Funds from District Account	\$0	\$0	\$0
Developer Advanced Funds	\$6,580,243	\$50,000	\$203,537
TOTAL ESTIMATED REVENUES	\$6,580,243	\$50,000	\$203,537
<u>PROPOSED EXPENDITURES</u>			
1. General Conditions	\$38,273	\$0	\$0
2. Other On-Site Site Improvements	\$3,684,880	\$0	\$0
3. Off-Site Improvements	\$2,425,378	\$0	\$0
4. Professional Services (Eng/Arch/Legal/Finance/Other)	\$175,504	\$0	\$203,537
5. Interest Carry	\$63,947	\$0	\$0
6. Closing and Financing Costs	\$42,960	\$0	\$0
7. General Contingency	\$99,301	\$0	\$0
8. Bond Issuance Expenses, Reserve Funds, etc.	\$0	\$0	\$0
9. Interest	\$0	\$0	\$0
10. Revenues Collected by City as EATS	\$0	\$0	\$0
11. District Administrative Costs	\$50,000	\$50,000	\$0
12. City Previous Years Administrative Costs/Professional Fees	\$0	\$0	\$0
13. District Previous Years Administrative Costs/Professional Fees	\$0	\$0	\$0
14. Revenues Pledged for District Obligations - Net	\$0	\$0	\$0
15. District Costs of Formation/Expansion	\$0	\$0	\$0
TOTAL PROPOSED EXPENDITURES	\$6,580,243	\$50,000	\$203,537

Notes:

(1) No CID Sales Tax Revenues are projected for the Summit Place Project for Fiscal Years ending June 30, 2018 and June 30, 2019

BUDGET SUMMARY

The District anticipates that the estimated revenues for the fiscal year ending June 30, 2019 from the District's special assessments and the District's 1% sales tax for the Summit Fair Project will total \$1,391,138 and that the District's proposed expenditures for the Summit Fair Project during the fiscal year will total \$1,391,138 leaving a balance of \$0 at the end of the District's fiscal year.

The District anticipates that the estimated revenues for the fiscal year ending June 30, 2019 from Developer Advanced Funds for the Summit Place Project will total \$6,580,243 and that the District's proposed expenditures for the Summit Place Project during the fiscal year will total \$6,580,243 leaving a balance of \$0 at the end of the District's fiscal year.