

THE PRAIRIEFIRE AT LIONSGATE

STAR BOND PROJECT PLAN

**SUBMITTED PURSUANT TO
THE STAR BONDS FINANCING ACT**

**SUBMITTED BY CITY OF OVERLAND PARK
AND DEVELOPER OF RECORD — MC PRAIRIEFIRE, LLC**

July 8, 2009

TABLE OF CONTENTS

Project Development Team

- I. Introduction
- II. STAR Bond Project Plan
 - A. Description and Map of STAR Bond Project Area
 - B. Established STAR Bond Project District
 - C. STAR Bond Project Description and Overview
 - D. Summary of Project Costs and Anticipated Revenue Sources
 - 1. Total Project Costs
 - 2. Costs Eligible for Reimbursement
 - E. Summary of the Feasibility Study
 - 1. Sufficiency of the Project's Revenues Compared to the Project's Costs
 - a) Total Project Costs
 - b) Costs Eligible for Reimbursement
 - c) Tax Revenues Subject to Capture
 - d) Estimated Tax Revenues
 - e) Summary of the STAR Bond Revenues and Project Costs
 - 2. Creation of Jobs and Generation of New Tax Revenue
 - 3. Projected Visitation
 - 4. Impact on Outstanding Special Obligation Bonds
 - 5. Market Study
 - 6. Market Impact Study
 - F. Relocation Plan
 - G. Sources and Uses

Exhibit A	Site Plan
Exhibit B	Ordinance No. SB-2786
Exhibit C	November 13, 2008 Letter from Kansas Department of Commerce March 23, 2009 Letter from Kansas Department of Commerce
Exhibit D	Legal Description of STAR Bond Project District/Project Area
Exhibit E	Map of STAR Bond Project District
Exhibit F	Olsson Wetlands Mitigation Plan
Exhibit G	Prairiefire Interpretive Trail System: A Prospectus and Rationale
Exhibit H	Information on American Museum of Natural History
Exhibit I	Allocation of Costs
Exhibit J	STAR Bond Project Plan Feasibility, Market and Market Impact Study
Exhibit K	STAR Bond Financing Proforma
Exhibit L	Meetings and Minutes

PROJECT DEVELOPMENT TEAM

City of Overland Park, Kansas

MC Prairiefire, LLC

Merrill Companies, LLC

Lathrop & Gage LLP

Polsinelli Shughart PC

Canyon Research Southwest, Inc.

Kutak Rock LLP

I. INTRODUCTION

The Prairiefire at LionsGate Project envisions the development of approximately 58 acres located in the general vicinity of 135th Street between Lamar Avenue and Nall Avenue in the City of Overland Park, Kansas (the “City”). The development, known as Prairiefire at LionsGate, envisions an integrated urban village featuring approximately 1.45 million square feet of retail, museum, office, hotel and residential uses. The development will be constructed in phases.

The 58 acre Prairiefire at LionsGate site constitutes the herein-described District. This Prairiefire at LionsGate STAR Bond Project Plan (the “Project Plan” or the “Plan”) encompasses the development of approximately 56 of such 58 acres; such 56 acres constitutes the Project Area for the Project Plan. Residential townhouses will be located on the approximately two acre remaining portion of the District, south of 137th Street; such townhouses are not included within the Project Area. It is noted that descriptions herein of the anticipated square feet of residential space to be developed as a part of the Prairiefire at LionsGate Project include such townhouses, as well as residential space to be developed within the Project Area.

A cluster of 35, 1- to 5-story buildings totaling approximately 1.45 million square feet of commercial and residential space creates a “Main Street” urban setting. Eleven, multi-story buildings are designed with a mix of ground floor retail with office, hotel or residential space in floors above. Project components include 348,007 square feet of retail space, a 30,000 square foot museum, 291,350 square feet of office space, 97,200 square feet of hotel space and 712,300 square feet of for-sale and rental residential space. Project amenities will include a unique Native Wetlands, a Project Perimeter Interpretive Walk that extends around the entire site defining the natural Kansas landscape through identification of grasses, flowers and trees, a sunflower garden and butterfly habitat and a one-acre central park for music and events. The Site Plan for Prairiefire at LionsGate is attached as **Exhibit A**.

The 30,000 square foot museum designed to host traveling exhibits by New York’s famed American Museum of Natural History will serve as a regional attraction drawing an estimated 400,000 visitors annually. The mission of the American Museum of Natural History is to “discover, interpret and disseminate - through scientific research and education - knowledge about human cultures, the natural world, and the universe.” This mission is accomplished through exhibitions, as well as educational programs such as symposia, lectures, workshops and performances. The high customer traffic volumes will assist in generating on-site demand for retail activities. Prairiefire at LionsGate’s retail component is designed as a destination lifestyle and entertainment center targeting high-end boutique shops, fine dining and entertainment venues. On-site lodging demand will originate from the out-of-town leisure travelers to the museum as well as business travelers generated from the office space. The hotel component is planned as a 120- to 175-room high-end boutique property not currently available in the Kansas City MSA. It is intended that this integrated mix of shopping, dining, entertainment, lodging, culture, employment and housing within a “Main Street” format will create a “one-of-a-kind” attraction leveraging on Kansas City’s large tourism market and regional population.

On December 1, 2008, the City, pursuant to the STAR Bonds Financing Act, K.S.A. 12-17,160 *et seq.* (the “STAR Bonds Financing Act”), approved a STAR Bond Project District (the “District” or the “STAR Bond Project District”) by passage of Ordinance No.

SB-2786, encompassing the boundaries of the Prairiefire at LionsGate Project. The City previously requested that the Kansas Secretary of Commerce (the “Secretary”) designate the proposed STAR Bond Project District as eligible for STAR Bond Financing. By letter dated November 13, 2008, the Secretary so designated the District. (See Ordinance No. SB-2786 attached hereto as **Exhibit B** and Letter from Secretary designating the District as an eligible area attached hereto as **Exhibit C**. **Exhibit C** also includes the March 23, 2009 letter from the Secretary extending the time for the initial submission of this Project Plan until April 10, 2009. An initial draft of the Project Plan was submitted to the Secretary on April 9, 2009. The Project Plan includes additional information in accordance with communications with the Secretary.

II. STAR BOND PROJECT PLAN

Pursuant to the STAR Bonds Financing Act, municipalities are authorized to utilize STAR Bond financing for specific development projects through (i) the creation of a STAR Bond Project District, subject to a finding by the Secretary that the STAR Bond Project District Plan is eligible for STAR Bond financing, and (ii) the adoption of a STAR Bond Project Plan that is subsequently approved by the Secretary.

As previously described, the STAR Bond Project District for the Prairiefire at LionsGate Project has been created by the City and found to be eligible for STAR Bond financing by the Secretary. Based thereon, the following information constituting the Prairiefire at LionsGate STAR Bond Project Plan is submitted for consideration by the Secretary:

- a description and map of the project area to be redeveloped
- a reference to the district plan that identifies the project area that is set forth in the project plan that is being considered
- a detailed description of the buildings and facilities proposed to be constructed or improved in such area
- a summary of the estimated Project costs and revenue sources
- a summary of the feasibility study
- the relocation assistance plan
- a summary of the revenues available to pay debt service on STAR Bonds

A. DESCRIPTION AND MAP OF STAR BOND PROJECT AREA

The proposed STAR Bond Project Area is slightly smaller than the District, and consists of approximately 56 acres located in the general vicinity of 135th Street between Lamar Avenue and Nall Avenue in the City (the “STAR Bond Project Area”), excluding the residential townhouses site south of 137th Street but including the District and the wetlands area south of 137th Street. Legal descriptions of the District and the description of the STAR Bond Project Area are attached hereto as **Exhibit D**. A map of the District which includes the entire STAR Bond Project Area to be developed is attached as **Exhibit E** to this Plan.

B. ESTABLISHED STAR BOND PROJECT DISTRICT

The STAR Bond Project Area is within the established STAR Bond Project District approved by the City on December 1, 2008, by passage of Ordinance No. SB-2786. The District Plan for the STAR Bond Project District (the “STAR Bond Project District Plan”) is as follows:

The STAR bond project district shall consist of only one STAR bond project area. The buildings and facilities to be constructed or improved in the STAR bond project district may be described in a general manner as a mixed-use development consisting of some or all of the following uses: museum, prairie gardens, native wetlands, hotel, retail, residential and office as well as associated public and private infrastructure.

The Secretary designated the STAR Bond Project District as an Eligible Area for STAR Bond Financing. This Project Plan is consistent with the STAR Bond Project District Plan. (See **Exhibit B** and **Exhibit C** attached hereto.)

C. STAR BOND PROJECT DESCRIPTION AND OVERVIEW

The Prairiefire at LionsGate Project at completion will consist of a museum, native wetlands, project perimeter interpretive walk, a “central” park (the Arbor Plaza) and prairie gardens as well as retail, hotel, office, and residential uses. Prairiefire will be a celebration of Kansas and the natural beauty of the Great Plains. Unlike other destination developments that are focused on a single use or single building, Prairiefire has been designed as a destination community spanning nearly 60 acres. Prairiefire will be authentic, evolving and alive and blend a Kansas lifestyle with renowned art, science and natural history exhibits, in both indoor and outdoor venues. Its architecture, prairie celebration and amenities will be unique to the State of Kansas and in the Kansas City metropolitan area and are designed to serve as a source of pride for all of Kansas.

The deep roots and connections with Kansas will be enhanced through collaborations with the Kansas State University Horticulture Department and the Natural History Museum and Spencer Art Museum at the University of Kansas. These partnerships provide significant local resources in creating this distinctive “Kansas” attraction.

Project components include 348,007 square feet of retail space, a 30,000 square foot museum, 291,350 square feet of office space, 97,200 square feet of hotel space and 712,300 square feet of for-sale and rental residential space. Project amenities will include a Native Wetlands and Project Perimeter Interpretive Walk, a one-acre central park (the Arbor Plaza) for music and events, a sunflower garden and a butterfly habitat.

From the outset, planning and design of Prairiefire has recognized and been directed to development of a community marrying culture and commerce, integrating every use and attraction in order to deliver an authentic sense of place and maximize the experience of visitors to this destination. According to a 2006 study conducted by McKinsey & Company, “71% (of the study’s participants) wish for shopping to become a real leisure activity rather than a purely functional act.” The study continues to state, “80% of those surveyed consider that they have no specific idea about what they are looking for when they go shopping. They want to spend time

with their family and friends, to have a pleasant day.” The Prairiefire experience seeks to maximize that opportunity for visitors and to bring them back again and again.

As noted, the Prairiefire at LionsGate Project will be constructed in phases. The museum is scheduled to open in fall 2011 along with approximately 157,000 square feet of retail, 100,000 square feet of office, a hotel and 150 apartment units.

Museum. Tentatively referred to as the Prairiefire Cultural Museum, the 30,000 square foot destination museum will serve as the Project’s principal attraction. As the cornerstone of the development, the Museum will host one-of-a-kind, on-going exhibits from The American Museum of Natural History (“AMNH”). AMNH, located in New York, New York, is one of the world’s largest and most celebrated museums. Despite its storied history as one of the world’s most widely respected institutions, and despite the longstanding demand for expansion, AMNH has never before entered into an ongoing collaborative agreement such as the current agreement with Prairiefire. Throughout its history, AMNH has remained an exclusive establishment, maintaining its only permanent exhibitions in New York City.

The AMNH has selected Kansas and specifically the Prairiefire development as the first continuous venue outside of New York for a traveling exhibition program. Under the terms of an agreement with the developer of Prairiefire, AMNH has committed to provide 20 traveling exhibits over a 10-year period. With two unique exhibits per year, the Prairiefire Cultural Museum attraction will be continually new, enticing visitors to return regularly.

The AMNH currently develops two, 7,000 square foot temporary exhibits per year. The traveling exhibits will be organized by the AMNH in collaboration with other major national and international institutions such as, the Field Museum in Chicago, the San Diego Natural History Museum, the Abu Dhabi Authority of Culture & Heritage (United Arab Emirates), Expographic (Spain), Korea Green Foundation (Seoul South Korea), Royal Ontario Museum (Toronto, Canada), Natural History Museum of London, Australian National Maritime Museum (Sydney, Australia), Singapore Science Center and Papalote Museo del Nino (Mexico City, Mexico).

In addition to the traveling exhibitions, AMNH will provide permanent content for the Prairiefire Cultural Museum by lending original specimens from its vast and growing collection at AMNH. These fossils and artifacts will be on continuous display, with some specimens rotating regularly, keeping the Prairiefire Cultural Museum’s experience fresh and exciting. One of the most awe-inspiring elements of the permanent content at the Prairiefire Cultural Museum will be a full-scale cast of the famous Tyrannosaurus Rex at AMNH. The AMNH in New York contains many more programs than simply exhibits, and the Prairiefire Cultural Museum will, too. In addition to the semi-annual AMNH exhibits, the Museum will house a Discovery Room targeted to children ages 5 to 12 and patterned after the existing Discovery Room in the New York City AMNH facility. The Discovery Room is described by AMNH in New York as an area that provides “an interactive gateway to the wonders of the Museum and a hands-on, behind-the-scenes look at its science. Every major field of Museum science and research, from anthropology to zoology, is represented. Children, accompanied by adults, can explore an array of artifacts and specimens, puzzles, and scientific challenges.” The Discovery Room will provide school children, teachers and parents an ongoing interactive learning experience unlike any available today in Kansas or the region.

The agreement also provides that AMNH Science Bulletins will be streamed electronically from from New York City. Prairiefire will display AMNH's Science Bulletins, a four-part program featuring the AstroBulletin, EarthBulletin, BioBulletin, and HumanBulletin. These monthly Science Bulletins consist of live video downloaded to high definition screens, broadcasting the most current science and natural history discoveries to visitors at the Prairiefire Cultural Museum and designated locations in Arbor Plaza. The AMNH Science Bulletins are an innovative online and exhibition program that offers the public a window into the excitement of scientific discovery. It is a video program that will deliver directly to Kansas the latest developments in the fields of astrophysics, Earth science, biodiversity and human biology and evolution through documentary feature stories about scientists in the field and regular brief research updates using scientific visualizations and imagery. The AMNH was founded in 1869 and is one of the world's pre-eminent scientific and cultural institutions. Zagat Survey rates the AMNH as the third most popular attraction in the United States, behind only Disney's Magic Kingdom and Epcot Center. The Prairiefire Cultural Museum will be the first with an exclusive agreement with the AMNH that grants it a 300-mile radius market area and will host an estimated 400,000 annual visitors. The unique destination attraction will generate demand for on-site shopping, dining and entertainment. Additional information on the American Museum of Natural History is included in **Exhibit H**. The full scope of the educational, scientific and cultural programs available through the AMNH may be found at its website, www.amnh.org.

Native Wetlands, Project Perimeter Interpretive Walk and Prairie Gardens. Project amenities will include a unique Native Wetlands, a Project Perimeter Interpretive Walk, an Arbor Plaza (Prairiefire's central park) and Prairie Gardens. In addition to these natural amenities, Prairiefire will also include extensive art, audio art, and a sculpture program.

These amenities throughout the Prairiefire community will define the natural Kansas landscape through identification of grasses, flowers and trees, a sunflower garden and butterfly habitat and a one-acre central park (the Arbor Plaza) for music and events. These features are a celebration of the Kansas prairie and of culture and heritage unique to Kansas and are key elements of the destination attraction. These features, as with the Prairiefire Cultural Museum, will also include educational aspects of not only the Kansas Prairie and native wetlands, but also environmental conservation and sensitivity.

The Prairiefire Native Wetlands, Project Perimeter Interpretive Nature Walk, Wooden Bridge and Prairie Gardens are meant to not only promote and educate the public about the natural wonders of Kansas and its Tallgrass Prairie National Preserve, but to meaningfully engage the public resulting in more lengthy visits to Prairiefire. Dr. Ted Cable, a professor in the Horticulture Department of Kansas State University, is internationally renowned for wetlands and prairie interpretive walks as well as themed story boards. Dr. Cable will be coordinating this unique trail experience, guiding visitors in exploring the native plants, flowers, trees, and wildlife through an entertaining narrative of Kansas prairie heritage. A primary objective of the Wetlands and Perimeter Interpretive Nature Trail is to introduce the broader public to the Tallgrass Prairie National Preserve and inspire visits to the Flint Hills of Kansas.

The Native Wetlands will be developed in accordance with Wetlands Mitigation Plan for Prairiefire authored by Olsson Engineers. Implementation of this wetlands plan will re-establish and maintain the natural wetlands and also be a living educational experience for visitors. The

benefits preserving the wetlands at Prairiefire are described in the plan prepared by Olsson Engineers as follows:

Prairiefire at Lionsgate incorporates the enhancement of an existing stream channel and the creation of a wetland complex that together provide a biologically functional natural system in the context of a suburban development setting. Intended to serve as both a community amenity and a feature for water quality enhancement, the stream channel incorporates a series of weirs built of natural stone materials to promote shallow pool complexes that will sustain hydrophytic wetland vegetation. These shallow wetland cells reduce stormwater velocities by creating a broad conveyance area to manage stormwater runoff while capturing the first flush of pollutants as they pass through the native plant materials. This natural system will treat stormwater runoff by removing excess sediments, filtering out typical urban contaminants, and allowing for an increase in groundwater recharge due to improved infiltration capacity. Each of these benefits promotes improved water quality on-site and for downstream neighbors while limiting the potential for further uncontrolled erosive conditions that exist today.

A copy of the plan is attached hereto as **Exhibit F**.

Prairiefire will include a Timber Bridge, a project amenity that further assists in distinguishing Prairiefire as an authentic destination replicating the original manner of transporting across Kansas rivers and creeks. The wood construction will utilize natural materials that are in concert with the wetlands area it spans as well as adhering to the Prairiefire theme of celebration of nature and Kansas heritage.

New plant and flower species will be displayed in a designated Research Flower and Plant Garden monitored by student interns from the Kansas State University Horticulture Department. This will allow the public to see new species of plant materials representing the latest research and breeding of plants and flowers.

The Arbor Plaza will be an outdoor, interactive area for patrons of Prairiefire to meet and congregate. The Wetlands and Perimeter Interpretive Nature Trail will wind its way through Arbor Plaza identifying with story boards the specific trees, shrubs, and plants located in this sector of the development. Additionally, this area will be used to stage outdoor festivals, art exhibits, concerts, special museum related events, museum advertising and “Coming Soon” attractions. The Arbor Plaza will join with the museum as a location receiving and then broadcasting AMNH’s Science Bulletins.

Prairiefire will also be home to a Sunflower Garden and Butterfly Garden. The Sunflower Garden will display the many varieties of Kansas’ state flower. There is a global obsession with the sunflower, yet most of the public, whether residents of Kansas or from outside our borders, know very little about this magnificent species. This attraction will be designed to bring tourists to witness the short sunflower blooming season and learn more about this beautiful Kansas treasure.

The Butterfly Garden will be a unique planting area containing specifically selected material which will attract an extraordinary number of butterfly species. The Butterfly Garden will include illustrated story boards to assist visitors in identifying the many butterfly species and their characteristics, as well as providing information on some of the most recent and amazing scientific discoveries in the world of butterflies. The garden will be patterned after the Butterfly Garden in the Gardens complex at Kansas State University.

An extensive program of art and sculpture will be procured and installed for public viewing throughout the Prairiefire development. Bruce Hartman, renowned curator of the Nerman Museum of Contemporary Art at Johnson County Community College (JCCC) is the consultant guiding the selection process as well as supervising installations in focus areas such as Arbor Plaza, the museum grounds and other highly visible locations, sparking a spontaneous engagement with art for visitors and residents alike. This project-wide gallery will consist of locally and nationally celebrated artists and sculptors, featuring a diverse range of painting, photography, clay, sculpture and audio works. One aim of the collection is to create a draw for both national and international art audiences.

Hotel. The hotel will be a 120- to 175-room high-end boutique property not currently available in the Kansas City MSA. The hotel is designed to capture lodging demand generated by out-of-town visitors to Prairiefire at LionsGate. The major attraction will be the Prairiefire Cultural Museum.

Retail. Prairiefire at LionsGate's retail component is designed as a destination lifestyle and entertainment center targeting high-end boutique shops, fine dining and entertainment venues. Several of the retail and restaurant and entertainment venues will be unique destinations unto themselves, complementing the museum and natural attractions previously described. Prairiefire will have at least four (4) specialty restaurants which are unique to the area and/or represent one-of-a-kind chef-driven concepts, three (3) distinctive boutiques and two (2) collector/entertainment related retailers. The Developer, Merrill Companies, cannot list specific tenants but is committed to placing unique tenants from the categories listed in order to further enhance the destination of the Prairiefire development. The company is currently actively involved in negotiations with a variety of tenants within those categories.

Office and Residential. Office and residential space will be included in the buildings which are part of the master plan for Prairiefire at LionsGate, including the thirty-five 1- to 5-story buildings totaling approximately 1.45 million square feet of commercial and residential space, and the eleven multi-story buildings which are designed with a mix of ground floor retail with office, hotel or residential space in floors above.

Infrastructure. Transportation related improvements including streets and structured parking will provide access to and nearby parking for all of the Prairiefire attractions and amenities. These improvements, like the attractions themselves, will be interspersed throughout the development.

Prairiefire, as a community and as a destination development, will offer out-of-state visitors and local Kansas Citians a wide array of amenities and attractions. From its historic signing of the AMNH Exhibits, to the wetlands conservation and education, to the interpretive trails and festival areas of the Arbor Plaza, to the unique restaurants and retail, Prairiefire is the

destination development. As the Canyon Research Feasibility Study concluded, “development of Prairiefire at LionsGate is anticipated to heighten the status of the Kansas City MSA as a regional tourism destination by offering a unique attraction not found anywhere else in the Midwest.”

D. SUMMARY OF PROJECT COSTS AND ANTICIPATED REVENUE SOURCES

1. Total Project Costs

The total estimated cost to complete the Prairiefire at LionsGate Project, including site development and building construction, is \$574,782,095, pursuant to estimates of the City and the Developer as of the date of this Project Plan. Attached hereto as **Exhibit I** is a breakdown of the estimated costs by category. (As indicated below, **Exhibit I** also includes an analysis of such costs.) A summary of the estimated costs is set forth below at Table 1.

Table 1
Estimated Total Cost of the Star Bond Project

<u>CATEGORY</u>	<u>TOTAL</u>	<u>% of Total</u>
AMNH Development	\$ 20,856,900	3.63%
Wetlands & Interpretive Trails Educational Areas & Related Landscape	9,211,469	1.60%
Arbor Plaza	2,139,357	0.37%
Signature Hotel land & infrastructure allocation	150,600	0.03%
Structured Parking for Museum & Hotel Uses	7,400,000	1.29%
Access Roads & Internal Drives & Related	34,628,127	6.03%
Core Village Development	81,514,315	14.18%
Public Infrastructure - Remainder of Prairiefire Site	61,167,962	10.64%
Vertical/Building Construction - Remainder of Prairiefire Site	247,340,204	43.03%
Financing & Contingency Costs	110,373,161	19.20%
TOTAL STAR BOND PROJECT COST	<u><u>\$574,782,095</u></u>	<u><u>100.00%</u></u>

2. Costs Eligible for Reimbursement

The STAR Bonds Financing Act describes the costs that are eligible for STAR Bond financing and reimbursement. Such costs are referred to as “Eligible Project Costs.” \$84,097,203 of the total costs shown in Table 1 and in **Exhibit I** qualify as Eligible Project Costs without Destination Retail Attractions. With Destination Retail Attractions, such Eligible Project Costs are \$97,851,947. The Eligible Project Costs are set forth on **Exhibit I**.

As indicated in **Exhibit I**, costs have been allocated among the various components based on the percentage of such costs attributable to the Prairiefire Cultural Museum. **Exhibit I** also includes an explanation as to the methodology for such allocation of costs. Each applicable percentage allocation was then applied to the applicable cost component to determine the amount of Eligible Project Costs.

There are two allocations that have been developed, with the difference being assumption of an allocation attributable to Destination Retail Attractions yet to be identified. As noted above

the Prairiefire development plan calls for several of the retail and restaurant and entertainment venues to be unique destinations unto themselves, complementing the museum and natural attractions previously described. While no specific Destination Retail Attractions are currently identified, Merrill Companies is actively involved in negotiations with a variety of tenants within those categories.

A summary of the percentage allocation of such costs is set forth below in Table 2 shows the allocation with no Destination Retail Attractions; Table 2a shows the allocation that would include Destination Retail Attractions.

Table 2
Cost Allocation – without Destination Retail Attractions

	Land Area (Acres)	Allocation	Total Area Allocated (Acres)
AREA ALLOCATIONS			
<u>Destination attractions – AMNH, Wetlands, Gardens, Trails</u>			
AMNH, Wetlands (including employee parking).....	6.69	100.00%	6.69
Interpretive Trails.....	4.82	100.00%	4.82
Parking Garage for Museum Visitors (300 spaces).....	2.41	100.00%	2.41
Arbor Plaza.....	1.00	100.00%	1.00
Parking for Arbor Plaza, Trails, Wetlands (328 spaces).....	2.62	100.00%	2.62
Hotel.....	0.69	20.00%	0.14
Parking Garage for Hotel (100 spaces).....	0.80	20.00%	0.16
<u>Street Infrastructure for Destination Attractions</u>			
137 th Street (provides east/west	5.40	25.00%	1.35
Internal Street A (provides direct access to AMNH).....	1.54	50.00%	0.77
Internal Street B (surrounds the Arbor Plaza Destination).....	0.37	4.73%	0.02
Internal Street C (provides internal east/west circulation).....	1.61	4.97%	0.08
Internal Street D (provides western access).....	0.90	0.00%	0.00
<u>Balance of Prairiefire Development</u>			
Residential and Commercial	<u>27.11</u>	<u>0.00%</u>	<u>0.00</u>
TOTALS	<u>55.96</u>	<u>35.84%</u>	<u>20.06</u>
TOTAL LAND AREA ALLOCATED AS ELIGIBLE		20.06	
TOTAL LAND AREA FOR PRAIRIEFIRE		55.96	
NET ALLOCATION PERCENTAGE		35.84%	

Table 2a
Cost Allocation – with Destination Retail Attractions

	Land Area (Acres)	Allocation	Total Area Allocated (Acres)
AREA ALLOCATIONS			
<u>Destination attractions – AMNH, Wetlands, Gardens, Trails</u>			
AMNH, Wetlands (including employee parking).....	6.69	100.00%	6.69
Interpretive Trails.....	4.82	100.00%	4.82
Parking Garage for Museum Visitors (300 spaces).....	2.41	100.00%	2.41
Arbor Plaza.....	1.00	100.00%	1.00
Parking for Arbor Plaza, Trails, Wetlands (328 spaces).....	2.62	100.00%	2.62
Hotel.....	0.69	20.00%	0.14
Parking Garage for Hotel (100 spaces).....	0.80	20.00%	0.16
<u>Street Infrastructure for Destination Attractions</u>			
137 th Street (provides east/west access).....	5.40	25.00%	1.35
Internal Street A (provides direct access to AMNH).....	1.54	50.00%	0.77
Internal Street B (surrounds the Arbor Plaza Destination).....	0.37	4.73%	0.02
Internal Street C (provides internal east/west circulation).....	1.61	4.97%	0.08
Internal Street D (provides western access).....	0.90	0.00%	0.00
<u>Destination Retail</u>			
Destination Retail Attractions).....	4.46	100.00%	4.46
Parking for Destination Retail	2.24	100.00%	2.24
<u>Balance of Prairiefire Development</u>			
Residential and Commercial	<u>20.41</u>	<u>0.00%</u>	<u>0.00</u>
TOTALS	<u>55.96</u>	<u>47.81%</u>	<u>26.75</u>
TOTAL LAND AREA ALLOCATED AS ELIGIBLE		26.75	
TOTAL LAND AREA FOR PRAIRIEFIRE		55.96	
NET ALLOCATION PERCENTAGE		47.81%	

A summary of the estimated Eligible Project Costs is set forth below in Table 3. Reference is made to **Exhibit I** for a detailed analysis of the application of the allocable percentages set forth in Tables 2 and 2a, to the total costs set forth in Table 1, to result in the estimated Eligible Project Costs set forth in Tables 3 and 3a below.

Table 3

Estimated Eligible Project Costs – without Destination Retail Attractions

<u>CATEGORY</u>	<u>ELIGIBLE COST</u>
AMNH Development	\$ 19,656,900
Wetlands & Interpretive Trails, Educational Areas & Related Landscape	9,211,469
Arbor Plaza	2,139,357
Signature Hotel land & infrastructure allocation	30,120
Structured Parking for Museum & Hotel Uses	5,478,396
Access Roads & Internal Drives & Related	12,410,574
Core Village Development	0
Public Infrastructure - Remainder of Prairiefire Site	21,922,339
Vertical/Building Construction - Remainder of Prairiefire Site	0
Financing & Contingency Costs	13,248,047
TOTAL ESTIMATED ELIGIBLE PROJECT COSTS	\$ 84,097,203
TOTAL PROJECT COST	\$ 574,782,095
ELIGIBLE COST % OF TOTAL PROJECT COST	14.6%

Table 3a

Estimated Eligible Project Costs – with Destination Retail Attractions

<u>CATEGORY</u>	<u>ELIGIBLE COST</u>
AMNH Development	\$ 19,656,900
Wetlands & Interpretive Trails, Educational Areas & Related Landscape	9,211,469
Arbor Plaza	2,139,357
Signature Hotel land & infrastructure allocation	30,120
Structured Parking for Museum & Hotel Uses	5,598,111
Access Roads & Internal Drives & Related	16,556,074
Core Village Development	0
Public Infrastructure - Remainder of Prairiefire Site	29,245,049
Vertical/Building Construction - Remainder of Prairiefire Site	0
Financing & Contingency Costs	15,414,867
TOTAL ESTIMATED ELIGIBLE PROJECT COSTS	\$ 97,851,947
TOTAL PROJECT COST	\$ 574,782,095
ELIGIBLE COST % OF TOTAL PROJECT COST	17.0%

3. Summary of Revenue Sources

A transportation development district (TDD) has been established for Prairiefire at LionsGate to finance costs which are eligible for TDD financing under K.S.A. 12-17,140 *et seq.*, as amended (the “TDD Act”). The TDD is slightly smaller than the Project Area. The southern boundary of the TDD ends at the southern right-of-way of 137th Street, and the TDD does not include the residential or wetlands areas south of 137th Street. It is anticipated that \$15,400,000 of the total costs of the Prairiefire at LionsGate Project will be financed with TDD bonds issued under the TDD Act.

The following tables set forth the projected revenues sources for the payment of the \$574,782,095 estimated Project Costs, including the estimated STAR Bond proceeds, estimated Transportation Development District funds, and estimated private debt and equity. Table 4 summarizes the sources of funds for a STAR Bond Project without Destination Retail Attractions; Table 4a summarizes the sources of funds for a project with Destination Retail Attractions.

Table 4
Sources of Funds – without Destination Retail Attractions

<u>CATEGORY</u>	<u>TOTAL</u>	<u>% of Total</u>
Star Bonds	\$ 84,097,203	14.6%
Transportation Development District	15,400,000	2.7%
Private Debt & Equity	<u>475,284,892</u>	82.7%
	<u>\$574,782,095</u>	100.0%

Table 4a
Sources of Funds – with Destination Retail Attractions

<u>CATEGORY</u>	<u>TOTAL</u>	<u>% of Total</u>
Star Bonds	\$ 96,214,590	16.7%
Transportation Development District	15,400,000	2.7%
Private Debt & Equity	<u>461,530,148</u>	80.6%
	<u>\$574,782,095</u>	

D. SUMMARY OF THE FEASIBILITY STUDY

As stated in K.S.A. 12-17,166, a feasibility study is required to be prepared setting forth the following information:

- Whether a STAR bond project's revenue and tax increment revenue and other available revenue are expected to exceed or be sufficient to pay for the project costs;
- The effect, if any, a STAR bond project will have on any outstanding special obligation bonds payable from the revenues described in the STAR Bonds Financing Act;
- A statement of how the jobs and taxes obtained from the STAR bond project will contribute significantly to the economic development of the state and region;
- Visitation expectations;
- The unique quality of the project;
- Economic impact study;
- Market study;
- Market impact study;
- Integration and collaboration with other resources or businesses;
- The quality of service, and experience provided, as measured against national consumer standards for the specific target market;
- Project accountability, measured according to best industry practices;
- The expected return on state and local investment that the project is anticipated to produce;
- A statement concerning whether a portion of the local sales and use taxes are pledged to other uses and are unavailable as revenue for the STAR bond project; and
- An anticipated principal and interest payment schedule on the bond issue.

Canyon Research Southwest, Inc. ("Canyon") prepared the "STAR Bond Feasibility Study – Prairiefire at LionsGate, 135th Street and Nall Avenue, Overland Park, Kansas" dated January 22, 2009 (the "Canyon Study"). A copy of the Canyon Study is attached as **Exhibit J**. The Canyon Study includes a Market Study and a Market Impact Study as summarized below.

A summary of the Canyon Study is as follows.

1. Sufficiency of the Project's Revenues Compared to the Project's Costs.

a. *Project Costs*

The Act requires an analysis of whether a project's revenues are expected to exceed or be sufficient to pay for the project costs. This requires determining the Project Costs and Eligible Project Costs and comparing them to the STAR Bond revenues expected to be generated within the STAR Bond Project Area. As indicated in Table 1 above, the total estimated Project Costs as of the date of this Project Plan are \$574,782,095. As indicated in Tables 3 and 4 above, the total estimated Eligible Project Costs without Destination Retail Attractions are \$84,097,203 and \$84,097,203 is also the total anticipated amount of such Eligible Project Costs to be financed with STAR Bonds. As indicated in Tables 3a and 4a above, the total estimated Eligible Project Costs with Destination Retail Attractions are \$97,851,947 and the total anticipated amount of such Eligible Project Costs to be financed with STAR Bonds is \$96,214,590. (As indicated below under "Estimated Tax Revenues – Prairiefire at LionsGate," the anticipated revenues from the STAR Bond project supports repayment of \$96,214,590 principal amount of STAR Bonds bearing interest at an assumed interest rate of 6.25% over 20 years, while maintaining a 1.20 debt service coverage ratio.) Other revenue sources include proceeds of TDD Bonds in the amount of \$15,400,000 and private debt and equity in the amount of \$475,284,892 (without Destination Retail Attractions) or \$463,167,505 (with Destination Retail Attractions). It is noted that at the time the Canyon Study was conducted in January of 2009, total estimated Project Costs were approximately \$573 million. Subsequent to the Feasibility Study, the City and the Developer have analyzed and refined cost projections. No change was made to the projection of STAR Bond revenues from that set forth in the Canyon Study. The analysis of the sufficiency of STAR Bond revenues to pay the debt service on the STAR Bonds and the sufficiency of the revenue sources to pay all Estimated Project costs utilizes the estimated revenues set forth in the Canyon Study. See "Tax Revenues Subject to Capture" and "Estimated Tax Revenues – Prairiefire at LionsGate" below and **Exhibit K**.

b. *Tax Revenues Subject to Capture*

The effective STAR Bond-eligible tax rate totals 6.30274%, which includes the following:

(i) City Sales Tax Revenues – the retail sales dollar amount generated within the STAR Bond Project Area multiplied by the City sales tax rate that is subject to capture, which based on the location of the Prairiefire at LionsGate Project is 1.0%. (An additional 0.125% of City Sales tax is otherwise dedicated; such tax is voter approved and dedicated to street improvements until 2014.)

(ii) State Sales Tax Revenues – the retail sales dollar amount generated within the STAR Bond Project Area multiplied by State sales tax rate that is subject to capture, which is 5.3%.

(iii) County Sales Tax Revenues – the retail sales dollar amount generated within the STAR Bond Project Area multiplied by the County sales tax rate that is distributed back to the City and not otherwise dedicated, which is 0.00274%.

Hotel revenue is also subject to the STAR Bond sales tax rate of 6.30274%; however, the local transient lodging tax is not captured.

c. *Estimated Tax Revenues – Prairiefire at LionsGate*

The Canyon Study includes a forecast of STAR Bond revenue from retail sales and lodging sales, and states that throughout the 20-year life of the STAR bond District the gross eligible sales tax revenues associated with Prairiefire at LionsGate is estimated to generate approximately \$237.6 million, as set forth in the table on **Exhibit K** attached hereto.

Exhibit K also sets forth the sufficiency of the anticipated revenues from the STAR Bond project, as described in the Canyon Study, to repay debt service on \$96,214,590 principal amount of STAR Bonds over the 20 years that the Act allows such Bonds to be outstanding, at an assumed interest rate of 6.25%, while maintaining a 1.20 debt service coverage ratio.

2 Job Creation and Generation of New Tax Revenue

The Canyon Study indicates that total capital investment for Prairiefire at LionsGate is estimated at approximately \$573 million, as of the time the survey was conducted in January 2009 as noted above. Hard construction costs are estimated at 80 percent of total investment, or approximately \$458.4 million. During the construction phase direct on-site employment is estimated at 1,765 full-time equivalent jobs. Indirect job creation is forecast at 3,037 jobs, bringing the total construction-phase work force to 4,802 jobs. Total payroll originating from these construction-phase jobs is estimated at \$163.5 million, resulting in total consumption expenditures of \$132.4 million. State of Kansas personal income taxes resulting from construction-phase payroll are estimated at approximately \$5.2 million.

The Canyon Study further indicates that at build-out, direct employment generated from operation of the retail, office and lodging components developed within Prairiefire at LionsGate is forecast to total 1,887 full-time equivalent jobs. Total annual payroll for these direct jobs is estimated \$44.1 million. Direct and indirect employment is forecast at 4,511 full-time equivalent jobs, with a total annual payroll of \$96.1 million. The State of Kansas is estimated to collect approximately \$2.9 million in annual state income tax revenues resulting from operational-phase payroll.

The Canyon Study further indicates that Prairiefire at LionsGate is conservatively forecast to attract over 470,000 annual out-of-state visitors from over 100 miles away. The total demand for overnight accommodations generated by these out-of-state visitors is estimated at approximately 209,000 annual room nights. These lodging demand forecasts illustrate the significant impact Prairiefire at LionsGate will have on the Kansas City area hotel market and the potential to support on-site hotel development.

3 Projected Visitation

Prairiefire at LionsGate will improve on Kansas City's status as a regional tourist destination by providing an additional one-of-a-kind attraction in the form of a museum affiliated with the American Museum of Natural History capable of increasing out-of-town visitation and the average length of stay. Exhibitions offered by the American Museum of Natural History will be unique and the AMNH brand should help to draw visitors from throughout the Kansas City

MSA as well as the five surrounding states of Nebraska, Iowa, Oklahoma, Colorado and Missouri. The Canyon Study indicates that Prairiefire at LionsGate is forecast to attract approximately 1.9 million visitors per year. Local residents living within a 100-mile radius are forecast to account for about 69 percent of total visitation, 40 percent of which will be out-of-state visitors. Regional visitors traveling more than 100 miles are forecast to account for the remaining 31 percent of total visitation, 80 percent of which will be out-of-state and international visitors. In total, out-of-state residents are forecast to account for approximately 52 percent of total visitation, or 1.0 million visitors per year. These forecast out-of-town visitation trends meets the State of Kansas Secretary of Commerce guidelines that 30 percent of visitors to a proposed STAR Bond Redevelopment District travel beyond 100 miles and 20 percent reside out-of-state. Additionally, the Canyon Study references many cultural-based Kansas City MSA attractions, the majority of which are also on the Missouri-side of the MSA, thus providing Prairiefire at LionsGate and the Kansas-side of the MSA with another opportunity to capture out-of-town visitors spending. As the Canyon Study states: "Most of the family oriented attractions in the Kansas City MSA are located in Missouri." With the AMNH serving as a major attraction, Prairiefire at LionsGate is designed to attract out-of-town visitors and spending into the Kansas side of the Kansas City MSA."

See Canyon Study attached hereto as **Exhibit H**.

4 Impact On Outstanding Special Obligation Bonds

As required by the STAR Bonds Financing Act, the Canyon Study includes an evaluation as to the effect, if any, the Prairiefire at LionsGate Project would have on any outstanding STAR Bonds payable from revenues authorized pursuant to the STAR Bonds Financing Act. The Act contemplates an analysis focused on the ongoing viability of any such outstanding special obligation bonds based on the terms and conditions of their issuance, not whether this Project or any other STAR Bond project would simply impact the overall sales tax generation used to support the issuance. In other words, the question posed is whether a proposed project would reasonably be anticipated to jeopardize the bargained-for investment made by current bondholders.

As the Canyon Study notes, the Secretary has approved STAR bond financing for two major tourism-based developments in Kansas City, Kansas, those being Village West and Schlitterbahn Vacation Village. The Secretary has also approved STAR bond financing for a major tourism based development in Mission, Kansas, that being the Mission Gateway Project, which includes an aquarium complex, hotel, retail, office and residential uses. Of those projects, STAR Bonds have only been issued for Village West.

The Canyon Study states that both Village West and Schlitterbahn Vacation Village incorporate major destination attraction and retail components designed to capitalize on the high visitor volumes generated by each project's primary attraction. The Kansas Speedway serves as Village West's principal tourism attraction. The Schlitterbahn Vacation Village Kansas City's primary tourism attraction will be the Schlitterbahn family-oriented water park. The Prairiefire Cultural Museum designed to host traveling exhibits created by the American Museum of Natural History will serve as the primary tourism attraction for Prairiefire at LionsGate. As the Canyon Study notes, both Village West and Schlitterbahn Vacation Village Kansas City are located approximately 21.5 miles driving distance northwest of the Prairiefire at LionsGate site in

Kansas City, Kansas. As to Kansas Speedway, the Canyon Study states that the tenancy of the Kansas Speedway, Nebraska Furniture Mart, Cabela's and The Legends at Village West has created one of the Midwest's largest shopping and entertainment destinations attracting 7 to 9 million visitors per year. Prairiefire at LionsGate's major tourism attraction will be an educational museum complimented by high-end boutique shops and fine dining. The Canyon Study indicates that given this distinctive market positioning, Prairiefire at LionsGate is not anticipated to have a negative impact on tourism visitation and retail sales at Village West. Similarly, the Canyon Study states that Schlitterbahn Vacation Village Kansas City's principal tourism attraction will be recreational and entertainment oriented, consisting of a family-oriented waterpark, that complimentary uses will include lodging and 700,000 square feet of retail, that the retail component will not be comparable to Prairiefire at LionsGate, and that Schlitterbahn will also capitalize on the high attendance levels of the neighboring Village West Tourism District. The Canyon Study indicates that the market positioning of Schlitterbahn as a family-oriented water park will effectively set it apart from Prairiefire at LionsGate.

Similar results should be indicated for the Mission Gateway STAR Bond Project as well, which includes an aquarium as the tourist destination. As the Canyon Study indicates, because each active STAR bond project supports distinctly different major tourism attractions and retail components, development of Prairiefire at LionsGate in Overland Park, Kansas should not have a measurable adverse impact on visitor volumes, retail sales volumes and STAR bond revenues generated by the Village West Tourism District or Schlitterbahn Vacation Village both in Kansas City, Kansas, or on Mission Gateway in Mission, Kansas. The operation of Prairiefire at LionsGate is not anticipated to cause default in the payment of outstanding STAR bonds issued for Village West, nor for other projects such as Schlitterbahn Vacation Village or Mission Gateway for which bonds have not been issued.

In fact, according to the Canyon Study, the inclusion of an AMNH attraction and high-end lifestyle retail will enable Prairiefire at LionsGate to serve as an alternative tourism destination, complimenting the attractions offered by Village West and Schlitterbahn Vacation Village, Kansas City. Together, the three attractions can foster strong synergy and provide the Kansas side of the Kansas City MSA with three world-class regional tourism destinations capable of increasing out-of-town visitation, the average length of stay and spending.

Based on the foregoing, it should be reasonably anticipated that the Prairiefire at LionsGate Project, as proposed, would not have any measurable effect on currently outstanding STAR Bonds authorized by the STAR Bonds Financing Act.

5 Market Study

The Canyon Study includes a Market Study which evaluates the market potential of supporting future development of the retail, museum and hotel uses planned for the Prairiefire at LionsGate Project, which are described as the principal economic engines of Prairiefire at LionsGate.

Museum

The Canyon Study notes that the fact that no natural history museum currently operates in the Kansas City MSA has attendance and market benefits for the AMNH. The Study states that

as a prospective museum location, the Prairiefire at LionsGate site benefits from a prestigious location, sufficient access and visibility, and location within a major mixed-use development highlighted by upscale retail and restaurants. The primary site deficiency is the lack of nearby museum-related attractions which can be overcome by the market draw of the AMNH brand.

The Canyon Study concludes that given its market positioning, large exclusive market area and synergy with existing museums and family attractions in the Kansas City MSA, the AMNH at the Prairiefire at LionsGate will serve as a major destination attraction. First-year attendance for the AMNH attraction is forecast at 400,000.

Hotel

As indicated by the Canyon Study, the hotel planned for the Prairiefire at Lionsgate will be a luxury hotel. The Canyon Study notes that while during 2008 the Kansas City luxury hotel market was adversely affected by the slumping national economy, occupancy, ADR and lodging revenue levels remained strong. The Canyon Study concludes that Kansas City's healthy luxury hotel market bodes well for successful market entry of the boutique hotel planned for Prairiefire at LionsGate. The planned boutique hotel will also benefit from its moderate inventory of guest rooms, presence within a mixed-use urban village, Overland Park location and proximity to the American Museum of Natural History.

Retail

The Canyon Study states that Prairiefire at LionsGate is designed for approximately 348,007 square feet of retail, restaurant and entertainment space in a lifestyle and entertainment center format, and that the Kansas City MSA supports an estimated 3.9 million square feet of destination lifestyle and entertainment space. The Study notes that construction of Prairiefire at LionsGate would increase the inventory of lifestyle and entertainment center space in the Kansas City area to approximately 4.2 million square feet, and that Prairiefire at LionsGate's share of the total inventory of lifestyle and entertainment center space is estimated at 8.3 percent.

The Canyon Study further states that with total sales of approximately \$1.5 billion, Kansas City area lifestyle and entertainment centers account for 30 percent of all specialty retail sales. Assuming this current capture rate Kansas City's lifestyle and entertainment space would garner an additional \$358.3 million in annual retail sales, bringing total annual sales to approximately \$1.83 billion. Exclusive of the 30,000 square foot museum, at build-out and stabilization the Prairiefire at LionsGate's lifestyle center component is forecast to generate approximately \$153 million in annual retail sales (\$440 per square foot). To achieve this sales volume Prairiefire at LionsGate must capture 8.4 percent of total metro-wide sales for destination lifestyle and entertainment space. Given Prairiefire at LionsGate's favorable southern Johnson County location, mixed-use design and status as a unique tourism destination stemming from the presence of the AMNH attraction, this rate of retail sales capture appears realistically achievable. Existing lifestyle and entertainment centers in the Kansas City MSA do not possess the unique tourism attraction designed for Prairiefire at LionsGate. These competitive factors will allow Prairiefire at LionsGate to maintain its status as a desirable tourism destination throughout the maturity of the STAR bonds and beyond.

The Canyon Study concludes that given an exclusive 10-year agreement with the American Museum of Natural History, an integrated mixed-use project design, favorable southern Johnson County location and Kansas City's heightened status as a family-oriented vacation destination, Prairiefire at LionsGate is anticipated to maintain its status as a prominent travel destination and remain profitable past the 20-year term of the STAR bond financing.

6 Market Impact Study

The Canyon Study examines the existing upscale retailers, restaurants and entertainment venues in the Kansas City MSA, which are concentrated within five lifestyle and entertainment centers, including Country Club Plaza, Town Center Plaza, Zona Rosa, Legends at Village West and Kansas City Power & Light District. The Study states that reported retail sales among these lifestyle centers run above industry averages, suggesting healthy market conditions and the ability to support additional development.

The Canyon Study states that annual retail sales leakage within the Kansas City MSA for such specialty retail categories as clothing and accessories, entertainment, and eating and drinking places is estimated at \$1.19 billion. Lifestyle and entertainment space is estimated to garner approximately 30 percent of this retail sales leakage, or \$358.3 million. The market positioning of Prairiefire at LionsGate's retail component is well suited to capitalize on this retail sales leakage. Feasible development of Prairiefire at LionsGate will require the capture of just 43 percent of the estimated retail sales leakage for destination lifestyle and entertainment space in the Kansas City MSA.

The Canyon Study concludes that given the unique and complimentary market positioning, coupled with the Kansas City area's high level of retail sales leakage, development of Prairiefire at LionsGate's destination lifestyle and entertainment retail space is not anticipated to adversely impact Kansas City's five existing lifestyle and entertainment centers. The Canyon Study goes on to state that in fact, development of Prairiefire at LionsGate is anticipated to heighten the status of the Kansas City MSA as a regional tourism destination by offering a unique attraction not found anywhere else in the Midwest.

7 Meetings and Minutes

Attached as **Exhibit L** are minutes of the City meetings where the Prairiefire at LionsGate Project was discussed. Meetings to date include the meetings where such Project and the creation of the District were discussed, as indicated in said **Exhibit J**. Upon approval of this Project Plan by the City and prior to transmittal to the Secretary, the City Clerk will supplement in **Exhibit J** the minutes of any additional City meetings where the Prairiefire at LionsGate Project was discussed.

E. Relocation Plan

No relocation is necessary for this STAR Bond Project. The Developer or its affiliate owns all property within the STAR Bond Project Area. Such property was acquired through negotiated arms-length transactions, and thus, any funds required for relocation were included in the purchase price.

F. Sources and Uses, Sufficiency of Revenues to Pay STAR Bonds Debt Service

The sources and uses of funds are described above and in Tables 1, 3, 3a, 4 and 4a. Without any Retail Destination Attractions, the Star Bond Project Plan contemplates that the STAR Bonds will finance \$84,097,203 of the total estimated Project Costs and that other funds, principally private debt and equity will finance \$490,684,892 of such estimated Project Costs. The anticipated amount of STAR Bonds represents 14.6% of the total estimated Project Costs, as indicated in Table 4, Sources of Funds.

With Retail Destination Attractions, the Star Bond Project Plan contemplates that the STAR Bonds will finance \$96,214,590 of the total estimated Project Costs and that other funds, principally private debt and equity will finance \$478,567,505 of such estimated Project Costs. The anticipated amount of STAR Bonds represents 16.7% of the total estimated Project Costs, as indicated in Table 4a, Sources of Funds.

Reference is made to the proforma table attached hereto as **Exhibit I**, setting forth the sufficiency of the anticipated revenues from the STAR Bond project, as described in the Canyon Study, to repay debt service on the anticipated principal amount of STAR Bonds.