

**RESIDENCE INN DOWNTOWN ST. LOUIS
COMMUNITY IMPROVEMENT DISTRICT**

BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2023

AND

PROPOSED BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2024

BUDGET MESSAGE

On February 28, 2005, The City of St. Louis, Missouri (the “*City*”) approved Ordinance No. 66635 (the “*Ordinance*”) establishing the Residence Inn Downtown St. Louis Community Improvement District (the “*District*”) pursuant to the Community Improvement District Act, Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, as amended (the “*CID Act*”). The District is a political subdivision of the State of Missouri.

Pursuant to a Development Agreement between the City and Dominion Hospitality-Jefferson, L.L.C. (the “*Company*”), as may be amended from time to time (the “*Development Agreement*”), the Company agreed to design, develop and construct a 188-room hotel (the “*Hotel*”) within the boundaries of the District. In connection with the design, development and construction of the Hotel, the Company has undertaken demolition, environmental remediation and related site work as well as maintenance and security for the real property within the boundaries of the District (the “*CID Project*”), which CID Project is being financed in part by the District as provided for in the Development Agreement.

The Ordinance established the District for the sole purpose of providing revenues to assist in financing the CID Project, as further set forth therein. On March 8, 2005, pursuant to Section 67.1545 of the CID Act, the District’s Board of Directors adopted Resolution No. 05-004 authorizing the District to impose a community improvement district sales and use tax (the “*CID Sales Tax*”) at a rate of one percent (1%), which CID Sales Tax became effective on October 1, 2005 following qualified voter approval at an election held in accordance with Section 67.1545 of the CID Act.

On March 19, 2014, the Board of Directors of the District approved Resolution No. 14-001, authorizing the extension of the CID Sales Tax to a term of up to 40 years, three months (expiring no later than December 31, 2045), which extension to the CID Sales Tax became effective upon its approval by the qualified voters of the District at an election held in accordance with Section 67.1545 of the CID Act.

On February 17, 2006, the District issued its \$500,000 Taxable Community Improvement District Revenue Notes, Series 2006, (the “*CID Notes*”), which are secured by a Trust Indenture dated as of February 1, 2006 (the “*Original CID Indenture*”) between the District and UMB Bank, N.A., as trustee (the “*CID Trustee*”), to finance Reimbursable CID Project Costs (as defined in the herein defined CID Indenture) incurred by the Company in connection with the construction of the CID Project.

Pursuant to the Original CID Indenture, the District covenanted to annually appropriate its Net CID Revenues (as defined in the Original CID Indenture) for repayment of the CID Notes.

On February 14, 2005, pursuant to the Missouri Transportation Development District Act, Sections 238.200 to 238.280 of the Revised Statutes of Missouri, as amended (the “*TDD Act*”), the Residence Inn Downtown St. Louis Transportation Development District (the “*TDD*”) was established as a transportation development district and political subdivision by order of the Circuit Court of St. Louis City, Missouri (the “*Order*”). As set forth in the Order, the TDD was established for the sole purpose of funding certain transportation project improvements, through the imposition of a transportation development district sales tax (the “*TDD Sales Tax*”).

On March 8, 2005, pursuant to Section 238.235 of the TDD Act, the TDD’s Board of Directors adopted Resolution No. 05-004 to impose the TDD Sales Tax at a rate of one percent (1%), which became effective on May 1, 2005, following the approval of the TDD Sales Tax by the qualified voters of the TDD at an election held in accordance with Section 238.216 of the TDD Act.

The TDD has issued its Taxable Transportation Development District Revenue Notes, Series 2006 (“*TDD Notes*”) in the aggregate principal amount of \$650,000 pursuant to a Trust Indenture dated as of February 1, 2006 (the “*Original TDD Indenture*”) between the TDD and UMB Bank, N.A., as trustee (the “*TDD Trustee*”).

On June 5, 2014, the Board of Directors of the District approved Resolution No. 14-008 authorizing the execution and delivery of a First Supplemental Trust Indenture dated as of September 1, 2014 (the “*CID First Supplemental Indenture*”) by and between the District and CID Trustee (the Original CID Indenture, as amended and supplemented by the CID First Supplemental Indenture is referred to herein as the “*CID Indenture*”). The CID First Supplemental Indenture allows for “Net CID Revenues” to be subjected to the trust estate securing the TDD Notes for the benefit of the owners of the TDD Notes.

On June 5, 2014, the Board of Directors of the TDD approved Resolution No. 14-005 authorizing the execution and delivery of a First Supplemental Trust Indenture dated as of September 1, 2014 (the “*TDD First Supplemental Indenture*”; the Original TDD Indenture, as amended and supplemented by the TDD First Supplemental Indenture is referred to herein as the “*TDD Indenture*”) by and between the TDD and TDD Trustee, allowing for Net CID Revenues (as defined in the TDD First Supplemental Indenture) to be subjected to the trust estate thereunder for the benefit of the owners of the TDD Notes.

During the fiscal year ending June 30, 2022, the District had CID Sales Tax revenues of \$66,894 and interest income of \$1. The District had expenditures of \$65,411, consisting of Net CID Revenues transferred to the trust estate securing the TDD Notes of \$52,530, bank service charges of \$220, trustee fees of \$0, administrative expenses of \$7,700, legal fees of \$2,261, and audit fees of \$2,700. The District hereby appropriates and pledges “Net CID Revenues” to debt service payments on the TDD Notes in accordance with the CID Indenture and TDD Indenture.

During the fiscal year ending June 30, 2023, the District anticipates CID Sales Tax revenues of approximately \$100,000 and interest income of \$510. The District anticipates total expenditures of approximately \$100,510, consisting of Net CID Revenues transferred to the trust estate securing the TDD Notes of approximately \$87,450, bank service charges of approximately \$250, trustee fees of approximately \$2,350, administrative expenses of approximately \$5,000, legal fees of approximately \$2,760, and audit fees of approximately \$2,700. The District hereby appropriates and pledges “Net CID Revenues” to debt service payments on the TDD Notes in accordance with the CID Indenture and TDD Indenture.

During the fiscal year ending June 30, 2024, the District anticipates CID Sales Tax revenues of approximately \$100,000 and interest income of \$510. The District anticipates total expenditures of approximately \$97,510, consisting of Net CID Revenues transferred to the trust estate securing the TDD Notes of approximately \$84,125, bank service charges of approximately \$250, trustee fees of approximately \$2,350, administrative expenses of approximately \$5,325, legal fees of approximately \$2,760, and audit fees of approximately \$2,700. The District hereby appropriates and pledges “Net CID Revenues” to debt service payments on the TDD Notes in accordance with the CID Indenture and TDD Indenture.

Budget for Fiscal Year Ending June 30, 2024

	Proposed Budget
Ordinary Income/Expense	
Income	
Sales Tax Trust Fund Income	
CID Sales & Use Tax Revenue	100,000.00
Interest	0.00
Total Sales Tax Trust Fund Income	100,000.00
Trustee UMB Income Accounts	
Operating Fund - Interest	60.00
Revenue Fund - Interest	450.00
Total Debt Service Income UMB	510.00
Total Income	100,510.00
Expense	
Sales Tax Trust Fund Expense	
Banking Fees	
Service Charge	250.00
Total Banking Fees	250.00
Total Sales Tax Trust Fund Expense	250.00
Trustee UMB Expense Accounts	
130034.8 New CID Rev Expense	
Trustee Fee	2,350.00
Total 130034.8 New CID Rev Expense	2,350.00
130034.9 New CID Oper Expense	
Administration	5,325.00
Audit	2,700.00
Legal	2,760.00
Total 130034.9 New CID Oper Expense	10,785.00
Total Trustee UMB Expense Accounts	13,135.00
Total Expense	13,385.00
Net Ordinary Income	87,125.00
Other Income/Expense Transfers	
Other Income	
Other Financing Sources/Uses	
Transfer In	
To New Operating from Revenue	13,206.00
To Revenue from Sales Tax	99,750.00
Total Transfers In	112,956.00
Total Other Financing Sources/Uses	112,956.00

Budget for Fiscal Year Ending June 30, 2024 (Continued)

Total Other Income		
Other Expense		
Transfer Out		
From Revenue to Operating		13,206.00
From CID Revenue to TDD Debt Service		84,125.00
From Sales Tax to CID Revenue		99,750.00
Total Transfers Out		<u>197,081.00</u>
Net Transfers		<u>-84,125.00</u>
Net Income		<u><u>3,000.00</u></u>
Beginning Balance	\$	9,996.44
Ending Balance	\$	12,996.44

Fund Balance	7/1/2023	Additions	Subtractions	6/30/2024
Sales Tax Trust	\$ 234.54	\$ 100,000.00	\$ (100,000.00)	\$ 234.54
New CID Operating	\$ 7,110.23	13,266.00	(10,785.00)	9,591.23
New CID Revenue	\$ 2,651.67	100,200.00	(99,681.00)	3,170.67
Total	\$ 9,996.44	\$ 213,466.00	\$ (210,466.00)	\$ 12,996.44

Debt Outstanding	7/1/2023	Issued	Retired	6/30/2024
CID Note Indebtedness	\$ -	\$ -	\$ -	\$ -
TDD Note Indebtedness**	\$ 400,535.00	\$ -	\$ (100,000.00)	\$ 300,535.00

**The debt of the Residence Inn CID has been paid in full, however the CID Revenues are pledged to the repayment of the TDD Notes.

Residence Inn Downtown St. Louis Community Improvement District

Budget for Fiscal Year Ending June 30, 2023

	Actual July 1, 2022 - January 31, 2023	Budget FYE 2023
Ordinary Income/Expense		
Income		
Sales Tax Trust Fund Income		
CID Sales & Use Tax Revenue	57,034.46	100,000.00
Interest	0.00	0.00
Total Sales Tax Trust Fund Income	<u>57,034.46</u>	<u>100,000.00</u>
Trustee UMB Income Accounts		
Operating Fund - Interest	30.90	60.00
Revenue Fund - Interest	256.89	450.00
Total Debt Service Income UMB	<u>287.79</u>	<u>510.00</u>
Total Income	<u>57,322.25</u>	<u>100,510.00</u>
Expense		
Sales Tax Trust Fund Expense		
Banking Fees		
Service Charge	141.58	250.00
Total Banking Fees	<u>141.58</u>	<u>250.00</u>
Total Sales Tax Trust Fund Expense	<u>141.58</u>	<u>250.00</u>
Trustee UMB Expense Accounts		
130034.8 New CID Rev Expense		
Trustee Fee	0.00	2,350.00
Total 130034.8 New CID Rev Expense	<u>0.00</u>	<u>2,350.00</u>
130034.9 New CID Oper Expense		
Administration	2,500.00	5,000.00
Audit	2,700.00	2,700.00
Legal	2,708.50	2,760.00
Total 130034.9 New CID Oper Expense	<u>7,908.50</u>	<u>10,460.00</u>
Total Trustee UMB Expense Accounts	<u>7,908.50</u>	<u>12,810.00</u>
Total Expense	<u>8,050.08</u>	<u>13,060.00</u>
Net Ordinary Income	<u>49,272.17</u>	<u>87,450.00</u>
Other Income/Expense Transfers		
Other Income		
Other Financing Sources/Uses		
Transfer In		
To New Operating from Revenue	6,200.00	12,400.00
To Revenue from Sales Tax	56,893.00	99,750.00
Total Transfers In	<u>63,093.00</u>	<u>112,150.00</u>
Other Expense		
Transfer Out		
From Revenue to Operating	6,200.00	12,400.00
From CID Revenue to TDD Debt Service	43,702.79	87,450.00
From Sales Tax to CID Revenue	56,893.00	99,750.00
Total Transfers Out	<u>106,795.79</u>	<u>199,600.00</u>
Net Transfers	<u>-43,702.79</u>	<u>-87,450.00</u>
Net Income	<u>5,569.38</u>	<u>0.00</u>

Residence Inn Downtown St. Louis Community Improvement District

Amended Budget for Fiscal Year Ending June 30, 2023 (Continued)

Beginning Balance	\$	9,996.44
Ending Balance	\$	9,996.44

Fund Balance	7/1/2022	Additions	Subtractions	6/30/2023
Sales Tax Trust	\$ 234.54	\$ 100,000.00	\$ (100,000.00)	\$ 234.54
New CID Operating	\$ 5,110.23	12,460.00	(10,460.00)	7,110.23
New CID Revenue	\$ 4,651.67	100,200.00	(102,200.00)	2,651.67
Total	\$ 9,996.44	\$ 212,660.00	\$ (212,660.00)	\$ 9,996.44

Debt Outstanding	7/1/2022	Issued	Retired	6/30/2023
CID Note Indebtedness	\$ -	\$ -	\$ -	\$ -
TDD Note Indebtedness**	\$ 490,000.00	\$ -	\$ (89,465.00)	\$ 400,535.00

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Residence Inn Downtown St. Louis Community Improvement District

Statement of Revenues Collected and Expenditures Paid -

All Funds - Budget and Actual - Cash Basis

For the Year Ended June 30, 2022

	<u>Budgeted Amount Original</u>	<u>Budgeted Amount Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:				
CID sales tax revenues	\$ 40,000	\$ 40,000	\$ 37,413	\$ (2,587)
CID use tax revenues	30,000	30,000	29,480	(520)
Interest income	-	-	1	1
Total Revenues	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 66,894</u>	<u>\$ (3,106)</u>
Expenditures:				
Trustee fees	\$ 2,350	\$ 2,350	\$ -	\$ 2,350
Bank fees	200	200	220	(20)
Administrative expenses	5,000	5,000	7,700	(2,700)
Legal and professional fees	2,760	2,760	2,261	499
Audit fees	2,700	2,700	2,700	-
Pledged CID revenues	56,990	56,990	52,530	4,460
Total Expenditures	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 65,411</u>	<u>\$ 4,589</u>
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,483</u>	<u>\$ 1,483</u>
Fund Balances - at beginning of the year		8,513	8,513	
Fund Balances - at end of the year		<u>\$ 8,513</u>	<u>\$ 9,996</u>	

Debt Outstanding	7/1/2021	Issued	Retired	6/30/2022
CID Note Indebtedness	\$ -	\$ -	\$ -	\$ -
TDD Note Indebtedness**	\$ 535,000.00	\$ -	\$ (45,000.00)	\$ 490,000.00

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