CASE STUDY

DEVELOPMENT FINANCE

MAY 22, 2024

$29,100,000 | TAX INCREMENT AND SPECIAL DISTRICT REVENUE BONDS| SERIES 2024A

The Industrial Development Authority of the City of St. Louis, Missouri | St. Louis, Missouri

UNION STATION PHASE 2 REDEVELOPMENT PROJECT

Client Profile

Stifel served as Sole Manager on the Industrial Development Authority of the City of St. Louis Missouri's Series 2024A Tax Increment and Special District Revenue Bonds (Union Station Phase 2 Redevelopment Project). The project is located in Downtown St. Louis, Missouri, and involves the redevelopment of the St. Louis Union Station, a national historic landmark, by Lodging Hospitality Management LLC.

The Project & Structure

St. Louis Union Station is a national historic landmark that has been redeveloped into an event, conference, and entertainment destination that includes a 567-room hotel operating under the Curio Collection by Hilton brand, the St. Louis Aquarium, the St. Louis Wheel, as well as five restaurants and bars and other family-friendly attractions. The bonds were issued reimburse the developer for costs related to the Phase 2 redevelopment of Union Station.

The pledged revenues include Tax Increment Revenues (50% of Economic Activity Taxes), Community Improvement District (CID) 1.00% Sales Tax, Transportation Development District (TDD) 1.00% Sales Tax, and other funds and reserves held by the Trustee. The bonds have special features, including a supersinker structure, with surplus revenues used to redeem bonds in order of maturity, and an optional redemption provision beginning on June 15, 2029, at 103, declining to a par call on June 15, 2032, and thereafter.

Pricing Results

Stifel deployed a multi-faceted marketing plan for the bond sale, which included a digital roadshow, a drone video, a sales force teach-in, and multiple one-on-one investor calls. This resulted in over 130 orders for the bonds from retail and institutional investors and led to reductions in yields on the day of pricing.

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