

# Mattoon Sports Complex



July 8, 2022



# Introductions

- Blake Pierce
  - Chairman, Sports Complex Plus Committee-Mattoon in Motion
  - Director of Finance, Rural King
- John Hansen, CFA
  - Managing Director, IRR Corporate & Public Finance
- Rhonda Thomas (via teleconference)
  - Partner, Thompson Coburn, LLP
  - Legal Representative for City of Mattoon

# Purpose of Today

- I. To provide a comprehensive briefing to the Council in a public setting.
- II. To present a formal recommendation to the Council from the Sports Complex Plus Committee.
- III. Start the process to provide presentations for the benefit of the public and ultimate consideration on a Resolution of Intent of the Council to enable the project.

# History of Project

- Initial Concept- May 2019
- Engaged SF Companies- June 2020
- Market Opportunity Reports, Opinions of Cost, and Proformas- Fall 2020-Spring 2021
- Initial Funding Models & Site Plans- May 2021
- First meeting with City Officials- Summer 2021
- Public Announcement & creation of Committee- October 2021
- Financial modeling, structure, design, fundraising, & planning- Nov 2021-present

# Additional Parties Involved

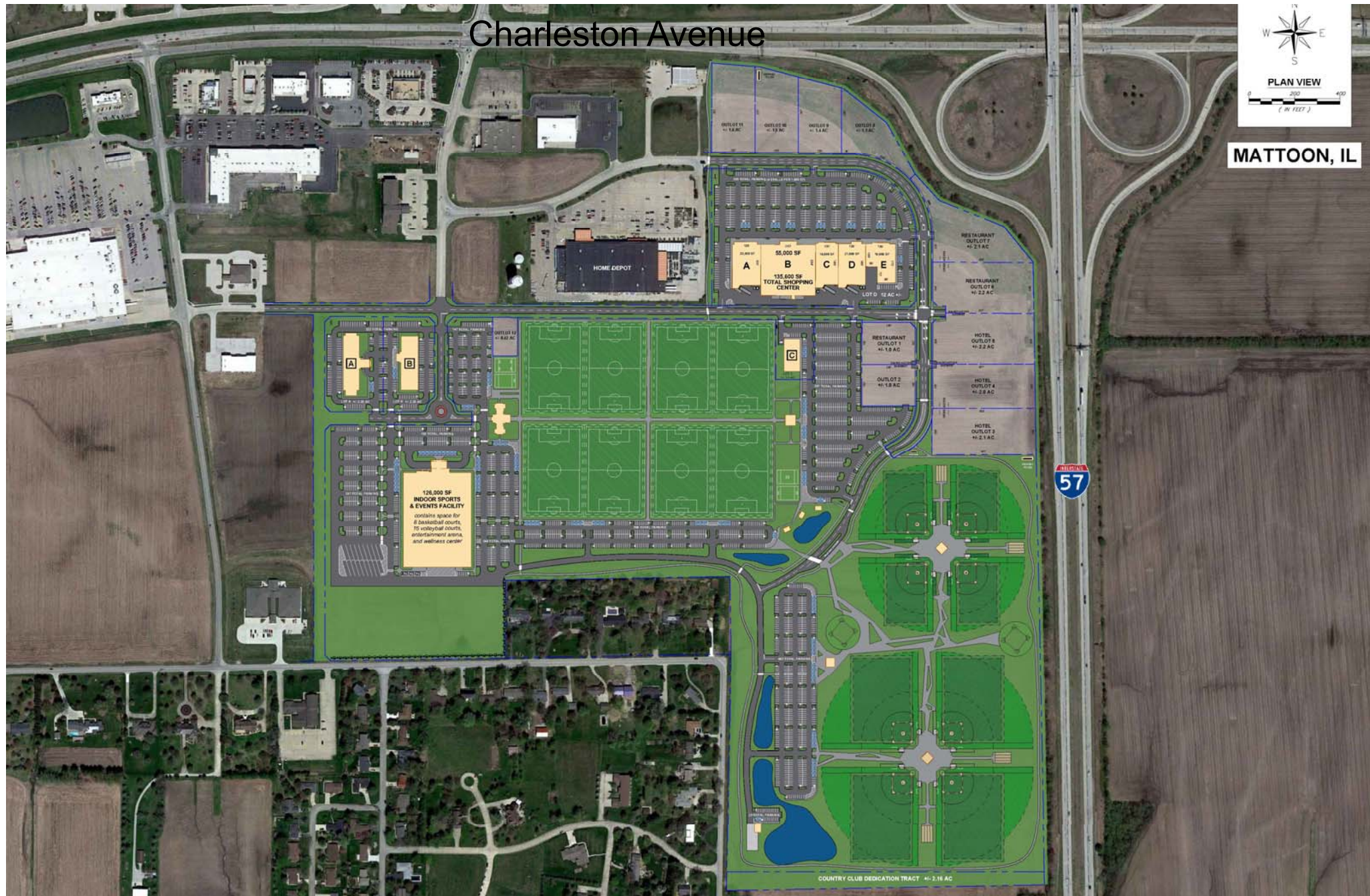
- Sports Facilities Companies
- Applied Economics, LLC
- Goodman Real Estate
- Next Site
- A to Z Consulting and Development Company
- Lose Design
- Byrne & Jones

# Highlights of Development

- 150 Acres total
- Indoor and Outdoor Sports Components
- Mixed-Use Retail- Hotels, Restaurants, Big Box
- 580,000 visitors annually
- \$23.8 million in direct spending annually
- 59,278 additional hotel room nights annually



# The Project



# Sports Assets of Project

- 4 Baseball/Softball/Multipurpose Turf Fields (300ft)
- 4 Baseball/Softball/Multipurpose Turf Fields (400ft)
- 4 Soccer/Multipurpose Turf Fields
- 4 Soccer/Multipurpose Grass Fields
- Championship Fields & warm-up areas
- Walking/Bike Path
- 140,000 sqft Indoor Facility
  - 8 Basketball Courts (16 volleyball courts)
  - Collegiate Locker Rooms
  - Family Entertainment Center
  - Medical Tenant Space
  - Seating for ~3,000 for large events



# Commercial Development





# Public Infrastructure

**YELLOW OUTLINED SPORTS COMPLEX DEDICATION AREA:**

+/- 108.196 AC (4,713,001 SQ. FT.)

**ADDITION PUBLIC ROW DEDICATION AREAS (3)**

- ROW DEDICATION AREA #1: +/- 4.422 AC (192,608 SQ. FT.)
- ROW DEDICATION AREA #2: +/- 0.248 AC ( 10,817 SQ. FT.)
- ROW DEDICATION AREA #3: +/- 0.384 AC ( 16,738 SQ. FT.)

**TOTAL ADDITIONAL PUBLIC ROW DEDICATION AREAS:**

+/- 5.054 AC ( 220,163 SQ. FT.)

**TOTAL PUBLIC DEDICATION AREAS: +/- 113.25 AC (4,933,164 SQ. FT.)**



# Financial Summary

- Review a Summary of the Recommended Financing Plan for the Project
- Answer the following important questions:
  - 1) What exposure does the City face by agreeing to this financing plan?
  - &
  - 2) What benefits are the City estimated to receive by agreeing to this financing plan?



# Project Areas



# Project Ownership Structure

## Proposed Ownership Structure – Sports Facility

- Mattoon Sports Complex Corporation (MSC Corporation)
  - A newly formed Illinois non-profit corporation
  - Will seek qualification as a 501(c)3 corporation with the IRS
  - Its purpose is to obtain financing for, construct, own and operate the Sports Facility
  - Will be governed by a board of directors representing a broad representation of the Mattoon community
  - Professionally managed by a top tier sports facility management firm
- Because qualification of the Mattoon Sports Complex Corporation as a 501(c)3 may take as long as 9 months or more, we are seeking an interim entity to serve certain functions until the IRS determination letter is received in order to prevent delays in the start of the Sports Facility project.



# Project Budget

## Indoor Sports & Event Facility

Sitework	\$2,013,387
Building Costs	\$12,629,250
FFE	\$1,189,369
Field and Sports Equipment	\$2,703,120
Soft Costs	\$4,207,154
Contingency	<u>\$2,274,228</u>
TOTAL	\$25,016,508

## Outdoor Sports Facility

Sitework	\$8,902,679
Building Costs	\$2,539,500
FFE	\$1,374,490
Field and Sports Equipment	\$17,058,072
Soft Costs	\$3,828,159
Contingency	<u>\$3,370,290</u>
TOTAL	\$37,073,190

Infrastructure Costs	<u>\$4,000,000</u>
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<b>TOTAL COSTS</b>	<b>\$66,089,698</b>
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# Overall Sources and Uses

## Sources

Donations	\$10,000,000
Grants / Other Program for Infrastructure	\$4,000,000
Bank Loan	\$10,417,048
Public Finance	\$49,439,739
Gap (Surplus)	<u>(7,767,089)</u>
TOTAL	\$66,089,698

## Uses

Indoor Cost	\$25,016,508
Outdoor Cost	\$37,073,190
Infrastructure	<u>\$4,000,000</u>
TOTAL	\$66,089,698

# Public Finance – multiple layer approach

- Public Finance Tools required
  - Intergovernmental Agreement - Property Tax
    - Property tax increase; up to 30 year term
  - City Sales Tax Rebate
    - 1.5% Rebate; up to 30 year term
  - Hotel Occupancy Tax Rebate
    - 5.0% Rebate; up to 30 year term
  - Private Fee
    - 2.0% Fee on Sales; up to 30 year term

# Business District – All Three Areas

Exact boundaries  
may change



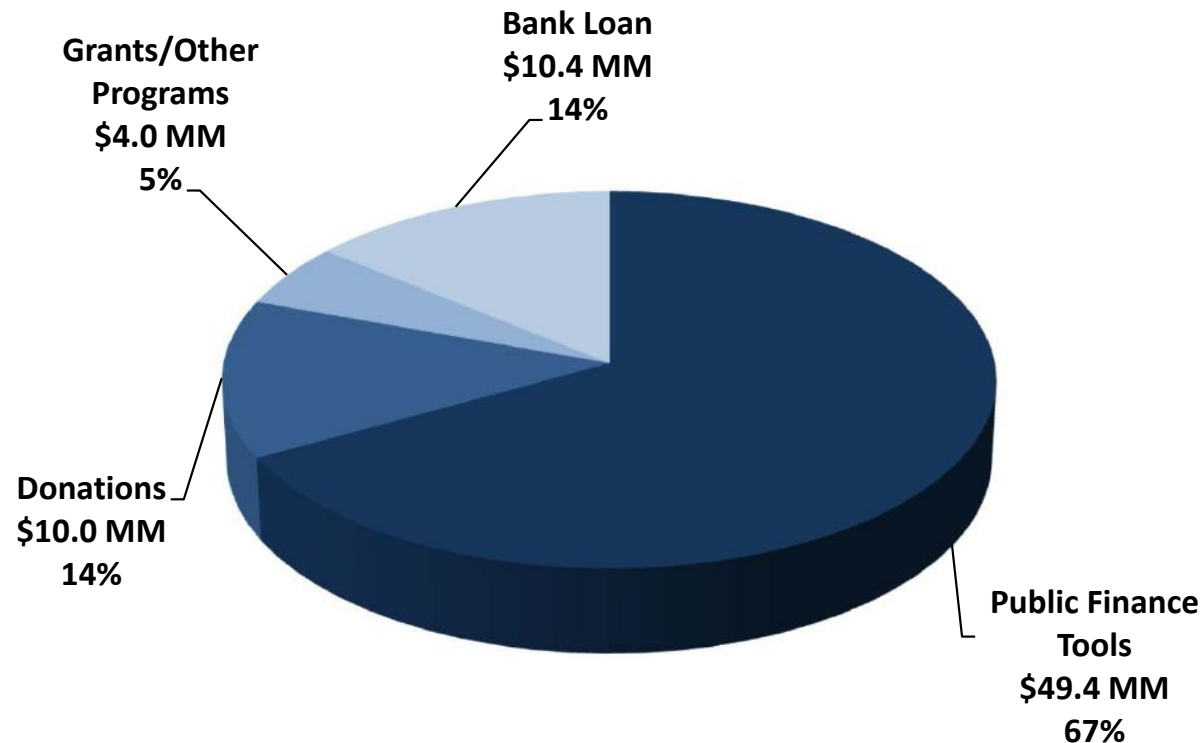
# Public Finance – multiple layer approach

- Public Finance Tools required (cont'd)
  - BD Sales Tax (on retailers in the Sports Facility and New Commercial Development areas and Adjacent Commercial Development)
    - 1.0% add-on tax; 23 year term
  - BD Hotel Tax (on hotels in the Sports Facility and New Commercial Development areas and Adjacent Commercial Development)
    - 1.0% add-on tax; 23 year term



# Project Source of Funds

- **Total Investment in the Development = \$66.1 million**
- Public Finance Tools would provide an estimated **\$49.4MM** to the project
- This would leave a **surplus of funds of \$7.7MM** to cover unexpected construction costs



# Project and Bond Structure

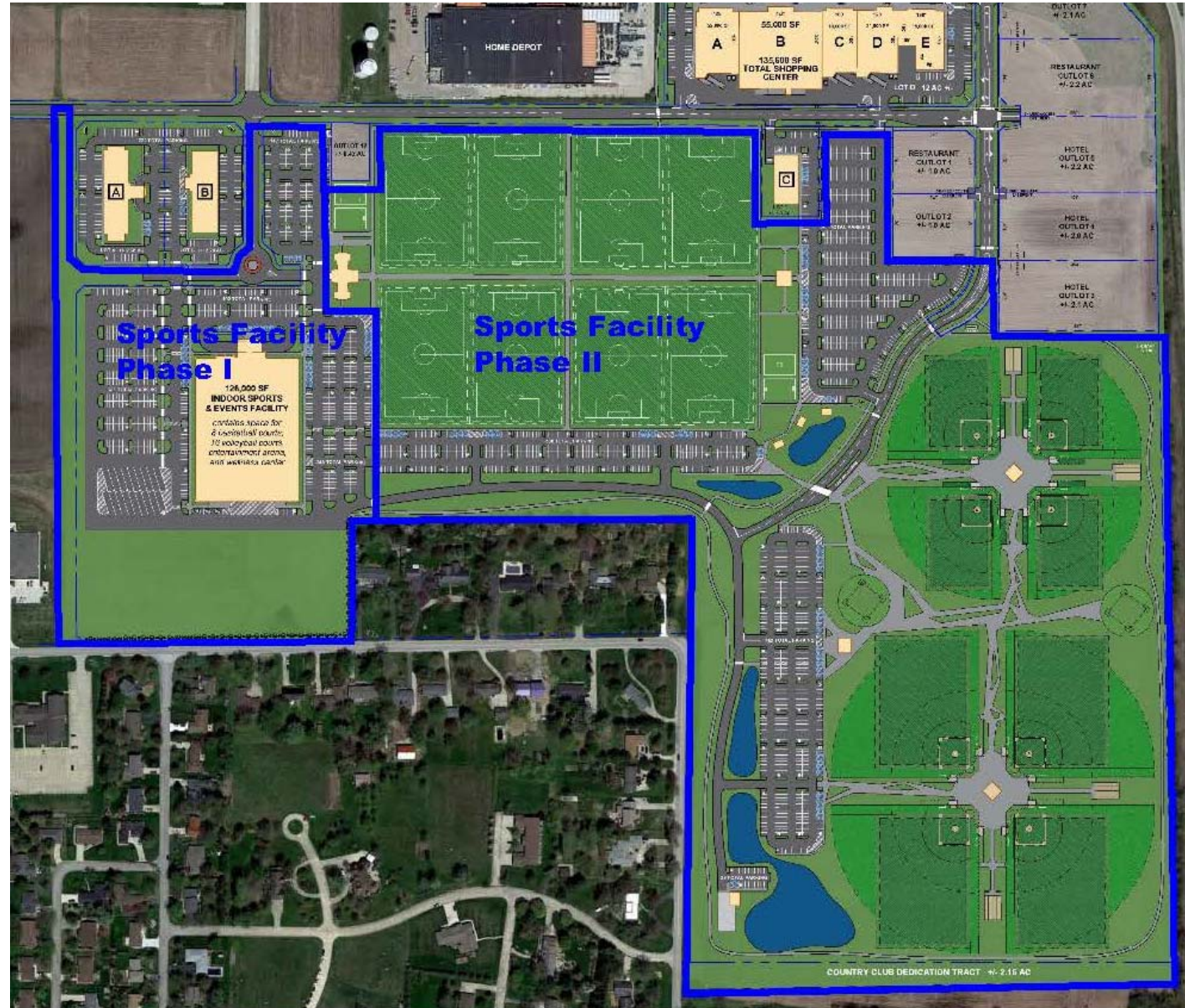
## Proposed Public Finance Structure – Sports Facility

- Revenue Bonds
  - Fixed rate, long-term, non-rated, non-recourse bonds
  - Issued by an issuer to be determined but not the City of Mattoon
  - The debt service on the bonds will be solely from the public finance revenues pledged and previously outlined (ie. the Intergovernmental Agreement, sales tax rebate, hotel tax rebate, private fee and business district revenue)
  - There will be safeguards put in place to increase the chance that these bonds are fully repaid but if the pledged revenue is insufficient to debt service the bonds, that is a risk that bondholders alone will accept. The City will have no legal or moral responsibility to pledge even \$1 of other City revenue toward the debt service of these bonds nor will any other taxing jurisdiction
  - Safeguards will include a debt service reserve fund, capitalized interest and a debt service coverage ratio at market terms
  - Bondholders will be sophisticated investors who are capable of understanding the risks associated with a non-rated, non-recourse bond and will understand as a condition of purchasing such bond that there is a risk they face that they may not be fully repaid

# Project Timeline

Phase I  
Indoor Sports Facility  
October 2023 Opening

Phase II  
Outdoor Sports Facility  
March 2024 Opening





# Phase I - conceptual rendering



THE SPORTS FACILITIES  
**ADVISORY**

# Phase I

- The cost to build the Indoor Sports & Event Center is \$25.0MM
- An additional \$4.0MM in infrastructure costs will be needed
- Financing of Phase I:
  - \$10.0MM of Donations
  - \$7.1MM Bank Loan
  - \$4.0MM Grant or similar program to cover infrastructure costs
  - \$10.5MM in bond proceeds from the Off-Site BD add-on tax on the adjacent retailers and hotels
- Phase I would produce an estimated \$31.6MM in financing sources to build the Indoor Sports facility. There would be a \$2.6MM surplus in Phase I.



# Project Areas





# Phase II – conceptual images



# Phase II

- The cost to build the Outdoor Sports Facility is \$37.0MM
- Financing of Phase II:
  - An additional \$3.2MM Bank Loan would become available due to the revenue from the Outdoor Sports Facility
  - The New Commercial Development would unlock an additional \$38.9MM in Bond Proceeds from the On-Site Public Finance tools
- Phase II would provide \$42.1MM in financing sources. This would result in a surplus of \$5.1MM for Phase II.



# Economic Benefits

# Current Property Tax Revenues



## Property Tax

(Tax Year 2021 – Payable in 2022)

- City of Mattoon - \$1,785.49
- Coles County - \$940.07
- Lake Land College - \$489.77
- School District 2 - \$3,455.62

**Annual**

**Grand Total <\$7,500**

**New Commercial & Sports Facility Land**

# Economic Benefits

- Three main categories



APPLIED ECONOMICS



IRR Corporate & Public Finance

1. Job Creation
2. Overall Economic Impacts
3. Tax Revenue Impacts





# Job Creation



- **1,152 Permanent Jobs**  
(direct, indirect and induced)
  - 695 New jobs on-site
  - 458 New jobs off-site

- **1,660 Construction Jobs**  
(direct & indirect temporary jobs)



# Economic Impacts

- 30 year economic impact of:  
**\$3.3 billion**
- Annual economic impact of  
**\$110.5 million** in Mattoon
  - \$54.4 million on-site
  - \$56.1 million off-site
- Construction Impact of  
**\$194.6 million**
- Annual Visitors of  
nearly **250,000**





# Tax Revenue Impacts – 30 Year Period



- City of Mattoon \$39.0MM
- Coles County \$13.5MM
- Lake Land College \$2.2MM
- Mattoon SD 2 \$27.6MM

**GRAND TOTAL \$82.3MM**





# Financial Summary

- What exposure does the City face?
  - No ownership of the facility
  - No issuance of the bonds
  - No guarantee by the City of any additional revenues to bondholders or any other party
- What benefits does the City receive?
  - A community facility and amenity to be proud of
  - \$39 million in direct tax benefit over 30 years
  - 695 permanent jobs onsite
  - Over \$110 million in annual economic impact

# Recommended Next Steps

- City Council Meeting – July 19<sup>th</sup>
  - Public information meeting
  - Share a similar presentation with the public
  - Open the meeting for public comments & questions
- Formalize a Resolution of Intent - August
  - Consider a formal Resolution of Intent of the City Council
  - Vote on a Resolution of Intent to indicate support and authorize further work to refine the business and financial plans for the project

# Summary of Recommendation

- Structure
- Sports Assets
- Funding
- Timing
- Benefits
- Ongoing Consideration



# Mattoon Sports Complex



John K. Hansen, CFA  
jhansen@irr.com  
913.748.4711