

City of Lee's Summit, Missouri
Request and Proposal for Economic Development Incentives
View High Indoor Sports Complex
3D Builders KC, LLC
December 23, 2024

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I. Overview of Incentive Request

3D Builders KC, LLC, a Missouri limited liability company (“**3D**”) provides this request and proposal for economic development incentives (the “**Proposal**”) to the City of Lee’s Summit, Missouri (the “**City**”). In order to make 3D’s indoor/outdoor athletics facility, health club and office building development financially possible, 3D requests that the City approve the use and application of the following economic development incentives: (A) the formation of a Community Improvement District (the “**CID**”), which will impose a 1% sales tax on all taxable sales within the boundaries of the CID; (B) a rebate of a portion of the City’s sales tax to fund the costs of public improvements/infrastructure; (C) a rebate of a portion of the City’s business and industry tax for overnight hotel stays directly derived from the Project (as defined below); and (D) real property tax abatement and a sales tax exemption on construction materials (“**STECM**”) through the issuance of Chapter 100 bonds. Each of these incentives will be discussed in greater detail below.

II. Project Overview and General Information

3D proposes to acquire and develop 17 acres of an existing approximately 43-acre parcel of real property located at the northeast and southeast corners of the intersection of View High Drive and NW Ashurst Drive in the City (the “**Site**”). The Site is located within the boundaries of the View High Corridor Targeted Planning Area. This area is identified within the City’s Economic Development Incentive Policy as one of the areas for which development is most desired by the Mayor and City Council.

On the Site, 3D plans to construct, equip, furnish and develop: (A) an approximately 180,000 square foot indoor athletic complex which includes six basketball courts; 12 volleyball courts; a FIFA regulation size soccer field, a 10,000 square foot family entertainment center with arcade, golf simulators and active play area; 6,000 square feet of medical office space that will be occupied by a physical rehabilitation group; a 6,000 square foot speed and agility training area; 4,000 square feet of athletic club office space; 1,800 square feet of merchandise store space for athletic clubs and a café; (B) an approximately 90,000 square foot outdoor athletic complex which is comprised of a FIFA regulation sized field and 5 pickleball courts; (C) a connector road, including all signalization and related sidewalks, curbing and guttering; and (D) public infrastructure and extension of required utilities related to (A) through (C) above (collectively, the “**Project**”). The Project is expected to cost approximately \$43,650,000. A current budget for the Project is included as **Exhibit A**.

3D believes the Project will provide the City with a more resilient economy as it will be a regional and State-wide economic attraction that not only has the ability to dramatically increase the City’s tax revenue base, but also provide the City with a marquee asset which can be used to enhance the reputation and marketability of the City. The field/court size and spacing for the Project meets the specifications necessary to hold large regional and national qualifier events. As an example, state-wide soccer tournaments such as the Missouri State Cup and the President’s Cup require a venue with a minimum of 12 fields in order to host the tournament. Currently, the only venue in the State of Missouri large enough to host this tournament is located in Creve Coeur, Missouri, just outside of St. Louis. Per discussion with the Western District Commissioner of the Missouri Youth Soccer Association, 3D believes that due to the close proximity of the Site to Paragon Star, and the combined 12 fields between the Project and

Paragon Star, Lee's Summit should be eligible to host these large format tournaments if the Project is undertaken.

3D has not yet purchased the Site or any other property on which it will develop the Project. In order to move forward with its development of the Project in the City, 3D would like sufficient comfort from the City on the level of incentives it would be willing to offer following all proper governmental approvals. Accordingly, upon the City's determination that it will assist 3D in pursuing the use of the incentives outlined in this Proposal, 3D requests that the City enter into a Memorandum of Understanding with 3D setting forth the incentives for the development of the Project in the City.

The State of Kansas provides competitive incentives for similar types of projects, including 100% financing through the issuance of STAR bonds (Sports of the World Complex, Pinnacle National Development Center, Homefield KCK Showcase Center, BluHawk, Wichita Sports Forum, etc.). Significant investment by State municipalities through the approval of a comprehensive package of development incentives will be required in order for the State, and the portions of the Kansas City metropolitan area located in the State, to remain competitive with respect to the development of state-of-the-art athletics facilities such as the Project.

The Executive Summary for the Project is included as **Exhibit E**. The Executive Summary was prepared by a leading consultant in the development of sports and recreation assets and includes an analysis of the BluHawk project as part of a funding sources case study.

III. Ignite! Comprehensive Plan – Targeted Outcomes/Community Benefit

The Project is in alignment with and furthers many of the goals and objectives identified by the City in the City's Ignite! Comprehensive Plan (the “**Plan**”).

One of the City's targets identified in the Plan to achieve its goals related to tourism is to increase the number of visitors to the City by 20 percent (20%) by the year 2040. The Project will contribute substantially to the accomplishment of this goal. In year 1, the Project is expected to generate approximately 45,000 new non-local days in market, over 10,000 room nights and over \$6 million in economic impact. At maturity of the Project in year 5, the Project is anticipated to produce approximately 84,000 new non-local days in market, nearly 20,000 room nights and over \$12 million per year in economic impact. These non-local days in market are attributable to regional volleyball, basketball and soccer tournaments as well as other events such as regional cross-fit tournaments.

The Plan also identifies that new job growth in the City will require an additional 11.5 million square feet of nonresidential development by 2040. At approximately 750,000 total sq. ft. of commercial development, the Project will significantly contribute to the goal of supporting the City's job growth.

In addition, the following relevant goals from the Plan have been identified and are discussed below.

A. Goal 3.1.A. Create a community that celebrates, welcomes and supports cultural, parks and recreational amenities.

The Plan states that youth sports are thriving, that existing City and private non-profit resources are insufficient, and “additional indoor and outdoor practice spaces for youth sports are required to meet demand.” The Project will help the City meet this goal and objective and is in alignment with the City’s comprehensive plan.

B. Goal 3.1.B. Support a healthy, happy community by improving healthy lifestyle choices and opportunities.

The Project includes a physical rehabilitation office component, which will increase patient access to medical facilities in furtherance of the City’s comprehensive plan.

The City wishes to decrease proximity of its residents to physical activities and exercise opportunities in order to reduce the occurrence and negative outcomes of chronic illnesses associated with physical inactivity and obesity. The Project will assist in furthering these goals and objectives.

C. Goal 3.3.A. Build an adaptable framework for continued growth in a changing environment.

A component of the Project includes the development of approximately 6,000 square feet of Class A office space, furthering the City’s goal to attract and develop Class A office space in an effort to retain out-commuters to both live and work within the City.

D. Goal 3.5.B. Plan and build City services and infrastructure to promote quality growth and resiliency.

The connector road being constructed, and the utilities being extended to the Site, as part of the Project will support continued growth in the View High Corridor Targeted Planning Area.

IV. City Benefits – Economic Impact

Below are some of the primary economic benefits to the City that 3D has identified with respect to the Project.

A. Jobs

The Project is expected to generate approximately 200 temporary jobs during construction, approximately 168 new permanent jobs to the City following completion of the Project, and approximately 24 new permanent full-time jobs earning at least 100% of the CAW. These new employees will increase spending within the City and, therefore, sales and use tax revenues to the City will be higher on both a temporary and permanent, ongoing basis as a result of the deployment of the Project in the City. Detailed jobs information will be provided to the City by 3D on its Financial Incentive Application Worksheet.

B. Sales, Use and Business and Industry Tax Revenues

Over a 20-year period, apart from revenues generated within the Project facility itself, the development of the Project is expected to generate an additional \$271 million in spending within the City from lodging, dining, entertainment, retail and miscellaneous spending from those traveling to the City for tournaments and other recreational events, as

illustrated on **Exhibits B and D**. The total sales and use tax expected to be generated directly by the Project and from the economic impact of the Project over a 25-year period is approximately \$8.9 million. The total business and industry tax revenues expected to be generated from the economic impact of the Project over a 25-year period is approximately \$5.54 million. If additional development within the boundaries of the CID is undertaken, this will further increase the tax revenues available to the City. The Project has an economic life of 50 years, so the financial benefit to the City with respect to residual tax revenues will continue to remain significant even after the incentive reimbursements terminate. The expected Project-level revenues, as well as the expected economic impact revenues related to the events and tournaments to be hosted at the Project that would be subject to sales tax, use tax and business and industry tax, are included as **Exhibits B and D**.

C. Real Property Tax Revenues (Today, During Abatement, After Abatement)

The real property tax revenues currently generated by the Site are \$0.00 due to its religious/nonprofit exemption. The real property tax revenues to be generated by the Site over the 25-year term of the abatement will be \$0.00. The Project has a 50-year economic useful life. Over the remaining term of the Project's useful life after the abatement term ends, the real property tax revenues expected to be generated by the Project will total approximately \$3.2 million.

D. Targeted Planning Area

Pursuant to the City's Economic Development Incentive Policy, the City has established targeted areas for development and redevelopment. The Plan shows View High Drive as an important thoroughfare for the City's spoke and wheel connectivity. The Project is located within the View High Corridor Targeted Planning Area and has therefore been given priority status with respect to the City awarding incentive packages for development within the area. The location of the Project with further the City's non-residential development goal along majority priority corridors.

V. Requested Incentives

Assuming that the aggregate tax revenues are sufficient to reimburse all eligible CID and infrastructure costs, the overall value of the incentive request for the Project will total 28.35%. Without being awarded all of the requested incentives, the Project will not be able to move forward unless a public-private partnership with the City is undertaken. While the percentage of incentives being requested may appear high relative to other incentive requests in the City, comparable projects typically receive incentive packages from competing municipalities that far exceed the amount of this request. Due to the unique nature of the Project, and the fact that the Project itself is not a sales-tax-intensive development, multiple incentives are being requested in order to assist 3D with funding public infrastructure costs and improvements. These public infrastructure costs consist of over sixty percent (60%) of the value of the total incentives being requested by 3D. The overall value of the incentive request for the Project, including estimated CID Taxes (as defined below), sales tax rebate, business and industry tax rebate, sales tax exemption on construction materials, real property tax abatement are included as **Exhibit B**.

A. Community Improvement District

3D requests the City approve its petition for the formation of the CID. The CID would impose a one percent (1.0%) sales and use tax (the “**CID Tax**”) that would be imposed over a term of twenty-seven (27) years on all taxable sales generated within the boundaries of the CID. The CID Tax would be used to reimburse 3D on a pay-as-you-go basis for eligible Project costs plus interest. Based on preliminary estimates, the expected CID eligible Project costs total approximately \$7.7 million (the “**Eligible Costs**”). The estimated eligible CID costs, and the proposed boundaries of the CID, are included as **Exhibit C**.

B. Sales Tax Rebate

3D requests to be reimbursed by the City in an amount equal to 50% of the City’s portion of the taxable sales generated within the boundaries of the CID (the “**Sales Tax Rebate**”) for a period of twenty-five (25) years to reimburse it for eligible public infrastructure and utility costs. The expected public infrastructure and utility costs are equal to the Eligible Costs and total approximately \$7.7 million. The Sales Tax Rebate would be reimbursed to 3D under a development agreement entered into between the City and 3D and would be paid out of the City’s general, capital improvement and/or transportation sales tax revenues.

C. Business and Industry Tax Rebate

3D requests to be reimbursed by the City in an amount equal to 50% of the City’s portion of the business and industry taxes it receives from overnight hotel stays that are directly attributable to the Project for a period of twenty (20) years (the “**Business and Industry Tax Rebate**”). 3D intends to partner with various local hotels in order to provide group room rates to tournament attendees and their guests. In order to claim the group room rate, these individuals will be required to enter a discount code with partner hotel organizations. This will enable both 3D and its partner hotels to specifically track which overnight guests are directly attributable to the Project. As illustrated on **Exhibit B**, the combined value of the projected CID Tax reimbursements and the projected Sales Tax Rebate total \$1.73 million. The Business and Industry Tax Rebate would enable 3D to be reimbursed for an additional \$2.065 million of Eligible Costs not recoverable from the CID Tax and the Sales Tax Rebate. Unless additional retail development is undertaken within the CID, there would remain approximately \$3.905 million of Eligible Costs that would not be reimbursed to 3D. The Business and Industry Tax Rebate would be reimbursed to 3D under a development agreement entered into between the City and 3D and would be paid out of the City’s business and industry tax revenues or any other revenue source deemed appropriate by the City.

D. Real Property Tax Abatement and STECM (Chapter 100 Bonds)

3D requests that the City issue Chapter 100 bonds for the Project, which would provide a sales tax exemption on construction materials (“**STECM**”) for the Project, as well as 25 years of real property tax abatement at 100%.

Exhibit A

Current Project Budget

[see attached]

Exhibit A - Project Budget

Description	Amount
Land Acquisition	\$ 1,335,000
Site and Construction	\$ 35,336,895
Furniture Fixtures and Equipmen	\$ 3,774,293
Soft Costs	\$ 3,200,630
Total Project Costs	\$ 43,646,818

Exhibit B

**Estimated Values of CID Taxes, Sales Tax Rebate, Business and
Industry Tax Rebate, Real Property Tax Abatement and STECM**

[see attached]

Exhibit B - 3D Builders KC, LLC - View High Indoor Sports Complex Incentive Request

Total Taxable Sales Generated at the Project Facility

Year1		Year2		Year3		Year4		Year5		Year6		Year7		Year8		Year9		Year10	
\$	1,503,221	\$	1,767,769	\$	2,089,844	\$	2,193,418	\$	2,416,787	\$	2,465,123	\$	2,514,425	\$	2,564,714	\$	2,616,008	\$	2,668,328
Year11		Year12		Year13		Year14		Year15		Year16		Year17		Year18		Year19		Year20	
\$	2,721,695	\$	2,776,129	\$	2,831,651	\$	2,888,284	\$	2,946,050	\$	3,004,971	\$	3,065,070	\$	3,126,372	\$	3,188,899	\$	3,252,677
Year21		Year22		Year23		Year24		Year25		Year26		Year27							
\$	3,317,731	\$	3,384,085	\$	3,451,767	\$	3,520,802	\$	3,591,218	\$	3,663,043	\$	3,736,304						

Projected CID Taxes

Year1		Year2		Year3		Year4		Year5		Year6		Year7		Year8		Year9		Year10	
\$	15,032	\$	17,678	\$	20,898	\$	21,934	\$	24,168	\$	24,651	\$	25,144	\$	25,647	\$	26,160	\$	26,683
Year11		Year12		Year13		Year14		Year15		Year16		Year17		Year18		Year19		Year20	
\$	27,217	\$	27,761	\$	28,317	\$	28,883	\$	29,460	\$	30,050	\$	30,651	\$	31,264	\$	31,889	\$	32,527
Year21		Year22		Year23		Year24		Year25		Year26		Year27		Total CID Taxes - 27 Years					
\$	33,177	\$	33,841	\$	34,518	\$	35,208	\$	35,912	\$	36,630	\$	37,363	\$ 772,664					

Value of Sales Tax Rebate

25 Year Total Taxable Sales			Total Sales Tax Rebate - 25 years***						Total Project Only Sales Tax - 25 Years					
\$ 69,867,038			\$ 960,672						\$ 1,921,344					

Estimated Appraised Value of the Project Over 25 Years****

Year1		Year2		Year3		Year4		Year5		Year6		Year7		Year8		Year9		Year10	
\$	43,650,000	\$	44,523,000	\$	45,413,460	\$	46,321,729	\$	47,248,164	\$	48,193,127	\$	49,156,990	\$	50,140,129	\$	51,142,932	\$	52,165,791
Year11		Year12		Year13		Year14		Year15		Year16		Year17		Year18		Year19		Year20	
\$	53,209,106	\$	54,273,289	\$	55,358,754	\$	56,465,929	\$	57,595,248	\$	58,747,153	\$	59,922,096	\$	61,120,538	\$	62,342,949	\$	63,589,808
Year21		Year22		Year23		Year24		Year25											
\$	64,861,604	\$	66,158,836	\$	67,482,013	\$	68,831,653	\$	70,208,286										

Value of Real Property Tax Abatement****

Year1		Year2		Year3		Year4		Year5		Year6		Year7		Year8		Year9		Year10	
\$	100,125	\$	102,128	\$	104,170	\$	106,254	\$	108,379	\$	110,547	\$	112,757	\$	115,013	\$	117,313	\$	119,659
Year11		Year12		Year13		Year14		Year15		Year16		Year17		Year18		Year19		Year20	
\$	122,052	\$	124,493	\$	126,983	\$	129,523	\$	132,113	\$	134,756	\$	137,451	\$	140,200	\$	143,004	\$	145,864
Year21		Year22		Year23		Year24		Year25											
\$	148,781	\$	151,757	\$	154,792	\$	157,888	\$	161,045										

Assessment %	Millage rate	Total Value of Abatement - 25 years @ 100%		
0.32	7.1682	\$ 3,207,047		

Economic Impact - Total Hotel Revenue

Year1		Year2		Year3		Year4		Year5		Year6		Year7		Year8		Year9		Year10	
\$	1,875,258	\$	2,332,714	\$	2,947,948	\$	3,105,608	\$	3,733,926	\$	3,827,851	\$	3,924,121	\$	4,022,790	\$	4,123,963	\$	4,227,698
Year11		Year12		Year13		Year14		Year15		Year16		Year17		Year18		Year19		Year20	
\$	4,312,252	\$	4,527,865	\$	4,618,422	\$	4,710,790	\$	4,805,006	\$	4,901,106	\$	4,999,128	\$	5,099,111	\$	5,201,093	\$	5,305,115
Year21		Year22		Year23		Year24		Year25											
\$	5,411,217	\$	5,519,442	\$	5,629,830	\$	5,742,427	\$	5,857,276										

Projected Business and Industry Tax Rebate*****

Year1		Year2		Year3		Year4		Year5		Year6		Year7		Year8		Year9		Year10	
\$	46,881	\$	58,318	\$	73,699	\$	77,640	\$	93,348	\$	95,696	\$	98,103	\$	100,570	\$	103,099	\$	105,692
Year11		Year12		Year13		Year14		Year15		Year16		Year17		Year18		Year19		Year20	
\$	107,806	\$	113,197	\$	115,461	\$	117,770	\$	120,125	\$	122,528	\$	124,978	\$	127,478	\$	130,027	\$	132,628

Total Value of Business and Industry Tax Rebate - 20 years	Total 25-Year Business and Industry Tax
\$ 2,065,044	\$ 5,538,098

Estimated Value of STECM*****

Total Project Costs	Materials Cost	8.475% Sales Tax
\$ 43,650,000	\$ 17,460,000	\$ 1,479,735
STECM Total		\$ 1,479,735

Economic Impact - Total Other Revenue Subject to Sales/Use Tax

Year1		Year2		Year3		Year4		Year5		Year6		Year7		Year8		Year9		Year10	
\$	4,264,872	\$	5,305,257	\$	6,704,475	\$	7,063,041	\$	8,492,014	\$	8,705,626	\$	8,924,572	\$	9,148,975	\$	9,379,071	\$	9,614,994
Year11		Year12		Year13		Year14		Year15		Year16		Year17		Year18		Year19		Year20	
\$	9,856,771	\$	10,104,650	\$	10,358,777	\$	10,619,296	\$	10,886,360	\$	11,160,240	\$	11,440,857	\$	11,728,612	\$	12,023,549	\$	12,325,963
Year21		Year22		Year23		Year24		Year25											
\$	12,634,112	\$	12,949,965	\$	13,273,714	\$	13,605,557	\$	13,945,696										

Total of 25-Year Economic Impact Taxable Sales (Other than the Project)	\$ 254,517,017	Total Economic Impact Sales Tax - 25 Years	\$ 6,999,218
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Eligible CID Costs	\$ 7,686,601
Value of All Incentives to 3D	\$ 12,373,383 28.35%

***This assumes a sales tax rebate equal to 1.375%.

****This assumes an initial market value of \$43.65 million and assumes a 2.0% growth rate each year.

*****This assumes a business and industry tax rebate equal to 2.5%.

*****This assumes that 40% of the total project budget will consist of material purchases and further assumes that all purchases are made in Lee's Summit.

Exhibit C

Estimated Eligible CID Costs and Proposed CID Boundary

[see attached for Estimated Eligible CID Costs]

Exhibit C

Estimated Eligible CID Costs		
View High Left Turn Lane	\$	203,914
Street, Sidewalks and Traffic Signage	\$	700,921
Storm Water and Regional Detention	\$	1,624,717
Utilities (Gas, Water and Electrical)	\$	503,329
Parking Lots	\$	4,214,258
Parks, Lawn, Trees and Landscaping	\$	387,761
Marque Signage	\$	51,701
Total Eligible CID Costs	\$	7,686,601

Proposed CID Boundary

The CID is bordered by View High Drive to the West, NW Chipman Road to the North and generally consists of a portion of parcel # 62-320-99-10-00-0-00-000, which will be subdivided by 3D as part of its acquisition of the Site. The proposed approximate boundaries of the CID, which may be subject to change, are outlined below:



Exhibit D

Economic Impact Projections

[see attached]

Exhibit D - Economic Impact Projections

Economic Impact - 5 Year						
Number of Events Per Year	Year 1	Year 2	Year 3	Year 4	Year 5	
Basketball Tournament	7	9	9	10	11	
Volleyball Tournament	7	8	11	11	12	
Other Tournament/Events	5	7	8	9	9	
Total Events per year	19	24	28	30	32	
Per Person Spending By Category	Year 1	Year 2	Year 3	Year 4	Year 5	
Lodging / Accomodations	\$ 42.00	\$ 42.63	\$ 43.27	\$ 43.92	\$ 44.58	
Dining/ Groceries	\$ 48.00	\$ 48.72	\$ 49.45	\$ 50.19	\$ 50.95	
Transportation	\$ 8.16	\$ 8.28	\$ 8.41	\$ 8.53	\$ 8.66	
Entertainment/Attractions	\$ 3.84	\$ 3.90	\$ 3.96	\$ 4.02	\$ 4.08	
Retail	\$ 22.56	\$ 22.90	\$ 23.24	\$ 23.59	\$ 23.94	
Miscellaneous	\$ 12.96	\$ 13.15	\$ 13.35	\$ 13.55	\$ 13.76	
Total	\$ 137.52	\$ 139.58	\$ 141.68	\$ 143.80	\$ 145.96	
Economic Impact Drivers	Year 1	Year 2	Year 3	Year 4	Year 5	
Non local days in market - Overnight	44,649	54,720	68,130	70,713	83,763	
Room Nights	10,302	12,576	15,756	16,302	19,578	
Economic Impact	Year 1	Year 2	Year 3	Year 4	Year 5	
Total Direct Spending - Overnight	\$ 6,140,130	\$ 7,637,971	\$ 9,652,423	\$ 10,168,649	\$ 12,225,940	
Total Indirect Spending	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Economical Impact	\$ 6,140,130	\$ 7,637,971	\$ 9,652,423	\$ 10,168,649	\$ 12,225,940	

Economic Impact - 20 Year										
Economic Impact drivers years 1-10	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Non-Local days in Market	44,649	54,720	68,130	70,713	83,763	84,601	85,447	86,301	87,164	88,036
Room Nights	10,302	12,576	15,756	16,302	19,578	19,774	19,972	20,171	20,373	20,577
Economic Impact Years 1-10	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Overnight	\$ 137.52	\$ 139.58	\$ 141.68	\$ 143.80	\$ 145.96	\$ 148.15	\$ 150.37	\$ 152.63	\$ 154.92	\$ 157.24
Total Economic Impact	\$ 6,140,130	\$ 7,637,971	\$ 9,652,423	\$ 10,168,649	\$ 12,225,940	\$ 12,533,422	\$ 12,848,638	\$ 13,171,781	\$ 13,503,051	\$ 13,842,653
Economic Impact drivers years 11-20	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Non-Local days in Market	88,916	89,805	90,703	91,610	92,526	93,452	94,386	95,330	96,283	97,246
Room Nights	20,782	20,990	21,200	21,412	21,626	21,843	22,061	22,282	22,504	22,729
Economic Impact Years 11-20	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Overnight	\$ 159.60	\$ 161.99	\$ 164.42	\$ 166.89	\$ 169.39	\$ 171.93	\$ 174.51	\$ 177.13	\$ 179.79	\$ 182.48
Total Economic Impact	\$ 14,190,796	\$ 14,547,694	\$ 14,913,569	\$ 15,288,645	\$ 15,673,155	\$ 16,067,334	\$ 16,471,428	\$ 16,885,684	\$ 17,310,359	\$ 17,745,715
Grand Total Economic Impact - 20 Years	\$ 270,819,037									

Exhibit E

Executive Summary

[see attached]



EXECUTIVE SUMMARY

PREPARED FOR: 3D BUILDERS KC, LLC

PREPARED BY: SPORTS FACILITIES ADVISORY

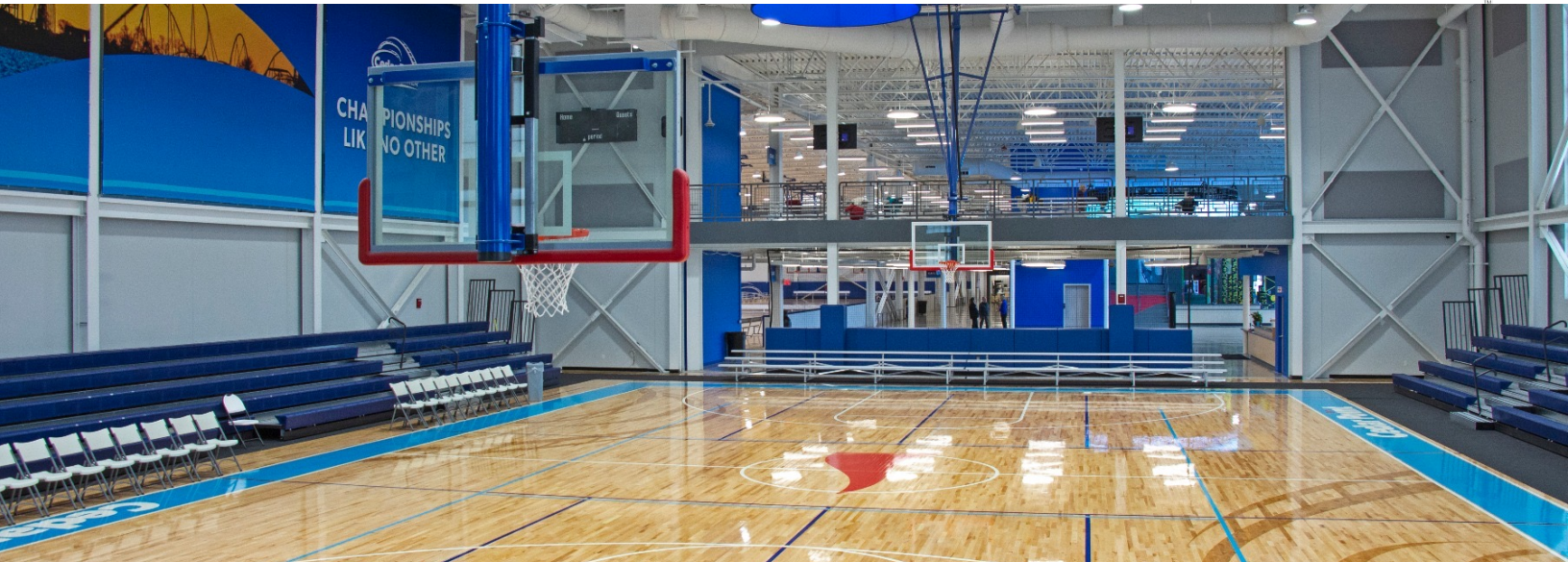
REPORT DELIVERY DATE: NOVEMBER 2024



THIS PROJECT IS REPRESENTED BY



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In March of 2024, Sports Facilities Advisory (SFA) was engaged by 3D Builders KC, LLC (Client) to produce a five-year financial forecast (financial feasibility study) for the development of various sports and recreation assets in Lee's Summit, including a combined indoor and outdoor model. This executive summary provides an overview of SFA's detailed financial forecast (pro forma), which has been delivered as an associated document, alongside relevant demographic, socioeconomic, and market service provider data. SFA has provided the asset and space breakdowns of the model followed by the financial performance summary for the model.

DEFINITIONS OF SUCCESS

- Develop a premier sports, fitness and recreation facility that will serve the local community and drive local sports program growth in Lee's Summit
- Leverage revenue generating opportunities to create a self-sustaining business model
- Leverage sports tourism to attract non-local visitation to the market through court-based tournaments and events

Summary of Tasks Performed to Complete the Financial Forecast

To assess the feasibility of the complex, SFA completed the following steps:

1. Facilitated an in-depth business development planning session with the Project Team to understand the vision, goals, business plan, and parameters of the complex and operations.
2. Performed research to determine current fees at sports and recreation complexes in the local market and in the region and utilized this research to develop the proposed Facility Program.
3. Established fair market value pricing for fees at the new facilities.
4. Created an in-depth facility program to match the vision for sports and recreation assets in Lee's Summit.
5. Created an opinion of cost for facility construction and operational start-up based on real-world, indoor and outdoor sports and recreation complexes that are currently in construction, as well as regional cost data from the construction industry.

6. Developed a financial forecast to project the market-based demand, financial forecast expectations, and economic impact analysis for the proposed model.
7. Integrated insights from SFA's database of more than 700 sports and recreation facilities across the United States, trends in sports participation, and real-world, real-time operational strategies and best practices from SFA's management company.
8. Reviewed and finalized the financial forecasts with the Project Team.

Assessment of Feasibility

Based on the findings of the study and as detailed in the projections of the financial feasibility assessment, SFA believes the development of the model to be feasible, meaning that it can cover financial obligations and generate sufficient income to fund capital improvements as the facility ages and as it requires capital repairs/replacements. The following recommendations represent distinct avenues for addressing opportunities in the community and for hosting indoor tournaments and events. The broader local community and the regional tournament market stand to reap benefits from the proposed model. SFA recommends reviewing this information in concert with the financial performance data, alongside any guarantees from the Client's core operation partners and its managers in the determination of funding. SFA is available to review and discuss the findings and results of this study.

Indoor Athletic Facility

Space	Indoor Programming Product/Service	Count	Dimensions L (') W (')	Approx. SF each	Total SF	% of Footprint
Courts	Basketball Courts (actual courts 84' x 50')	6	104 80	8,320	49,920	24.4%
	Volleyball Courts	12	60 30	Over Basketball Courts		0.0%
	Total Courts Sq. Ft.				49,920	24.4%
Turf	Turf Area (Full Turf Field)	1	320 220	70,400	70,400	34.4%
	Youth Multi-Purpose Field	2	210 130	Over Turf Area		0.0%
	Small-Sided Multi-Purpose Field	5	130 65	Over Turf Area		0.0%
	Baseball/Softball Infield	1	135 135	Over Turf Area		0.0%
	Batting Cages/Pitching Tunnels	4	75 15	Over Turf Area		0.0%
	Total Turf Sq. Ft.				70,400	34.4%
FEC	Arcade	1	- -	4,000	4,000	2.0%
	Redemption Store	1	- -	400	400	0.2%
	Virtual Reality/Golf Simulators	4	- -	400	1,600	0.8%
	Seated VR	2	- -	1,000	2,000	1.0%
	Total FEC/Adventure Sq. Ft.				8,000	3.9%
Sports Performance	Sports Performance Turf Area	1	120 55	6,600	6,600	3.2%
	Pro Style Weight Training Area	1	48 60	2,880	2,880	1.4%
	Batting Cages/Pitching Tunnels	4	75 15	Over Turf		0.0%
	Total Sports Performance Sq. Ft.				9,480	4.6%
Flex Space	Lobby/Welcome Area	1	- -	2,000	2,000	1.0%
	Control Room	1	15 10	150	150	0.1%
	Manager's Offices	5	10 10	100	500	0.2%
	Management Office Area	1	- -	1,500	1,500	0.7%
	Kitchen	1	30 30	900	900	0.4%
	Café Seating Area	1	40 30	1,200	1,200	0.6%
	Flex/Team Rooms	4	60 25	1,500	6,000	2.9%
	Ref Rooms	1	15 10	150	150	0.1%
	Training Room	1	20 15	300	300	0.1%
	Restrooms	2	35 25	875	1,750	0.9%
	KCSG Club Team's Retail Space	1	- -	650	650	0.3%
	KCSG Club Team's Retail Storage	1	- -	350	350	0.2%
	KCSG Club Team's Office Space	1	- -	2,000	2,000	1.0%
	KCSG Additional Office Space	3	- -	500	1,500	0.7%
	Leased Space - Medical	1	- -	6,000	6,000	2.9%
	Mezzanine	1	312 16	4,992	4,992	2.4%
	Total Flex Space Sq. Ft.				29,942	14.6%
Required SF for Products and Services					167,742	81.8%
Mechanical, Electrical, Storage, etc. 10% of P&S SF (Excl. Leased Space)					16,174	7.9%
Common Area, Stairs, Circulation, etc. 13% of P&S SF (Excl. Leased Space)					21,026	10.3%
Total Estimated Indoor Athletic Facility SF					204,943	100%
Estimated Building Footprint					179,956	
Total Building Acreage					4.13	

Outdoor Athletic Facilities

Outdoor Athletic Facilities							
Space	Outdoor Programming Product/Service	Count	Dimensions L (') W (')		Approx. SF each	Total SF	% of Footprint
Multi-Purpose Fields	Synthetic Turf Field - (With 12' Apron)	1	360	240	86,400	86,400	97.2%
	Total Outdoor Multi-Purpose Fields Sq. Ft.					86,400	97.2%
Support Buildings	Secondary Support Buildings	1	40	40	1,600	1,600	1.8%
	Total Support Buildings Sq. Ft.					1,600	1.8%
Maint.	Maintenance/Storage Buildings	1	30	30	900	900	1.0%
	Total Maintenance Sq. Ft.					900	1.0%
Total Estimated Outdoor Athletic Facilities SF						88,900	100%
Total Outdoor Athletic Facility Acreage						2.04	

Facility Program

Based on SFA's understanding of the Client's definitions of success, SFA's industry experience, and market research conducted during the pro forma development process, SFA developed the previous facility program and site development requirements listed below. The indoor amenities are designed to maximize the local and tournament-programming opportunity and provide the Client with the requisite spaces to generate sufficient revenue from internal programming over flexible, year-round accessible spaces. The indoor building will require approximately 4.13 acres of land and occupy a footprint of approximately 180,000 square feet while the outdoor facility will require approximately 2.04 acres of land. Site development will require about 7.79 acres of land. Including setbacks, trails, green space, and miscellaneous site development requirements, the total number of parking spaces needed for the complex is estimated to be approximately 500 spaces, while needing 13.96 total acres of developable land or the entire development. The total number of parking spaces are provided by the Client based on recommendations from their project team.

Site Development

		Quantity	Dimensions L (') W (')		Approx. SF each	Total SF	% of Total
Parking Spaces Total	Additional Parking Spaces Needed (10'x18') (20' x 20' Inc. aisles)	500	20	20	400	200,000	58.9%
	Setbacks, Green Space, Trails, etc.	25% Indoor/Parking, 50% Outdoor				139,439	41.1%
Total Estimated Site Development SF						339,439	100%
Total Site Development Acreage						7.79	
Total Complex Acreage						13.96	

Summary of SFA's Opinion of Cost

Based on the facility program, data from comparable complexes that are currently in construction, regional cost data from the construction industry, and direct costs from the Meyers Brothers estimate, the table below summarizes SFA's opinion of cost for the complex, including a range of low and high-end development costs based on the current construction and development climate. A detailed opinion of cost for construction and operational start-up has been included in the detailed financial forecast, which has been delivered as an associated document. As demonstrated below, the model is projected to cost between approximately \$44.5 million and \$53.5 million.

USES OF FUNDS	LOW	MID	HIGH
LAND COST	\$1,335,000	\$1,335,000	\$1,335,000
HARD COST	\$29,544,196	\$32,826,884	\$36,109,573
COURT, FIELD AND SPORTS EQUIPMENT COST	\$3,622,349	\$4,024,832	\$4,427,315
FURNITURE, FIXTURES, AND EQUIPMENT	\$2,113,103	\$2,347,892	\$2,582,682
SOFT COSTS CONSTRUCTION	\$1,914,380	\$2,127,088	\$2,339,797
SOFT COSTS OPERATIONS	\$2,939,561	\$2,939,561	\$2,939,561
ESCALATION	\$3,077,845	\$3,419,828	\$3,761,811
WORKING CAPITAL RESERVE	TBD	TBD	TBD
TOTAL USES OF FUNDS	\$44,546,434	\$49,021,087	\$53,495,739

Summary of Financial Performance

As detailed in the full financial forecast for the proposed model, the complex is projected to generate revenue from 22 primary business units. The full financial forecast includes a revenue and expense projection for each individual business unit for the first five years of operations. The following tables provide a summary of the revenue categories, expense categories, and the resulting overall financial performance for years one through five of facility operations for the proposed model.

The table below summarizes the total revenue and direct expenses (cost of goods sold) for the operations during the first five years and concludes with the gross margin and gross margin as a percent of revenue.

Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
Rental Basketball Tournaments	\$43,125	\$56,350	\$61,985	\$69,575	\$83,016
Rental Volleyball Tournaments	\$66,240	\$73,600	\$113,344	\$113,344	\$140,263
Court Rental Events	\$24,150	\$34,500	\$45,540	\$49,335	\$51,802
Basketball	\$135,176	\$160,531	\$200,876	\$219,872	\$241,155
Volleyball	\$97,144	\$115,073	\$143,614	\$156,979	\$171,927
Court Rentals	\$113,700	\$117,111	\$126,656	\$130,455	\$141,087
Soccer	\$427,204	\$505,624	\$630,475	\$688,836	\$754,065
Football	\$30,102	\$35,417	\$43,890	\$47,799	\$52,149
Baseball/Softball	\$43,520	\$52,031	\$65,566	\$72,028	\$79,303
Field Rental	\$328,860	\$345,303	\$398,825	\$418,766	\$461,690
FEC/Adventure	\$357,170	\$412,435	\$487,906	\$505,335	\$577,007
Fitness and Training	\$333,960	\$400,752	\$462,869	\$486,012	\$510,313
Outdoor Field Rental	\$111,329	\$116,896	\$135,015	\$141,765	\$148,854
Birthday Parties	\$19,200	\$23,040	\$26,611	\$27,942	\$30,806
Youth Development	\$133,988	\$154,086	\$169,494	\$177,969	\$186,867
Youth Programming	\$146,850	\$161,535	\$186,573	\$195,902	\$215,981
Facility Fees	\$115,200	\$141,120	\$174,720	\$181,920	\$211,200
Food & Beverage	\$299,898	\$344,271	\$402,515	\$421,469	\$471,457
Hotel Rebates	\$27,259	\$33,276	\$41,690	\$43,135	\$51,803
Retail	\$23,134	\$26,648	\$30,342	\$32,042	\$34,281
Tenant Revenue	\$261,000	\$261,000	\$261,000	\$261,000	\$261,000
Sponsorship/Advertisement Revenue	\$198,750	\$198,750	\$238,500	\$238,500	\$265,000
Total Revenue	\$3,336,958	\$3,769,348	\$4,448,004	\$4,679,980	\$5,141,025
Cost of Goods Sold	Year 1	Year 2	Year 3	Year 4	Year 5
Rental Basketball Tournaments	\$4,313	\$5,635	\$6,199	\$6,958	\$8,302
Rental Volleyball Tournaments	\$6,624	\$7,360	\$11,334	\$11,334	\$14,026
Court Rental Events	\$2,415	\$3,450	\$4,554	\$4,934	\$5,180
Basketball	\$48,579	\$57,691	\$69,353	\$75,911	\$81,637
Volleyball	\$28,418	\$33,663	\$41,475	\$45,335	\$49,345
Court Rentals	\$5,685	\$5,856	\$6,333	\$6,523	\$7,054
Soccer	\$101,637	\$120,295	\$145,104	\$158,535	\$170,761
Football	\$6,816	\$8,020	\$9,631	\$10,488	\$11,269
Baseball/Softball	\$14,957	\$17,882	\$22,533	\$24,754	\$27,254
Field Rental	\$16,443	\$17,265	\$19,941	\$20,938	\$23,084
FEC/Adventure	\$125,009	\$144,352	\$170,767	\$176,867	\$201,952
Fitness and Training	\$103,940	\$124,728	\$140,143	\$147,150	\$152,450
Outdoor Field Rental	\$5,566	\$5,845	\$6,751	\$7,088	\$7,443
Birthday Parties	\$5,088	\$6,106	\$6,871	\$7,214	\$7,853
Youth Development	\$30,817	\$35,440	\$38,984	\$40,933	\$42,979
Youth Programming	\$62,474	\$68,722	\$79,027	\$82,978	\$91,293
Facility Fees	\$0	\$0	\$0	\$0	\$0
Food & Beverage	\$164,944	\$189,349	\$221,383	\$231,808	\$259,302
Hotel Rebates	\$0	\$0	\$0	\$0	\$0
Retail	\$16,194	\$18,654	\$21,239	\$22,429	\$23,996
Tenant Expense	\$0	\$0	\$0	\$0	\$0
Sponsorship/Advertisement Expense	\$49,688	\$49,688	\$59,625	\$59,625	\$66,250
Total Cost of Goods Sold	\$799,607	\$919,998	\$1,081,245	\$1,141,803	\$1,251,431
Gross Margin	\$2,537,351	\$2,849,351	\$3,366,759	\$3,538,177	\$3,889,594
% of Revenue	76%	76%	76%	76%	76%

As demonstrated above, the model is projected to generate approximately \$3.3 million of revenue in Year 1 of operations, growing to approximately \$5.1 million of revenue by Year 5. Revenue growth is based on two factors: year-over-year growth in volume of sales and fee increases in Year 3 and Year 5 of operations. Gross margin (revenue minus cost of goods sold) is projected to equal approximately \$2.5 million in Year 1 of operations, growing to \$3.9 million of by Year 5; gross margin is the profit remaining to cover operating expenses and debt service.

SFA categorizes operating expenses into four categories, each of which has been detailed in the full financial forecast. Those categories are:

1. Facility Expenses – the costs associated with operating the physical asset
2. Operating Expenses – the costs associated with operating the business
3. Management Payroll – the salaries associated with general and administrative staff members
4. Payroll Taxes/Benefits/Bonus – the fringe costs of employment for both management and part-time staff members

The table below summarizes the operating expenses for the model for the first five years of operations, demonstrates earnings before interest, tax, depreciation, and amortization (EBITDA), as well as EBITDA as a percent of revenue.

Facility Expenses	\$484,294	\$484,907	\$494,133	\$501,866	\$510,817
Operating Expense	\$348,006	\$339,592	\$368,256	\$380,690	\$401,274
Management Payroll	\$683,500	\$710,840	\$784,274	\$815,645	\$848,270
Payroll Taxes/Benefits/Bonus	\$228,262	\$246,311	\$279,695	\$292,327	\$311,995
Total Operating Expenses	\$1,744,062	\$1,781,650	\$1,926,358	\$1,990,526	\$2,072,356
EBITDA	\$793,289	\$1,067,701	\$1,440,401	\$1,547,650	\$1,817,238
<i>% of Revenue</i>	<i>23.8%</i>	<i>28.3%</i>	<i>32.4%</i>	<i>33.1%</i>	<i>35.3%</i>

As demonstrated previously, the model is projected to generate a positive return of approximately \$793,000 due to a positive EBITDA (gross margin minus operating expenses) in Year 1 of operations, followed by an EBITDA of approximately \$1.8 million at maturity in Year 5.

Economic Impact Expectations

As stated previously, SFA developed its forecasts based on the prioritization of events that meet the Client's objectives related to both local and tournament programming and best practices for managing successful sports tourism facilities. As part of that exercise, SFA conducted an in-depth analysis of the two components that determine economic impact:

1. The average daily expenditure for non-local visitors to the market, including but not limited to:
 - Average daily rate for hotels
 - Average daily meal costs
 - Percent of spending in market by category
2. The details for each event, including but not limited to:
 - Number of participants
 - Number spectators
 - Markets from which participants travel
 - Day and overnight travel habits in the region and across the industry
 - Length of event

For the purposes of this study, SFA analyzed overnight visitors to the market. Overnight visitors are defined as those coming to the Lee's Summit area from more than 90 minutes away who stay overnight. SFA's economic impact projections do not include any assumptions for visitors extending their stay beyond the event and do not include any indirect or induced spending projections.

Average Daily Expenditure

SFA projected per-person spending in the categories in which visitors to the Lee's Summit market are expected to spend for regional youth and amateur tournaments and events. The chart below shows that overnight visitors are expected to spend an average of \$137.52 per person per day, growing to \$145.96 in year five. The estimates for per person spending are based on conservative estimates for how non-local visitors will spend while in market. SFA believes that these are reliable estimates, and that it is unlikely that per person spending will fall below the projected amounts

Per Person Spending By Category

	Year 1	Year 2	Year 3	Year 4	Year 5
Lodging/Accommodations	\$42.00	\$42.63	\$43.27	\$43.92	\$44.58
Dining/Groceries	\$48.00	\$48.72	\$49.45	\$50.19	\$50.95
Transportation	\$8.16	\$8.28	\$8.41	\$8.53	\$8.66
Entertainment/Attractions	\$3.84	\$3.90	\$3.96	\$4.02	\$4.08
Retail	\$22.56	\$22.90	\$23.24	\$23.59	\$23.94
Miscellaneous	\$12.96	\$13.15	\$13.35	\$13.55	\$13.76
Total	\$137.52	\$139.58	\$141.68	\$143.80	\$145.96

Economic Impact Drivers

Before converting the per-person average daily expenditure into a total direct spending projection, SFA analyzed the two most important drivers of economic impact: non-local days in market and room nights generated for each event projected. Non-local days in market are the number of days that non-local visitors will spend in the Lee's Summit market because of the tournament or event they are attending. Hotel room nights are the number of nights that visitors will stay in the local area to take part in tournaments and events.

The tables that follow summarize the projected economic impact drivers and direct spending in years one through five at each model.

Economic Impact Drivers

Economic Impact Drivers

	Year 1	Year 2	Year 3	Year 4	Year 5
Non-Local Days in Market - Overnight	44,649	54,720	68,130	70,713	83,763
Room Nights	10,302	12,576	15,756	16,302	19,578

Economic Impact

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Direct Spending - Overnight	\$6,140,130	\$7,637,971	\$9,652,423	\$10,168,649	\$12,225,940
Total Indirect Spending	\$0	\$0	\$0	\$0	\$0
Total Economic Impact	\$6,140,130	\$7,637,971	\$9,652,423	\$10,168,649	\$12,225,940

The table above demonstrates that SFA expects the model to generate approximately 84,000 new non-local days in market, almost 20,000 new room nights, and a total of approximately \$12.2 million in economic impact at maturity in year five of operations.

Demographic and Socioeconomic Data

As a part of the feasibility analysis and in making recommendations based on the real-world market data, SFA conducted an in-depth demographic and socioeconomic analysis of the local, sub-regional, and regional market. This portion of the analysis served to determine the key characteristics of the most regular users of new facilities, with an emphasis on local users. SFA, however, also reviewed the potential for visitors during tournament and event times. SFA has included comprehensive local demographic reports in the Appendix of this document.

The chart that follows displays some of the key demographic factors used in analyzing the utilization of facilities by the local population; these customers will be the most frequent users of a sports and recreation facility. SFA also analyzed the regional population based on drive time from the Lee's Summit market. While these statistics do not serve as strict predictors of a facility's opportunity to meet its objectives, SFA has developed a proprietary analytical process which considers these factors and several others as an integral part of the financial forecast, sports participation projections, and other analyses required in SFA's study.

KEY LOCAL, SUB-REGIONAL, AND REGIONAL DEMOGRAPHIC FACTORS

Lee's Summit, Missouri						
Category	10 Minutes	15 Minutes	30 Minutes	60 Minutes	90 Minutes	240 Minutes
Population	67,954	173,747	1,119,425	2,353,880	2,889,597	13,127,665
Growth Projections – Next 5 Years	+0.90%	+0.65%	+1.55%	+1.90%	+1.40%	+1.65%
Median Age (U.S. Median: 38.5)	39.2	39.3	38.2	37.8	38.2	38.3
Median HH Income (U.S. Median: \$74,580)	\$91,036	\$85,342	\$74,665	\$79,391	\$76,543	\$72,029
Median HH Income % Above/Below Adjusted Cost of Living (Index: 97)	+25.84%	+17.97%	+3.21%			
Spending Rec. Lessons (U.S Avg.: \$143)	\$176.39	\$170.78	\$149.79	\$157.70	\$145.98	\$132.51

POPULATION SIZE:

SFA uses drive times from the preliminary location to analyze the population of the possible participants that a sports complex would seek to capture. The immediate area of Lee's Summit, within the 30-minute drive-time window, is made up of approximately 1.1 million people, while the overall region (240 minutes) is made up of approximately 13 million people.

SFA views the local market as a positive factor for local programming, since the assets are right-sized to meet local utilization needs.

POPULATION TREND:

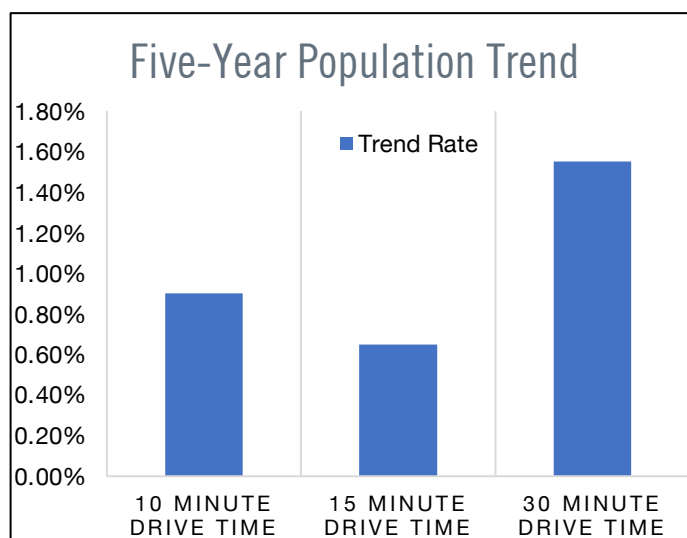
The population is expected to increase slightly in the immediate area, with estimates up to an approximate 1.55 percent increase over five years in the 30-minute drive time interval.

Since the population is growing in and around Lee's Summit, SFA views the population trend as a positive development factor.

AGE:

The median age within all local drive time intervals is greater than or slightly below to the national median of approximately 38.5. Based on SFA's experience, a higher-than-average median age typically suggests that there is a lower percent of children and young adults in the market, which are key age segments for sports and recreation. However, assets within a new sports, event, and entertainment facility can appeal to multi-generational guests with the right asset and amenity mix.

SFA views the median age market characteristic as a neutral factor to the success of the facility because the median age is only slightly higher than the national median. The right asset mix will provide the most positive impact.



MEDIAN HOUSEHOLD INCOME:

The median household income levels in the local drive time intervals sit above the national median, which is approximately \$74,580. SFA adjusted the median household income based on the cost of living in Lee's Summit. Based on these adjustments, SFA calculated that the adjusted median household income falls between 25.84-percent above and 3.21-percent above the median in Lee's Summit.

AS A RESULT, SFA VIEWS MEDIAN HOUSEHOLD INCOME AS A POSITIVE FACTOR IN DETERMINING THE LOCAL MARKET OPPORTUNITY.

FEES FOR RECREATIONAL LESSONS:

The surrounding communities have above average spending on recreational lessons when compared to the national average, which is approximately \$143. Based on SFA's experience, communities with above-average level of household expenditures on fees for recreational lessons displays the willingness to purchase recreation-based programs and services in the immediate area.

Because fees (spending) for recreational lessons are above average, SFA views spending on recreation as a positive factor for the local market opportunity.

Demographic and Socioeconomic Data Insights

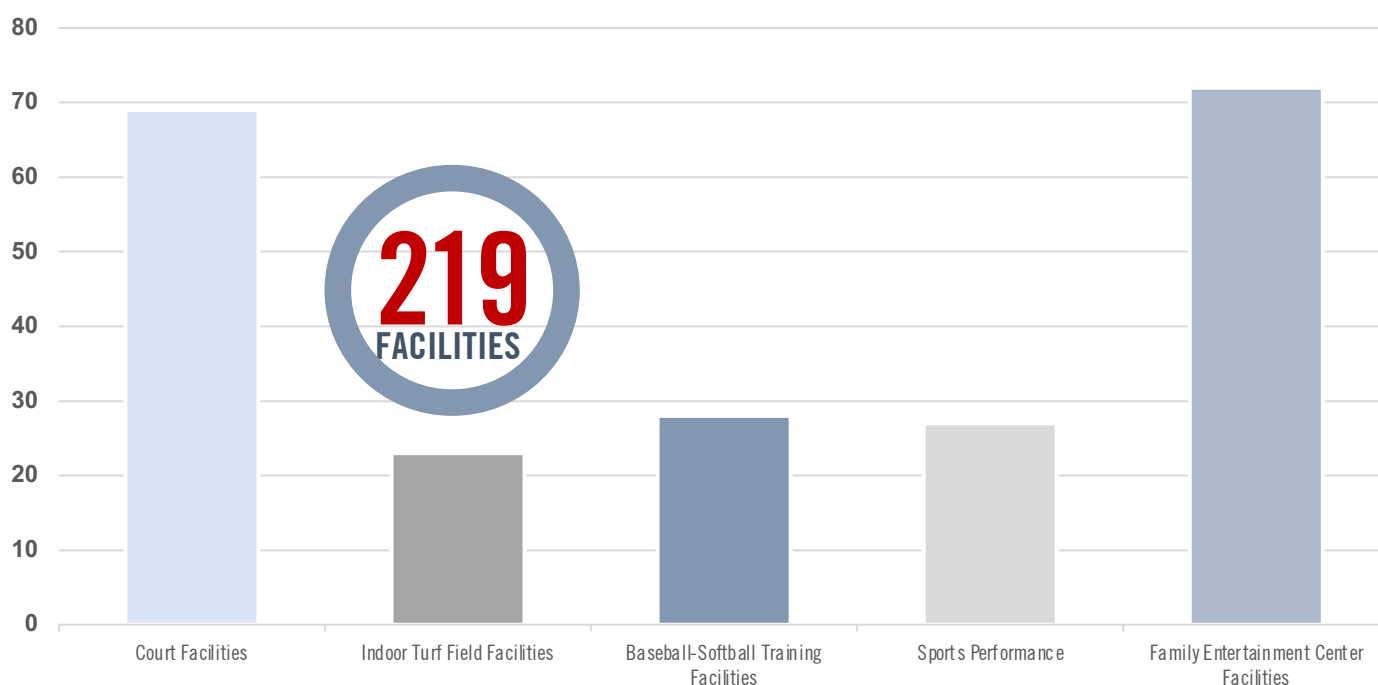
Within the local Lee's Summit market, the population features approximately 1.1 million people, which is a positive characteristic for new facility development. In addition, the five-year population trend shows increasing or stable figures that demonstrate a slight influx of new residents to the local market. The median age sits both slightly above and slightly below the national median depending on the drive time interval, which demonstrates a likely lower presence of younger families and youth residents in the market. This is likely a neutral characteristic for the local market and could have a minimal impact depending on the combination of assets and amenities within the planned facility. In addition, the median household in the Lee's Summit market earns between 25 percent more and over three percent more than the median household nationally, after adjusting for the cost of living. Furthermore, the average consumer in Lee's Summit spends more on recreational lessons annually than the average consumer nationally.

Existing Local Service Providers

As a preliminary step in determining the market opportunity for certain sports and recreation services, SFA reviewed the local market for existing service providers. SFA analyzes specific asset types based on the Client's vision and direction for the facility. In addition, SFA conducts a standard review of the market to identify additional areas of focus for a new facility in the market. SFA researched the following asset types in the greater Lee's Summit area:

- INDOOR COURT FACILITIES
- INDOOR TURF FIELD FACILITIES
- INDOOR BASEBALL/SOFTBALL TRAINING
- SPORTS PERFORMANCE FACILITIES
- FAMILY ENTERTAINMENT CENTER FACILITIES

EXISTING SERVICE PROVIDERS



The tables that follow show a sampling of the indoor court, indoor turf field, indoor baseball/softball training, sports performance, and family entertainment center (FEC) facilities analyzed by SFA. SFA presented these facilities in order of proximity to the preliminary site address rather than their similarity to the current project. SFA included facilities from the aforementioned asset types within the body of the report due to their relevance to the recommended facility program and in order to fully explore the market opportunity. SFA has included an expanded list of facilities analyzed in the local market in the Appendix.

Indoor Court Facilities	Drive Time (Minutes)
Longview CC	4
Harris Park Community Center	8
Hillcrest CC	10

Indoor Turf Field Facilities	Drive Time (Minutes)
The Soccer Box	10
EPIC Center KC	14
Zsports	15

Family Entertainment Center Facilities	Drive Time (Minutes)
Summit Lanes	9
Sky Zone Trampoline Park	10
AMP Golf	10
K1 Speed	10

Sports Performance Facilities	Drive Time (Minutes)
Evolve Sports Performance	7
FIT Muscle and Joint Clinic	10
AMP Performance	11
EXOS PT and Sports Performance	12

Indoor Baseball-Softball Training Facilities	Drive Time (Minutes)
D-BAT Lee's Summit	9
The EDGE Baseball training Facility	10
The M Athletic Training	11
Players Paradise	12

As a part of the financial forecast, SFA conducted additional analyses to determine each competing facility's effect on the ability of new youth and amateur sport assets to achieve operational success. The facilities researched represent potential competitors in the market that are currently hosting programs, tournaments, or other events that may impact the operations at a new facility. The factors SFA used to perform this analysis included, but were not limited to:

EXISTING SPORTS AND RECREATION INVENTORY:

SFA analyzed existing facility inventory in terms of the quantity of existing sports assets, the quality of those assets, and their proximity to critical supporting structures and businesses.

PROXIMITY TO THE FACILITY:

SFA determined the proximity of existing sports and recreation assets to the new facility, recognizing that closer assets have a larger impact from a competitive standpoint than assets that are farther away.

PRICING:

SFA examined the market prices of user fees, rental rates, registration fees, etc. Unless otherwise directed, SFA set prices in its financial forecast that are either in line with or slightly above current-year market rates.

SEASONALITY:

SFA utilized its experience in managing similar facilities to determine the optimized seasonality for hosting programs and events. In addition, SFA recommended asset types based on their ability to flexibly support year-round programming, especially in climate-challenged markets.

MARKETING REACH AND CAPTURE RATE:

SFA based the ability of a new facility to effectively market and capture sports and recreation participants, tournaments, and events on market factors such as demographics and socioeconomics, competitive factors such as the quality of existing facilities in the region, and destination factors such as site accessibility and the reputation of the destination.

PROGRAM MIX AND SERVICE OFFERINGS:

SFA created a financial forecast that reflects a robust, detailed set of revenue streams for the facility based on the type, size, quantity, and quality of assets.



*Hoover, AL – Finley Center – Managed by Sports Facilities Management

Potential Funding Sources

Based on SFA's experience in planning and funding facilities across the country similar to the facilities detailed in the included facility program, communities and private clients have deployed the following funding mechanisms successfully in recent projects. It should be noted that in today's development climate, most projects have a diverse set of funding sources and often rely on public-private partnerships.

Potential Funding Sources – Special Districts

- **Tax Increment Financing (TIF)**
 - A district is developed specifically for the purpose of incentivizing development. Upon establishment, the tax base of the district is frozen and any increase to the tax base as a result of new developments are used to pay the TIF bonds. The State of Texas permits tax revenue from state property taxes to fund eligible projects related to promote sound economic development.
- **Taxes on Business/Business Improvement Districts (BIDs), Community Development Districts (CDDs), and other Special Districts**
 - A district is developed where businesses are required to pay an additional tax to fund projects within the boundaries of the district. States permit the formation of Business Districts across the state in order to encourage private investment and attract sound and stable business and commercial growth.
- **Opportunity Zones**
 - An economically distressed community where new investments, under certain conditions, become eligible for preferential tax treatment. Localities qualify as Opportunity Zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury via their delegation of authority to the Internal Revenue Service.

Potential Funding Sources – Partnerships

- **Public-Private Partnerships**
 - Development and/or operational commitments are made by both public and private organizations in order to provide capital, credit, or long-term income to secure or back a loan. Private sector partners are most commonly developers, medical sector organizations, for-profit sports or wellness organizations, and non-profit sports or wellness organizations. The Public-Private Partner relationship can encompass a few or all of the following facility development phases: design, build, finance, operate, and/or manage.
- **Public-Public Partnerships**
 - Development and/or operational commitments are made by multiple public sector organizations in order to provide capital, credit, or long-term income to secure or back a loan. Public sector partners are most commonly Cities/Towns/Villages, Counties, Parks & Recreation Departments, Chamber/CVB/Tourism Departments, and School Districts.

In addition to providing an outline of potential funding sources, including the formation of special districts and the development of the partnerships listed above, SFA has also provided case studies of existing facilities developed using a few of the described sources.

FUNDING SOURCES CASE STUDY – CEDAR POINT SPORTS CENTER

Based on SFA's experience in planning and funding facilities like the facilities included in the included facility program, SFA has provided case studies that detail real-world funding scenarios. These scenarios provide an overview of the funding structure utilized to fund the best-in-class indoor sports tourism venues, the Cedar Point Sports Center in Sandusky, OH, AdventHealth Sports Park at Bluhawk in Overland Park, KS, and Emerald Acres Sports Connection in Mattoon, IL.

The Cedar Point Sports Center opened in 2020 with a total development cost of approximately \$42 million. The venue offers 185,000 square feet of indoor sports, event, and entertainment space and serves thousands of visitors on a regular tournament weekend. The facility also includes the Lee C. Jewett Sports Medicine Center in a partnership with Firelands Regional Medical Center.

Since sports tourism serves as the primary driver of the facility, various interested public and private parties collaborated in a true Public-Private Partnership to promote and fund the development of the venue, therefore encouraging new visitation to the market. This visitation has proven especially beneficial to the community during non-peak tourism seasons. The funding structure for Cedar Point Sports Center included the following approximate contributions:

- County Hotel Tax – \$23 million
- Firelands Regional Medical Center – \$11 million
- City Tax Financing – \$2 million
- Private Equity – \$6 million
 - Cedar Fair Entertainment
 - Lake Erie Shores & Islands Convention and Visitors Bureau



FUNDING SOURCES CASE STUDY – ADVENTHEALTH SPORTS PARK



The current development climate for youth and amateur sports facilities generally requires a robust combination of funding sources and mechanisms to turn a concept into reality. AdventHealth Sports Park at Bluhawk is a relevant example of a sports tourism and mixed-use development project that relied on creative funding solutions to become developable.

AdventHealth Sports Park at Bluhawk is set to open in Fall 2024 with a total development cost of approximately \$125 million for Phase I of the development (sports facility only). The venue offers 250,000 square feet of indoor sports, event, and entertainment space, with adjacent residential, medical, lodging/hospitality, and other traditional mixed-use spaces as a privately owned and operated development. The medical component serves a key function within most public-private partnerships, often occupying a dedicated leased space within the development and/or purchasing naming rights that can account for as much as 26 percent of the total development cost, according to SFA's industry experience.

Sports tourism serves as the primary driver of the facility, although the venue will accommodate regular local programming. Various interested public and private parties collaborated to support and fund the development of the venue, therefore encouraging new visitation and promoting new spending in the market that would not occur but for the development of the complex. The funding structure for AdventHealth Sports Park at Bluhawk included the following funding mechanisms:

- Sales Tax and Revenue (STAR) Bonds - \$46.5 Million
 - A portion of state sales tax generated within the mixed-use development district returns to the developer over time to pay for the sport facility
- Private Equity
- Traditional Lending

FUNDING SOURCES CASE STUDY – EMERALD ACRES

Youth and amateur sports facilities generally require creative and multi-lateral funding solutions prior to development. Emerald Acres Sports Connection is a non-profit-operated sports tourism development project that required a unique operating arrangement and funding structure to promote development.

Emerald Acres Sports Connection in Mattoon, IL is set to open in Fall 2024 with a total development cost of approximately \$65 million (sports facilities only). The complex offers a combined 150-acre property, with 150,000 square feet of indoor sports, event, and entertainment space and 12 outdoor fields that prioritize sports tourism.

Sports tourism serves as the primary driver of the facility, although the venue will accommodate regular local programming. Various interested public and private parties collaborated to promote and fund the development of the venue, therefore encouraging new visitation and promoting new spending to occur the market that would not occur but for the development of the complex. The funding structure for Emerald Acres Sports Connection included the following funding mechanisms:

- Expansion of Existing Business Improvement District (BID)
 - The district consists of new and existing mixed-use and commercial development
- Future Property Tax Incentive (Incremental)
- Private Equity (Capital and Land Contributions)



Assessment of Feasibility

Based on the findings of the study and as detailed in the projections of the financial feasibility assessment, SFA supports the development of the complex as a feasible project that can cover its financial obligations and generate sufficient income to fund capital improvements as the facility ages and capital repairs/replacements are required. SFA recommends reviewing this information in concert with financial performance data and guarantees from the Client's core operation partners and its managers in the determination of funding. SFA is available to review and discuss the findings and results of this study.

About SFA

Since 2003, the Sports Facilities Companies – comprised of Sports Facilities Advisory, Sports Facilities Development, and Sports Facilities Management – has become the United States' most trusted resource for communities seeking to plan, fund, develop, and/or operate sports, recreation, entertainment, and wellness facilities. The SFA team has guided projects in over 2,500 communities nationwide and overseen more than \$15 billion in projects, making it the largest single network of sports tourism and local recreation venues in the country. Through our managed venues, SFA hosts more than 25 million visits annually and drives over \$200 million of economic impact annually.

For more information about SFA, visit www.sportsfacilities.com.



APPENDIX – LOCAL DEMOGRAPHIC AND SOCIOECONOMIC DATA

Demographic Highlights		10 minutes	15 minutes	30 minutes
Total Population		64,755	228,198	1,409,383
2023 Median Age (Esri)		39.0	38.6	38.5
2023 Median Household Income (Esri)		\$64,734	\$68,663	\$75,180
2023 Average Household Income (Esri)		\$93,076	\$96,400	\$106,826
2023 Per Capita Income (Esri)		\$37,876	\$39,681	\$43,913
2023 Household Population (Esri)		64,246	225,822	1,390,939
2010-2017 Population: Annual Growth Rate (Esri)				
2017-2022 Population: Annual Growth Rate (Esri)		0.25	-0.03	0.25
2017-2022 Median Household Income: Annual Growth Rate (Esri)		3.14	2.74	2.16
2017-2022 Per Capita Income: Annual Growth Rate (Esri)		3.11	2.91	2.64
2023 Total Households (Esri)		26,232	93,840	578,681
2023 Total Family Households (Esri)		17,046	59,281	352,046
2023 Average Household Size (Esri)		2.45	2.41	2.40
Age Breakdown		10 minutes	15 minutes	30 minutes
2023 Total Population Age 0-4 (Esri) (%)		6.15%	6.14%	6.05%
2023 Total Population Age 5-9 (Esri) (%)		6.64%	6.47%	6.39%
2023 Total Population Age 10-14 (Esri) (%)		6.80%	6.60%	6.56%
2023 Total Population Age 15-19 (Esri) (%)		6.38%	6.15%	6.08%
2023 Total Population Age 20-24 (Esri) (%)		5.87%	5.98%	6.00%
2023 Total Population Age 25-29 (Esri) (%)		6.62%	6.94%	6.94%
2023 Total Population Age 30-34 (Esri) (%)		6.38%	6.81%	7.02%
2023 Total Population Age 35-39 (Esri) (%)		6.44%	6.74%	7.11%
2023 Total Population Age 40-44 (Esri) (%)		6.24%	6.32%	6.61%
2023 Total Population Age 45-49 (Esri) (%)		5.63%	5.66%	5.83%
2023 Total Population Age 50-54 (Esri) (%)		6.13%	6.00%	5.97%
2023 Total Population Age 55-59 (Esri) (%)		6.26%	6.31%	6.27%
2023 Total Population Age 60-64 (Esri) (%)		6.27%	6.45%	6.30%
2023 Total Population Age 65-69 (Esri) (%)		5.36%	5.57%	5.50%
2023 Total Population Age 70-74 (Esri) (%)		4.46%	4.40%	4.44%
2023 Total Population Age 75-79 (Esri) (%)		3.32%	3.11%	3.04%
2023 Total Population Age 80-84 (Esri) (%)		2.36%	2.10%	1.94%
2023 Total Population Age 85+ (Esri) (%)		2.69%	2.25%	1.96%
2023 Total Population Age 18+ (Esri) (%)		76.50%	77.02%	77.26%
Household Income Breakdown		10 minutes	15 minutes	30 minutes
2023 Household Income less than \$15,000 (Esri) (%)		7.60%	7.70%	7.70%
2023 Household Income \$15,000-\$24,999 (Esri) (%)		7.40%	6.40%	6.10%
2023 Household Income \$25,000-\$34,999 (Esri) (%)		8.90%	8.60%	7.40%
2023 Household Income \$35,000-\$49,999 (Esri) (%)		13.50%	12.80%	11.40%
2023 Household Income \$50,000-\$74,999 (Esri) (%)		18.60%	17.80%	17.30%
2023 Household Income \$75,000-\$99,999 (Esri) (%)		13.70%	14.10%	13.60%
2023 Household Income \$100,000-\$149,999 (Esri) (%)		15.70%	16.50%	17.40%
2023 Household Income \$150,000-\$199,999 (Esri) (%)		8.10%	8.90%	9.50%
2023 Household Income \$200,000 or greater (Esri) (%)		6.60%	7.20%	9.70%
Spending: Recreation		10 minutes	15 minutes	30 minutes
2023 Membership Fees for Social/Recreation/Civic Clubs (Avg)		247.59	253.73	282.01
2023 Fees for Participant Sports excluding Trips (Avg)		106.82	109.22	120.15
2023 Fees for Recreational Lessons (Avg)		117.14	122.61	140.05
2023 Camp Fees (Avg)		29.68	29.42	33.63

APPENDIX – LOCAL FACILITIES

Indoor Court Facilities	Drive Time (Minutes)
Longview CC	4
Harris Park Community Center	8
Hillcrest CC	10
MAVS 816 VB	13
ROC Fitness Cnter	13
EPIC Sports Lodge	14
Concord Cultural Center	15
Cleaver Family YMCA	15
Elite Premier Gym	16
Southeast Community Rec Center	16
J Thomas Lovell JR Community Center	16
Genesis Health Club Independence	17
Brush Creek Community Center and Pool	18
Tomahawk Ridge Community Center	19
UMKC Campus Recreation	20
Mokan Basketball	20
Blue Valley Activity Center	20
Gregg/Klice Community Center	21
Blue Spring Fieldhouse	21
Police Athletic League of Kansas City	22
Matt Ross Community Center	22
Rogerr T Sermon Community Center	22
Mavs VB Lanexa	23
Garrison Community Center	23
Merriam Community Center	23
Homefield Olathe	23
Kirk Family YMCA	23
Hyvee Arena	23
Grain Valley Community Center	24
Courtyard Athletics	24
Blue Valley recreation Center at Hilltop	25
House Elite Sports Performance	25
Drive 5 Sports Center	25

Indoor Court Facilities	Drive Time (Minutes)
North Kansas City YMCA	25
Bluhawk - TO OPEN LATE 2024	25
Olathe Community Center	26
PVA	26
Davies Volleyball Complex	26
KC Finish Basketball	27
Davis Volleyball Center	27
Heart of America US VB	27
Olathe Family YMCA	27
Okun Fieldhouse	27
Just 4215	28
Harrisonville Parks and Recreation	30
Roeland Park Sports Dome	30
Kensington Gymnasium	30
Flash Performance	30
Dynasty Volleyball Academy	31
New Century Fieldhosue	31
Liberty Community Center	34
Gladstone Community Center	34
Highlands Performance VB Club	34
Providence YMCA	35
Breckon Sports Center	35
Liberty North HS	35
Staley HS Basketball	35
Mabee Center	35
Parkville Athletic Complex	36
Platte County Community Center	37
YMCA	44
East Lawrence Recreation Center	44
Coffin Sports Complex	44
Kansas University Ambler SRFC	48
Kansas University Allen Fieldhouse	49
Lawrence Free State High School Basketball Court	53
Sport Pavilion Lawrence	53

APPENDIX – LOCAL FACILITIES

Sports Performance Facilities	Drive Time (Minutes)
Evolve Sports Performance	7
FIT Muscle and Joint Clinic	10
AMP Performance	11
EXOS PT and Sports Performance	12
EPIC Center KC	14
A1 Sports Performance and Training	15
Top Flight Performance	15
Athlete One Performance Training	16
EXOS PT and Sports Performance	18
Raising the Bar Fitness	20
Applied Strength and Conditioning of KC	21
Ashman Strength	21
Triple Threat Sports and Fitness KC	22
EXOS PT and Sports Performance	24
Destine Performance	24
Keen Sports Performance	24
Vital Six PT and Performance	24
PSP3 - Overland Park	25
EXOS PT and Sports Performance	25
Live Fit PT	25
House Elite SP	25
All In Sports	25
Flexicution Performance SP	26
KC Athlete Training	26
Ignite Your Game SP and Fitness	27
Evolution Athletics	45
Athletic Strength Institute	48

Indoor Turf Field Facilities	Drive Time (Minutes)
The Soccer Box	10
EPIC Center KC	14
Zsports	15
Blue Springs fieldhouse	21
All American Indoor Sports Inc. - Lenexa	22
Happy Feet KC Soccer/KC Future Legends	22
Kansas City Future Legends	22
Homefield Olathe	23
The Soccer Lot	24
Kansas City Soccer Dome	24
Kansas Rush Soccer Club	24
Sports Plex Olathe	25
Bluhawk - TO OPEN LATE 2024	25
OSA Indoor Soccer - Temporarily Closed	28
Soccer Nation KC	31
New Century Fieldhouse	31
VAST Liberty	32
Lewis Indoor Athletics	36
The Competitive Edge Training	45
Around The Horn Training	45
Anschutz Pavilion	50
Sport Pavilion Lawrence (Rock Chalk Park)	53

APPENDIX – LOCAL FACILITIES

Indoor Baseball-Softball Training Facilities	Drive Time (Minutes)
D-BAT Lee's Summit	9
The EDGE Baseball training Facility	10
The M Athletic Training	11
Players Paradise	12
Infinite Hitting - Grandview	13
Premier Baseball Kansas City	15
Velocity Academy	15
Mac N Seitz Baseball & Softball	17
The Dugout KC	18
Storm Baseball and Softball Indoor Facility	18
Damage Hitter	18
Teamwork Sports	18
643KC	19
Kansas City MLB Urban Training/Youth Academy	21
D-BAT KC Baseball and Softball Facility	22
Homefield Olathe	23
Natural Baseball Academy	25
Between the Lines Elite Sports	27
Diamond B Sports	27
Advanced Baseball Academy	28
Engaged Athletics Baseball Training Center	30
Hit Factory KC	33
Legacy Elite Performance Academy	33
Lewis Indoor Athletics	36
Prodigy Baseball Academy	38
D-Bat Lawrence	41
The Competitive Edge Training	45
Elevate Sports Academy	54

Family Entertainment Center Facilities	Drive Time (Minutes)
Summit Lanes	9
Sky Zone Trampoline Park	10
AMP Golf	10
K1 Speed	10
Arcade Alley	11
Quick VR	11
Premier Bowling and Rec Center	12
Studio Five	14
Top Golf	15
Get Air Trampoline Park	15
Main Event Independence	15
Wayward Parkway Lanes	16
Game Shows Battle Rooms	16
Sandbox VR	16
Chuck E Cheese	16
X-Golf Leawood	16
Kangas Indoor Playground	17
District Jungle	17
Blue Sprigns Bowl	18
Prehistoric Putt Putt	19
Lunar Bowl	19
Cool Crest Family Fun Center	20
Kingcade	20
Birdies Indoor Golf	20
Indoor Par Fore	20
Main Event Olathe	22
Kaleidoscope	22
Dave & Busters	23
Pump It Up Park	23
Urban Air Trampoline and Adventure Park	23
FlipSwitch VR	23
Breakout KC Escape Rooms	23
Full Moon Escape	23
Olathe Lanes East Bowling Center	23
Diamond Bowl and Billiards	23
Dave & Busters	23
Main Street Pinball	23
DoubleTap KC	23
GolfTRK	23
LevelUP Arena	23
Craft Put	24
Sterling Bowl	24
Park Lanes Family Fun Center	24

APPENDIX – LOCAL FACILITIES

Family Entertainment Center Facilities	Drive Time (Minutes)
True Aim Indoor Golf KC	24
Urbain Aire Trampoline and Adventure Park	25
Sky Zone Trampoline Park	25
Disciples of Gaming VR	25
Bluhawk - TOP OPEN LATE 2024	25
Rock Island Legends Sports Complex	26
Escape Room KC in Union Station	26
Chuck E Cheese	26
Pin High indoor Golf	26
Misson Bowl	27
Laser Tag Center	30
Gladstone Bowl	30
The Rush Funplex	30
Retro Bowl	32
Dave & Busters	32
Howl in One Mini Golf Course	33
Fun Run Playground	33
Trampoline Park	33
KC Bowl	34
4D gaming Lounge and Events	34
Timeless Traveling Event Center	34
Aarons Family Fun Center	34
Power Play Metro North Entertainment Center	35
Main Event Kansas North City	35
Parkville Mini Golf	36
Draftcade	38
Chuck E Cheese	38
X-Golf Parkville	39
Adrian Lanes	51

THE SPORTS FACILITIES
ADVISORY



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