

First Amendment to the Paragon Star TIF Plan

Staff Presentation to City Council

September 1, 2020



LEE'S SUMMIT
MISSOURI



Yours Truly

Background

- December 2015 – CID approval
- March 2016 – TIF Plan approval
- October 2016 – Rezoning; Sports Complex PDP; TIF Contract; Real Estate Agreements
- May 2018 – Western Gateway TDD formed
- Sept 2018 – Revised Real Estate Agreement
- Feb 2019 – TDD Bonds issued (\$31.77M)
- June 2019 – Village PDP
- July 2020 – Development Agreement

Background

- **Approved TIF Plan funds Public Improvements**
 - Sports Complex including site prep
 - Sewer and Water Improvements
- **Revenue Sharing with Taxing Districts**
 - Real Property Taxes resulting from >\$60M market value shared 50/50% with taxing districts
- **Uncaptured Tax Revenues**

Purpose

- Amend TIF Plan to match approved zoning plans and current status
- Increase TIF reimbursement, facilitate a revenue bond financing for Sports Complex construction

Summary of Changes

- Update Site Plan and Schedule to match approved zoning plans and status of project
- Update Cost Benefit Analysis for Taxing Districts
- Update Project Budget
- Update Sources of Funds and provide new financing commitments
- Increase TIF Reimbursement
- Add property to Project 3

**Project Budget
Summary of Changes**

Item	Approved TIF Plan	First Amendment
Developer Equity and Private Financing	\$151,289,240	\$170,000,000 (\$18.7M / 12.4% increase)
TIF Reimbursement	\$13,140,705	\$32,000,000 (\$18.9M / 2.44x increase)
CID Reimbursement	\$4,038,741	\$5,000,000 (\$961K / 23.8% increase)
TDD Reimbursement	\$21,904,476	\$32,000,000* (\$10.1M / 46% increase)
City GO Bond Issuance	\$1,000,000	\$1,000,000
State Funding	\$20,000,000	\$4,000,000
Total Project Costs	\$211,746,000	\$245,000,000 (\$33.4M / 15.7% increase)

* TDD Bond issuance already completed.

TIF Reimbursable Project Costs
Summary of Changes

Item	Approved TIF Plan	First Amendment
Sports Complex	\$6,237,802	\$13,200,000
Site Work for Sports Complex	\$1,019,117	\$0
Wetlands Mitigation	\$0	\$1,200,000
Trail Head	\$0	\$700,000
Parking Garage	\$0	\$2,000,000
Utilities – Water, Sewer, Electric	\$562,091	\$2,300,000
Interchange, Roads, Parking Lots	\$0	\$4,441,157
Engineering	\$1,329,101	\$3,094,000
Contingency	\$1,172,736	\$1,820,000
Soft Costs	\$2,820,630	\$3,458,570
Total TIF Reimbursable Project Costs	\$13,140,706	\$32,213,727

Cost Benefit Analysis for Taxing Districts*
Summary of Changes

Item	Approved TIF Plan**	First Amendment**
City	\$4,552,739	\$7,286,446
School District	\$2,781,137	\$6,461,508
County	\$2,161,408	\$2,906,593
County Stadiums	\$2,603,152	\$1,884,743
Library District	\$132,698	\$420,814
Metro College	\$89,828	\$237,106
M&M Inventory Repl. Tax	\$2,364,636	\$3,567,186

Mental Health	\$50,532	\$155,698
Disabled Services	\$31,127	\$242,056
Zoo District	\$216,929	\$314,124
State of Missouri	\$14,664,422	\$21,234,767
State Blind Pension	\$78,104	\$117,124
Paragon Star CID	\$1,735,435	\$2,512,990
Total	\$31,471,147	\$47,323,155

** All data shows Developer's net present value calculations rather than actual total revenues over 23 years.*

** Data for the approved TIF Plan is from Exhibit 6, page 6. Data for the First Amendment is from Exhibit 6-B, pages 6 and 7.*

Sources of Funds Summary of Changes		
Item	Approved TIF Plan	First Amendment
Private Sources		
Developer Debt	\$105,770,000	\$119,470,000
Developer Equity	\$46,330,000	\$51,200,000
Public Sources		
TIF / CID Revenue Bonds	\$18,000,000	\$37,000,000
TDD	\$20,500,000	\$32,330,000
City GO Bonds	\$1,000,000	\$1,000,000
State Cost Share	\$0	\$4,000,000
State Stadium Funding	\$20,000,000	\$0
Total	\$211,600,000	\$245,000,000

Financing Plan and Revenue Bonds

- Timing of Revenue Bond Issuance
- Financing Plan
- Risk Analysis
- Covid Health Crisis, other Market Factors
- Amend TIF Contract

Factual Findings

- Blight Finding – no change
- “But For” Test – no change
- Conforms to Comprehensive Plan – no change
- Completion within 10-year limit – no change
- Relocation Assistance Plan – no change
- Cost-Benefit Analysis – updated
- Financial Feasibility – updated
- No gambling establishment – no change