

ROYALS TERM DISCUSSION POINTS
CONFIDENTIAL – CONTRACT NEGOTIATIONS
October 17, 2023

TERM ITEM	ROYALS REVISED REQUEST	COUNTY REVISED PROPOSAL
Length of Lease	40 years, with two 5-year options	✓
Stadium Land	Conveyed to County	✓
Landlord	Clay County Sports Authority – Discuss Options	Discuss Options
Agreements	Development Agreement for Construction	Details to be determined
	Stadium Management Contract	Details to be determined
	Details to be determined. Likely can be achieved for certain number of times annually but exclude playing field.	Details to be determined. County has access for Clay County Tourism promotions—
	Community Benefit Agreement	Details to be determined
Funding	1 cent sales tax for 40 years	½ cent sales tax for 30 40 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.
	RMI to have minimum \$1m fund balance.	RMO has an established minimum fund balance and a capped maximum fund balance. Further discussion on maximum capped fund balance.
	2024 Bond Issuance not backed by County at 1 cent level.	2024 issuance, not backed by County
	Coverage will be set at level that will support investment grade bond rating	150 125% coverage on Bonds
	Investment grade bonds	Investment grade bonds
Excess project costs covered by Royals	✓	
Rental/Lease (Royals pay to County)	\$1.00 annual rent paid to County	Amount is negotiable
Management Fee (County Pays Royals)	No Management Fee	No Management Fee paid

TERM ITEM	ROYALS REQUEST	COUNTY PROPOSAL
Administrative Fee	Discuss County need for reimbursement of administrative/personnel expenses associated with stadium	Need clarification of funding source for this administrative fee. —Royals paying this to County or County expense? Details to be determined
RMO Interest Income	Revenue Source to County	✓
RMO Revenue	Lease fee N/A Excess Public Funds above Debt Service (further discussion on maximum cap)	100% Royals Lease fee. —Maybe Administrative Fee Excess Public Funds above Debt Service (until cap is reached). Revenue above cap will be utilized by the County in accordance with bond covenants (pay down debt, etc.). Further discussion
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	Limit eligible uses by Royals to items that maintain, update, or improve physical structure of stadium. Further discussion on eligible uses. RMO funds may be used if sales tax revenue and bond coverage is insufficient for debt service. End of lease, County retains balance in RMO Fund
Preliminary Development/project Costs	Royals may include their costs as eligible project costs for reimbursements	Each entity (Royals/County) responsible for the expenses incurred in preliminary development. 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	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. Revenue Source for Royals County approval of naming rights, advertising, signs, etc. — approval is not to be unreasonably withheld.

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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.