

ROYALS TERM DISCUSSION POINTS  
CONFIDENTIAL – CONTRACT NEGOTIATIONS  
SEPTEMBER 15, 2023

TERM ITEM	ROYALS REQUEST	COUNTY PROPOSAL
<b>Length of Lease</b>	40 years, with two 5-year options	✓
<b>Stadium Land</b>	Conveyed to County	✓
<b>Landlord</b>	Clay County Sports Authority	County
<b>Agreements</b>	Development Agreement for Construction	Details to be determined
	Stadium Management Contract	Details to be determined
	Stadium Lease Agreement	Details to be determined. County has access for Clay County Tourism promotions
	Community Benefit Agreement	Details to be determined
<b>Funding</b>	1 cent sales tax for 40 years	½ cent sales tax for 30 years
	April 2024 Sales Tax Ballot	✓
	Sales Tax Funding Used for Debt Service	Sales Tax Funding Used for Debt Service
	Excess County Sales Tax Funding above debt service transferred to RMO Account	Excess County Sales Tax Funding above debt service transferred to RMO Account.  RMO has an established minimum fund balance and a capped maximum fund balance.
	2024 Bond Issuance full financing guarantee (backed by County)	2024 issuance, not backed by County
	125% coverage on Bonds	150% coverage on Bonds
	Bond rating of Aa3	Bond rating of Aa3
	Excess project costs covered by Royals	✓
<b>Rental/Lease (Royals pay to County)</b>	\$3,500,000 (annual increase to CPI)-Required to go to RMO Account	Amount is negotiable
<b>Management Fee (County Pays Royals)</b>	\$2,000,000 (annual increase to CPI)	No Management Fee paid

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<b>Administrative Fee</b>	\$500,000 (annual 3% increase)-Required to go to RMO	Need clarification of funding source for this administrative fee. Royals paying this to County or County expense?
<b>RMO Interest Income</b>	Revenue Source to County	✓
<b>RMO Revenue</b>	<p>100% Royals Lease fee</p> <p>100% County Administrative Fee</p> <p>Excess Public Funds above Debt Service</p>	<p>100% Royals Lease fee</p> <p>Maybe Administrative Fee</p> <p>Excess Public Funds above Debt Service (until cap is reached).</p> <p>Revenue above cap will be utilized by the County in accordance with bond covenants (pay down debt, etc.).</p>
<b>RMO Fund Expenses</b>	<p>Operating Costs (personnel, maintenance repairs, upgrades, mgmt. or operations of stadium)</p> <p>End of lease, County retains balance in RMO Fund</p>	<p>Limit eligible uses by Royals to items that maintain, update, or improve physical structure of stadium.</p> <p>County has ability to utilize RMO funds if sales tax revenue and bond coverage is insufficient to pay annual debt service obligations.</p> <p>End of lease, County retains balance in RMO Fund</p>
<b>Preliminary Development/project Costs</b>	Royals may include their costs as eligible project costs for reimbursements	Each entity (Royals/County) responsible for the expenses incurred in preliminary development
<b>Revenue from naming rights, sponsorships, advertising, sign placement, broadcast of home games and other events at stadium, ticket sales</b>	Revenue Source for Royals	Develop a structured revenue sharing between Royals and County for naming rights, advertising, sign placement, broadcast of home games & other events.

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Revenue from naming rights, sponsorships, advertising, sign placement, broadcast of home games and other events at stadium, ticket sales (continued)		County approval of naming rights, advertising, signs, etc. – approval is not to be unreasonably withheld.

### OPTIONAL CONSIDERATIONS

- Establish a surcharge per ticket of \$1 for debt service: Utilizing an average attendance of 15,000 per game x 81 games x 30 years would generate \$36.45million. Should proceeds exceed the debt service amount, funds would be transferred to the RMO Account. This surcharge would be in lieu of the current requirement of participants paying \$20-\$30 for parking.
- Establish a CID sales tax within the Stadium: CID sales tax would apply on concessions and merchandise. Funding utilized for debt service; excess proceeds would be transferred to the RMO Account. (Unable to calculate potential revenue from these sales).
- Use Economic development bonding options with the Missouri Development Finance Board (MDFB) for parking garages, potential to free up owner equity from development area and allocate to stadium.