

The Gateway District at KU

An aerial architectural rendering of the Gateway District at the University of Kansas. The central focus is a large, modern stadium with a green field and blue end zones, surrounded by tiered seating. In the foreground, several large, interconnected brick buildings with flat roofs and courtyards are shown. A central courtyard area is visible between the buildings, with a sign that reads "KANSAS WOLF CLUB". To the left, there is a smaller green field, possibly a soccer field. The surrounding area includes roads, parking lots, and landscaped green spaces with trees and walkways. The overall scene is bright and detailed, showcasing the proposed development.

The Gateway is a Once-In-Generation project to transform our campus and drive economic development throughout the region.

-Chancellor Douglas A. Girod

The Gateway District Phase I - What is it?

The Elements

- West and North Stadium
- Conference Center
(55,000 gross sq ft)
- Anderson Family Football Complex
Renovation
- Completion August 2025

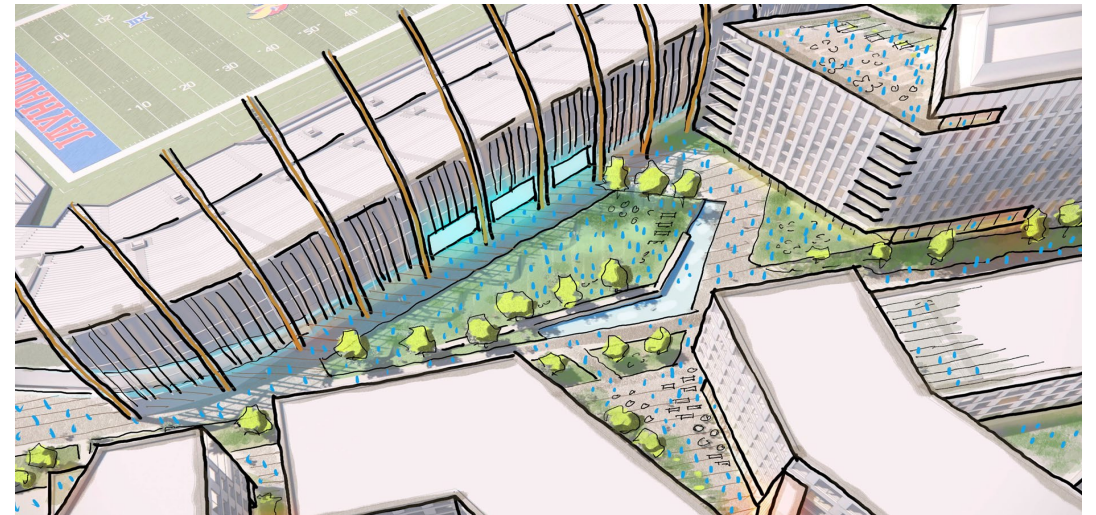
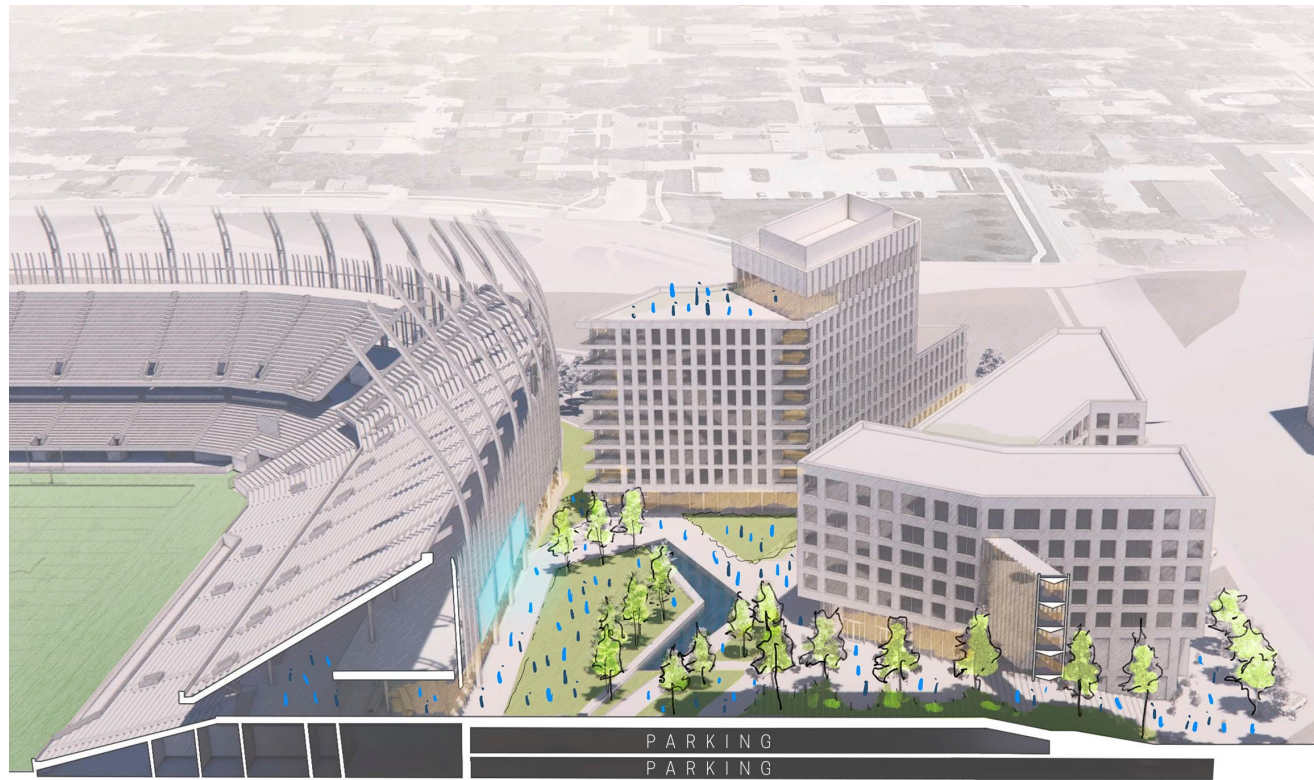


What's Next? Phase II

The Elements

Edgemoor/Sunflower Proposal

- East & South Stadium
 - Hotel - 162-key full-service hotel topped by 16 condominium units
 - Student Housing – 443 student housing beds
 - Retail, Restaurant & Office – 43,000 sq ft of retail, restaurant, and office spaces
 - Parking – Existing 361 spaces replaced with approximately 1,000 + spaces
- Gateway Plaza - 20,000-sq ft programmable outdoor event plaza
 - More than doubles economic potential over Phase I



Due Diligence – Preparing for Phase II

1. Consultant Study to Measure the Possibility of Public Private Partnerships for Phase II
2. Developer Request for Proposal Issued by KU and Responses Received
3. Extensive Discussions to Evaluate the Proposals and Align Final Submittals with University Requirements
4. Developer Currently under an Exclusive Negotiation Agreement Pending Agreement to Terms and Funding Requirements
5. Research on Additional Fund-Raising Potential and Feasibility of Economic Development Tools
6. Consultant Study to Evaluate and Validate Elements of Developer Proposal Before Approaching City of Lawrence and Department of Commerce

Edgemoor/Sunflower Partners

- Local team with national presence
- Experience with:
 - Higher Education
 - Similar Assets
 - KU
- Long-term partnership



The Gateway District Phase II

Economic Benefits

- New Gateway for University of Kansas critical to recruitment & retention
- Economic center to compliment Mass Street for City of Lawrence
- Fully functioning conference center to attract higher end corporate and convention revenue
- High end quality hotel development
- Critical apartment style student housing to address University housing challenges
- Parking to support the development and replace existing parking



Gateway District Phase II - What else?

Cultural and Community Benefits

- **Entertainment and Recreation** with sporting events, concerts, and other entertainment options for residents and visitors.
- **Community Gatherings** with local meetings in the conference center and community events on the Gateway Plaza.
- **Enhances** potential use cases for multi-use stadium and conference center.
- **Gateway** providing first impression for students, alumni, and visitors for KU.
- **Enhanced** World War I Memorial



Gateway District – Partnerships for Success

Phase I Partners

Endowment (Fundraising \$248M)

Kansas Athletics (Vision & Support, \$115M Debt Financing)

University of Kansas (Vision & Steering, Project Oversight, Administrative Support, Procurement)

State of Kansas - ARPA Economic Development Funds (\$85M)

Phase II More Partnerships

Endowment (Fundraising)

Kansas Athletics (Alignment of Gateway with Phase I Stadium)

University of Kansas (Vision & Steering, Project Oversight, Administrative Support, Procurement)

Department of Commerce (STAR Bonds)

Development Partners (Debt & Equity for Hotel, Retail and Housing)

City of Lawrence (Economic Development Tools)

Gateway District – What role can City of Lawrence play?

Tax Increment Financing

Community Improvement Districts

STAR Bonds

IRBs for Sales Tax Exemption for Construction Materials

To assist in funding infrastructure and public improvements necessary to make private sector participation possible.

Gateway District Phase II

Economic Development Districts that include Tax Increment Financing, Community Improvement Districts and STAR Bond Districts to leverage the economic development potential of KU.

STAR (Sales Tax and Revenue) Bonds

- Uses a portion (per state statute) of the incremental increase of city, county (city portion) and state sales taxes resulting from the project to finance major commercial, entertainment & tourism development.
- Dept of Commerce program requiring approval by City of Lawrence



Tax Increment Financing

Captures the increment of property taxes (excluding allocations for school districts and state building capital improvements) within the defined district for public improvements necessary to support the development.

Community Improvement Districts

Additional new increment of sales taxes (1.5%) on all business activity within the defined district used to support public infrastructure for the development.

Economic Development Districts – What you need to know

- **For STAR Bonds & Tax Increment Financing,** base year taxes are retained by the city, county and state.
- A portion of the incremental taxes remain with the city, county and state with the balance used to fund the Gateway District project
- Incremental revenues will be used to fund the statutorily eligible costs of the project for the east /south stadium and related infrastructure
- Once the specific economic development project bonds are paid off then the full on-going tax increment goes to the city, county and state
- ***In the unlikely event of a default, there is no financial risk to the city, county or state as that risk remains solely with the purchaser of the bonds***

Benefits – City of Lawrence, Douglas County & State of Kansas

\$1.4 billion in net new direct spending and \$550 million in indirect and induced spending over 20 years (Sporting Events, Conferences, Tourism)

Net new earnings of approximately \$418 million supporting approximately 430 full time equivalent jobs over 20 years

Incremental sales tax to the City of Lawrence total \$27.8 million over 20 years. County equivalent is \$32.5 million over 20 years.

Increased Property Tax or \$8.5 million over 20 years for the City, County and State (\$5.7 million to Schools).



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Community Benefits

- Community
 - Additional parking to address concerns related parking in nearby neighborhoods; 361 parking spaces replaced with 1,000+ parking spaces
 - Student housing built will assist in relieving strain on off campus housing in Lawrence
 - An estimated 200+ events booked annually to the Stadium and Conference Center increasing visitors and commerce to Lawrence.



Sources of Funds for Gateway Project

Total Project - \$759M

Endowment / University Fundraising - \$346.1 (nearly 6x Larger than any previous Donor Funded Project)

Athletics Debt - \$115M (Maximum Debt Capacity of Kansas Athletics)

State of Kansas – ARPA Economic Development Funds - \$85M

Developer Debt & Equity - \$126.2M

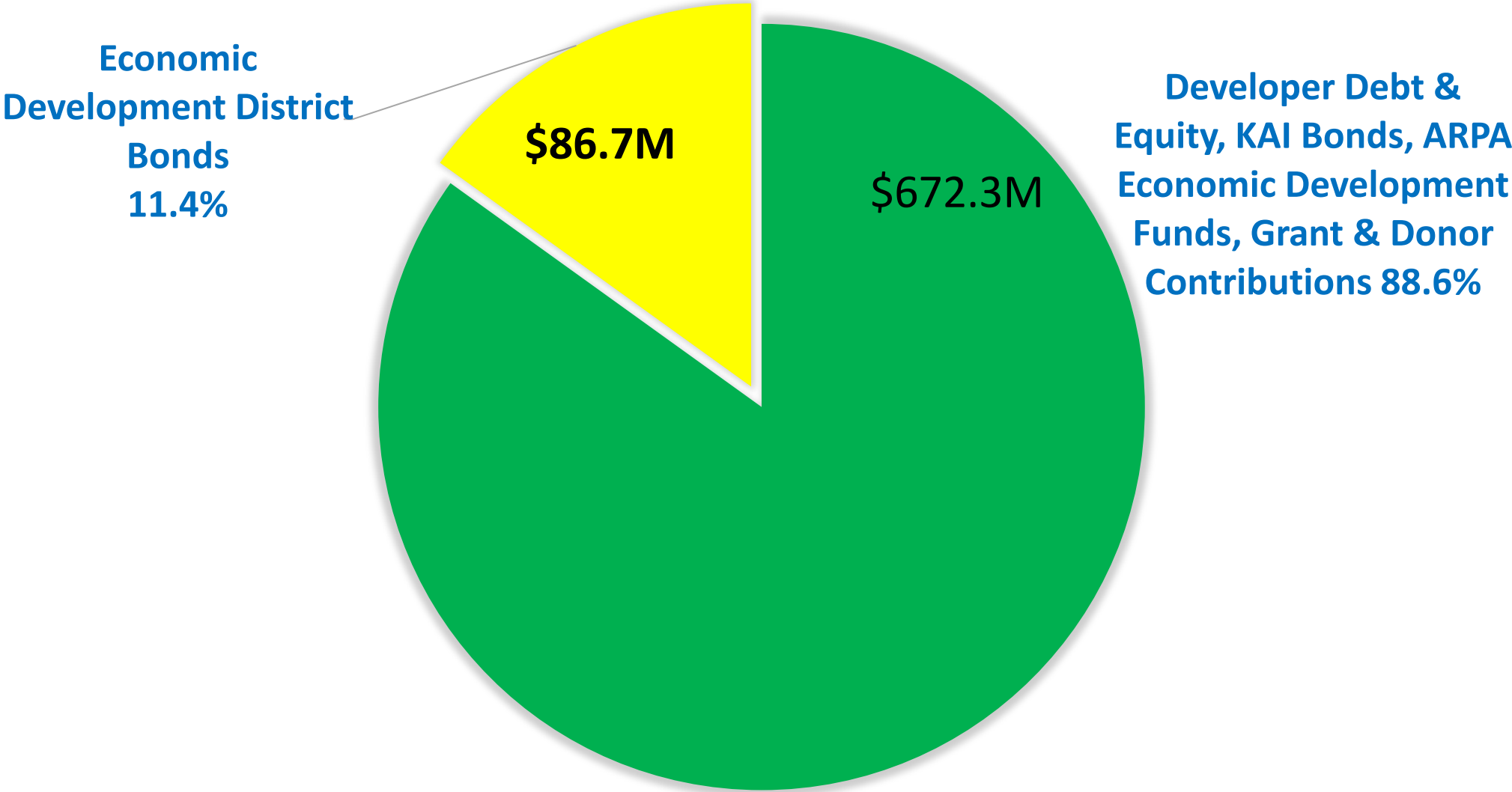
Total Economic Development Bonds - \$86.7M

- Sales Tax and Increment from City County and State provides for the sale of \$60M in Bonds
- Property Tax Increment from City provides for the sale of \$11.6M in Bonds
- Community Improvement Additional Sales Tax of 1.5% provides for the sales of \$15.1M in Bonds

Gateway Project Elements, Cost, and Sources to Fund

Gateway District Project Elements	Cost (millions)	Source(s) to Fund
Phase I		
Stadium West and North	\$ 363	Univ/Endowment and Kansas Athletic Debt
Conference Center	\$ 85	State of Kansas – ARPA Economic Development Funds
Phase I Total	\$ 448	
Phase II		
Hotel, Housing, Retail, Office	\$ 126.2	Developer
Stadium East and South, Parking, Plaza & Infrastructure	\$ 184.8	STAR Bonds, TIF, CID, University/Endowment
Phase II Total	\$ 311	
Gateway, Conference Center, Stadium Total		
	\$ 759	

The Gateway District – What's the Math?



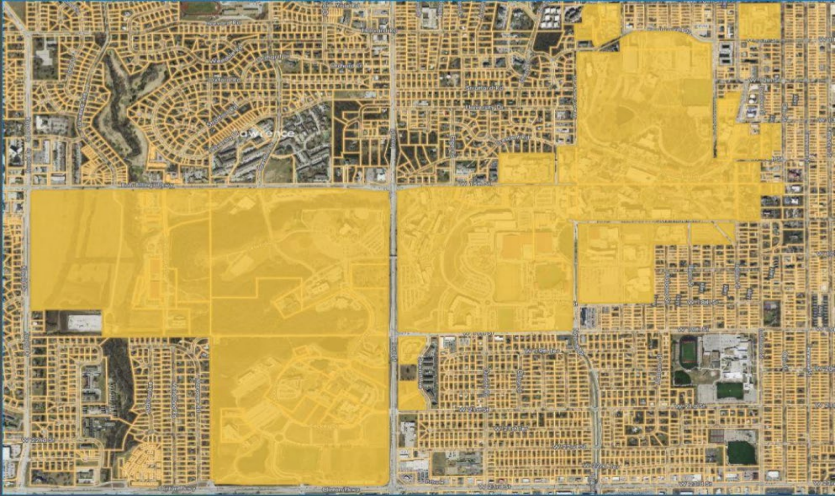
Stadium, Conference Center and Mixed-Use Development Total - \$759M

Summary - Benefits of Partnership with City of Lawrence and Economic Development Tools

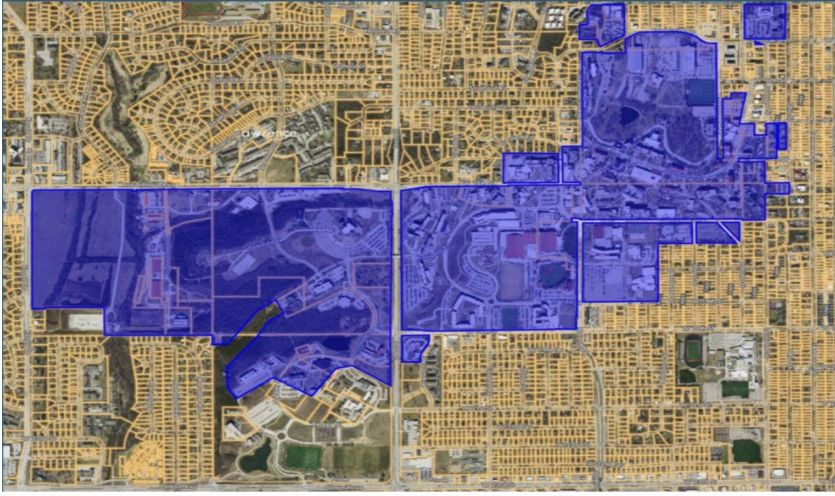
- More than half of the \$86.7M in Economic Development tools is funded from the state sales taxes via STAR Bonds.
- Conference center and stadium can reach the projects full economic and financial potential
- Parking & housing challenges will be addressed
- More prosperous KU lifting the University and the City
- As a result, full economic benefits to the City, County, State & University will be realized

Economic Development Tools are critical for the project to move forward (the Public “But for Test”)

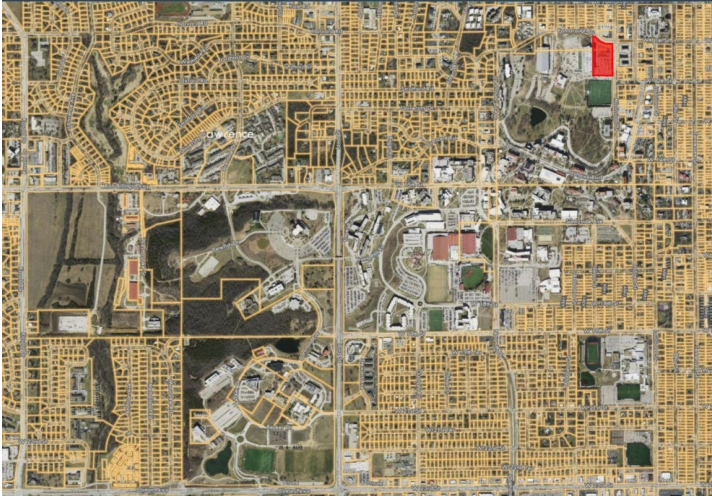
Proposed Economic Development District Maps



STAR Bond District
KU Lawrence Campus



Community Improvement District
KU Lawrence Campus, excluding
The Crossing



Tax Increment Financing District
KU Gateway Only

Requested Next Steps to Make Phase II a Reality

- Approval of the Map of the Economic Development Districts for STAR Bonds and TIF; IRBs for Sales Tax Exemption on Construction Materials; CID approval request will be submitted at a later meeting
- Approval of Resolution for the City to Hire City Financial Advisor, Paid for by the University, to Review & Verify the Hunden Analysis
- Department of Commerce Review of the Proposed District and Feasibility Independent from City of Lawrence
- After Review by All Parties, Approval of the Districts and Issuance of the TIF, CID and STAR Bond Financing
- Construction of Phase II Commences as early as end of 2025 pending approval of Economic Development Tools. Timeline critical to maintain fundraising momentum and developer participation

The Gateway District at KU

We want to preserve and strengthen Lawrence's status as one of the best college towns in the country

Approving the use of the Economic Development tools provided by the State will provide for a once in a generation transformational economic development project that will benefit downtown, the City of Lawrence, the County and State of Kansas.

Thank you!