

CASE STUDY

DEVELOPMENT FINANCE

APRIL 22, 2022



\$145,275,000 | SALES TAX SPECIAL OBLIGATION REVENUE BONDS | SERIES 2022

United Government of Wyandotte County/Kansas City, Kansas (Village East Project Areas 2B, 3 and 5) | Kansas City, Kansas

VILLAGE EAST PROJECT

Client Profile

Stifel served as Sole Manager to the United Government of Wyandotte County/Kansas City, Kansas on its Series 2022 Sales Tax Special Obligation Revenue Bonds (Village East Project Areas 2B, 3 and 5). The Issuer is located in Northeast Kansas, on the state's eastern border, adjacent to the Missouri River and neighboring Kansas City, Missouri to the West.

The Project & Structure

The Village East Project is a relatively small portion of a substantial, one-of-a-kind undertaking in the United States. Part of the District, but excluded from the Project and the Series 2022 Trust Estate is, among other things, a NASCAR race track, a casino, a minor league baseball facility, a MLS Stadium, U.S. Soccer's National Training Facility, Nebraska Furniture,

Cabela's, and millions of other square feet of retail and residential components. The Project area included in the Series 2022 Trust Estate includes open and operating retail commercial space and is expected to include a Fairfield Inn and Suites by Marriott, a Margaritaville Hotel & Resort, and an Indoor/Outdoor multi-sport venue.

The Project cost is \$331.5 million. Sales Tax and Revenue Bond proceeds generated \$116.7 million and refunded the related Series 2015B Bonds. The balance of Project Funds will be provided from Developer and third-party equity and debt.

The Sales Tax Special Obligation Bonds, Series 2022 are payable from sources of incremental tax revenues including a 6.50% state sales tax, a 1.00% general sales tax imposed by the City of Kansas City, Kansas, and the Issuer's share (93.1993%) of a 1.00% retail sales tax imposed by Wyandotte County. In addition, where

applicable, the 7.84% Issuer Transient Guest Tax is also pledged are insufficient, by Special Assessments levied on the entire development. Structurally, the 2025 bonds have a single term maturity on July 1, 2031, to maximize liquidity and pricing results. The debt service was frontloaded to maximize savings to the taxing bodies by shortening the maturity from 2033 to 2031.

Pricing Results

Pricing occurred on April 22, 2022, in the midst of a rising interest rate environment. Pricing in a "Risk Off" period, especially in the high yield market, limited institutional participation. However, through communication with the institutions and slight modifications to the Bonds' structure, Stifel was able to execute the transaction at levels acceptable to the Developer and the Issuer, underwriting a small balance to maintain the most aggressive pricing possible.

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