



ROYALS TERM DISCUSSION POINTS
 CONFIDENTIAL – CONTRACT NEGOTIATIONS
 December 2023

TERM ITEM		COUNTY PROPOSAL
Length of Lease	40 years, with two 5-year options	✓
Stadium Land	Conveyed to County	Conveyed to County at no cost
Landlord	Clay County Sports Authority – legislative change	✓
Agreements	Development Agreement for Construction	<i>Substantial agreement on terms needed for referendum consideration</i>
	Stadium Management Contract	<i>Substantial agreement on terms needed for referendum consideration</i>
	Stadium Lease Agreement	<i>Substantial agreement on terms needed for referendum. County has access to promote Clay County Tourism activities</i>
	Community Benefit Agreement	Details to be determined
Funding	Sales Tax	5/8 cent sales tax for 40 years (1/2 Park & 1/8 Capital)
	April 2024 Sales Tax Ballot	✓
	Sales Tax Funding Used for Debt Service	✓
	Excess County Sales Tax Funding above debt service transferred to RMO Account	✓
	Investment grade bonds	RMO has \$1mil minimum fund balance and a capped maximum fund balance (to be discussed).
	Excess project costs covered by Royals	Bond Coverage set at level to support investment grade rating; issuance not backed by County
	Project savings	Shared by all funding sources based upon % of funding of original budget
	Stadium Revenues	Royals to establish a revenue stream from the Stadium that will go directly to the County, for financial assistance on Countywide needs. May include a ticket fee, CID Sales Tax, etc. Structure of funding to generate approximately \$4,000,000 in year one.
	Ballpark & Ballpark Development	County to receive 100% of its sales tax (3/4 cent general and 1/8 cent law enforcement sales tax)

Rental/Lease (Royals pay County)	\$1.00 annual rent paid to County	✓
Management Fee (County pays Royals)	No Management Fee	✓
Administrative Fee	Discuss County need for reimbursement of administrative/personnel expenses associated with stadium	✓
RMO Interest Income	Revenue Source to County	✓
RMO Revenue	Excess Public Funds above Debt Service (further discussion on maximum cap)	✓
RMO Fund Expenses	Limit eligible uses by Royals to items that maintain, update, or improve stadium, playing field and plazas including capital expenditures, utilities, and stadium maintenance costs. End of lease, County retains balance in RMO Fund	Further discussion on eligible uses. RMO funds may be used if sales tax revenue and bond coverage is insufficient for debt service. ✓
Preliminary Development/project Costs	Royals may include their costs as eligible project costs for reimbursements	Preliminary development/project costs by both Royals and County are eligible project costs for reimbursement.
Revenue from naming rights, sponsorships, advertising, sign placement, broadcast of home games and other events at stadium, ticket sales		✓

Placing a referendum to the Clay County voters for an April 2024 election is contingent upon:

- Royals shall agree to establish a revenue stream from the Stadium, that will go directly to the County, for financial assistance on Countywide needs. This may include a ticket fee, CID Sales tax, etc. Structure of funding to generate approximately \$4,000,000 in year one.
- County will receive 100% of its sales tax from the Ballpark and Ballpark development district (3/4 cent general sales tax and 1/8 law enforcement sales tax).
- Savings from the actual construction of the Ballpark will be shared by each funding source (based upon % of funding of original budget).
- Substantial agreement on the terms of the Development Agreement for the Stadium Construction, Stadium Management Contract, Stadium Lease Agreement, and Community Benefit Agreement.