

Ralph E. Bellar, Jr.
816-472-2511
rebellar@lewisricekc.com

September 28, 2022

VIA EMAIL AND REGULAR MAIL

vmcclure@libertymo.gov

The City of Liberty, Missouri
101 E. Kansas
Liberty, MO 64068
Attention: Vicki McClure, Director of Finance

RE: Liberty Corners Community Improvement District – Proposed Annual Budget
(2023)

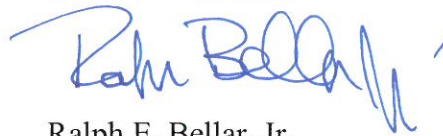
Dear Ms. McClure:

Pursuant to Section 67.1471.2 of the Revised Statutes of Missouri, enclosed for review and comment is the proposed annual budget for the Liberty Corners Community Improvement District (the “District”) for the fiscal year ending December 31, 2023.

If you have any questions, please call me.

Very truly yours,

LEWIS RICE LLC



Ralph E. Bellar, Jr.

Enclosure

cc: Timothy Laycock (via email at tim.laycock@stinson.com) (w/ enc.)
Heather Blacketer (via email at Heather.Blacketer@brixmor.com) (w/ enc.)
Missouri Department of Revenue (via email at LocalGov@dor.mo.gov) (w/ enc.)
Missouri State Auditor’s Office (via email at LocalGovernment@auditor.mo.gov)
(w/ enc.)

**LIBERTY CORNERS
COMMUNITY IMPROVEMENT DISTRICT**

**BUDGET FOR FISCAL YEAR BEGINNING JANUARY 1, 2023
AND ENDING DECEMBER 31, 2023**

BUDGET MESSAGE

The Liberty Corners Community Improvement District (the "*District*") was formed as a political subdivision of the State of Missouri on August 23, 2010 by the City Council of Liberty, Missouri (the "*City*") by Ordinance No. 9616. The City, the District and Brixmor SPE 5, LLC (the "*Developer*"), as successor in interest to Centro Bradley SPE 5, LLC entered into a Cooperative Agreement pursuant to which the District agreed to construct or cause to be constructed certain "District Improvements" and perform or caused to be performed certain "District Services" (all terms not otherwise defined herein shall have the same meanings ascribed to such terms in the Cooperative Agreement). The District has adopted a fiscal year beginning January 1 and ending December 31 of each year, the same as the fiscal year of the City.

The District's sole source of revenues are the revenues generated by a one percent (1%) sales and use tax imposed on all retail sales made within the District (the "*District Revenues*"). The District's 1% sales and use tax became effective April 1, 2011 with an expiration date of December 31, 2041.

The District's initial primary role is to assist in funding the costs associated with the District Improvements and the District Services and to pay for certain administrative, operating formation costs of the District. Subject to and in accordance with the terms of the Cooperative Agreement, Developer has agreed, on behalf of the District, to construct the District Improvements and perform the District Services. Under the terms of the Cooperative Agreement, the District has agreed that the District's Revenues will be used to reimburse the Developer for the Reimbursable Improvements Costs and the Reimbursable Services Costs incurred by Developer. Pursuant to that certain Loan Agreement between the District and Developer, Developer, as a loan to the District, has advanced funds and may continue to advance funds to, among other things, pay for certain District Improvements. The District has agreed, through the repayment of the "District Obligations" (as that term is defined in the Loan Agreement) to reimburse the Developer for "Reimbursable Improvement Costs".

The District's budget for the fiscal year beginning January 1, 2023 and ending December 31, 2023 contemplates using the District Revenues generated by the 1% sales and use tax to pay the City's administrative fee, certain District operating costs, payments for District Obligations to reimburse Developer for a portion of the Reimbursable Improvement Costs incurred to date and payments to Developer to reimburse a portion of the Reimbursable Services Costs incurred by Developer, as reflected in the budget. The proposed amount of the District's expenditures are based solely on the revenue projected to be generated by the District's 1% sales and use tax during this fiscal year.

There are no significant changes between this year's budget as compared to last year's budget.

LIBERTY CORNERS COMMUNITY IMPROVEMENT DISTRICT
BUDGET FOR FISCAL YEAR BEGINNING JANUARY 1, 2023
AND ENDING DECEMBER 31, 2023

ESTIMATED REVENUES	
CID Sales and Use Tax Revenue (1% Sales and Use Tax)	
District Revenue Fund – Improvements Fund	\$ 143,000
District Revenue Fund – Services Fund	\$ 143,000
TOTAL ESTIMATED REVENUES	\$286,000
PROPOSED EXPENDITURES	
1. City Administrative Fee	
	\$ 3,234
2. District Operating Costs ¹	
	\$ 12,790
3. Payments for District Obligations (Reimbursable Improvements Costs) ²	
	\$134,988
4. Reimbursable Services Costs ³	
District Services	\$134,988
TOTAL PROPOSED EXPENDITURES	\$286,000

NOTES:

(1) In accordance with the Cooperative Agreement, the Operating Costs are to be paid one-half from the Improvements Fund and one-half from the Services Fund.

(2) The District has agreed, through the repayment of the "District Obligations" (as that term is defined in the Loan Agreement between the District and Brixmor SPE 5, LLC (the "Developer") to reimburse the Developer for "Reimbursable Improvement Costs", which include, among other things, the "CID Grocery Costs", the "CID Non-Grocery Costs" and the "CID Access Realignment Costs" (as those terms are defined in the Cooperative Agreement by and among the City of Liberty, Missouri, the District and Developer). The estimated \$134,988 payment to be made to Developer as repayment of District Obligations represents only a portion of the total amount of the District Obligations and is based on the amount estimated to be available in the Improvements Fund this fiscal year after one-half of the City's Administrative Fee and one-half of the District Operating Costs are paid from the Improvements Fund.

(3) District has agreed to reimburse Developer for "Reimbursable Services Costs" (as that term is defined in the Cooperative Agreement), subject to and in accordance with the terms of the Loan Agreement and the Cooperative Agreement. It is estimated that approximately \$134,988 will be available in the Services Fund this fiscal year to pay for other Reimbursable Services Costs after one-half of the City's Administrative Fee and one-half of the District Operating Costs are paid from the Services Fund.

**LIBERTY CORNERS COMMUNITY IMPROVEMENT DISTRICT
2023 BUDGET COMPARED TO PREVIOUS TWO YEARS EXPENDITURES AND REVENUES**

	BUDGET FISCAL YEAR ENDING DECEMBER 31, 2023	ESTIMATED (UNAUDITED) FISCAL YEAR ENDING DECEMBER 31, 2022	ACTUAL (UNAUDITED) FISCAL YEAR ENDING DECEMBER 31, 2021
ESTIMATED REVENUES			
CID Sales Tax Revenue (1% Sales and Use Tax)			
District Revenue Fund – Improvements Fund	\$143,000	\$137,000	\$141,092
District Revenue Fund – Services Fund	\$143,000	\$137,000	\$141,092
TOTAL ESTIMATED REVENUES	\$286,000	\$274,000	\$282,184
PROPOSED EXPENDITURES			
1. City Administrative Fee			
2. District Operating Costs ¹	\$3,234	\$3,234	\$3,234
3. Payments for District Obligations (Reimbursable Improvements Costs) ²	\$12,790	\$12,540	\$6,454.50
4. Reimbursable District Services Costs ³	\$134,988	\$129,113	\$136,247.75
Subsequent District Services	\$134,988	\$129,113	\$136,247.75
TOTAL PROPOSED EXPENDITURES	\$286,000	\$274,000	\$282,184

LIBERTY CORNERS COMMUNITY IMPROVEMENT DISTRICT
2023 BUDGET COMPARED TO PREVIOUS TWO YEARS EXPENDITURES AND REVENUES

NOTES:

- (1) In accordance with the Cooperative Agreement, the Operating Costs are to be paid one-half from the Improvements Fund and one-half from the Services Fund.
- (2) The District has agreed, through the repayment of the "District Obligations" (as that term is defined in the Loan Agreement between the District and Brixmor SPES, LLC (the "Developer") to reimburse the Developer for "Reimbursable Improvement Costs", which include, among other things, the "CID Grocery Costs", the "CID Non-Grocery Costs" and the "CID Access Realignment Costs" (as those terms are defined in the Cooperative Agreement by and among the City of Liberty, Missouri, the District and Developer). The estimated \$136,247.75 payment to be made to Developer as repayment of District Obligations represents only a portion of the total amount of the District Obligations and is based on the amount estimated to be available in the Improvements Fund this fiscal year after one-half of the City's Administrative Fee and one-half of the District Operating Costs are paid from the Improvements Fund.
- (3) District has agreed to reimburse Developer for "Reimbursable Services Costs" (as that term is defined in the Cooperative Agreement), subject to and in accordance with the terms of the Loan Agreement and the Cooperative Agreement. It is estimated that approximately \$136,247.75 will be available in the Services Fund this fiscal year to pay for other Reimbursable Services Costs after one-half of the City's Administrative Fee and one-half of the District Operating Costs are paid from the Services Fund.

BUDGET SUMMARY

The District anticipates that the estimated revenues from the District's 1% sales and use tax during the fiscal year beginning January 1, 2023 and ending December 31, 2023 will total \$286,000 and that the District's proposed expenditures during the fiscal year will equal \$286,000 leaving a balance of \$0 at the end of the District's fiscal year.