

Paragon Star Financing Plan

Presentation to City Council

August 24, 2021



LEE'S SUMMIT
MISSOURI



Yours Truly

Background – Prior Council Actions

- 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
- September 2020 – Amended TIF Plan & TIF Contract
- January 2021 – Amended Development Agreement

Background – 2020-21 Activity

- Construction of roads and parking lots with TDD bond proceeds
- Site work and grading for Sports Complex
- Developer signing users and tenants for Village
- Financing Plan preparation
- Post-Covid stabilization of bond market; Interest rates favorable

Financing Plan Goals

- Goals of TIF Bond Issuance:
 1. Ensure Sports Complex construction
 2. Facilitate completion of Village
- Scale TIF bond issuance to match TIF revenue produced by Village
- City protections & safeguards

TIF Bond Structure

- \$30.5M Principal Amount
- **\$23.0M Project Fund**
 - \$16.5M Sports Complex
 - \$6.5M Developer Reimbursable Costs
- Neighborhood Improvement District (NID) backing for portion of TIF debt

TIF Bond Structure

- \$30.5M Principal Amount
- **\$23.0M Project Fund**
 - \$16.5M Sports Complex
 - \$6.5M Developer Reimbursable Costs
- Neighborhood Improvement District (NID) backing for portion of TIF debt

NID Support

\$13M Signed Users & Tenants

\$6M NID support

\$19M Initial Release

- \$16.5M Sports Complex
- \$2.5M Developer costs

\$4M Reserve Account (Developer costs)

\$23M Total Project Fund

NID Support

- Covers \$6M of initial release
- Special Assessments imposed if needed
- NID “burns off” as additional users & tenants secured by Developer
- Incentivizes Developer to complete Village
- Multi-step formation process

NID Process

1. Advisability Ordinance (Aug 24)

- Prepare Plans & Specifications (complete)

2. Assessment Roll & Hearing Ordinance (Aug 24)

- File Plan & Specifications with City Clerk

3. NID Public Hearing (Sept 21)

4. Financing & Construction Ordinance (Sept 21)

5. Assessment Ordinance (later, if needed)

City Protections & Safeguards

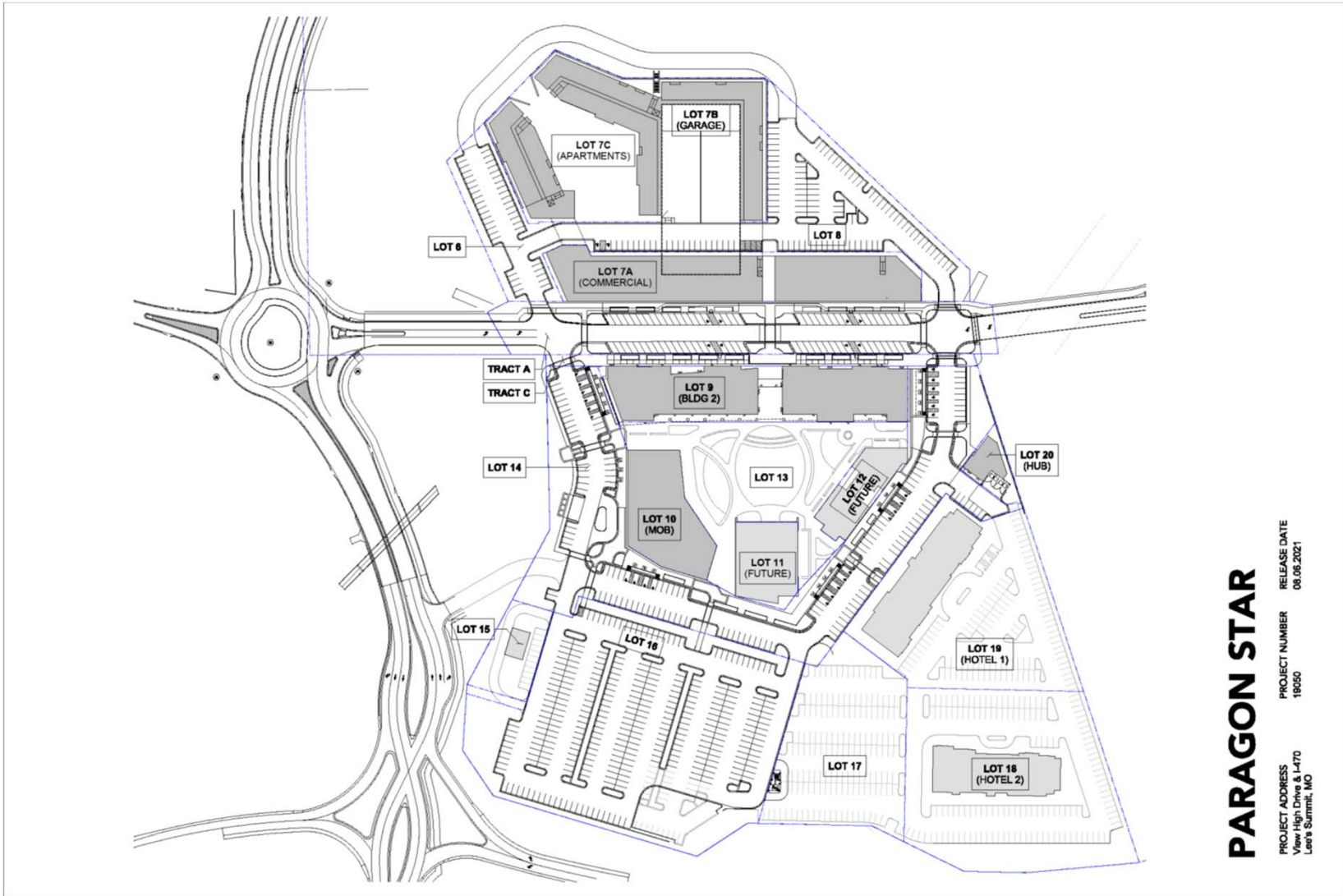
- TIF Revenue Bonds only
- No use of General Fund revenues
- No City annual appropriation backing
- NID support for Sports Complex completion
- Incentivizes Developer to complete Village
 - Unlock additional reimbursement
 - Eliminate NID encumbrance on property

Status of Project

- Prior Key Actions - TDD Financing February 2019 & CLOMR Approval March 2020
- Purchase of real estate & subsequent platting
- Site Development – Handled via Bid Packages (BP) #1,2, & 3(Clearing/Mass Grading), # 4 (Roads & Parking Lots), #5 (Waterline), #6 (Bridges), #7(Village Sanitary) and #8 Sports Complex
- Massive Earthmoving required- Moved more than 800,000 cubic yards of dirt
- Coordination with Utilities/Service Agreements
- Development of an Easement Agreement w/ Jackson County

Status of Project

- Significant infrastructure construction
 - Two Bridges, View High Drive, View High Parkway & River Road Construction, Stormwater, Sanitary & Water Lines
 - Seven miles of electrical and telecom conduit(35,000+ linear feet)



PARAGON STAR

PROJECT ADDRESS
Van High Drive & I-470
Lee's Summit, MO

PROJECT NUMBER
19050

RELEASE DATE
08.08.2021

Status of Users & Tenants

- Combination of Pad Sales & PS LLC Developed Parcels
 - MOB (Lot 10) – 60,000 SF of medical & health care services/PAD Sale
 - Multifamily/Parking Garage/Retail (Lot 7) – 400 living units, high level of amenities, 519 stall parking garage, 30,000 SF of Retail/PAD Sale & PS LLC Developed
 - Mixed Office & Retail (Lot 9) – Restaurants with patios, second floor decks. Local favorites & new to the market. PS LLC Developed

Status of Users & Tenants

- Hotels (Lots 18 & 19) – National flag; standard hotel room & suites options/PAD Sale
- Plaza (Lot 13) – Central gathering location, Large Screen sporting event viewing, Live Music/ PS LLC Developed
- HUB (Lot 20) – IT HUB & Security Office/PS LLC Developed
- Entertainment/Event (Lot 11)/Joint Development

Schedule for Sports Complex Construction

- Request for Proposals – August 3, 2021
- RFP Response Due August 24, 2021
- Selection & Award September 3, 2021
- Construction Begins September 27, 2021
- Construction Complete August 1, 2022
- Grand Opening September 2022



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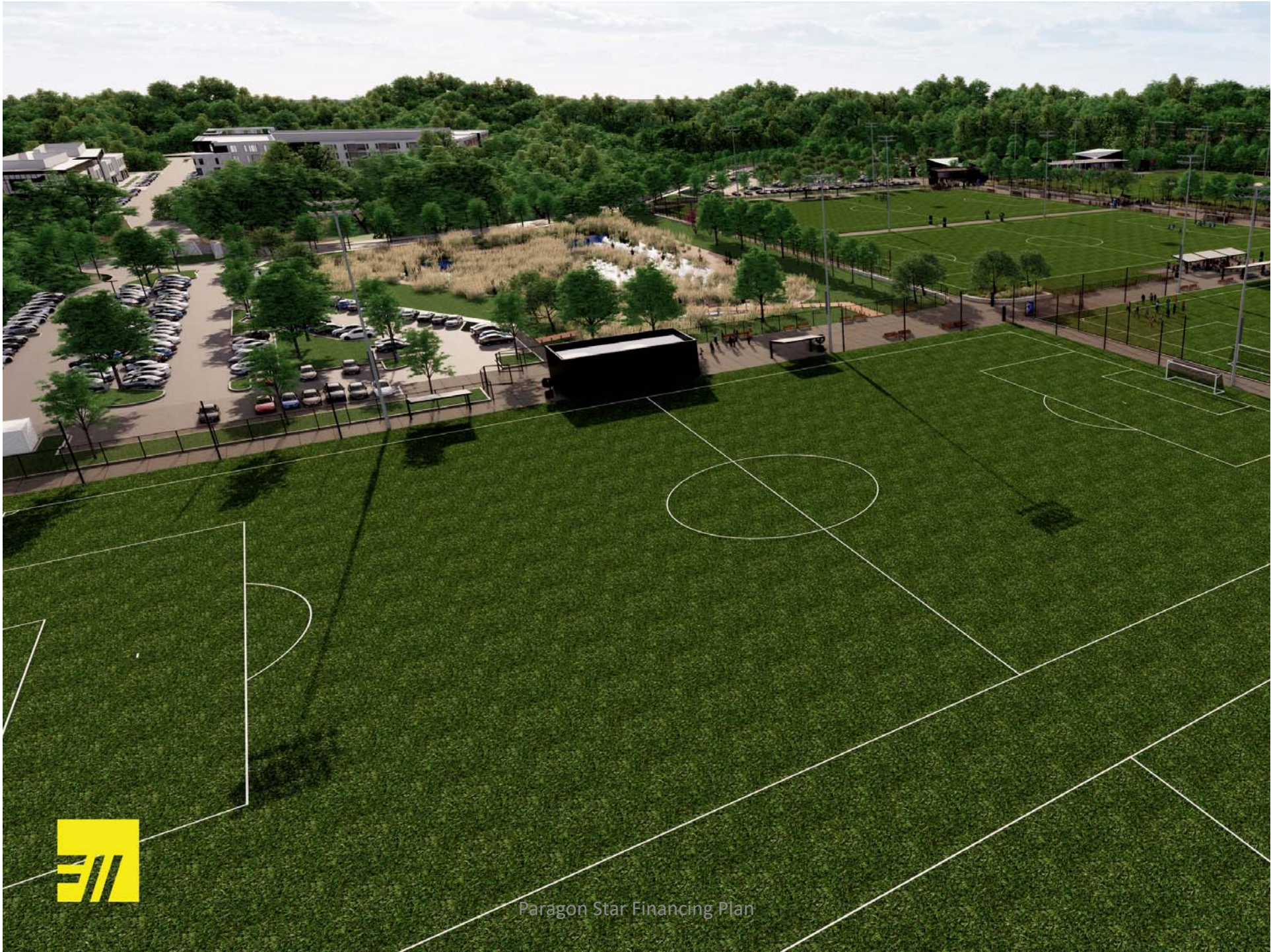
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Streets of West Pryor TIF Plan



Schedule for Village Build-Out

- **Parking Lots/Drive Lanes** – Start Q2 2022/Completion Q4 2022
- **Multifamily, Garage & Retail** – Start Q4 2021/Completion Q4 2023
- **Office & Retail** – Start Q4 2021/Completion Q4/2022
- **Medical Office Building** – Start Q2 2022/Completion Q2 2023
- **HUB** – Start Q4 21/Completion Q2 2022
- **Plaza** – Start Q3 2021/Completion Q3 2022
- **Hotels** – Start Q2 2022/Completion Q3 2023