

DERBY STAR BOND PROJECT DISTRICT

STAR BOND FINANCING

PROJECT PLAN

SUBMITTED TO THE GOVERNING BODY OF THE CITY OF DERBY, KANSAS
PURSUANT TO K.S.A. § 12-17,160 *et seq.*

May ____, 2016

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I. Introduction

Derby Destination Developers, LLC (the “**Developer**”) respectfully submits this STAR Bond Project Plan (the “**Project Plan**”) to the City of Derby, Kansas (the “**City**”) for consideration by the City’s governing body pursuant to the Kansas STAR Bond Financing Act, K.S.A. § 12-17,160 *et seq.* (the “**Act**”).

The Project will be situated on certain property within the Derby STAR Bond Project District (the “**District**”). The District consists of approximately 233 acres generally located on the west and south sides of the intersection of East Patriot Avenue/East 63rd Street South and South Rock Road, and is comprised of (i) a certain parcel situated on the northwest corner of East Patriot Avenue/East 63rd Street South and South Rock Road (the “**North Tract**”), (ii) a certain parcel situated on the southwest and southeast corners of East Patriot Avenue/East 63rd Street South and South Rock Road (the “**South Tract**”), and (iii) that portion of East Patriot Avenue/East 63rd Street South situated between the North Tract and the South Tract, and that portion of South Rock Road situated on the entire east side of the North Tract and then extending south to the intersection of South Rock Road and East Tall Tree Road (collectively, the “**ROW Tract**”), all within the City.

This Project Plan describes a major commercial entertainment and tourism area that will include an indoor/outdoor educational dinosaur attraction (the “**Dinosaur Component**”) as well as recreational tourism activities (collectively the “**Project**”). The primary components of the Dinosaur Component are planned to include the following: an outdoor exhibition and park, indoor exhibits, indoor theater, ropes course under the dome, themed miniature golf, public fitness trail course, zip line, and fossil dig site. Other proposed amenities are a hotel to service the District’s out-of-area tourists, a sit-down restaurant, a day care, and a medical complex. Additionally, the Developer envisions the construction of large and small scale retail on the South Tract. A site plan depicting the District is attached hereto as Exhibit A.

The unique mix of uses within the Project will create tourism, entertainment, and retail opportunities not presently available in the City. The Developer’s market analysis indicates that the Project will attract a very broad and desirable visitor demographic, consisting largely of families seeking destination educational opportunities, entertainment, and shopping. With a portion of the associated retail in place, the Project will become a primary driver of the City’s economy. At full build-out, the total capital investment is estimated at approximately \$159,078,530, annual sales are projected at approximately \$185,719,170, and annual visitation is estimated at 1,300,000 visitors (with approximately one-fourth coming from outside the State). It is expected that capital investment and sales figures may exceed these numbers as additional destination attraction and commercial users are identified. This Project Plan proposes that the Secretary approve the issuance of \$23,996,484 in net STAR Bond proceeds to be disbursed to the Developer for uses contemplated hereunder.

Principals of the Developer have substantial experience in developing large-scale commercial projects, including destination attraction-based projects that have previously qualified for STAR Bonds. In particular, the principals have participated in the development of the Kansas Speedway STAR Bond Project in Kansas City, Kansas, which includes a national racetrack attraction, a professional soccer stadium, a professional baseball stadium, and a destination water park, as well as over 1,000,000 square feet of retail space, several hotels, and numerous large office buildings. Outside of numerous destination attraction projects, the Developer’s principals have participated in dozens of commercial developments across the Midwest. The Developer feels that this background makes it particularly well-qualified to bring the unique development proposed under this Project Plan to fruition.

At the completion of the Project, the City and the State of Kansas will have a new and unique destination experience that will draw visitors on a statewide and regional basis that will create significant related economic benefits both for the City and the State as a whole.

II. **STAR Bond Project Plan**

Pursuant to the Act, municipalities are authorized to utilize STAR Bond Financing for specific development projects through (1) the creation of a STAR Bond Project District, subject to a finding by the Secretary of the Department of Commerce (the “**Secretary**”) that the STAR Bond Project District Plan is eligible for STAR Bond Financing, and (2) the adoption of a STAR Bond Project Plan that is subsequently approved by the Secretary.

On September 8, 2015, the City adopted Ordinance No. 2242 that created the District. By letter dated July 30, 2015, the Secretary deemed the District an “eligible area” as defined under the Act. Based thereon, the following Project Plan is submitted for consideration by the City and, ultimately, the Secretary:

- A description and map of the project area to be redeveloped;
- A reference to the STAR Bond Project 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;
- A summary of the feasibility study done as defined in the Act, and amendments thereto;
- The relocation assistance plan;
- Documentation indicating that the Project will result in a capital investment in excess of \$50,000,000 and will generate gross annual sales revenue in excess of \$50,000,000;
- A market impact study establishing that (i) the Project will not have a substantial negative impact on other businesses in the project market area and (ii) the Project will not cause a default in the payment of any outstanding special obligation bonds authorized pursuant to the Act; and
- Information establishing that the Project will sufficiently promote, stimulate and develop the general and economic welfare of the State, as determined by the Secretary.

A. **Subject Property**

The property subject to this Project Plan consists of approximately 233 acres generally located on the parcel north of Patriot Avenue and west of Rock Road and additional parcels located south of the intersection of Patriot Avenue/East 63rd Street South and Rock Road on both sides of Rock Road, all within the City. A legal description and depiction of the subject property are attached hereto as Exhibit B and Exhibit C, respectively.

B. **Established STAR Bond Project District**

The proposed STAR Bond Project Area is wholly within the District. The District Plan for the District (the “District Plan”) is as follows:

The District Plan includes buildings and facilities to be constructed or improved in the District that will generally include a mixed-use development consisting of some or all of the following uses: Dinosaur Component and entertainment center, retail uses, restaurant uses, and other general commercial development; hotel uses; and associated public and private infrastructure. The District may consist of multiple STAR bond project areas as delineated in one or more STAR bond project plans to be approved for property within the District.

This Project Plan is consistent with the District Plan.

C. STAR Bond Project Description and Overview

The North Tract will contain the Dinosaur Component and other family recreational tourism activities. The primary components of the Dinosaur Component are planned to include the following: an outdoor exhibition and park, indoor exhibits, outdoor amphitheater, indoor theater, ropes course under the dome, themed miniature golf, public fitness trail course, zip line, and fossil dig site. Other proposed amenities are a new 100-room hotel to service the District's out-of-area tourists, a sit-down restaurant, a day care, and a medical complex. These unique destination tourism attractions will be the primary draws of visitor activity to the Project.

The Project will be combined with a strong retail base, as well as other possible future destination attractions. The synergy of concepts in the Project is expected to draw the broadest possible segment of the youth and family tourism market. The Developer will also target national and regional retail and restaurant chains, which will complement the tourism draw associated with the Project. At completion, the Project will become a key piece of Derby's overall economy and will strengthen the City's ability to draw visitors from outside of the immediate area.

D. Summary of Feasibility Study

The Act requires that a feasibility study be prepared setting forth the following information: (i) whether a STAR bond project's revenue and tax increment revenues and other available revenues are expected to exceed or be sufficient to pay for the project costs; (ii) the effect, if any, a STAR bond project will have on any outstanding special obligation bonds payable from certain revenues as described in the Act; (iii) 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; (iv) visitation expectation; (v) the unique quality of the project; (vi) economic impact study; (vii) market study; (viii) market impact study; (ix) integration and collaboration with other resources or businesses; (x) the quality of service and experience provided, as measured against national consumer standards for the specific target market; (xi) project accountability, measured according to best industry practices; (xii) the expected return on state and local investment that the project is anticipated to produce; (xiii) 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 (xiv) an anticipated principal and interest payment schedule on the bond issue.

Canyon Research Southwest, Inc. ("**Canyon**"), a qualified third-party consultant that has evaluated numerous public financing projects across the State of Kansas, prepared the *STAR Bond Feasibility Study – Proposed District*, dated May 2016 (the "**Canyon Study**"), a copy of which is attached as Exhibit H. The Canyon Study analyzed the Project with respect to the information required to be in the study to comply with the Act. The analysis was based on Canyon's experience, expertise, and access to research data regarding the actual design, development, financing, management, and leasing of projects of similar nature and scope.

The Project Plan was prepared based on the substantial experience and knowledge of the Developer and its consultants in developing similar projects. The findings of the Canyon Study and the Developer’s internal analysis can be summarized as follows:

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

The Act requires an analysis of whether a project’s revenues are expected to exceed or be sufficient to pay for the costs of the Project (the “**Project Costs**”). This requires determining the Project Costs, and the Project Costs eligible for reimbursement with STAR Bond Proceeds (the “**Eligible Project Costs**”), and comparing them to the STAR Bond Proceeds expected to be generated within the STAR Bond Project Area.

a. Estimated Total Project Costs

The total estimated cost to complete the Project is \$159,078,530. As determined from contract prices, engineering estimates, and estimates made by the Developer, a breakdown of the estimated costs by category is set forth below (a detailed budget is attached as Exhibit D):

<u>Hard Costs</u>	<u>TOTAL</u>
Land Acquisition	\$ 19,149,928
Infrastructure	\$ 5,481,808
Hard Construction	\$ 97,292,000
Architecture & Engineering	\$ 11,675,040
Subtotal	\$ 133,598,776
Contingency	\$ 13,359,878
Hard Costs Total	\$ 146,958,653
 <u>Soft Costs</u>	
Third Party Professional Costs	\$ 3,405,220
Sales	\$ 2,200,000
Miscellaneous Soft Costs	\$ 5,937,520
Subtotal	\$ 11,542,740
Soft Cost Contingency	\$ 577,137
Soft Costs Total	\$ 12,119,877
 TOTAL HARD COSTS	\$ 146,958,653
TOTAL SOFT COSTS	\$ 12,119,877
TOTAL PROJECT COSTS	\$ 159,078,530

b. Estimated Costs Eligible for Reimbursement

Of the total costs listed above, \$23,996,484 qualify under the Act as “Eligible Project Costs,” meaning that only those costs may be financed using STAR Bond Proceeds. These Eligible Project Costs are set forth by category and amount below (a detailed summary breakdown is attached as Exhibit E). The figure of \$23,996,484 is comprised of the following components:

<u>Hard Costs</u>	<u>TOTAL</u>
Land Acquisition	\$ 8,172,808
Infrastructure	\$ 5,481,808
Hard Construction	\$ 7,075,000

Architecture & Engineering	\$ 849,000
Subtotal	\$ 21,578,616
Contingency	\$ 2,157,862
Hard Costs Total	\$ 23,736,477

Soft Costs

Third Party Professional Costs	\$ 247,625
Sales	-
Miscellaneous Soft Costs	\$ -
Subtotal	\$ 247,625
Soft Cost Contingency	\$ 12,381
Soft Costs Total	\$ 260,006

TOTAL HARD COSTS	\$ 23,736,477
TOTAL SOFT COSTS	\$ 260,006
TOTAL PROJECT COSTS	\$ 23,996,484

c. Tax Revenues Subject to Capture

Three streams of revenues are subject to being captured under the Act for a STAR Bond project: (1) State sales tax revenues generated within the Project based on the current sales tax rate of 6.50%; (2) the City's share of any County sales tax generated within the Project based on the current City share of 0.04%, and (3) transient guest tax revenues generated within the Project based on the current sales tax rate of 8.00%. The share of Sedgwick County sales taxes that will be dedicated to the STAR Bonds will fluctuate annually.

d. Estimated STAR Bond Revenues

The Developer estimates, after consultation with City staff, consideration of the Canyon Study and other economic projections in the area, and its own knowledge and experience, that at full build-out, the Project will produce an annual retail sales volume of approximately \$185,719,170, growing annually by 1%. Thus, assuming a 6.54% sales tax capture rate, the Project will create annual STAR Bond revenue of \$5,861,921 at stabilization (including revenues from the transient guest tax). Total gross revenues produced over the 20-year term of the Project are estimated at \$115,971,208, which are subject to underwriting standards to make the STAR Bonds commercially marketable. The Developer assumed bond underwriting standards of a 6.0% net present value rate, 125% coverage ratio, 3% bond issuance costs, and capitalized interest and reserves of 7.5% each. A bond proforma is attached hereto as Exhibit E.

STAR Bonds will be issued in the amount of \$29,264,004 to finance the Project. Total STAR Bond revenues at stabilization are estimated to support a \$2,762,315 annual debt service payment. Using the same underwriting standards noted above, the gross STAR Bond revenues of \$115,971,208 would support full repayment of \$23,996,484 in net STAR Bond proceeds. It is anticipated that the bonds will be repaid in 9 years.

e. Summary of the STAR Bond Revenues and Project Costs

Based on the (1) estimated Project costs, (2) the estimated STAR Bond proceeds, and (3) required private debt and equity, the STAR Bond Proceeds are expected to pay for the Project Costs, as contemplated under the Act, when supplemented by private debt and equity.

Whole Project:

- Estimated STAR Bond Project Costs - \$159,078,530
- Net STAR Bond Proceeds - \$23,996,484
- Required Private Debt/Equity - \$135,082,046

2. Significant Contribution to the Economic Development of the State and Region

The economic impact on the surrounding economy will be substantial and the development of the Project will provide significant economic development, tourism, and new jobs for both the City and the State of Kansas. Economic analyses contained in the Canyon Study show that the full-time equivalent employment of 1,005 direct and indirect jobs will be created in the construction phase supporting a total payroll of approximately \$48,000,000. At full build-out, the Project will employ an estimated 868 full-time equivalent employees with an annual payroll of approximately \$22,900,000.

Visitation to the Project, as discussed in greater detail below, will generate an estimated demand of 328,000 room nights in the area, which is itself demand sufficient to justify 1,284 hotel rooms. With only approximately 100 rooms being constructed in the Project, there will be significant spillover demand placed upon other area hotels.

3. Projected Visitation

The Dinosaur Component will serve as the Project’s principal draw for visitors. The primary visitor targets include schools, educational and youth organizations, and families. As set forth in the Canyon Study, the Project as a whole is forecast to attract visitors in the following amounts and categories:

Project Component	Annual Visitation
Field Station Dinosaurs	112,000
Ropes Course, Miniature Golf, Zip Line	20,000
100-Room Hotel	25,000
Regional Restaurant	200,000
National and Regional Retailers	900,000
Total Annual Visitation	1,257,000

Of these visitors, the following summarizes the locations from which they will travel:

- Total of 1,257,000 annual visitors at full build-out.
- 315,710 of the visitors will come from outside of the State of Kansas (25.1%).
- 459,750 of the visitors will come from outside of 100 miles of the Project.

4. Impact on Outstanding Special Obligation Bonds

The Canyon Study analyzed what effect, if any, the Project would have on any outstanding STAR Bonds. The Kansas Secretary of Commerce has approved three STAR bond projects in the Wichita MSA that incorporate major destination attractions, retail, entertainment and lodging, including the Wichita River District and the K-96 and Greenwich Project in Wichita, Kansas, and the Olympic Park District in Goddard, Kansas.

Each active STAR bond project in the Wichita MSA supports distinctly different major tourism attractions and retail components. The Canyon Study concluded that development of the Dinosaur Component District in the City will not have a measurable adverse impact on visitor volumes, retail sales volumes, or STAR bond revenues generated by the Wichita River District or K-96 and Greenwich Project in Wichita, Kansas, or the Olympic Park District in Goddard, Kansas. Therefore, the operation of the Project is not anticipated to cause default in the payment of outstanding STAR bonds issued by the three active STAR Bond approved development projects in the Wichita MSA.

5. Market Study/Market Impact Study

The Canyon Study determined that there will be a significant positive impact on the local market, area, and State of Kansas as a result of the Project. Capital investment is estimated at over \$159,000,000, and the Project is anticipated to create substantial employment and other related economic benefits that will serve the City for many years to come.

6. Meetings and Minutes

Upon approval of this Project Plan by the City and prior to transmittal to the Secretary, the City Clerk will attach the minutes of all City meetings where the Project was discussed as Exhibit G.

E. Relocation Plan

The Developer is the contract purchaser to a portion of the Project area, and other developers own other portions of the Project area. Any relocation required by this Project Plan will be coordinated and funded by private arms-length transactions.

F. Sources and Uses

As discussed in greater detail above, the sources and uses for the Project are as follows:

- Estimated STAR Bond Project Costs - \$159,078,530
- Net STAR Bond Proceeds - \$23,996,484
- Required Private Debt/Equity - \$135,082,046

III. Conclusion

Based on the foregoing, the City and Developer hereby submit this Project Plan for public hearing and due consideration.

EXHIBIT A

Site Plan



DERBY DESTINATION DEVELOPMENT Derby, KS

4/06/2016



*Tenants listed on following page.

Base Tenants

1	Car Wash	11	Capitol Federal Bank
2	QuikTrip	11	Dry Cleaners
3	Emprise Bank	11	H&R Blkock
4	Hampton Inn	11	Mattress Hub
5	Braum's	11	Papa Murphy's
6	Freddy's	11	Sports Clips
6	At the Beach Tanning	11	LV Nails and Spa
6	Domino's Pizza	11	Cox Cable
6	Nail Boutique	12	Panera
6	Cartridge World	13	Dillon's Gas
6	Great Clips	14	Target
6	Verizon	15	Cato Fashion
7	Starbucks	15	Hallmark
7	Panda Express	15	GNC
8	Eric Fisher Salon	15	Sally Beauty
8	Jury Eye Doctor	15	Famous Footwear
8	Specs Eye Wear	15	Maurices
8	Pita Pit	15	Rue 21
8	Game Stop	15	Hibbett Sports
8	Buffalo Wild Wings	15	Christopher & Banks
9	Discount Tire	16	Petco
9	Chick-fil-A	17	Dillon's Grocery
10	Olive Garden	18	Intrust Bank
10	Chipolte	19	Spangles
		20	Meritrust Credit Union

Future Tenants

A	Future Hotel	B	MedExpress
A	Future Service	B	Venetian Nails
A	Dinosaur Exhibition	B	Subway
A	Dinosaur Statues	B	Derby Orthodontics
A	Dinosaur Indoor Exhibits	B	Safari Smiles
A	Ropes Dome, Miniature Golf, Zip Lines	C	Future Retail
A	Future Restaurant	C	Future Restaurants
A	Future Retail	C	Aldi
A	Medical Complex & Medical Office Building	C	Mattress Firm
B	Future Grocer	D	Future Retail
B	Future Retail	E	Future Retail
B	Future Restaurant	F	Future Retail
B	Future Jeweler	F	TJ Maxx
B	Hardees	F	Ross Dress for Less
		F	Hobby Lobby

EXHIBIT B

Legal Description of the Project

NORTH TRACT:

A tract of land located in the Southeast Quarter of Section 30, Township 28 South, Range 2 East of the 6th Principal Meridian, said tract being a part of Anderson Farm Commercial 3rd Addition, part of Anderson Farm Commercial 2nd Addition and Water Tower Addition, all in the City of Derby, Sedgwick County, Kansas, more particularly described as follows:

Commencing at the northeast corner of said Southeast Quarter of Section 30; thence South 89°42'16" West, coincident with the north line of said Southeast Quarter, 70.00 feet to the northeast corner of Lot 1, Block A in said Water Tower Addition, said point being the Point of Beginning; thence South 0°00'00" East, coincident with the east line of said Lot 1, Block A, Water Tower Addition and the west line of Rock Road, 400.01 feet to the southeast corner of said Lot 1, Block A, Water Tower Addition and the northeast corner of Lot 2, Block A in said Anderson Farm Commercial 3rd Addition; thence continue southerly, coincident with the west line of Rock Road and the east line of Lots 2 thru 7, Block A in said Anderson Farm Commercial 3rd Addition and the east line of Lots 2 and 3, Block A in said Anderson Farm Commercial 2nd Addition along the following courses: South 0°00'00" East, 1,911.71 feet; thence South 11°18'36" West, 101.98 feet; thence South 0°00'00" East, 175.00 feet to the southeast corner of said Lot 2, Block A, Anderson Farm Commercial 2nd Addition; thence westerly, coincident with the north line of Patriot Avenue (63rd Street South) and the south line of Lot 2, Anderson Farm Commercial 2nd Addition and Lots 8 and 9 Anderson Farm Commercial 3rd Addition, Block A along the following courses: South 89°21'37" West, 175.00 feet; thence South 80°49'47" West, 101.12 feet; thence South 89°20'39" West, 295.52 feet to the southwest corner of said Lot 9 and the southeast corner of Lot 1, Calvary Baptist Church Second Addition; thence North 0°01'59" West, coincident with the west line of said Lot 8 and Lot 9 and Lot 6 in Anderson Farm Commercial 3rd Addition and the east line of said Lot 1 in Calvary Baptist Church Second Addition, 1,272.55 feet to the Northeast corner of last said lot 1 and the Northwest corner of said lot 6; thence South 89°32'41" West, coincident with the South line of lot 1 and Reserve A in said Anderson Farm Commercial 3rd Addition and the north line of said lot 1, Calvary Baptist Church Second Addition, 661.51 feet to the Southwest corner of said Reserve A; thence North 0°06'33" West, coincident with the West line of said Reserve A and the East line of Stone Creek 4th Addition, a distance of 1,334.15 feet to the Northwest corner of said Reserve A; thence North 89°42'16" East, coincident with the North line of said Anderson Farm Commercial 3rd Addition, 854.98 feet to the northern most Northeast corner of said Anderson Farm Commercial 3rd Addition and the Northwest corner of said Lot 1, Block A, Water Tower Addition; thence continue North 89°42'16" East, coincident with the north line of said Water Tower Addition, 400.01 feet to the Point of Beginning, containing 56 acres, more or less.

SOUTH TRACT:

A tract of land located in the Northeast Quarter and Southeast Quarter of Section 31 and the Northwest Quarter and Southwest Quarter of Section 32, all in Township 28 South, Range 2 East of the 6th Principal Meridian, said tract also being a part of The Oaks, The Oaks 2nd, The Oaks Commercial, Mac's Corner Commercial, Mac's Corner Commercial 2nd, Derby Marketplace Second, and Derby Marketplace Third, all additions to the City of Derby, Sedgwick County, Kansas, more particularly described as follows:

Commencing at the northeast corner of said Section 31; thence North 89°59'45" West, coincident with the north line of said Northeast Quarter of Section 31, 90.00 feet; thence South 00°29'09" West, 75.00 feet to the northeast corner of Lot 5, Block A in said The Oaks, said point being the Point of Beginning; thence southerly, coincident with the west line of Rock Road and the east line of Lots 1, 4 and 5, Block A, Reserve A and Lots 1 thru 4, Block C in said The Oaks and the east line of Lot 1, Block A in said The Oaks Commercial, on the following courses: South 00°29'09" West, 175.00 feet; thence South 08°02'42" East, 101.12 feet; thence South 00°29'09" West, 1,942.35 feet; thence South 09°01'00" West, 101.12 feet; thence South 00°29'09" West, 175.00 feet to the southeast corner of said Lot 4, Block C; thence South 89°30'51" East, 150.00 feet to a point on the east line of Rock Road; thence Southerly, coincident with the east line of said Rock Road and the west line of Lot 1, Phillips Rock Road Addition, South 00°29'09" West, 11.91 feet to the southwest corner of said Lot 1, Phillips Rock Road Addition and the northwest corner of said Derby Marketplace Second Addition; thence on Derby Marketplace Second Addition bearings, North 88°46'34" East, coincident with the north line of last said Addition, 1,034.67 feet to the northeast corner of said Derby Marketplace Second Addition; thence coincident with the east line of said Derby Marketplace Second Addition and the west line of said Tall Tree Addition on the following courses: South 01°13'26" East, 80.00 feet; thence on a non tangent curve to the right, said curve having a radius of 210 feet, a chord bearing of South 78°38'18" East, a chord length of 91.52 feet, for a length of 92.26 feet; thence South 00°27'08" East coincident with the east line of said Derby Marketplace Second Addition and the west line of Tall Tree Addition, 1,311.26 feet to the southeast corner of said Derby Marketplace Second Addition; thence South 00°26'41" East, coincident with the east line of said Derby Marketplace Third Addition and the west line of Amber Ridge Addition and Amber Ridge 2nd Addition, 1,270.25 feet to the southeast corner of said Derby Marketplace Third Addition; thence westerly, coincident with the north line of Meadowlark Road and the south line of said Derby Marketplace Third Addition, on the following courses: South 88°42'12" West, 834.73 feet; thence North 82°45'58" West, 101.12 feet; thence South 88°42'12" West, 175.00 feet to the southwest corner of said Derby Marketplace Third Addition; thence on Mac's Corner Commercial Addition bearings, South 89°46'57" West, 150.10 feet to the southeast corner of said Mac's Corner Commercial Addition; thence coincident with the south line of said Mac's Corner Commercial Addition and Mac's Corner Commercial 2nd Addition and the north line of Meadowlark Avenue (71st Street South) on the following courses: South 90°00'00" West, 175.00 feet; thence South 75°57'50" West, 72.10 feet; thence North 00°25'41" East, 7.01 feet; thence South 81°28'09" West, 30.46 feet; thence South 90°00'00" West, 314.48 feet to the southwest corner of said Mac's Corner Commercial 2nd Addition and the southeast corner of Lot 1, Block F, in said The Oaks; thence on The Oaks bearings, North 00°47'46" East, coincident with the east line of said Lot 1, Block F and the east line of Reserve K of said The Oaks 2nd, 605.75 feet to the southwest corner of Reserve A, The Oaks Commercial 3rd Addition; thence on The Oaks Commercial 3rd Addition bearings, coincident with said east line of Reserve K, North 00°47'18" East, 665.29 feet; thence continuing coincident with the east line of said Reserve K, North 00°47'56" East, 665.55 feet to the southwest corner of Reserve M in said The Oaks 2nd; thence continuing coincident with said east line of Reserve K, the west line of said Reserve M and the east line of Lots 5 thru 10, Block 1 in said The Oaks 2nd, North 00°47'56" East, 665.55 feet to the south line of Lot 4, Block 1 in said The Oaks 2nd; thence South 89°41'59" East, coincident with the south line of last said Lot 4, a distance of 28.93 feet to the southeast corner of last said Lot 4; thence North 00°29'09" East, coincident with the east line of last said Lot 4, a distance of 113.96 feet to a point on the southerly line of Tall Tree Road; thence northwesterly, coincident with last said southerly line on a curve to the right having a radius of 800 feet, a chord bearing of North 53°15'29" West, and a chord length of 152.98 feet, for a length of 153.21 feet; thence North 42°13'47" East, 80.00 feet to a point on the northerly line of Tall Tree Road; thence northwesterly, coincident with last said northerly line, on a curve to the left having a radius of 755 feet, a chord bearing of North 62°16'23" West, and a chord length of 378.14 feet, for a length of 382.21 feet to the southwest corner of Lot 6, Block B in said The Oaks and the southeast corner of Reserve GC-B in said The Oaks 2nd; thence North 00°29'09" East, coincident with the west line of last said Lot 6 and the east line of said Reserve GC-B, 354.67 feet to the southwest corner of Lot 5, Block B in said The Oaks; thence South 89°30'51" East, coincident with the south line of last said

Lot 5, a distance of 408.42 feet to a point on the west line of Newberry Street; thence northerly, coincident with the west line of said Newberry Street and the east line of last said Lot 5 on the following courses: on a curve to the left with a radius of 305 feet, a chord bearing of North 14°33'35" West, and a chord length of 172.73 feet, for a length of 175.13 feet; thence on a curve to the right with a radius of 370 feet and a length of 193.10 feet; thence North 01°06'28" West, 544.93 feet; thence on a curve to the left with a radius of 281.65 feet and a length of 33.91 feet; thence departing last said line, North 44°59'45" west, coincident with the north line of last said Lot 5 and the south line of Lot 4, Block B in said The Oaks, 66.98 feet; thence North 89°59'45" West, coincident with last said north line of Lot 5 and south line of Lot 4, the south line of Lot 3, Block B in said The Oaks and the north line of Lot 1, Block C in said The Oaks 2nd, 806.54 feet to the southwest corner of last said lot 3; thence North 00°00'15" East, coincident with the west line of Lots 1 thru 3, Block B in said The Oaks and the east line of said Lot 1, Block C, 815.85 feet to the northwest corner of said Lot 1, Block B and the northeast corner of Lot 1, Block C; thence easterly, coincident with the south line of 63rd Street South and the north line of said Lot 1, Block B and Lots 3, 4 and 5, Block A in said The Oaks, on the following courses: South 81°27'54" East, 19.21 feet; thence South 89°59'45" East, 434.00 feet; thence North 81°28'25" East, 101.12 feet; thence South 89°59'45" East, 693.37 feet; thence South 81°27'54" East, 101.12 feet; thence South 89°59'45" East, 175 feet to the Point of Beginning, containing 170 acres, more or less.

ROW TRACT:

That portion of East Patriot Avenue/East 63rd Street South situated between the North Tract and the South Tract from the west edge of the South Tract to the east edge of the South and North Tracts, and that portion of South Rock Road situated on the entire east side of the North Tract and then extending south to the intersection of South Rock Road and E. Tall Tree Road.

EXHIBIT C

Depiction of the Project



The boundaries of the North Tract are outlined in red.
The boundaries of a portion of the ROW Tract are outlined in black.

South Tract



Geographic Information Services
Division of Information & Operations
www.sedgwickcounty.org/gis
525 N. Main, Suite 212, Wichita, KS 67203
Tel: 316.660.9290 Fax: 316.262.1174
Tue Apr 28 09:02:29 GMT-0500 2015

DISCLAIMER: It is understood that, while Sedgwick County Geographic Information Services (SOGIS), City of Wichita GIS, (for purposes of the road centerline file), participating agencies, and information suppliers, have no indication or reason to believe that there are inaccuracies in information provided, SOGIS, its suppliers make no representations of any kind, including, but not limited to, warranties of merchantability or fitness for a particular use, nor are any such warranties to be implied with respect to the information, data or service furnished herein. In no event shall the Data Providers become liable to users of these data, or any other party, for any loss or damages, consequential or otherwise, including but not limited to time, money, or goodwill, arising from the use, operation or modification of the data. In using these data, users further agree to indemnify, defend, and hold harmless the Data Providers for any and all liability of any nature arising out of or resulting from the lack of accuracy or correctness of the data, or the use of the data. No person shall sell, give or receive for the purpose of selling or offering for sale, any portion of the information provided herein.

The boundaries of the South Tract are outlined in red.
The boundaries of a portion of the ROW Tract are outlined in black.

EXHIBIT D

Estimated Project Costs

<u>Cost Category</u>	<u>Total</u>
<u>Land Acquisition and Closing</u>	
North Parcel - 36.08 acres	\$ 5,925,101
North Parcel - 6.79 acres	\$ 1,479,360
North Parcel - 2.94 acres	\$ 768,347
South Parcel - Parcel A	\$ 9,016,920
South Parcel - Parcel B	\$ 1,960,200
Subtotal:	\$ 19,149,928
<u>Infrastructure</u>	
North Parcel - 45.81 acres	\$ 5,481,808
South Parcel - Parcel A	-
South Parcel - Parcel B	-
Subtotal:	\$ 5,481,808
<u>Hard Construction Costs</u>	
<u>North Parcel</u>	
Hotel - 100 rooms	\$ 10,000,000
Parking	\$ 525,000
Theme Park	
Parking Facility	\$ 1,050,000
Land Prep, Grading, Irrigation, Planting	\$ 3,100,000
Sculptures, Lighting, Shelters, Fitness Trail	\$ 2,400,000
Exhibitory	\$ 350,000
Structures	\$ 1,300,000
Regional Restaurant at 6,000 sq. ft.	\$ 3,000,000
Medical Complex and Medical Office Building	
Medical Complex	\$ 25,020,000
Medical Office Building	\$ 15,012,000
Day Care	\$ 500,000
<u>South Parcel</u>	
National Retailer at 70,000 sq. ft.	\$ 10,500,000
National Retailer at 55,000 sq. ft.	\$ 5,000,000
National Retailer at 55,000 sq. ft.	\$ 5,000,000
National Retailer at 55,000 sq. ft.	\$ 5,000,000
National Retailer at 12,900 sq. ft.	\$ 1,935,000
National Retailer at 17,000 sq. ft.	\$ 4,000,000
National Retailer at 4,400 sq. ft.	\$ 1,000,000
National Retailer at 2,580 sq. ft.	\$ 500,000
National Retailer at 1,600 sq. ft.	\$ 400,000
National Retailer at 2,500 sq. ft.	\$ 700,000
National Retailer at 3,500 sq. ft.	\$ 500,000
National Retailer at 3,500 sq. ft.	\$ 500,000
Subtotal:	\$ 97,292,000

Architecture & Engineering - North & South Parcels

North & South Parcels	\$	11,675,040
Subtotal:	\$	11,675,040

North & South Parcels	\$	3,405,220
Subtotal:	\$	3,405,220

Sales and Marketing - North & South Parcels

Marketing	\$	2,000,000
Travel & Conventions	\$	100,000
Retail Leasing	\$	100,000
Subtotal:	\$	2,200,000

Miscellaneous Soft Costs - North & South Parcels

Property Taxes	\$	100,000
Admin Overhead	\$	972,920
Development Fees	\$	4,864,600
Subtotal:	\$	5,937,520

Hard Costs

		<u>TOTAL</u>
Land Acquisition	\$	19,149,928
Infrastructure	\$	5,481,808
Hard Construction	\$	97,292,000
Architecture & Engineering	\$	11,675,040
Subtotal	\$	133,598,776
Contingency	\$	13,359,878
Hard Costs Total	\$	146,958,653

Soft Costs

Third Party Professional Costs	\$	3,405,220
Sales and Marketing	\$	2,200,000
Miscellaneous Soft Costs	\$	5,937,520
Subtotal	\$	11,542,740
Soft Cost Contingency	\$	577,137
Soft Costs Total	\$	12,119,877

TOTAL HARD COSTS	\$	146,958,653
TOTAL SOFT COSTS	\$	12,119,877
TOTAL PROJECT COSTS	\$	159,078,530

EXHIBIT E

Estimated Eligible Project Costs

<u>Cost Category</u>	<u>STAR Bond</u> <u>Eligible</u>	<u>STAR Bond</u> <u>Uses</u>
<u>Land Acquisition and Closing</u>		
North Parcel - 36.08 acres	\$ 5,925,101	\$ 5,925,101
North Parcel - 6.79 acres	\$ 1,479,360	\$ 1,479,360
North Parcel - 2.94 acres	\$ 768,347	\$ 768,347
South Parcel - Parcel A	-	-
South Parcel - Parcel B	-	-
Subtotal:	\$ 8,172,808	\$ 8,172,808
<u>Infrastructure</u>		
North Parcel - 45.81 acres	\$ 5,481,808	\$ 5,481,808
South Parcel - Parcel A	-	-
South Parcel - Parcel B	-	-
Subtotal:	\$ 5,481,808	\$ 5,481,808
<u>Hard Construction Costs</u>		
North Parcel		
Hotel - 100 rooms	-	-
Parking	\$ 525,000	\$ 525,000
Theme Park		
Parking Facility	\$ 1,050,000	\$ 1,050,000
Land Prep, Grading, Irrigation, Planting	\$ 3,100,000	\$ 3,100,000
Sculptures, Lighting, Shelters, Fitness Trail	\$ 2,400,000	\$ 2,400,000
Exhibitry	-	-
Structures	-	-
Regional Restaurant at 6,000 sq. ft.	-	-
Medical Complex and Medical Office Building		
Medical Complex	-	-
Medical Office Building	-	-
Day Care	-	-
South Parcel		
National Retailer at 70,000 sq. ft.	-	-
National Retailer at 55,000 sq. ft.	-	-
National Retailer at 55,000 sq. ft.	-	-
National Retailer at 55,000 sq. ft.	-	-
National Retailer at 12,900 sq. ft.	-	-
National Retailer at 17,000 sq. ft.	-	-
National Retailer at 4,400 sq. ft.	-	-
National Retailer at 2,580 sq. ft.	-	-
National Retailer at 1,600 sq. ft.	-	-
National Retailer at 2,500 sq. ft.	-	-
National Retailer at 3,500 sq. ft.	-	-
National Retailer at 3,500 sq. ft.	-	-
Subtotal:	\$ 7,075,000	\$ 7,075,000

**Architecture & Engineering - North & South
Parcels**

North & South Parcels	\$	849,000	\$	849,000
Subtotal:	\$	849,000	\$	849,000

North & South Parcels	\$	247,625	\$	247,625
Subtotal:	\$	247,625	\$	247,625

Sales and Marketing - North & South Parcels

Marketing	-	-
Travel & Conventions	-	-
Retail Leasing	-	-
Subtotal:	-	-

Miscellaneous Soft Costs - North & South Parcels

Property Taxes	-	-		
Admin Overhead	-	-		
Development Fees	-	-		
Subtotal:	\$	-	\$	-

Hard Costs

	<u>ELIGIBLE</u>	<u>USES</u>
Land Acquisition	\$ 8,172,808	\$ 8,172,808
Infrastructure	\$ 5,481,808	\$ 5,481,808
Hard Construction	\$ 7,075,000	\$ 7,075,000
Architecture & Engineering	\$ 849,000	\$ 849,000
Subtotal	\$ 21,578,616	\$ 21,578,616
Contingency	\$ 2,157,862	\$ 2,157,862
Hard Costs Total	\$ 23,736,477	\$ 23,736,477

Soft Costs

Third Party Professional Costs	\$	247,625	\$	247,625
Sales and Marketing	-	-	-	-
Miscellaneous Soft Costs	\$	-	\$	-
Subtotal	\$	247,625	\$	247,625
Soft Cost Contingency	\$	12,381	\$	12,381
Soft Costs Total	\$	260,006	\$	260,006

TOTAL HARD COSTS	\$	23,736,477	\$	23,736,477
TOTAL SOFT COSTS	\$	260,006	\$	260,006
TOTAL PROJECT COSTS	\$	23,996,484	\$	23,996,484

EXHIBIT F

STAR Bond Proforma

[See attached]

Derby STAR Bond Project - Cost Summary

<u>Cost Category</u>	<u>Unit/SF/ Acre/Length</u>	<u>Cost Per Unit/SF</u>	<u>Total</u>	<u>STAR Bond Eligible</u>	<u>STAR Bond Uses</u>
Land Acquisition and Closing					
North Parcel - 36.08 acres	1,571,645	\$3.77	\$ 5,925,101	\$ 5,925,101	\$ 5,925,101
North Parcel - 6.79 acres	295,872	\$5.00	\$ 1,479,360	\$ 1,479,360	\$ 1,479,360
North Parcel - 2.94 acres	128,058	\$6.00	\$ 768,347	\$ 768,347	\$ 768,347
South Parcel - Parcel A	1,568,160	\$5.75	\$ 9,016,920	-	-
South Parcel - Parcel B	130,680	\$15.00	\$ 1,960,200	-	-
Subtotal:			\$ 19,149,928	\$ 8,172,808	\$ 8,172,808
Infrastructure					
North Parcel - 45.81 acres	-	-	\$ 5,481,808	\$ 5,481,808	\$ 5,481,808
South Parcel - Parcel A	0	\$6.00	-	-	-
South Parcel - Parcel B	0	\$6.00	-	-	-
Subtotal:			\$ 5,481,808	\$ 5,481,808	\$ 5,481,808
Hard Construction Costs					
North Parcel					
Hotel - 100 rooms	100	\$100,000	\$ 10,000,000	-	-
Parking	150	\$3,500	\$ 525,000	\$ 525,000	\$ 525,000
Theme Park					
Parking Facility	-	-	\$ 1,050,000	\$ 1,050,000	\$ 1,050,000
Land Prep, Grading, Irrigation, Planting	-	-	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000
Sculptures, Lighting, Shelters, Fitness Trail	-	-	\$ 2,400,000	\$ 2,400,000	\$ 2,400,000
Exhibitory	-	-	\$ 350,000	-	-
Structures	-	-	\$ 1,300,000	-	-
Regional Restaurant at 6,000 sq. ft.	6,000	\$500	\$ 3,000,000	-	-
Medical Complex and Medical Office Building					
Medical Complex	60,000	\$417	\$ 25,020,000	-	-
Medical Office Building	36,000	\$417	\$ 15,012,000	-	-
Day Care	2,000	\$150	\$ 500,000	-	-
South Parcel					
National Retailer at 70,000 sq. ft.	70,000	\$150	\$ 10,500,000	-	-
National Retailer at 55,000 sq. ft.	55,000	\$91	\$ 5,000,000	-	-
National Retailer at 55,000 sq. ft.	55,000	\$91	\$ 5,000,000	-	-
National Retailer at 55,000 sq. ft.	55,000	\$91	\$ 5,000,000	-	-
National Retailer at 12,900 sq. ft.	12,900	\$150	\$ 1,935,000	-	-
National Retailer at 17,000 sq. ft.	17,000	\$235	\$ 4,000,000	-	-
National Retailer at 4,400 sq. ft.	4,400	\$227	\$ 1,000,000	-	-
National Retailer at 2,580 sq. ft.	2,580	\$194	\$ 500,000	-	-
National Retailer at 1,600 sq. ft.	1,600	\$250	\$ 400,000	-	-
National Retailer at 2,500 sq. ft.	2,500	\$280	\$ 700,000	-	-
National Retailer at 3,500 sq. ft.	3,500	\$143	\$ 500,000	-	-
National Retailer at 3,500 sq. ft.	3,500	\$143	\$ 500,000	-	-
Subtotal:			\$ 97,292,000	\$ 7,075,000	\$ 7,075,000
Architecture & Engineering - North & South Parcels					
North & South Parcels	% of Hard Costs:	12%	\$ 11,675,040	\$ 849,000	\$ 849,000
Subtotal:			\$ 11,675,040	\$ 849,000	\$ 849,000
Third Party Professional Costs - North & South Parcels					
North & South Parcels	% of Hard Costs:	3.5%	\$ 3,405,220	\$ 247,625	\$ 247,625
Subtotal:			\$ 3,405,220	\$ 247,625	\$ 247,625
Sales and Marketing - North & South Parcels					
Marketing			\$ 2,000,000	-	-
Travel & Conventions			\$ 100,000	-	-
Retail Leasing			\$ 100,000	-	-
Subtotal:			\$ 2,200,000	-	-
Miscellaneous Soft Costs - North & South Parcels					
Property Taxes			\$ 100,000	-	-
Admin Overhead	% of Hard Costs:	1%	\$ 972,920	-	-
Development Fees	% of Hard Costs:	5%	\$ 4,864,600	-	-
Subtotal:			\$ 5,937,520	\$ -	\$ -
Hard Costs					
			TOTAL	ELIGIBLE	USES
Land Acquisition			\$ 19,149,928	\$ 8,172,808	\$ 8,172,808
Infrastructure			\$ 5,481,808	\$ 5,481,808	\$ 5,481,808
Hard Construction			\$ 97,292,000	\$ 7,075,000	\$ 7,075,000
Architecture & Engineering			\$ 11,675,040	\$ 849,000	\$ 849,000
Subtotal			\$ 133,598,776	\$ 21,578,616	\$ 21,578,616
Contingency	% of Subtotal:	10%	\$ 13,359,878	\$ 2,157,862	\$ 2,157,862
Hard Costs Total			\$ 146,958,653	\$ 23,736,477	\$ 23,736,477
Soft Costs					
Third Party Professional Costs			\$ 3,405,220	\$ 247,625	\$ 247,625
Sales and Marketing			\$ 2,200,000	-	-
Miscellaneous Soft Costs			\$ 5,937,520	-	-
Subtotal			\$ 11,542,740	\$ 247,625	\$ 247,625
Soft Cost Contingency	% of Subtotal:	5%	\$ 577,137	\$ 12,381	\$ 12,381
Soft Costs Total			\$ 12,119,877	\$ 260,006	\$ 260,006
TOTAL HARD COSTS			\$ 146,958,653	\$ 23,736,477	\$ 23,736,477
TOTAL SOFT COSTS			\$ 12,119,877	\$ 260,006	\$ 260,006
TOTAL PROJECT COSTS			\$ 159,078,530	\$ 23,996,484	\$ 23,996,484

DERBY STAR BOND PROJECT - PROFORMA

Year	Base Sales	Total Incremental Sales - Existing Businesses	Total New Sales - North Tract	Total New Sales - South Tract	Total STAR Bond Sales Tax Revenue	Hotel - Transient Guest Tax Revenue	Total Revenue
1	\$ 98,900,200	\$ 989,002	\$ -	\$ -	\$ 64,681	\$ -	\$ 64,681
2	\$ 98,900,200	\$ 998,892	\$ 1,947,000	\$ 26,367,000	\$ 1,917,063	\$ 60,707	\$ 1,977,770
3	\$ 98,900,200	\$ 1,008,881	\$ 3,894,000	\$ 52,734,000	\$ 3,769,452	\$ 121,414	\$ 3,890,866
4	\$ 98,900,200	\$ 1,018,970	\$ 5,900,000	\$ 79,900,000	\$ 5,677,961	\$ 183,960	\$ 5,861,921
5	\$ 98,900,200	\$ 1,029,159	\$ 5,959,000	\$ 80,699,000	\$ 5,734,740	\$ 301,694	\$ 6,036,435
6	\$ 98,900,200	\$ 1,039,451	\$ 6,018,590	\$ 81,505,990	\$ 5,792,088	\$ 304,711	\$ 6,096,799
7	\$ 98,900,200	\$ 1,049,846	\$ 6,078,776	\$ 82,321,050	\$ 5,850,009	\$ 307,758	\$ 6,157,767
8	\$ 98,900,200	\$ 1,060,344	\$ 6,139,564	\$ 83,144,260	\$ 5,908,509	\$ 310,836	\$ 6,219,345
9	\$ 98,900,200	\$ 1,070,947	\$ 6,200,959	\$ 83,975,703	\$ 5,967,594	\$ 313,944	\$ 6,281,538
10	\$ 98,900,200	\$ 1,081,657	\$ 6,262,969	\$ 84,815,460	\$ 6,027,270	\$ 317,084	\$ 6,344,353
11	\$ 98,900,200	\$ 1,092,473	\$ 6,325,599	\$ 85,663,615	\$ 6,087,542	\$ 320,255	\$ 6,407,797
12	\$ 98,900,200	\$ 1,103,398	\$ 6,388,855	\$ 86,520,251	\$ 6,148,418	\$ 323,457	\$ 6,471,875
13	\$ 98,900,200	\$ 1,114,432	\$ 6,452,743	\$ 87,385,453	\$ 6,209,902	\$ 326,692	\$ 6,536,594
14	\$ 98,900,200	\$ 1,125,577	\$ 6,517,271	\$ 88,259,308	\$ 6,272,001	\$ 329,959	\$ 6,601,960
15	\$ 98,900,200	\$ 1,136,832	\$ 6,582,443	\$ 89,141,901	\$ 6,334,721	\$ 333,258	\$ 6,667,979
16	\$ 98,900,200	\$ 1,148,201	\$ 6,648,268	\$ 90,033,320	\$ 6,398,068	\$ 336,591	\$ 6,734,659
17	\$ 98,900,200	\$ 1,159,683	\$ 6,714,750	\$ 90,933,653	\$ 6,462,049	\$ 339,957	\$ 6,802,006
18	\$ 98,900,200	\$ 1,171,279	\$ 6,781,898	\$ 91,842,990	\$ 6,526,669	\$ 343,356	\$ 6,870,026
19	\$ 98,900,200	\$ 1,182,992	\$ 6,849,717	\$ 92,761,420	\$ 6,591,936	\$ 346,790	\$ 6,938,726
20	\$ 98,900,200	\$ 1,194,822	\$ 6,918,214	\$ 93,689,034	\$ 6,657,855	\$ 350,258	\$ 7,008,113
TOTALS					\$ 110,398,526	\$ 5,572,681	\$ 115,971,208
NET PRESENT VALUE			6.00%		\$ 58,344,402	\$ 2,875,005	\$ 61,219,407

Gross Bond Proceeds (NPV / DSCR)	125%	\$ 46,675,522	\$ 2,300,004	\$ 48,975,526
Less: Bond Issuance	3%	\$ (1,400,266)	\$ (69,000)	\$ (1,469,266)
Net Bond Proceeds		\$ 45,275,256	\$ 2,231,004	\$ 47,506,260

Notes:

- | | |
|---|----------|
| 1. City Sales Tax Rate - dedicated for parks/frastructure: | 0.50% |
| 2. County Sales Tax Rate: | 1.00% |
| 3. County Sales Tax Rate - percentage allocated to City: | 0.04% |
| 4. State Sales Tax Rate: | 6.50% |
| 5. STAR Bond Sales Tax Rate is (includes County allocation to City): | 6.54% |
| 6. Projected annual sales increase after stabilization: | 1.00% |
| 7. Assumed Transient Guest Tax: | 8.00% |
| 8. Assumed hotel sales per room: | \$25,550 |
| 9. Assumed % of New Sales Online Year 1: | 0% |
| 10. Assumed % of New Sales Online Year 2: | 33% |
| 11. Assumed % of New Sales Online Year 3: | 66% |
| 12. Assumed % of New Sales Online Year 4: | 100% |
| 13. Year when 100% of TGT Revenues from Hampton Inn are collected as STAR Bond revenue: | 5 |

STAR BOND PAYOFF SCHEDULE

Net Proceeds Requested:	23,996,484
Principal*	29,264,004
Rate	7.00%
Term	20
Annual Payment	(2,762,315)

*Includes DSRF/COI/Cap. Int.

Year	Required Payment	Principal	Interest	Total STAR Bond Revenue	Additional Principal	STAR Bond Balance	Additional Annual Revenues
1	\$2,762,315	\$0	\$2,048,480	\$64,681	\$0	\$29,264,004	
2	\$2,762,315	\$0	\$2,048,480	\$1,977,770	\$0	\$29,264,004	
3	\$2,762,315	\$713,835	\$2,048,480	\$3,890,866	\$1,128,551	\$27,421,619	
4	\$2,762,315	\$842,802	\$1,919,513	\$5,861,921	\$3,099,606	\$23,479,212	
5	\$2,762,315	\$1,118,770	\$1,643,545	\$6,036,435	\$3,274,120	\$19,086,322	
6	\$2,762,315	\$1,426,272	\$1,336,043	\$6,096,799	\$3,334,484	\$14,325,565	
7	\$2,762,315	\$1,759,525	\$1,002,790	\$6,157,767	\$3,395,452	\$9,170,588	
8	\$2,762,315	\$2,120,374	\$641,941	\$6,219,345	\$3,457,030	\$3,593,185	
9	\$2,762,315	\$2,510,792	\$251,523	\$6,281,538	\$3,519,223	\$0	\$2,436,831
10	\$0	\$0	\$0	\$6,344,353	\$0	\$0	\$6,344,353
11	\$0	\$0	\$0	\$6,407,797	\$0	\$0	\$6,407,797
12	\$0	\$0	\$0	\$6,471,875	\$0	\$0	\$6,471,875
13	\$0	\$0	\$0	\$6,536,594	\$0	\$0	\$6,536,594
14	\$0	\$0	\$0	\$6,601,960	\$0	\$0	\$6,601,960
15	\$0	\$0	\$0	\$6,667,979	\$0	\$0	\$6,667,979
16	\$0	\$0	\$0	\$6,734,659	\$0	\$0	\$6,734,659
17	\$0	\$0	\$0	\$6,802,006	\$0	\$0	\$6,802,006
18	\$0	\$0	\$0	\$6,870,026	\$0	\$0	\$6,870,026
19	\$0	\$0	\$0	\$6,938,726	\$0	\$0	\$6,938,726
20	\$0	\$0	\$0	\$7,008,113	\$0	\$0	\$7,008,113

Total Additional State Revenues: \$75,820,918

NOTES:

Cost of Issuance \$877,920 3% of principal
 Debt Service Reserve Fund \$2,194,800 7.5% of principal
 Capitalized Interest \$2,194,800 8.5% of principal

EXHIBIT G

Meeting Minutes

To be included after approval of Project Plan.

EXHIBIT H

Canyon Study

[See attached]

**STAR BOND FEASIBILITY STUDY
PROPOSED DISTRICT
DERBY, KANSAS**

May 2016

CANYON RESEARCH SOUTHWEST, INC.

COMMERCIAL REAL ESTATE RESEARCH AND ANALYSIS

STAR BOND FEASIBILITY STUDY PROPOSED DISTRICT DERBY, KANSAS

May 2016

Prepared for:

Derby Destination Development, LLC
7007 Apache Drive
Shawnee, KS 66226

Prepared by:

Canyon Research Southwest, Inc.
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PR# 15-05-01

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CANYON RESEARCH SOUTHWEST, INC.

COMMERCIAL REAL ESTATE RESEARCH AND ANALYSIS

May 23, 2016

Rick Worner
Derby Destination Development, LLC
7007 Apache Drive
Shawnee, KS 66226

Re: STAR Bond Feasibility Study
Proposed STAR Bond District in Derby, Kansas

Mr. Worner;

The proposed STAR Bond District in Derby, Kansas is designed to improve the local tourism market and stimulate further economic development. The District is designed for the development of a unique mixed-use project featuring distinct tourism, entertainment, retail and lodging opportunities. The Field Station Dinosaurs will serve as the principal “destination attraction” consisting of a dinosaur theme park featuring an outdoor exhibition and park, indoor exhibits, indoor theater, ropes course under the dome, themed miniature golf, public fitness trail course, and fossil dig site.

Derby Destination Development, LLC is seeking to finance a portion of the District (“District”) through Sales Tax Revenue (“STAR”) bonds as authorized by the STAR Bond Financing Act (House Bill No. 2005 KS 2007).

Pursuant to the STAR Bond Financing Act, Canyon Research Southwest, Inc. has prepared the attached *STAR Bond Feasibility Study* for the District. According to Section 7 of the STAR Bond Financing Act the *Feasibility Study* examines 14 criteria that address the viability of the planned development as well as evaluates its impact on the Kansas economy and similar businesses in the project market area, quantifies out-of-state visitation and evaluates the project’s ability to remain profitable past the term of the STAR bonds.

Upon review of the report, should any questions arise or additional information requested, contact me directly at (716) 551-0655.

Respectfully submitted,

CANYON RESEARCH SOUTHWEST, INC.

Eric S. Lander, Principal

CANYON RESEARCH SOUTHWEST, INC.

COMMERCIAL REAL ESTATE RESEARCH AND ANALYSIS

EXECUTIVE SUMMARY

- The project is anticipated to include the following: a destination attraction consisting of a dinosaur theme park accompanied by a ropes course, fitness course, and miniature golf. New restaurants, retailers in over 258,000 square feet of new commercial space, and a hotel are anticipated to accommodate the increase in out-of-town visitors.
- Approximately 1.30 million visitors are projected to come to this attraction every year. 315,710 of those visitors will be from out-of-state.
- During construction, the project is estimated to create a \$170,000,000 statewide economic impact, 1,005 new jobs, and support \$48,000,000 of annual payroll. During operations, the project is estimated to create a \$122,000,000 statewide economic impact, 868 new jobs, and support \$22,900,000 of annual payroll. The State of Kansas is estimated to collect approximately \$466,000 in annual state income tax revenues resulting from direct and indirect jobs generated by the District.
- At full build-out after stabilization, the District is estimated to generate annual taxable retail sales of approximately \$80,000,000.

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Canyon Research Southwest, Inc.		

SUMMARY OF MAJOR FINDINGS

The proposed STAR Bond District (“District”) in Derby, Kansas incorporates approximately 233 acres generally located on the west and south sides of the intersection of East Patriot Avenue/East 63rd Street South and South Rock Road. Derby Destination Development, LLC is seeking to finance a portion of the District through Sales Tax Revenue (STAR) bonds as authorized by the STAR Bond Financing Act (House Bill No. 2005 KS 2007). The District’s Project Plan is designed to create a tourist destination featuring a mix of entertainment, retail and lodging uses.

As part of the STAR bond application process Canyon Research Southwest, Inc. has prepared the attached *STAR Bond Feasibility Study*. The study evaluates the impact of the proposed District upon similar businesses in the project market area, quantifies out-of-state visitation, forecasts the project’s economic impact and evaluates the project’s ability to remain profitable past the term of the STAR bonds. The report’s major findings are summarized below.

Market Study Conclusions

The *Market Study* section of the report evaluated the ability of the Project to gain market share locally, regionally and nationally and the ability of the Project to gain sufficient market share to: 1) remain profitable past the term of repayment and 2) maintain its status as a significant factor for travel decisions.

The Field Station Dinosaurs will serve as the District’s principal “destination attraction” consisting of a dinosaur theme park featuring an outdoor exhibition and park, indoor exhibits, indoor theater, ropes course under the dome, themed miniature golf, public fitness trail course, and fossil dig site. A hotel, restaurants and retailers are designed to accommodate the expected increase in out-of-town visitation generated by the destination attraction.

Field Station Dinosaurs

The Wichita area serves as a regional tourism destination hosting an estimated 5.7 million visitors in 2013. During 2013, tourism expenditures in Sedgwick County totaled \$1.37 billion, or 22.93 percent of the statewide total. For the year Sedgwick County trailed only Johnson County (Kansas City) in total tourism expenditures.

The Field Station Dinosaurs will serve as the District’s principal tourism attraction. The presence of such a unique entertainment and educational attraction will serve to expand and diversify Wichita’s tourism industry and stimulate economic growth through increased visitation and expenditures. Potential customer markets include the resident population within a 100-mile radius of 1.3 million and Wichita’s 5.7 million annual visitors. Wichita’s visitor profile inclusive of families and high income households is suitable for supporting an attraction like Field Station Dinosaurs.

The study findings suggest sufficient demand generators exist to support the Field Station Dinosaurs in Derby, Kansas. The District offers suitable location characteristics to accommodate development of the planned family attraction.

Big-Box Retailers and Out Parcels

The District's initial phase of retail development will include several big-box retailers and restaurants unique to Derby, Kansas. Competitive retail market conditions suggest the opportunity exists for the District to attract a sufficient number of junior anchors and restaurants to warrant feasible development of the initial phase. The expected large number of out-of-town visitors lured by the District's major attractions will also assist in generating on-site retail and restaurant sales and improve feasible development of the retail components.

The District is a suitable retail development site possessing the necessary infrastructure, size, access, visibility and exposure. The critical mass of entertainment, educational, shopping and dining attractions unique to the local market will create a "must see" regional destination catering to both local residents and out-of-town visitors.

Lodging

The District's lodging component includes a 100-room limited-service hotel planned for the North Tract adjacent to the Field Station Dinosaurs attraction. The local hotel market caters primarily to leisure and business travelers. The competitive market area supports just six chain hotel properties totaling 612 guest rooms, the majority of which are located along Interstate 35. Limited-service hotels account for 74 percent of competitive market area's current inventory of hotel rooms, followed by budget hotels with the remaining 26 percent of the room inventory. A 63-room Hampton Inn is the only chain hotel operating in Derby, Kansas.

Concurrent with national hospitality trends, in recent years the Wichita hotel market was adversely impacted by the recession and subsequent decline in business and leisure travel. Recent operating trends suggest that the Wichita hotel market is on its way to recovery, posting strong gains in room demand, ADR and total lodging revenue during 2014 and into 2015.

The District's favorable site characteristics and competitive market advantages bode well for the construction and long-term success of the planned 100-room hotel.

Market Impact Study Findings

The *Market Impact Study* examined the impact the District will have on the local economy and tourism industry. Specific issues examined include:

1. Project positioning and unique quality;
2. Project's synergy with area attractions;
3. Impact on comparable market area businesses;
4. Expected draw of tourists from out-of-state and from more than 100 miles away;
5. Estimate the project's retail sales at build-out; and
6. Impact on active STAR bond projects.

Project Positioning and Unique Quality

The District's Project Plan encompasses 233 acres designed for mixed-use development aimed at serving a regional market area. The Field Station Dinosaurs will serve as the District's principal "destination attraction". The outdoor displays and exhibits will allow visitors to experience up close life-sized dinosaurs that once ruled the Earth. No such family attraction exists in Kansas. The Field Station Dinosaurs will be complimented by a miniature golf course, ropes course, fitness course, restaurant and a 100-room hotel. Collectively, when fully developed, the District will function as an entertainment, educational, dining and retail experience serving a regional and national market with a principal market area within approximately a 5-hour drive time.

The District is positioned as an entertainment, educational, dining and retail destination catering to both a local and regional market. The District is designed to complement Wichita's existing family, cultural, recreational and entertainment attractions and will enhance the region as a tourism destination. The District's Project Plan assures a cohesive, integrated development designed to create synergy between project components and maximize economic activity. Together, the District's uses, concepts and design will generate large visitor volumes, draw out-of-town travelers and enhance the Wichita area's status as a tourism destination.

Synergy with other Area Attractions

The Field Station Dinosaurs will serve as the District's principal destination attraction. Much like business clusters, the clustering of destination attractions creates the diversity and critical mass necessary to generate and sustain increased visitation and expenditures. Most tourism clusters also have strong linkages to other closely related and supporting industries such as transportation, lodging, retail, food and beverage. Therefore, the larger cluster of attractions a tourist destination supports the greater the direct and indirect economic benefits.

The Wichita area boasts 34 family, entertainment, cultural, educational and historic attractions that collectively host approximately 2.5 million annual visitors. Based on the theory of tourism clusters, the introduction of the Field Station Dinosaurs will generate increased tourism visitation and expenditures to the Wichita market.

By virtue of unique content and market positioning the District will compliment and have a synergistic effect on Wichita's tourism industry and the heightened out-of-town visitation is expected to translate into increased attendance at existing family, entertainment, cultural, educational and historic attractions. The District would be particularly complimentary of other family attractions such as All Star Adventures, Botanica, Exploration Place, Great Plains Nature Center, Museum of World Treasures, Old Cowtown Museum and Sedgwick County Zoo. As evident by the 22.3 million annual visitors to the Kansas City MSA, the presence of a large cluster of family, cultural, entertainment and educational attractions creates a synergistic effect that strengthens the regional draw, visitation counts, expenditures and visitor's length of stay.

During 2013, Tourism Economics reported Sedgwick County (Wichita MSA) garnered nearly \$1.4 billion in tourism expenditures, or 22.9 percent of the state-wide total. Tourism expenditures in Sedgwick County included an estimated \$192 million on lodging; \$294 million on food and beverages; \$211 million on retail, \$199 million on recreation and \$472 million on transportation. When compared to state-wide tourism expenditures, Sedgwick County lagged in all expenditure categories with the exception of transportation. The District is designed to attract out-of-town visitors and generate increased tourism expenditures on recreation and other support industries.

By increasing the critical mass of destination attractions, the District will strengthen Wichita's competitive position as a tourism destination as well as complement the existing attractions by providing a "one-of-a-kind" entertainment, educational, dining and shopping destination not currently available in the region. The expanded selection of destination attractions will improve the sustainability of the local tourism industry.

Impact on Market Area Businesses

The District's Project Plan incorporates the Field Station Dinosaurs family attraction, 100 hotel rooms, one restaurant and 257,980 square feet of new retail space. This study examined the impact of these project components upon similar attraction, lodging and retail businesses in the Wichita area and found that the project will increase total economic activity in the region and not diminish sales from existing businesses.

Increased out-of-town visitation generated by the District's principal attractions is expected to result in increased spending and demand for goods, services and lodging in the Wichita area, providing an opportunity for existing local businesses to capture increased future sales volumes.

The Field Station Dinosaurs is designed as a destination attraction providing children and adults alike with a unique entertainment and educational experience. No destination attraction in Kansas compares, and as a result Field Station Dinosaurs is expected to have a regional draw of up to a 5-hour drive time. By attracting visitors from outside of the Wichita area the Field Station Dinosaurs is not expected to adversely impact the operations of existing Wichita area visitor attractions. In fact, under the concept of synergy, the Field Station Dinosaurs is expected to complement existing area attractions and create a larger tourism expenditure pie.

The District's planned 100-room hotel is aimed at capturing room demand from out-of-town visitors to the Field Station Dinosaurs. Lodging demand generated by the District is expected to far exceed the on-site capacity of 100 rooms. Therefore, existing hotel properties in the Wichita area will benefit by capturing overflow lodging demand generated by the District.

Wichita has long served as a regional shopping destination. From 2005 to 2009 Wichita's annual pull factor remained steady at 1.20 to 1.22. However, by 2014 the pull factor declined to 1.12, suggesting Wichita's retail draw may be waning. The District's retail component is designed to be occupied by a wide variety of category-specific junior anchors and restaurants, many of whom are currently in the Wichita market. The *Retail MarketPlace Profile* published by Esri Business Analysis identified such retail categories as department stores, sporting goods, and eating and drinking places as providing opportunities for capturing additional retail sales in the Wichita MSA. Visitors to the District will also represent a new market for local retailers.

The District is positioned to capture retail and lodging sales now eluding the Wichita area and will further enhance the region's competitive positioning as a regional tourist center by providing new destination attractions not currently available in central Kansas. New retail sales and lodging demand generated through development of the District and the potential of the Wichita and Derby markets to capture current retail sales leakage suggests minimal cannibalization of current retail and lodging sales. Therefore, this report concludes that development of the District will not have an adverse impact on existing family attractions, retail, dining and lodging businesses in the Wichita area. The introduction of a new destination attraction to the area will assist in increasing out-of-town visitation and expenditures.

Estimated Visitor Counts

At build-out and stabilized occupancy annual visitation to the District is estimated at approximately 1.30 million. Based on its unique principal attraction the District is expected to draw new visitors to the Wichita area.

Local residents living within a 100-mile radius are estimated to account for about two-thirds of total visitation to the District. Regional visitors traveling more than 100 miles are estimated to account for the remaining one-third of total visitation. In total, out-of-state residents are estimated to account for 25 percent of total visitation to the District, or approximately 316,000 visitors per year. These out-of-town visitation trend estimates 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.

District; Derby, Kansas Visitation Pattern Estimates

Visitor Origination	Total Visitors	Out-of-State Visitors	Market Share
Within a 100-Mile Radius	797,250	39,860	5.0%
Outside of a 100-Mile Radius	459,750	275,850	60.0%
Totals	1,257,000	315,710	25.1%

Source: Canyon Research Southwest, Inc.

Estimated Retail Sales Potential

The District will serve as a major tourism destination and enhance the Wichita area's competitive positioning as an entertainment, shopping and dining destination. At build-out and stabilization the District is estimated to generate annual taxable retail sales of approximately \$80 million.

Impact on Active STAR Bond Projects

The Kansas Secretary of Commerce has approved three STAR bond projects in the Wichita MSA that incorporate major destination attractions, retail, entertainment and lodging, including the Wichita River District and the K-96 and Greenwich Project in Wichita and the Olympic Park District in Goddard, Kansas.

The Wichita River District possesses a riverfront, downtown location and is designed as an entertainment and employment destination featuring approximately 610,000 square feet of retail, office, hotel and residential space. The K-96 & Greenwich STAR Bond District Project Plan focuses on creating an athletic training center and recreation attraction complemented by a mix of retail, employment and lodging uses. The District's major tourism attractions include the Field Station Dinosaurs, ropes course, fitness course, miniature golf and one restaurant.

Given the distinctive market positioning of each project, the District is not anticipated to have a negative impact on tourism visitation and retail sales at either the Wichita River District or the K-96 and Greenwich Project.

The Olympic Park Project District occupies a 280-acre site in Goddard, Kansas. The principal attraction will be a major multi-sport athletic complex including a 66,000 square foot aquatic center with two Olympic competition pools, a diving well for springboard, platform diving, water polo events and seating for 1,250. Also included are four field tournament quality baseball/softball complex, a 141 room all-suite hotel and conference center and 343,500 square feet of retail space. The Olympic Park Project Plan is approved for up to \$25 million in STAR bond financing. The Project aims at creating a mixed-use athletic, lodging and retail destination. Based on this project positioning the District should have little or no impact on operations and financial sustainability.

Because each active STAR bond project in the Wichita MSA supports distinctly different major tourism attractions and retail components, it has been concluded that development of the District in Derby, Kansas will not have a measurable adverse impact on visitor volumes, retail sales volumes and STAR bond revenues generated by the Wichita River District or K-96 and Greenwich Project in Wichita or the Olympic Park District in Goddard, Kansas. Therefore, the operation of the District is not anticipated to cause default in the payment of outstanding STAR bonds issued by the three active STAR Bond approved development projects in the Wichita MSA.

Economic Impact Projections

Build-out of the District would result in an estimated construction phase total economic output of \$170 million, direct and indirect job creation of 1,005 jobs and payroll of \$48 million. The State of Kansas is projected to collect approximately \$1.9 million in income tax revenues during the construction phase resulting from direct and indirect employment.

At full operating levels the District as planned is forecast to generate an annual economic impact of \$122 million on the State of Kansas. The District could directly and indirectly support an estimated 868 jobs locally and \$22.9 million in annual payroll. The State of Kansas is estimated to collect approximately \$466,000 in annual state income tax revenues generated by the District.

The District is estimated to attract approximately 1.35 million annual visitors, including 491,950 visitors from over 100 miles away. Assuming 60 percent of the out-of-town visitors stay overnight, an average stay of two nights and 1.8 guests per room, total demand for overnight accommodations is estimated at 328,000 annual room nights. At an average annual occupancy rate of 70 percent, the estimated room night demand is sufficient to support approximately 1,284 hotel rooms. The new hotel planned for the District totals just 100 rooms. These lodging demand forecasts illustrate the significant impact the District will have on the Wichita hotel market and the potential to support additional hotel development.

STAR Bond Revenue Projections

Bond debt used to fund reimbursable project costs associated with the District will be repaid by Sales Tax Special Obligation Bond revenues realized through incremental retail sales and lodging taxes. The STAR Bond funding capacity of the District was quantified through calculating the net present value of the annual Sales Tax Special Obligation Bond revenues through the 20-year maturity of the District using a debt coverage ratio of 1.35 and a discount (“interest”) rate of 6.0 percent.

The District’s total project costs are estimated at approximately \$159 million with STAR Bond reimbursable project costs estimated at approximately \$24 million. Throughout the statutory 20-year STAR bond maturity period the net Sales Tax Special Obligation Bond revenues generated by the District of \$126 million are sufficient to fully satisfy approximately \$50 million in bond debt. Therefore, the District is forecast to generate sufficient Sales Tax Special Obligation Bond revenues to pay for the eligible project costs.

Supportable STAR Bond Debt Estimates District; Derby, Kansas

Year	Estimated STAR Bond Revenue	Less: Adm. Costs 2%	Net STAR Bond Proceeds	Debt Coverage 1.35	Present Value 6.0%	Net Present Value
1	\$5,166,022	\$103,320	\$5,062,702	\$3,750,149	0.94340	\$3,537,891
2	\$5,287,342	\$105,747	\$5,181,595	\$3,838,219	0.89000	\$3,416,015
3	\$5,410,615	\$108,212	\$5,302,403	\$3,927,706	0.83962	\$3,297,780
4	\$5,518,828	\$110,377	\$5,408,451	\$4,006,260	0.79209	\$3,173,319
5	\$5,629,204	\$112,584	\$5,516,620	\$4,086,385	0.74726	\$3,053,592
6	\$5,741,788	\$114,836	\$5,626,952	\$4,168,113	0.70496	\$2,938,353
7	\$5,856,624	\$117,132	\$5,739,492	\$4,251,475	0.66506	\$2,827,486
8	\$5,973,756	\$119,475	\$5,854,281	\$4,336,504	0.62741	\$2,720,766
9	\$6,093,232	\$121,865	\$5,971,367	\$4,423,235	0.59190	\$2,618,113
10	\$6,215,096	\$124,302	\$6,090,794	\$4,511,699	0.55839	\$2,519,288
11	\$6,339,398	\$126,788	\$6,212,610	\$4,601,933	0.52679	\$2,424,252
12	\$6,466,186	\$129,324	\$6,336,862	\$4,693,972	0.49697	\$2,332,763
13	\$6,595,510	\$131,910	\$6,463,600	\$4,787,852	0.46884	\$2,244,736
14	\$6,727,420	\$134,548	\$6,592,872	\$4,883,609	0.44230	\$2,160,020
15	\$6,861,968	\$137,239	\$6,724,729	\$4,981,280	0.41727	\$2,078,539
16	\$6,999,208	\$139,984	\$6,859,224	\$5,080,907	0.39365	\$2,000,099
17	\$7,139,192	\$142,784	\$6,996,408	\$5,182,525	0.37136	\$1,924,582
18	\$7,281,976	\$145,640	\$7,136,336	\$5,286,175	0.35034	\$1,851,959
19	\$7,427,615	\$148,552	\$7,279,063	\$5,391,898	0.33051	\$1,782,076
20	\$7,576,168	\$151,523	\$7,424,645	\$5,499,737	0.31180	\$1,714,818
Totals	\$126,307,148	\$2,526,143	\$123,781,005	\$91,689,633		\$50,616,447

Source: Canyon Research Southwest, Inc.;
May 2016.

**STAR BOND FEASIBILITY STUDY
PROPOSED DISTRICT
DERBY, KANSAS**

May 2016

INTRODUCTION

Study Objective and Organization

The proposed STAR Bond District (“District”) in Derby, Kansas incorporates approximately 233 acres generally located on the west and south sides of the intersection of East Patriot Avenue/East 63rd Street South and South Rock Road. Derby Destination Development, LLC is seeking to finance a portion of the District through Sales Tax Revenue (STAR) bonds as authorized by the STAR Bond Financing Act (House Bill No. 2005 KS 2007). The District’s Project Plan is designed to create a tourist destination featuring a mix of entertainment, retail and lodging uses. The Field Station Dinosaurs will serve as the District’s principal “destination attraction” consisting of a dinosaur theme park featuring an outdoor exhibition and park, indoor exhibits, indoor theater, ropes course under the dome, themed miniature golf, public fitness trail course, and fossil dig site.

STAR bonds provide Kansas municipalities the opportunity to issue bonds to finance the development of major commercial entertainment and tourism areas and use revenues received by the city and county from any transient guest taxes, local sales taxes and use taxes generated by the development to pay off the bonds. STAR bonds possess a 20-year term. In order to be considered a major commercial entertainment and tourism area, a proposed project must be capable of being characterized as a statewide and regional destination, and include a high quality innovative entertainment and tourism attraction, containing unique features which will increase tourism, generate significant positive and diverse economic and fiscal impacts and be capable of sustainable development over time. The STAR bond program in Kansas was scheduled to expire on July 1, 2012. In June 2012, Gov. Sam Brownback signed a bill extending the STAR bond program for another five years.

The Kansas Secretary of Commerce ultimately approves the use of STAR bond proceeds within a STAR Bond Project District once the District is established by a governing body. The types of development projects eligible for STAR bond financing include:

- A project with at least a \$50 million capital investment and \$50 million in projected gross annual sales revenues.
- A project located outside of a metropolitan statistical area that has been found by the Secretary of Commerce to be in an eligible area under Tax Increment Financing (“TIF”) law and of regional or statewide importance.
- A major commercial entertainment and tourism area as determined by the Secretary of Commerce.
- Auto racetrack facilities, multi-sport athletic complexes, river walk canal facilities, historic theaters, Manhattan Discovery Center, Wyandotte County Schlitterbahn Project, museum facility, or a major motorsports complex in Shawnee County.

STAR bond legislation allows the governing body of a city to establish one or more special bond projects in any area in the city or outside of a city's boundaries with the written approval of the county commission. However, each special bond project must be approved by the Secretary of Commerce, based on the required feasibility study, prior to utilizing STAR bonds.

Pursuant to the STAR Bond Financing Act, a STAR bond application must be accompanied by a *Feasibility Study* that examines the impact of the proposed development or special bond project upon similar businesses in the project market area, quantifies out-of-state visitation, forecasts the project's economic impact and evaluates the project's ability to remain profitable past the term of the STAR bonds. According to Section 7 of the STAR Bond Financing Act the *Feasibility Study* should contain the following:

1. 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;
2. The effect, if any, a STAR bond project will have on any outstanding special obligation bonds payable from the revenues described in K.S.A. 2009 Supp. 12-17,169, and amendments thereto;
3. 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;
4. Visitation expectations;
5. The unique quality of the project;
6. Economic impact study;
7. Market study;
8. Market impact study;
9. Integration and collaboration with other resources or businesses;
10. The quality of service, and experience provided, as measured against national consumer standards for the specific target market;
11. Project accountability, measured according to best industry practices;
12. The expected return on state and local investment that the project is anticipated to produce;
13. 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

14. An anticipated principal and interest payment schedule on the bond issue.

Within the body of this study Canyon Research Southwest, Inc. has addressed each of the criteria outlined above as they relate to the eligibility of the District to qualify for STAR Bond funding.

District Project Plan

The proposed STAR Bond District (“District”) in Derby, Kansas incorporates approximately 233 acres generally located on the west and south sides of the intersection of East Patriot Avenue/East 63rd Street South and South Rock Road. Derby is a community of approximately 23,000 residents located in the southern portion of the Wichita MSA.

The District is comprised of three tracts of land, including: 1) the North Tract located at the northwest corner of East Patriot Avenue/East 63rd Street South and South Rock Road; 2) the South Tract located at the southeast and southwest corners of East Patriot Avenue/East 63rd Street South and South Rock Road and 3) the ROW Tract situated along East Patriot Avenue/East 63rd Street South between the North and South Tracts. The District is designed for the development of a unique mixed-use project featuring distinct tourism, entertainment, commercial and lodging opportunities.

The Field Station Dinosaurs attraction will occupy an approximately 14-acre parcel within the North Tract. The Field Station Dinosaurs will serve as the District’s principal “destination attraction” consisting of a dinosaur theme park an outdoor exhibition and park, indoor exhibits, indoor theater, ropes course under the dome, themed miniature golf, public fitness trail course, and fossil dig site. Additional entertainment and tourism components planned for the North Tract include a 100-room hotel and sit-down restaurant. A medical complex, medical office building and daycare are also planned for the North Tract.

The Field Station Dinosaurs will feature an indoor exhibition and outdoor displays and exhibits. Visitors will be able to see up close dinosaurs that once ruled the Earth. Exhibition features may include dinosaur skeletons, fossils, the Dinosaur Footprint Gallery, and gift shop. The attraction planned for the District will be similar to Field Station Dinosaurs, a world-class family attraction that opened in May 2012 in Secaucus, New Jersey. The 20-acre outdoor prehistoric theme park is designed to resemble a dinosaur dig site within the first few weeks of a discovery. Field Station Dinosaurs was built by Guy Gsell and features a ¾-mile walking tour with 31 life-size animatronic dinosaurs along with interactive exhibits designed to educate children about dinosaurs within the context of the local ecosystem. Scientists from the New Jersey State Museum worked to ensure that the exhibits encompass the latest theories and discoveries in the fields of paleontology, geology and environmental studies. During the first two seasons of operation Field Station reported attendance of 113,118 to 135,605 visitors.

Base Camp serves as the entry point to Field Station. Visitors receive their “credentials”, a passport which is stamped as they visit and participate in the various games, workshops and shows throughout the park.

The open-air amphitheater will be home to many games, dinosaur dance parties and live shows that feature the 15-foot Mighty T-Rex puppet each day. This unique performance space will also be available for special events at the Field Station.

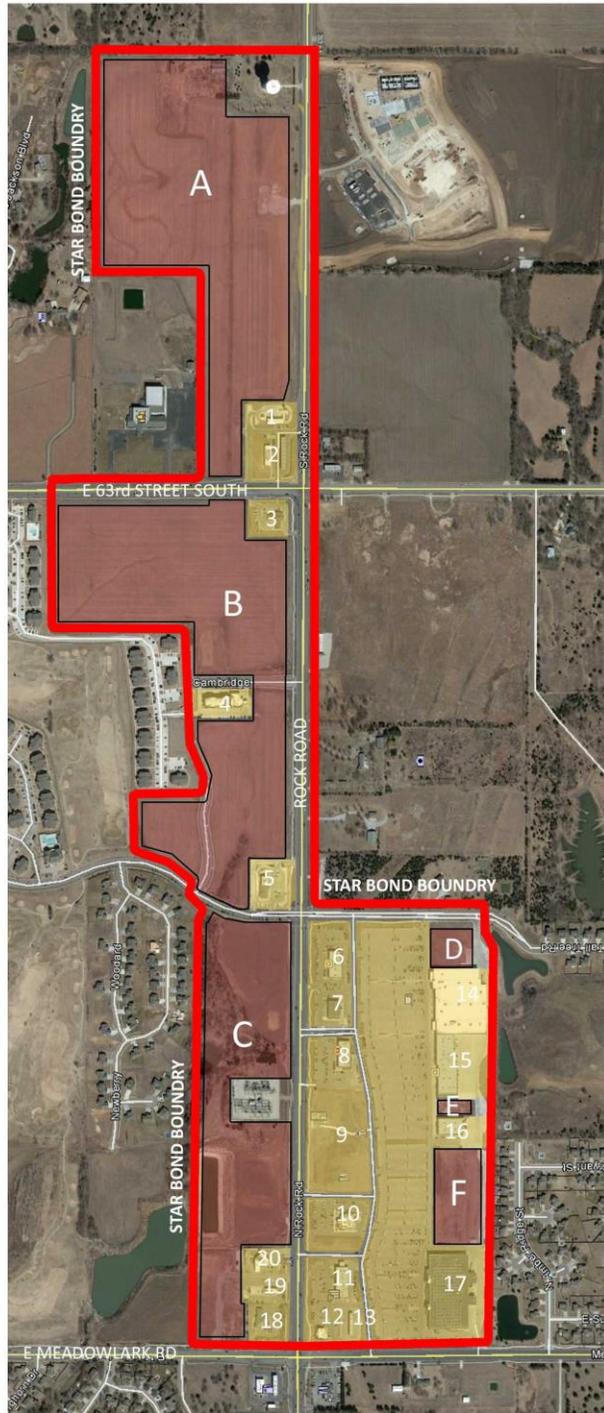
The Field Station Dinosaurs will feature a fossil dig site and Paleontologists' Laboratory where children can dig for giant dinosaur skeletons and prehistoric fossils. Educational programming will be aligned with STEM and the Core Curriculum Content Standards in Science Practices, Life Science and Earth Systems Science for the State of Kansas.

A 100-room limited-service hotel is included in the District's Project Plan to support the Field Station Dinosaurs by providing lodging to out-of-town visitors. Limited-service hotels generally provide such amenities and services as a lobby area, business center, fitness room, small meeting rooms, indoor or outdoor pool and whirlpool, market pantry, guest laundry, free internet access and a complimentary continental breakfast. Limited-service hotels cater primarily to price-sensitive commercial and leisure travelers. Examples of limited-service hotel chains include Fairfield Inn by Marriott, Hampton Inn and Holiday Inn Express.

The South Tract is designed as a major shopping destination. Existing development includes the Derby Marketplace located at the northeast corner of Rock Road and Meadowlark Boulevard. Phase 1 opened in 2014 anchored by a 123,000 square foot Target store and 122,000 square foot Dillon's Marketplace. Junior anchors include Petco, Hibbett Sports, Maurices and Famous Footwear. Out parcels are occupied by several chain restaurants including Braum's Ice Cream, Buffalo Wild Wings, Chick-fil-A, Domino's, Olive Garden, Panera Bread, Panda Express and Starbucks. Future development includes 257,980 square feet of big-box retailers, shop space and out parcels.

The Project Plan calls for the initial phase to be developed and opened by fall 2017.

The goal of providing a critical mass of tourism services, attractions and amenities to the District is to improve the Wichita area's status as a tourism destination with benefits aimed at generating increased visitation and visitor expenditures, extending visitor stays in Derby and enhancing the visitor experience. The total estimated cost to complete the planned improvements, including site acquisition, infrastructure, soft costs and building construction, financing costs and contingency allowance is estimated at approximately \$159 million, STAR Bond reimbursable project costs estimated at approximately \$24 million.



DERBY DESTINATION DEVELOPMENT
Derby, KS

4/06/2016



Base Tenants

1	Car Wash	11	Capitol Federal Bank
2	QuikTrip	11	Dry Cleaners
3	Emprise Bank	11	H&R Blkock
4	Hampton Inn	11	Mattress Hub
5	Braum's	11	Papa Murphy's
6	Freddy's	11	Sports Clips
6	At the Beach Tanning	11	LV Nails and Spa
6	Domino's Pizza	11	Cox Cable
6	Nail Boutique	12	Panera
6	Cartridge World	13	Dillon's Gas
6	Great Clips	14	Target
6	Verizon	15	Cato Fashion
7	Starbucks	15	Hallmark
7	Panda Express	15	GNC
8	Eric Fisher Salon	15	Sally Beauty
8	Jury Eye Doctor	15	Famous Footwear
8	Specs Eye Wear	15	Maurices
8	Pita Pit	15	Rue 21
8	Game Stop	15	Hibbett Sports
8	Buffalo Wild Wings	15	Christopher & Banks
9	Discount Tire	16	Petco
9	Chick-fil-A	17	Dillon's Grocery
10	Olive Garden	18	Intrust Bank
10	Chipolte	19	Spangles
		20	Meritrust Credit Union

Future Tenants

A	Future Hotel	B	Hardees
A	Future Service	B	MedExpress
A	Dinosaur Exhibition	B	Venetian Nails
A	Dinosaur Statues	B	Subway
A	Dinosaur Indoor Exhibits	B	Derby Orthodontics
A	Ropes Dome, Miniature Golf, Zip	B	Safari Smiles
Lines		C	Future Retail
A	Future Restaurants	C	Future Restaurants
A	Future Retail	C	Aldi
A	Medical complex & Medical Office	C	Mattress Firm
Building		D	Future Retail
B	Future Grocer	E	Future Retail
B	Future Retail	F	Future Retail
B	Future Restaurant	F	TJ Maxx
B	Future Jeweler	F	Ross Dress for Less

MARKET STUDY

The *Market Study* component of the *Feasibility Study* determines the ability of the STAR bond project to gain market share locally, regionally and nationally and the ability of the project to gain sufficient market share to:

- Remain profitable past the term of repayment; and
- Maintain status as a significant factor for travel decisions.

The STAR Bond District (“District”) is designed to support several tourism-related components, including the Field Station Dinosaurs amusement park, retail and lodging. It is these project components that will generate retail sales tax revenues eligible for capture under STAR Bond legislation.

The *Market Study* portion of the report evaluates the suitability of the District to facilitate development of the amusement park, retail and lodging uses. In doing so, the *Market Study* examines the region’s tourism market and the ability of the local market to support additional cultural, athletic and lodging facilities.

The *Amusement Attraction Market Analysis* examines the market potential to support construction and operation of the planned Field Station Dinosaurs amusement park. Local tourism market trends are discussed, comparable entertainment attractions in the Wichita area were identified, potential customer markets assessed and a facility evaluation prepared that discussed trade area demographics, visitation levels, site location, access, exposure and synergy with existing area attractions.

The *Retail Market Analysis* evaluates the potential of supporting development of the big-box retailers committed to occupy the District. This section of the study evaluates the Wichita retail market by identifying historical trends in new construction, retail sales tax collections; trade area pull factor and retail sales gap analysis. Short-term retail space demand forecasts were calculated to determine Wichita’s ability to absorb additional retail space. The analysis concludes with a site specific evaluation to determine the ability of the District to accommodate development of the planned big-box retailers.

The *Lodging Market Analysis* evaluates the Wichita area lodging market. Trends in the local hotel market were discussed, existing lodging facilities were identified and a site evaluation determined the ability of the District to support development of the planned hotels.

Based on the findings of the *Market Study*, the report determined the suitability of the District as a prospective location for future development and continued operation of amusement, retail and lodging uses.

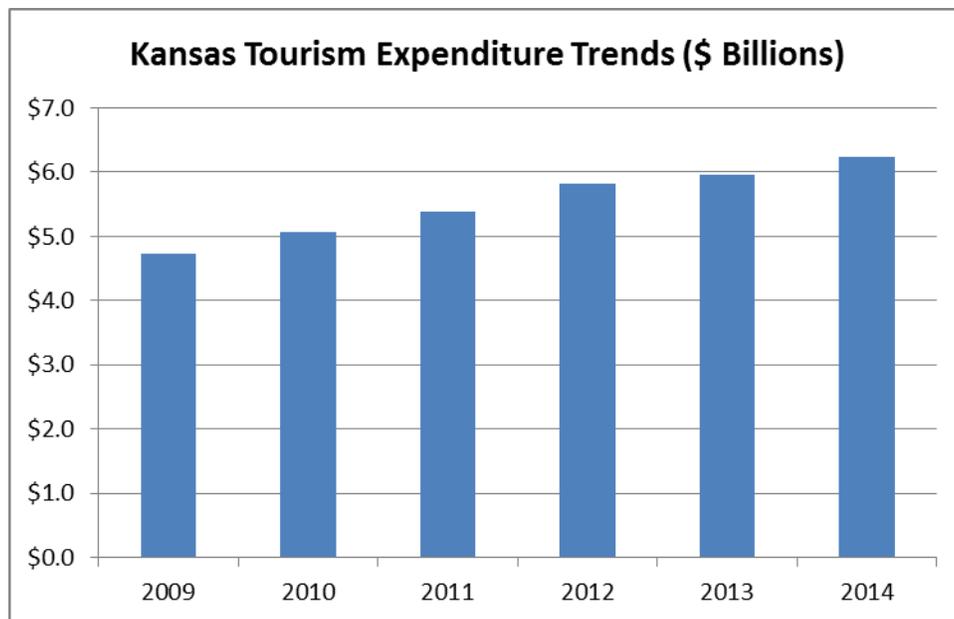
Amusement Attraction Market Analysis

The District’s Project Plan calls for the opening of the Field Station Dinosaurs as the principal “destination attraction” consisting of a dinosaur theme park featuring an outdoor exhibition and park, indoor exhibits, indoor theater, ropes course under the dome, themed miniature golf, public fitness trail course, and fossil dig site.

This section of the report evaluates the market viability of the District’s planned museum by addressing: 1) the Wichita area tourism market; 2) existing Wichita area attractions; 3) assessment of potential markets; 4) facility evaluation; and 5) attendance projections.

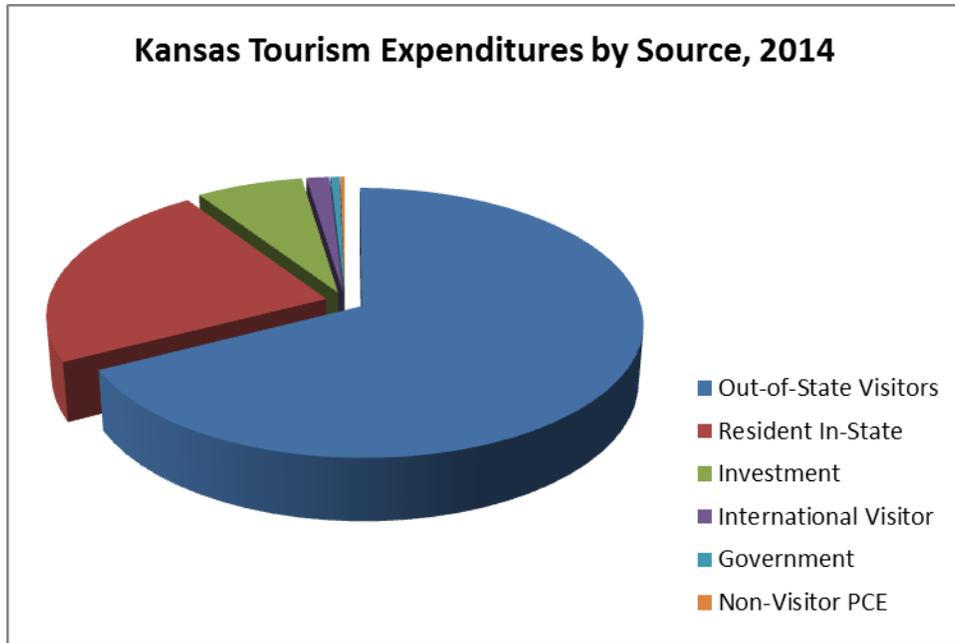
Tourism Market Overview

According to the *Economic Impact of Travel in Kansas 2014* prepared by Tourism Economics, during 2014 visitation to Kansas increased by 1.1 million as compared to 2013 to an estimated 34.8 million visitors with direct expenditures of \$6.2 billion. Out-of-state and international visitors accounted for 69 percent of direct expenditures. The Kansas tourism market has rebounded from the national recession marked by gradual increases in annual visitation and expenditures. Visitation and expenditures declined from 2007 through 2009. By 2010, visitation and expenditures were back on the rise. Visitation to Kansas Traveler spending has grown from \$4.7 billion in 2009 to \$6.2 billion by 2014. Tourism’s direct and indirect economic impact of the State of Kansas was estimated at \$9.85 billion for 2014.

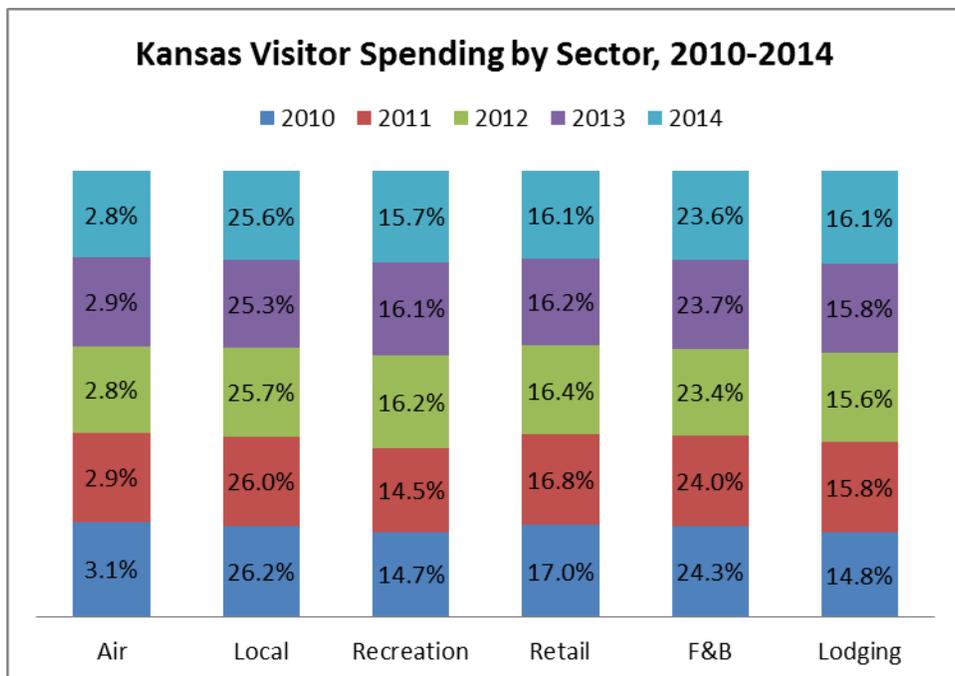


May through October is the state’s peak travel season. The Kansas City and Wichita metropolitan areas serve as the State’s principal tourism destinations. During 2014, spending per visitor to Kansas averaged \$179 with day travelers spending \$74 and overnight visitors spending \$334. While accounting for only 40 percent of all visitors to Kansas, overnight travelers account for nearly 75 percent of all tourism spending in 2014.

During 2014, out-of-state and international visitors accounted for 69 percent of total tourist expenditures with in-state residents, government and private investment accounting for the remaining 31 percent. In-state tourism expenditures were broken down by 23.1 percent from residents, 7.0 percent from investment, 0.6 percent government and 0.3 percent non-visitor PCE.



During 2014, tourism expenditures in Kansas reached \$6.2 billion with local transportation accounting for the largest share (25.6%). Collectively, food and beverage, retail, and recreation and entertainment represent 55.7 percent of total visitor spending. During 2013, the Eastern Region (includes Kansas City MSA) and Wichita MSA captured the State’s highest levels of tourism expenditures, accounting for market shares of 47.9 percent and 22.9 percent, respectively.



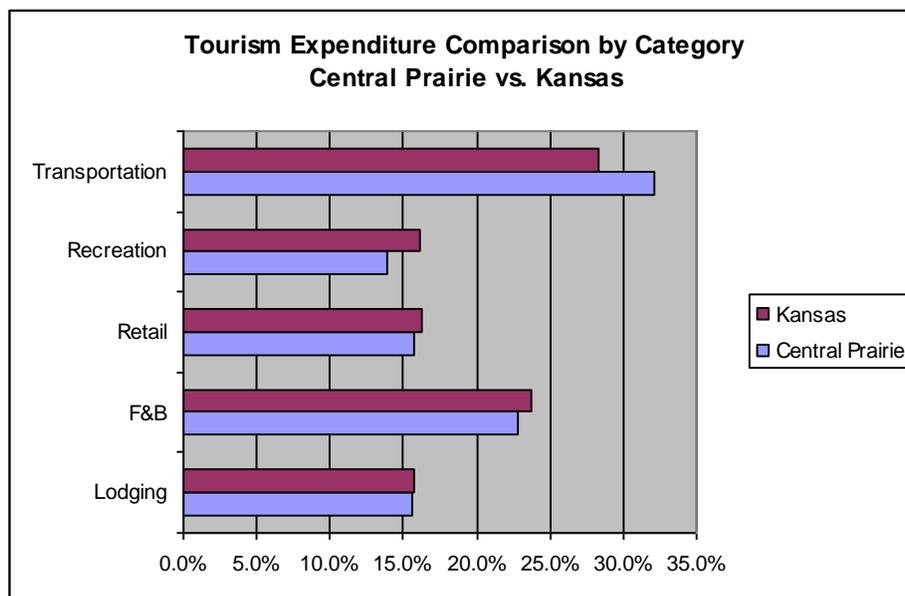
From 2009 to 2014, tourism expenditures in Kansas rose by nearly 32 percent. Since 2009, recreation and entertainment expenditures reported the largest increase of 61.6 percent, followed by lodging at 37.8 percent, local transportation at 26.2 percent and food & beverage at 25.9 percent. In terms of absolute growth in sales, recreation & entertainment sales rose by \$372 million, followed by local transportation (\$331 million) and food & beverage (\$303 million).

Kansas Trends in Tourism Expenditures by Category

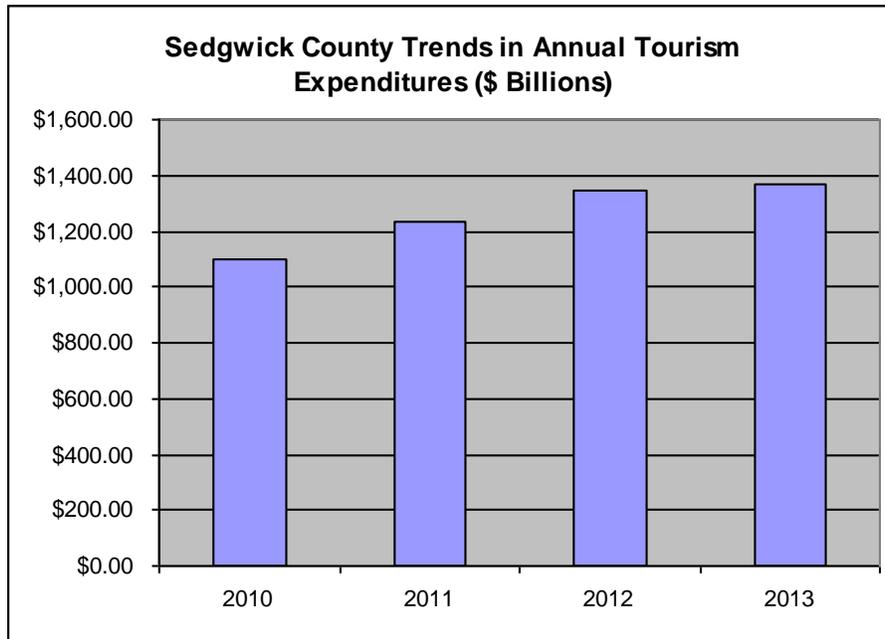
	Expenditures (\$ Millions)						% Change
	2009	2010	2011	2012	2013	2014	
Lodging	\$731	\$750	\$849	\$907	\$941	\$1,007	37.8%
Food & Beverage	\$1,171	\$1,232	\$1,288	\$1,360	\$1,412	\$1,474	25.9%
Retail	\$806	\$862	\$904	\$953	\$968	\$1,003	24.4%
Recreation & Entertainment	\$604	\$743	\$781	\$941	\$958	\$976	61.6%
Local Transportation	\$1,265	\$1,326	\$1,399	\$1,498	\$1,512	\$1,596	26.2%
Air Transportation	\$150	\$155	\$157	\$163	\$173	\$177	18.0%
Totals	\$4,727	\$5,067	\$5,379	\$5,822	\$5,965	\$6,233	31.9%
Percent Change		7.2%	6.2%	8.2%	2.5%	4.5%	

Source: Tourism Economics.

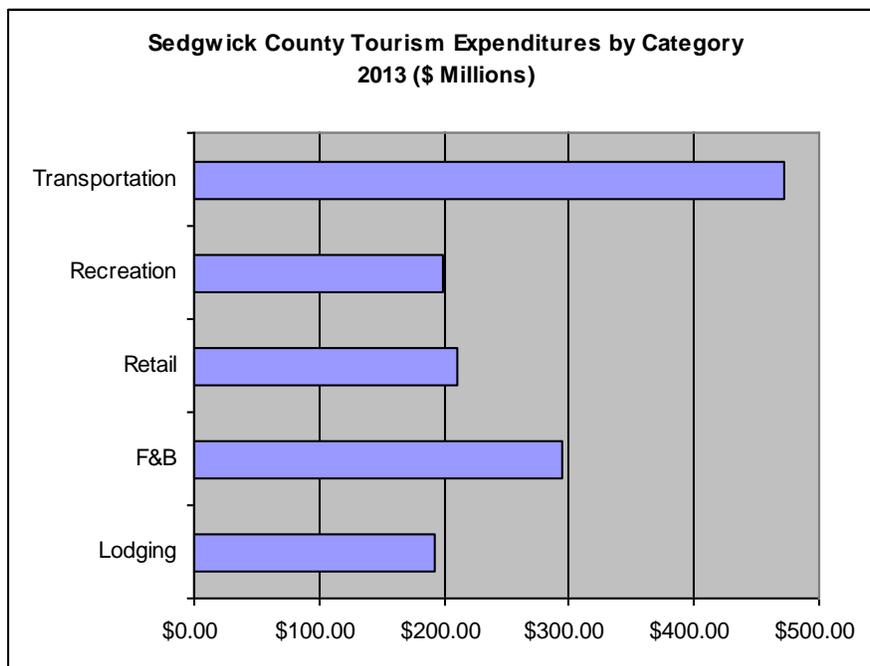
Derby is located within the Central Prairie region of Kansas. During 2013, tourism expenditures within this region amounted to \$2.1 billion, or 35.5 percent of the statewide total. Sedgwick County, which comprises the Wichita MSA, accounted for two-thirds of the Central Prairie region's total tourism expenditures. Tourism expenditures for the year were led by transportation at \$678 million; food and beverage at \$481 million; and retail at \$333 million. When compared to statewide averages, tourism expenditures on recreation, retail and food & beverage in the Central Prairie region are below the norm.



Derby is located within Sedgwick County which in 2013 captured a reported \$1.37 billion in visitor expenditures, or 64.66 percent of all tourism expenditures in the Central Prairie region and 22.93 percent of the statewide total. For the year Sedgwick County trailed only Johnson County (Kansas City) in total tourism expenditures. In recent years tourism expenditures in Sedgwick County have grown considerably, from \$1.1 billion in 2010 to \$1.37 billion by 2013.



During 2013 tourism expenditures in Sedgwick County were led by transportation at \$472.04 million, food & beverage at \$294.26 million, retail at \$210.72 million and recreation at \$198.97 million. Sedgwick County’s tourism industry employs a reported 17,392 workers.



The multi-state region of Kansas, Missouri, Iowa, Nebraska, and Oklahoma is the source for most visitors to the Wichita area. According to the U.S. Census Bureau, the July 2013 population for the 5-state region was estimated at 17.75 million, with Kansas accounting for just 16.3 percent, or 2.9 million. From April 2000 Census through July 2013 the population of the 5-state region increased by an estimated 281,542 residents.

The primary trade area's large and growing population provides a source for continued visitor growth to the Wichita area. By providing amusement and entertainment attractions not currently available in the Wichita area, the District will have a positive impact on visitation, lodging demand and expenditures to the region.

Wichita Area Attractions

The District is designed as a regional tourism destination featuring a mix of amusement, entertainment, shopping, dining and lodging. The District's primary tourism destination will be Field Station Dinosaurs, a family attraction. The Wichita area is already a regional tourism destination and its cluster of arts, cultural and entertainment venues serve as major attractions for visitors. Annual attendance at Wichita's major attractions increased from approximately 2.0 million in 2007 to 2.5 million by 2013 with the largest attractions being the Sedgwick County Zoo, INTRUST Bank Arena, Exploration Place, Great Plains Nature Center and Botanica.

The Crown Uptown Dinner Theatre, Cabaret Oldtown, Mosley Street Melodrama and Music Theatre of Wichita offer musical and theatre performances and bring Broadway to Wichita. The historic Orpheum Theatre is a mecca for performing arts and hosts the annual Tallgrass Film Festival that attracts more than 11,000 people. Other performing arts attractions in the Wichita area include the Wichita Symphony Orchestra, Ballet Wichita, Chamber Music at the Barn, Roxy's Downtown and Wichita Grand Opera. The visual arts in Wichita are represented by the Coutts Museum of Art, Ulrich Museum of Art at Wichita State University, Wichita Art Museum and Wichita Center for the Arts. Collectively, these performing and visual arts attractions establish the Wichita area as the principal cultural center for central and western Kansas.

The Wichita area hosts a variety of festivals and multicultural events, including the American Indian Festival, Asian Festival, Automobilia Car Show & Street Party, Autumn & Art, Black Arts Festival, ICT R+FEST, Riverfest and Tall grass Film Festival.

The Wichita area supports a wide variety of attractions that are geared towards families, offering entertainment, recreation and education. This report identified several complimentary attractions, including All Star Adventures, Allstar Sports, The Alley Indoor Entertainment, Allison's Fun, Bar2Bar MX Park, Botanica, Exploration Place, Great Plains Nature Center, Museum of World Treasures, Old Cowtown Museum and Sedgwick County Zoo.

The most comparable family attraction is All Star Adventures, an amusement park featuring miniature golf, driving range, batting cages, go-karts, bumper boats, arcade and an assortment of rides. In attracting out-of-town visitors, the Field Station Dinosaurs will compliment Wichita's existing family attractions.

The Sedgwick County Zoo is a major family attraction and would be complimentary to the District. The Sedgwick County Zoo is an AZA-accredited wildlife park and is recognized both nationally and internationally for its support of conservation programs and successful breeding of rare and endangered species. With over 2,500 animals of nearly 500 different species, the zoo is the 7th largest in the country and now ranks as the number one outdoor tourist attraction in Kansas.

Botanica, The Wichita Gardens was opened in 1987 and now encompasses 17.6 acres of botanical gardens and is city-owned as part of the Wichita Park System and is operated by Botanica, Inc. a non-profit. This botanical paradise features more than 4,000 species of plants both native and new to the region. Twenty-six themed display gardens such as the Butterfly Garden, Woodland Bird Garden, Shakespearean Garden, Sensory Garden, and Wildflower Meadow. The Downing Children's Garden opened in July 2011 and features several themed areas including the monster woods, salamander stream, granddaddy's musical maze, a rainbow and sunflower fountain and plaza. A new events center opened in 2014 which holds 299 people in chairs or 240 at tables.

To conclude, the Wichita area supports a wide selection of cultural, entertainment and family attractions and annual events that have established the area as a regional tourism destination. The District is designed to complement Wichita's existing family and entertainment attractions by providing a one-of-a-kind amusement and educational destination that will broaden the existing tourism base, generate increased visitation and expenditures to the area and extend the stay of visitors. There is currently no family attraction operating in the Wichita area that compares to the Field Station Dinosaurs.

Assessment of Potential Markets

The Field Station Dinosaurs will serve as the District's principal tourism attraction. Sources of attendance demand for this family attraction include: 1) local residents and 2) tourists.

Resident Market

Given the status of the Field Station Dinosaurs as a tourist destination, the resident population serves as a secondary source of visitation. Esri estimated the 2015 population within a 100-mile radius of Derby, Kansas at approximately 1.3 million, of which 263,233 are school age. This represents a substantial potential resident market for the District.

Tourist Market

According to a visitor survey prepared by the Kansas Department of Commerce – Travel and Tourism Development Division, visiting a museum (66.27%) and visiting a historic site (52.46%) were among the top four activities of visitors to Kansas. Interstates 35 and 135 and U.S. Highway 400 bisect through Wichita creating an expanded trade area and high transient traveler counts from which the Field Station Dinosaurs can draw.

Generation Y Millennials, ages 10 to 35, with children are the primary target market for the exhibition. This age group is highly educated compared to other generations and lives with technology. Their expectations are significantly changing the offerings of amusement parks.

The secondary target audience for attendance is Baby Boomer travelers with grandchildren. They have disposable income, value authentic experience and will be a sizeable tourist and travel market for the next 20 years.

The American Auto Association (AAA) reports the average distance traveled on a car trip is 500 miles. Dallas, Colorado Springs, Denver, Kansas City, Oklahoma City, Omaha and Tulsa are all within a 500 mile radius of Derby, Kansas. Families value new experiences and family-oriented settings.

The *Go Wichita Visitor Profile Study* published in February 2014 for the Go Wichita CVB by Destination Analysts, Inc. surveyed 1,726 visitors to the Wichita area. Based on the study findings during 2013 the Wichita area hosted an estimated 5.7 million visitors, including 2.7 million day trip leisure visitors and 3.0 million overnight visitors. Nearly two-thirds of respondents indicated the reason for visiting the Wichita area was the selection of entertainment options, with top activities visitors participate in are restaurants and dining (56.9%), shopping (45.8%) and visiting museums (42.8%). Nearly half of visitors had at least one child in their travel party. The average visitor to Wichita is 43.7 years old with a combined annual household income of \$73,000.

To conclude, the resident population within a 100-mile radius as well as Wichita's out-of-town visitation provides large markets from which the District and its main attraction to lure visitors and expenditures. The one-of-a-kind attraction of the Field Station Dinosaurs will create an expanded regional trade area and the ability to draw out-of-state visitors. The Field Station Dinosaurs will also compliment such existing Wichita area family attractions as Botanica, Exploration Place, Great Plains Nature Center and Sedgwick County Zoo.

Facility Evaluation

The local area and the District were evaluated to determine the potential of supporting the Field Station Dinosaurs attraction. Factors include:

1. Population Size and Age Distribution
2. Area Tourism Expenditures
3. Site Access
4. Site Visibility
5. Surrounding Development
6. Synergy with Existing Area Attractions

Trade Area Demographics

Led by the unique family attraction provided by the Field Station Dinosaurs, the District will serve a regional market with a principal market area within a 5-hour drive time.

The Field Station Dinosaurs will target primarily young families with children. The U.S. Census Bureau estimated the 2014 population of Kansas at approximately 2.9 million. Children ages 14 years and younger account for 10.9 percent of the Kansas population, or approximately 310,000 children. The median household income for Kansas is \$51,332. According to Esri Business Analyst, the 5-hour drive time trade area supports a current population of approximately 12.2 million, nearly 2.5 million children aged 14 years and under and 2.34 million households with annual incomes of \$50,000 or more. During 2015, households within a 5-hour drive are forecast to spend approximately \$7.8 billion on travel and \$13.9 billion on entertainment and recreation. The population, demographics and leisure expenditures of Kansas and 5-hour drive time are suitable for supporting operation of the Field Station Dinosaurs family attraction.

Area Tourism Expenditures

The Field Station Dinosaurs will cater heavily towards out-of-town visitors. Therefore, high visitation and expenditure levels to the area are important factors in the feasibility of the planned attraction. The *Economic Impact of Travel in Kansas 2013* reported 2013 tourism expenditures in Sedgwick County totaled \$1.37 billion, or 22.93 percent of the statewide total. For the year Sedgwick County trailed only Johnson County (Kansas City) in total tourism expenditures. During 2013 tourism expenditures in Sedgwick County were led by transportation at \$472.04 million, food & beverage at \$294.26 million, retail at \$210.72 million and recreation at \$198.97 million. These visitation expenditure patterns are favorable for the development of the District's planned amusement, lodging and retail components.

Site Access

The majority of visitors to the District are expected to arrive by automobile; therefore, the local and regional road system is important in providing convenient and efficient access. The roadway network in and around Derby, Kansas includes major arterial streets, highways and freeways. Interstate 35 provides direct access to the metropolitan areas of Oklahoma City and Dallas to the south and Topeka, Kansas City and Des Moines to the northeast. U.S. Highway 81 provides access north to Omaha. Interstate 70 provides access to the Denver area to the west.

Neighborhood and regional access to the District is provided via Interstate 35 and Highway 15. On-site access is provided by the adjacent arterial of Rock Road. The District possesses adequate site vehicular access to support the planned Field Station Dinosaurs attraction.

As it relates to out-of-town visitors arriving by air, the District is conveniently located approximately 20 miles southeast of the Wichita Mid-Continent Airport with direct access provided via Interstates 35 and 235 as well as Highway 15.

Site Visibility

The District is located adjacent to the major arterial of Rock Road, satisfying the site visibility requirements.

Surrounding Development

The District covers 233 acres designed as a master planned amusement, educational, retail and lodging destination. The Field Station Dinosaurs attraction will occupy a 14-acre parcel within the North Tract. Miniature golf, a ropes course, and a fitness course are planned in conjunction with the Field Station Dinosaurs. The District Plan will accommodate the critical mass of attractions needed to create a regional destination. Family attractions in close proximity to the District such as Botanica and Sedgwick County Zoo will enhance it as a regional destination.

Synergy with Area Attractions

The Wichita area is home to a host of family attractions, cultural facilities and sporting venues such as All Star Adventures, Allstar Sports, The Alley Indoor Entertainment, Botanica, Exploration Place, Great Plains Nature Center, Sedgwick County Zoo, INTRUST Bank Arena, Wichita Symphony Orchestra, Ballet Wichita and Wichita Grand Opera. Wichita State University with a student population of more than 15,000 students has a significant economic impact on the region and the university's array of athletic facilities and sporting teams serves as a major regional draw. The planned Field Station Dinosaurs will compliment these and other existing attractions and further enhance Wichita's status as a regional tourist and visitor destination.

Conclusions

This report concludes that the District is a feasible site for the construction and operation of the Field Station Dinosaurs attraction, possessing a unique location within a master planned development featuring complimentary uses, access to a large regional population and tourism market, and the necessary site access, visibility and exposure. The site will complement existing area attractions and benefit from a synergistic affect and ability to tap into the established visitor counts at these attractions and region as a whole.

Conclusions

The District's principal tourism attraction will be the Field Station Dinosaurs. The presence of such a unique amusement and educational attraction will serve to expand and diversify Wichita's tourism industry and stimulate economic growth through increased visitation and expenditures. Potential customer markets include the resident population within a 100-mile radius of 1.3 million and Wichita's 5.7 million annual visitors. Wichita's visitor profile inclusive of families and high income households is suitable for supporting an attraction like Field Station Dinosaurs.

One of the strategic recommendations of the *Kansas Cultural and Heritage Research Study* published by the Kansas Department of Commerce – Travel and Tourism Development Division, was to enhance the interpretation and visitor experiences at local heritage sites, attractions and communities. The Field Station Dinosaurs will introduce a unique visitor attraction to the Wichita area that targets a specific market segment and broadens the tourism base.

The study findings suggest sufficient demand generators exist to support the Field Station Dinosaurs in Derby, Kansas. The District offers suitable location characteristics to accommodate development of the planned family attraction.

Retail Market Analysis

The District's Project Plan incorporates retail space in the form of big-box retailers and out parcels. The initial phase of the South Tract includes major retailers, junior anchors and out parcels totaling approximately 257,980 square feet of building area. This section of the report evaluates the feasibility of the planned retail formats by gauging the competitive market conditions and preparing a site evaluation.

Shopping Center Concepts

The Project Plan incorporates two retail formats, including big-box retailers and out parcels designed to accommodate freestanding sit-down restaurants. These retail formats are described based on definitions by the Urban Land Institute and International Council of Shopping Centers.

Big-Box Retailers

Big-box retailers include both general merchandise major anchors of 60,000 square feet or more (i.e., discount department stores, warehouse clubs and home improvement centers) and category specific (i.e., home electronics, office supplies, pet supplies, etc.) junior anchors of approximately 15,000 to 50,000 square feet. Big-box retailers serve as a shopping centers major customer draw. The District's Project Plan includes several major retailers and junior anchors.

Out Parcels

Out parcels generally consist of approximately 1.0-acre of land and occupy a site located adjacent to a major arterial street offering maximum access, visibility and exposure. Businesses that typically occupy out parcels include sit-down restaurants, fast food restaurants, bank branches, pharmacies and multi-tenant shops. The District's Project Plan incorporates several out parcels along Rock Road designed to accommodate restaurants, banks and shops.

Wichita, Kansas Retail Market Overview

Wichita is a regional shopping destination serving a trade area population of more than 1.0 million people within a 100-mile radius. The closest major shopping destinations include Kansas City 200 miles to the northeast; Denver 520 miles to the west; Tulsa, Oklahoma 180 miles to the southeast; and Oklahoma City, Oklahoma 165 miles to the south. Wichita's regional trade area draw is best characterized by measuring its retail pull factor.

Given the size of the Wichita MSA and its status as the largest city in Kansas and a regional shopping destination, many major big-box retailers maintain a presence. National and regional retailers operating stores in the Wichita MSA are listed in the table on the following page.

Major Retailers Operating in Wichita MSA

Discount Department Stores

Kmart
Target
Wal-Mart
Kohl's
Gordmans

Sporting Goods

Dick's Sporting Goods
Gander Mountain
Sports Authority
Hibbett Sports
Cabela's

Clothing

Old Navy
Gap
Talbots
TJ Maxx
Dress Barn

Department Stores

Dillard's
J. C. Penney
Sears
Von Maur

Home Improvement

Ace Hardware
Home Depot
Lowe's
Menards

Hobby & Crafts

Hobby Lobby
Michaels
Hobby Town USA

Book Stores

Barnes & Noble

Pet Supplies

Petco
PetsMart

Office Supplies

Office Depot
Office Max

Warehouse Clubs

Sam's Club

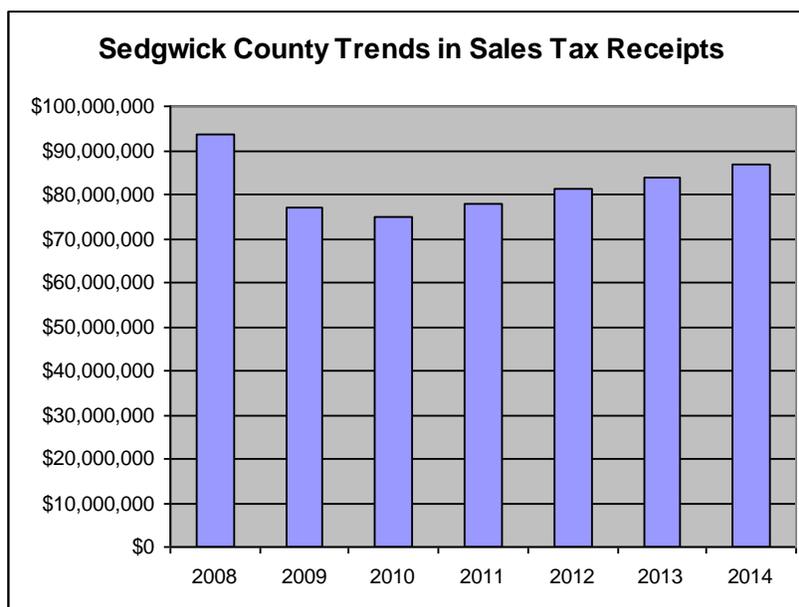
Home Electronics

Best Buy

Movie Theaters

Dickinson Theatres
Warren Theatres

Over the past decade retail sales tax collections for Sedgwick County were directly impacted by national and local economic conditions as well in trends in new retail construction. In response to the national recession retail sales tax collections declined by 17.6 percent in 2009 and 3.1 percent in 2010. The County's sales tax collections rebounded during 2011, posting a 4.0 percent gain. The growth in retail sales tax receipts continued posting gains of 4.5 percent in 2012, 3.3 percent in 2013 and 3.2 percent in 2014. Through the first four months of 2015 retail sales tax receipts are up 2.7 percent. Wichita serves as Sedgwick County's primary retail destination capturing approximately 80 percent of annual retail sales.



Kellogg Drive serves as Wichita's primary retail corridor supporting two regional malls, including Towne East Square on the east side and Towne West Square on the west side. Anchored by Dillard's, JC Penney, Sears and Van Maur, Towne East Square also is surrounded by such big-box retailers as Target, Barnes & Noble, Kirkland's, TJ Maxx, Hancock Fabrics, Babies 'R Us and Toys 'R Us. Meanwhile, Towne West Square houses Dillard's, JC Penney, Sears, Dick's Sporting Goods and more than 95 specialty retailers. PetsMart and Pier 1 operate stores adjacent to the mall. Other big-box retailers operating stores along Kellogg Drive include Wal-Mart, Kmart, Home Depot, Lowe's, Sam's Club, Kohl's, TJ Maxx, Best Buy, Office Max, Office Depot, Toys 'R Us, Barnes & Noble and Gander Mountain.

Prompted by continued population growth, recent retail development has concentrated in two peripheral locations including the intersections of Highway 96 and Rock Road in northeast Wichita and Maize Road and 21st Street in northwest Wichita. Big-box retailers now operating stores at the intersection of Highway 96 and Rock Road include Wal-Mart Supercenter, Sam's Club, Kohl's, Petsmart, Petco, Jo-Anne Fabrics, Office Depot, Office Max, Payless ShoeSource and Shoe Carnival. New Market Square at Maize Road and 21st Street is anchored by Wal-Mart Supercenter, Super Target, Best Buy, Bed Bath & Beyond, Michaels, Petco, Old Navy, Dress Barn, Payless ShoeSource, Shoe Carnival, Sports Authority, Pier 1 and Kirklands.

According to the *Development Trends Report* published by the Wichita Area Metropolitan Planning Organization, during 2010 a reported 18 permits were issued in the Wichita MSA for 125,937 square feet of retail space. Central Wichita accounted for 64 percent of the total retail space permitted for construction. The largest retail projects permitted for construction in 2010 included a 75,744 square foot Dillons Market Place and 34,506 square foot Genesis Health Club.

During 2011, retail construction activity in the Wichita MSA rebounded with a reported 45 building permits issued totaling 508,812 square feet of building area. Retail construction was the most active in Southeast Wichita with five permits totaling 134,302 square feet of building area. Construction was also active in Northeast Wichita (4 permits totaling 88,314 sq. ft.); Central Wichita (9 permits totaling 84,388 sq. ft.) and South Wichita (7 permits totaling 84,041 sq. ft.).

During 2012, retail construction activity in the Wichita MSA reported 23 building permits issued for a total of 270,441 square feet of retail space. New construction was the most active in Southeast Wichita with five permits totaling 134,302 square feet of building area. Construction was also active in Northwest Wichita (7 permits totaling 104,497 sq. ft.) and Northeast Wichita (7 permits totaling 84,041 sq. ft.).

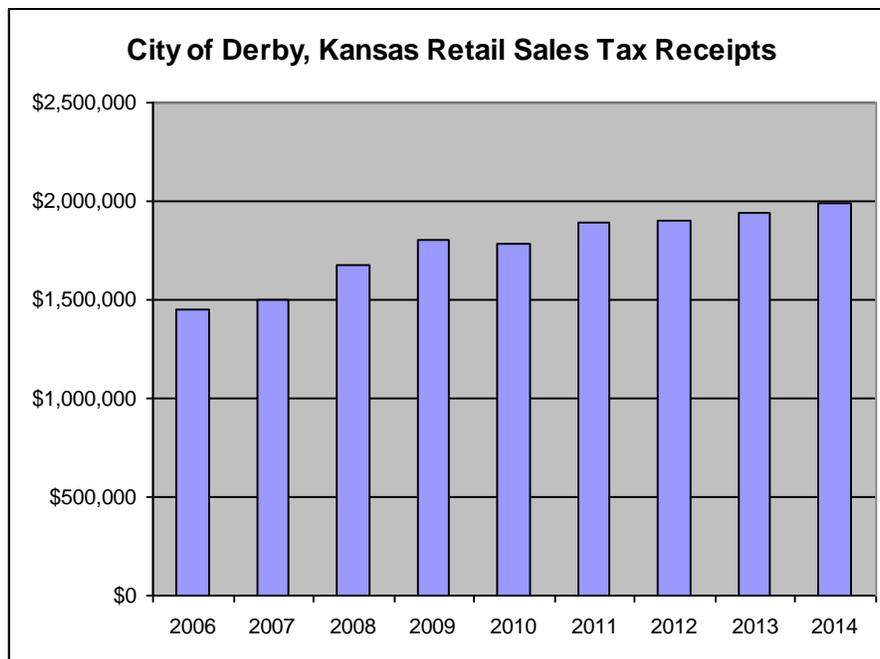
During 2013, retail construction activity in the Wichita MSA remained steady with 35 building permits issued for a total of 266,772 square feet of retail space. New construction was the most active in Northeast Wichita with four permits totaling 99,172 square feet of building area.

From 2010 through 2013 nearly 1.2 million square feet of retail space was permitted for construction within the Wichita MSA, of which 89.2 percent was located in the City of Wichita. During this timeframe new retail construction was most concentrated in Northeast Wichita with 246,043 square feet of space accounting for a 21.0 percent market share. New retail construction was also active in Central Wichita with 223,937 square feet of space and a 19.1 percent market

share and Northwest Wichita with 187,122 square feet of space and a market share of 16.0 percent.

Derby Retail Market

According to the Kansas Department of Revenue over the past decade, with the exception of 2010, the City of Derby has experienced steady growth in annual retail sales tax receipts, increasing by 37.4 percent from 2006 through 2014. By 2014, retail sales tax receipts reached nearly \$2.0 million, up from \$1.45 million in 2006. Through April of 2015 year-to-date retail sales tax receipts were up 3.7 percent over the same four months in 2014. Much of the rise in retail sales tax receipts is attributed to a growing population and accelerated retail development activity that brought such major retailers to Derby as Target, Lowe's, Petco, Hibbett Sports and several chain restaurants.



According to the *Development Trends Report* published by the Wichita Area Metropolitan Planning Organization, from 2009 through 2013 a reported 11 building permits were issued in the City of Derby totaling 47,582 square feet of retail space. New construction peaked in 2011 when 20,054 square feet of retail space was permitted.

State Route 15 and Rock Road serve as Derby's principal commercial corridors housing anchored shopping center, big-box retailers, strip center and out parcels. The principal anchored shopping centers in Derby include the Derby Marketplace, Derby Towne Center and Bristol Square.

Derby Marketplace is located with the District's South Tract at the northeast corner of Rock Road and Meadowlark Boulevard. Phase 1 opened in 2014 anchored by a 123,000 square foot Target store and 122,000 square foot Dillon's Marketplace. Junior anchors include Petco, Dress Barn, Hibbett Sports, Maurices and Famous Footwear. Out parcels are occupied by several chain restaurants including Buffalo Wild Wings, Chick-fil-A, Olive Garden, Panera Bread, Panda Express

and Starbucks. Future development includes several junior anchors ranging in size from 12,900 to 70,000 square feet, retail shops and out parcels.

The Derby Towne Center is located at State Route 15 and Greenway Street. The centers totals 94,597 square feet of building area and is anchored by Dillon's grocery store.

Bristol Square is a 37,021 square foot shopping center located at 620 N. Rock Road and anchored by an 11,000 square foot Dollar Tree.

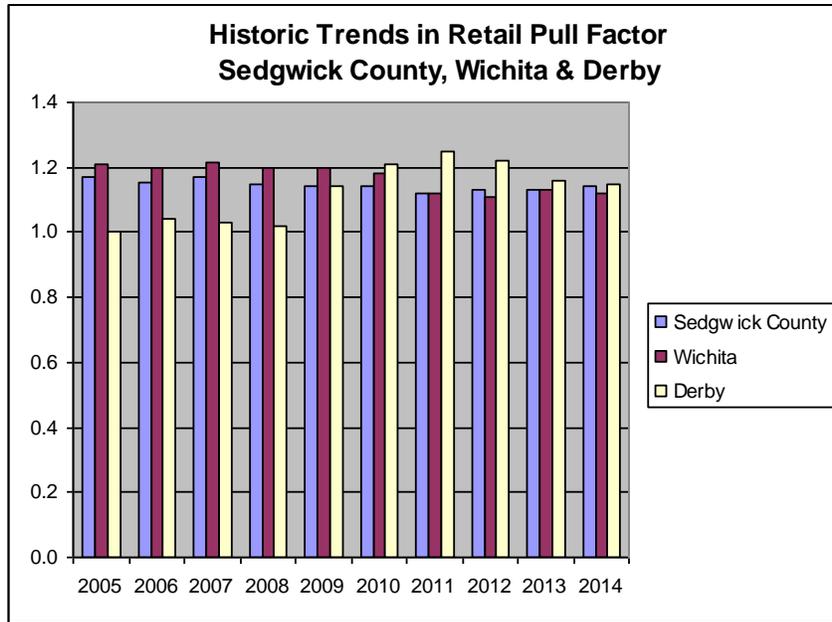
Additional big-box retailers operating stores in Derby include Walmart Supercenter, Lowe's, Kohl's, Dillon's, Walmart Neighborhood Market and Walgreens.

Derby is a peripheral suburb of Wichita that has experienced steady population growth over the past decade. By 2013, Derby's population was estimated at over 23,000 residents. In recent years several national retailers have opened stores in Derby in response to population growth and an under-retailed market. By 2035 Derby's population is forecast to reach nearly 34,000 residents, generating additional retail demand and a continued influx of retail businesses.

Retail Pull Factor

The *County Trade Pull Factors Fiscal Year 2014* published in December 2014 by the Kansas Department of Revenue evaluates the retail draw of various Kansas counties. A pull factor is a measure of retail capture minus leakage, with a measure of 1.0 representing a perfect balance. Sedgwick County has long been a major retail trade center for south-central Kansas with Wichita serving as the principal retail destination. The current pull factor of 1.14 indicates Sedgwick County captures retail sales at a rate 14 percent above the statewide average. Over the past decade Sedgwick County's annual pull factor has remained steady at 1.12 to 1.17.

The *Annual Report of Trade Pull Factors and Trade Area Captures for Fiscal Year 2014* published in December 2014 by the Kansas Department of Revenue evaluates the retail draw of various Kansas cities and counties. For FY 2014, Wichita supported a pull factor of 1.12, capturing retail sales at a rate of 12 percent above the statewide average. Wichita's strong retail pull and status as a regional shopping destination stems from its distance to other major shopping destinations, growing number of national retailers and high volume of out-of-town visitors. From 2005 to 2009 Wichita's annual pull factor remained steady at 1.20 to 1.22. However, in recent years Wichita's pull factor declined from 1.22 in 2009 to 1.12 by 2014, suggesting Wichita's retail draw is waning.



The City of Derby’s pull factor has improved in recent years resulting from population growth and the entry of several big-box retailers into the market. From an equilibrium rate of 1.0 in 2005 Derby’s pull factor improved steadily to 1.25 by 2011. While Derby’s pull factor has declined over the past three years it still exceeds both Sedgwick County and the City of Wichita.

Despite supporting a regional trade area the Wichita MSA retail market does not compare in depth of merchandise and selection to such larger metropolitan areas as Kansas City and Oklahoma City. The most noticeable deficiencies are the limited selection of national chain big-box retailers and restaurants. Expanding the Wichita area’s retail selection by introducing more upscale retailers and restaurants would improve its competitiveness with alternative shopping destinations, keep local residents from leaving the area for shopping and entertainment, and attract more customers from outside the region.

The District’s retail component is designed to attract national and regional retailers and restaurants not currently present in the Derby, Kansas market. By attracting a unique tenant mix the District would enhance the depth of the local market and improve the region’s competitiveness with other nearby metropolitan shopping and entertainment destinations.

Retail Sales Gap Analysis by Store Type

The *Retail MarketPlace Profile* published by Esri Business Analyst identifies opportunities for additional retail store types in the Wichita MSA. The report data is derived from two major sources. The demand data is derived from the Consumer Expenditure Survey published by the U.S. Bureau of Labor Statistics while the supply data is provided by the Census of Retail trade. Retail establishments are classified into 27 industry groups in the retail trade sector and four industry groups within the food services and drinking establishments. The difference between demand and supply represents the opportunity gap or surplus available for each retail category in the specified reporting geography. When the demand is greater than the supply there is an

opportunity gap for that retail category. A positive value signifies an opportunity gap, while a negative value signifies a surplus.

According to Esri Business Analysis the Wichita MSA population totals 645,162 residents with a per capita income of \$25,761. Exclusive of automobile sales, supportable retail sales for the Wichita MSA are estimated at \$5.5 billion in 2015 with actual sales reported at \$5.9 billion.

The District is designed to be occupied by a wide variety of category-specific big-box retailers and restaurants. Examples of big-box retailer categories include clothing and accessories, department stores, home electronics, sporting goods, pet supplies, office supplies, book stores, home furnishings and restaurants. Several of these retail categories provide significant opportunities for capturing additional retail sales in the Wichita MSA. Department stores can support estimated \$23.0 million in additional sales annually. Pharmacies and drug stores are estimated to support an additional \$39.6 million in annual sales. Drinking places collectively can support an additional \$29.9 million in annual sales. These retail sales potential estimates are reflective of what the Wichita MSA population can support and do not take into account the fact that Sedgwick County supports retail sales at a rate 14 percent above the statewide average.

The District will primarily target category specific retailers and restaurants. Many segments of the Wichita MSA retail market are currently under-serviced providing the opportunity for the District to support feasible development of big-box retailers and restaurants. Given the District's positioning to attract out-of-town visitors, coupled with the local retail market's ability to support above average retail sales, development of the District's retail component is anticipated to harmonize with Wichita's overall retail base and generate increased retail expenditures.

Opportunity Gap by Retail Category – Wichita MSA (2015)

Retail Store Type	Demand Retail Potential	Supply Retail Sales	Opportunity Gap/(Surplus)
Total Retail Sales, Excl. Auto Sales	\$5,509,172,364	\$5,973,973,388	-\$464,801,024
Furniture and Home Furnishings Stores	\$147,648,993	\$262,033,727	-\$114,384,734
Electronics and Appliance Stores	\$168,390,149	\$193,789,053	-\$25,488,480
Building Materials and Home Centers	\$163,841,424	\$195,833,865	-\$31,992,441
Lawn and Garden Stores	\$56,581,026	\$50,077,065	\$6,503,961
Grocery Stores	\$864,535,805	\$1,146,928,444	-\$282,392,639
Specialty Food Stores	\$22,285,750	\$25,887,063	-\$3,601,313
Pharmacies and Drug Stores	\$389,874,213	\$350,226,927	\$39,647,286
Gasoline Stations	\$651,210,460	\$621,248,496	\$29,961,964
Clothing Stores	\$222,108,867	\$249,044,799	-\$26,935,932
Shoe Stores	\$51,050,462	\$58,494,635	-\$7,444,173
Jewelry Stores	\$34,885,293	\$47,011,868	-\$12,126,575
Sporting Goods Stores	\$94,710,837	\$163,809,574	-\$69,098,737
Book Stores	\$32,014,727	\$21,906,718	\$10,108,009
Department Stores	\$418,439,919	\$395,421,892	\$23,018,027
Office Supplies and Stationery	\$41,150,132	\$31,629,745	\$9,520,387
Full-Service Restaurants	\$222,179,315	\$241,780,493	-\$19,601,178
Drinking Places	\$57,083,469	\$27,164,468	\$29,919,001

Source: Retail MarketPlace Profile, Esri Business Analyst.

Retail Space Demand Estimates

A *Retail Market Analysis* quantifies a particular trade area’s potential to increase its inventory of occupied shop space over a specified period of time. Given the District’s planned retail formats the retailers will cater to both residents of the Wichita MSA as well as out-of-town visitors. The table on the following page provides retail space demand estimates from 2015 to 2020 for the Wichita MSA.

Supportable retail sales are a function of consumer population and income levels. A trade area’s total income is calculated by multiplying the total trade area population by the per capita personal income. Purchasing power, or total sales potential of the trade area, is then quantified by applying average retail expenditures as a percentage of total income.

Esri Business Analyst estimated the current Wichita MSA population at 645,162 residents and per capita personal income at \$25,761, yielding total personal income of \$16.6 billion. Based on the findings of the *U.S. Census Bureau Annual Retail Trade Survey* and U.S. Department of Commerce, the purchasing power by the Wichita MSA population was estimated at 33 percent of personal income, or \$5.5 billion annually. By applying the current retail pull factor for Sedgwick County of 1.14 reported by the *Annual Report of Trade Pull Factors and Trade Area Captures for Fiscal Year 2014* published by Kansas Department of Revenue, retail sales attributed to both residents and out-of-town visitors are estimated at approximately \$6.25 billion.

The *Retail MarketPlace Profile* published by the Esri Business Analyst estimated actual retail sales for the Wichita MSA, exclusive of automobile sales, at approximately \$5.97 billion in 2015. Supportable retail sales are forecast at \$6.25 billion, translating into retail sales leakage of \$278 million. Based on *Dollars & Cents of Shopping Centers*, at the median retail sales rate for Midwest open-air shopping centers of \$253 per square foot the estimated retail leakage is sufficient to support approximately 1.0 million square feet of additional retail space.

Wichita MSA Estimated Retail Space Demand; 2015 – 2020

Retail Sales Formula	2015	Growth 2015-2020
Resident Population	645,162	13,426
Per Capita Personal Income	\$25,761	\$29,795
Total Personal Income	\$16,620,018,282	\$400,027,670
% Personal Income Spent on Goods & Food (Non-Automotive)	0.33	0.33
Supportable Non-Automotive Retail Sales by Wichita MSA Residents	\$5,484,606,033	\$132,009,131
Sedgwick County Retail Full Factor (2014)	1.14	1.14
Supportable Non-Automotive Sales by Out-of-Town Visitors	\$767,844,845	\$18,481,278
Total Supportable Non-Automotive Retail Sales - Wichita MSA	\$6,252,450,878	\$150,490,409
Less: Estimated 2015 Wichita MSA Non-Automotive Retail Sales	(\$5,973,973,388)	
Potential Capture of Additional Non-Automotive Retail Sales	\$278,477,490	\$150,490,409
Average Retail Sales Per Sq. Ft.	\$253	\$279
Supportable Additional Retail Space (Sq. Ft.)	1,001,702	539,392

Source: Esri Business Analyst and Canyon Research Southwest, Inc.

By 2020, Esri Business Analysis forecasts the Wichita MSA population to grow by 13,426 residents and per capita income to reach \$29,795. Retail expenditures totaling 33 percent of total income and retail pull factor of 1.14 yields supportable retail sales of \$150 million. At an annualized inflation rate of 2.0 percent the median retail sales rate was adjusted to \$279 per square foot for 2020, yielding a gain in supportable additional retail space within the Wichita MSA of approximately 539,000 square feet over the next five years.

Over the next five years the local population and out-of-town visitors are forecast to generate sufficient retail sales volumes to support an estimated 1.5 million square feet in additional retail space. The District's initial phase of retail development includes approximately 258,000 square feet of building area. To achieve build-out over the next five years the District must capture less than 17 percent of the Wichita MSA forecast demand for new retail space. Based on the findings of this analysis sufficient short-term retail space demand exists within the Wichita MSA to absorb the retail space planned for the District.

Site Evaluation

Shopping center developers and major retailers evaluate potential sites based on a series of site specific criteria. Common selection criteria when evaluating a prospective big-box retailer and out parcel site include availability of infrastructure; parcel size; visibility and exposure; accessibility; parcel size and dimensions; and direct competition. Using these site selection criteria the retail component of the District was evaluated for the potential for support development of big-box retailers and out parcels.

Availability of Infrastructure

The District's retail component is located at the intersection of Rock Road and East 63rd Street South. Rock Road is improved with four lanes of traffic north of 63rd Street and five lanes of traffic and a left turn lane south of 63rd Street. 63rd Street is improved with five lanes of traffic and a left turn lane.

The Project Plan will fund all off-site and on-site infrastructure improvements necessary to facilitate on-site vertical development.

Visibility and Exposure

Visibility and vehicular traffic counts past a prospective shopping center site have a significant influence on achievable retail sales volumes. The District's retail component offers excellent visibility and exposure from the adjacent major arterials of Rock Road and East Patriot Avenue/East 63rd Street South. The Kansas Department of Transportation reported 2012 average daily traffic counts past the District of 22,110 vehicles on Rock Road and 12,450 vehicles on 63rd Street. Development of the District is expected to significantly increase vehicular traffic on the adjacent major arterials and highway.

The District features sufficient visibility and exposure to support the development of big-box retailers and out parcels.

Accessibility

Big-box retailers and power centers support a large trade area. Therefore, regional, local and on-site accessibility is critical when evaluating a prospective development site. Site accessibility criteria used in evaluating the District as a prospective major retailer and power center development site include: 1) hierarchy of streets; 2) the vehicular speed and traffic counts past the site; 3) a traffic signal within 500 feet of the site; and 4) the ability to make a left turn as ingress into the site.

1. The term “hierarchy of streets” refers to the character of the surrounding area’s vehicular transportation network. The roadway network in and around Derby, Kansas includes major arterial streets, highways and freeways. Interstate 35 provides direct access to the City of Wichita to the north and metropolitan areas of Kansas City to the northeast and Oklahoma City to the south. Highway also provides direct access to Wichita. The District’s retail component is located adjacent to the interchange at Rock Road and 63rd Street, providing efficient regional, neighborhood and on-site access.
2. The posted speed limits past the District of 45 mph on both 63rd Street and Rock Road allows for convenient on-site ingress and egress.
3. The intersection of Rock Road and 63rd Street is signalized.
4. An existing left turn lane on Rock Road south of 63rd Street and 63rd Street west of Rock Road provides left turn access into the District’s commercial development sites.

To conclude, the District possesses adequate regional, local and on-site vehicular accessibility to support development of big-box retailers and out lots.

Parcel Size

According to the *International Council of Shopping Centers*, suitable power center sites possess 25 to 80 acres capable of accommodating the development of 250,000 to 600,000 square feet of building area. Major anchor retailers generally occupy 60,000 to 200,000 square feet of building area on 6- to 25-acre site while junior anchors of 12,000 to 50,000 square feet generally occupy 1.5 to 5.5 acres. Out parcels capable of accommodating restaurant, convenience store and bank branch uses generally occupy 1.0+ acres.

The District occupies approximately 233 acres with the Project Plan designed with individual development sites capable of facilitating big-box retailers and out parcel retail space. Therefore, the District possesses sufficient site characteristics to accommodate the envisioned retail development formats.

Competition

The District’s commercial development sites are designed to accommodate category specific big-box retailers such as well as out parcels for sit-down restaurant and retail use.

Major and junior anchor retailers currently operating stores in Derby are limited to Target, Walmart, Kohl’s, Lowe’s, Dollar Tree, Petco, Dress Barn, Hibbett Sports, Maurices and Famous Footwear.

Major grocery stores include Dillon's and Walmart Neighborhood Market. Walgreens is the only national pharmacy operating in Derby.

The Derby Marketplace located on the District's South Tract houses several national chain restaurants on out parcels, including Buffalo Wild Wings, Chick-fil-A, Olive Garden, Panera Bread, Panda Express and Starbucks. Future development includes several junior anchors ranging in size from 12,900 to 70,000 square feet, retail shops and out parcels.

Besides the current big-box retailers and national chain restaurants currently operating in Derby, its peripheral suburban location allows the possibility to support "sister" stores for those major retailers not operating stores. Therefore, the opportunity exists for the District to attract a sufficient number of junior anchors and restaurants to warrant feasible development of the initial phase of retail development.

Site Evaluation Conclusions

This report concludes that the District planned for Derby, Kansas is a feasible big-box retailer and restaurant development site, possessing the necessary infrastructure, size, access, visibility and exposure. Competitive market conditions suggest the opportunity exists for the District to attract a sufficient number of junior anchors to warrant feasible development of the initial phase of retail development. The expected large number of out-of-town visitors lured by the District's major attractions will also assist in generating on-site retail sales and improve feasible development of the retail components.

Conclusions

The District's initial phase of retail development will include several big-box retailers and out lots supporting retailers unique to the Derby, Kansas market. Competitive retail market conditions suggest the opportunity exists for the District to attract a sufficient number of junior anchors and restaurants to warrant feasible development of the initial phase. The expected large number of out-of-town visitors lured by the District's major attractions will also assist in generating on-site retail and restaurant sales and improve feasible development of the retail components.

To conclude, the District is a suitable retail development site possessing the necessary infrastructure, size, access, visibility and exposure. Competitive market conditions suggest the opportunity exists for the District to attract a sufficient number of junior anchors to warrant feasible development of the initial phase of retail development. The expected large number of out-of-town visitors lured by the District's major attractions will also assist in generating on-site retail sales and improve feasible development of the retail components. The critical mass of amusement, entertainment, shopping and dining attractions unique to the local market will create a "must see" regional destination catering to both local residents and out-of-town visitors.

Lodging Market Analysis

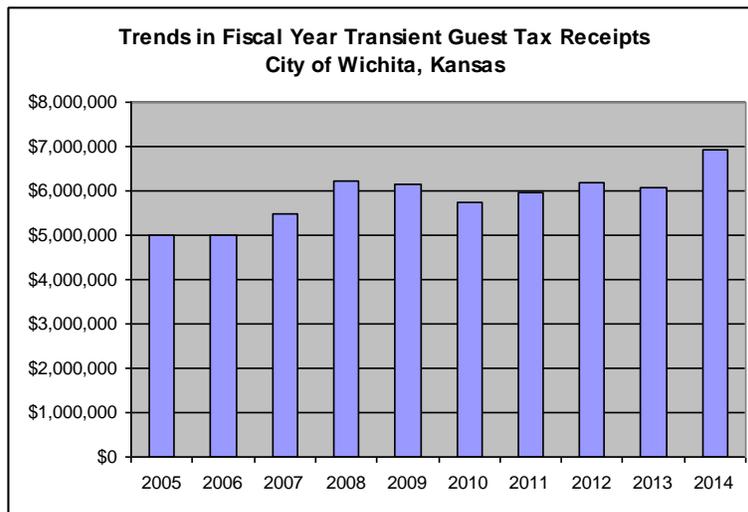
A 100-room limited-service hotel is planned for the North Tract adjacent to the Field Station Dinosaurs attraction. This section of the report evaluates the market viability of supporting the proposed hotel within the District. The District’s planned hotel is a critical component in facilitating overnight visitation generated by the Field Station Dinosaurs.

Competitive Hotel Market Trends

This section of the report evaluates the directly competitive lodging market by identifying historic operating trends for the Wichita MSA lodging market and inventorying existing hotel properties operating in the southern portion of the Wichita area. Competitive hotel market operating trends were provided by Smith Travel Research, an independent research firm that compiles data on the lodging industry.

Wichita Lodging Market Operating Trends

Fiscal year trends in transient guest tax receipts levied by the City of Wichita were provided by the Kansas Department of Revenue. With the exception of the national recession, fiscal year transient guest tax revenues have increased steadily over the past decade. The rate of growth has accelerated in recent years as the national economy has improved. From FY 2010 to FY 2014, transient guest tax revenues in Wichita increased by 20.7 percent, reaching \$6.92 million in FY 2014. Through the first ten months of FY 2015 transient guest tax revenues in Wichita are down 0.18 percent over the same 10-month period in FY 2014.



By March 2015, Smith Travel Research was surveying 122 hotel properties in the Wichita MSA with a total inventory of 9,287 guest rooms. Since 2009, the Wichita lodging market has steadily improved marked by strong gains in room demand and occupancy levels. The overall occupancy rate for the Wichita market increased from 56.6 percent in 2009 to 60.1 percent by 2014. Lodging demand is relatively steady throughout the year with no definitive peak or off seasons.



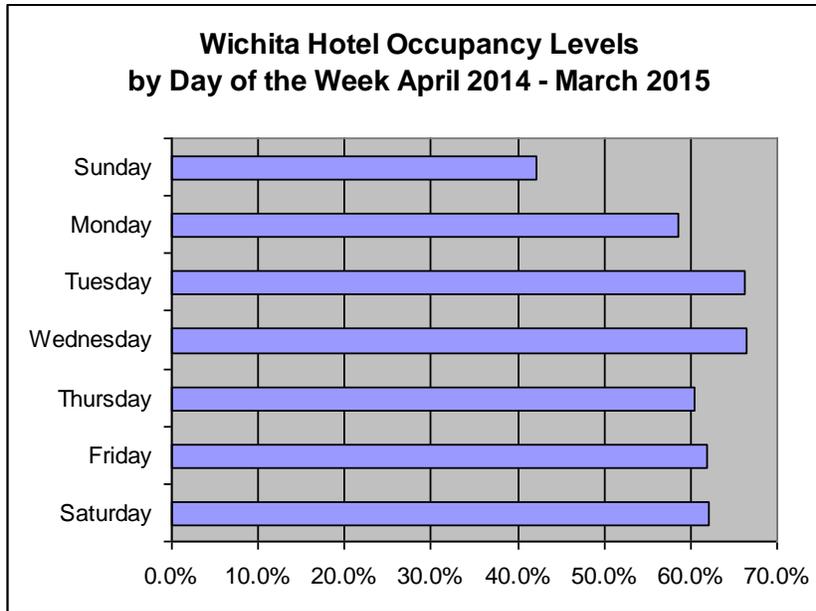
Increased lodging demand and escalating occupancy levels have produced strong gains in the average daily rate (“ADR”) for the Wichita hotel market, increasing steadily from \$71.83 in 2010 to \$81.17 by 2014. The strong growth in both ADR and room demand since 2010 yielded a 21.6 percent increase in lodging revenue to \$160.2 million by 2014.

Wichita MSA Hotel Market Operating Results; 2009-2014

Year	ADR	% Change	Room Supply	% Change	Room Demand	% Change	Lodging Revenue	% Change
2009	\$74.22		3,160,662		1,789,628		\$132,825,914	
2010	\$71.83	-3.2%	3,176,656	0.5%	1,834,565	2.5%	\$131,768,003	-0.8%
2011	\$74.85	4.2%	3,268,065	2.9%	1,898,164	3.5%	\$142,070,195	7.8%
2012	\$76.44	2.1%	3,330,943	1.9%	1,951,147	2.8%	\$149,155,417	5.0%
2013	\$77.88	1.9%	3,342,417	0.3%	1,984,210	1.7%	\$154,529,240	3.6%
2014	\$81.17	4.2%	3,282,968	-1.8%	1,973,772	-0.5%	\$160,218,596	3.7%

Source: Smith Travel Research.

Over the past 12 months room demand, occupancy levels and ADR for the Wichita lodging market were strongest from Tuesday through Thursday, indicative of business and group travel. Occupancy levels remained strong for Friday and Saturday, though the ADR declined. This industry trend is common whereby hotels discount room rates to attract weekend leisure travel room demand. Leisure travels also generally stay at less expense hotels than business and group travelers.



To conclude, the Wichita hotel market caters primarily to leisure and business travelers with room demand relatively steady throughout the year and mid-week representing peak demand. Concurrent with national hospitality trends, during 2009 and 2010 the Wichita hotel market was adversely impacted by the recession and subsequent decline in business and leisure travel. Recent operating trends suggest that the Wichita hotel market is recovering, posting strong gains in room demand, ADR and total lodging revenue since 2011. Wichita’s improving hotel market bodes well for the near-term construction of the two hotels planned within the District.

Competitive Hotel Properties

The competitive market analysis includes a survey of existing chain hotels operating in the southern Wichita area communities of Derby, Haysville and Mulvane, Kansas. As identified in the table on the following page, just six chain-affiliated hotel properties operate in the competitive market area totaling 612 guest rooms. The majority of the hotel properties are located along Interstate 35. The only chain hotel operating in Derby is the 63-room Hampton Inn located on the District’s South Tract. The hotel includes an indoor pool, fitness center, business center, breakfast area and a 348 square foot meeting room capable of accommodating up to 30 people.

The existing hotels in Derby, Haysville and Mulvane were classified by market segment. Limited-service hotels represent the largest market segment with three properties totaling 453 rooms, or 74 percent of the total inventory of competitive hotel rooms. Limited-service hotels lack on-site food & beverage services, but provide such common area amenities as a swimming pool, fitness center, business center, small meeting rooms and complementary breakfast. The Hampton Inn located in Mulvane, Kansas is the largest property with 300 guest rooms. The property is located adjacent to the Kansas Star Casino and recently expanded adding 150 new guest rooms.

Competitive Hotel Properties

Market Segment / Property	# of Rooms	Dining Lounge	Business Center	Fitness Center	Pool	Meeting Space
Budget Hotels						
Days Inn & Suites 4875 South Laura Street, Haysville	43				Outdoor	
Sleep Inn & Suites 651 East 71st Street South, Haysville	66		X		Indoor	
Super 8 4848 South Laura Street, Haysville	50				Indoor	
Limited-Service Hotels						
Hampton Inn 1701 Cambridge Street, Derby	63		X	X	Indoor	348 SF
Hampton Inn & Suites 785 Kansas Star Drive, Mulvane	300		X	X	Indoor	
Holiday Inn Express 4860 South Laura Street, Haysville	90		X	X	Indoor	X
Total Guest Rooms	612					

Source: Canyon Research Southwest, Inc.

Budget hotels offer inexpensive lodging with little or no common amenities such as a swimming pool, meeting space or fitness center. Three budget hotels totaling 159 guest rooms all operate in Haysville off Interstate 35 and generally cater to budget conscious travelers. These properties lack such amenities as a fitness center, business center and meeting space. Budget chains operating in the competitive market area include Days Inn & Suites, Sleep Inn & Suites and Super 8.

There are no extended-stay, all-suite or full-service hotel properties operating in the competitive market area. Extended-stay and all-suite hotels are popular given that families and groups. Full-service hotels cater to business and group travelers and generally provide a restaurant and lounge, indoor pool, fitness center, business center and meeting space.

To conclude, the 100-room hotel planned for the District will face modest competition with only one existing hotel operating in Derby and five other hotel properties located in the neighboring communities of Haysville and Mulvane. The competitive hotel inventory totals just 612 guest rooms.

Site Evaluation

This section of the report evaluates the District's suitability as a future development site accommodating the planned 100-room hotel.

A. Is the property accessible from major highways and arterial roadways?

Freeway and/or major arterial street access is particularly important for budget, economy and limited-service hotels, providing for convenient access and visibility by guests and the ability to capture drive-by traffic. Access is less critical for full-service and luxury hotels as they tend to be destination locations. The District benefits from its location within the Wichita MSA and convenient vehicular access via Interstate 35 and Highway 15. The Wichita Mid-Continent Airport is located approximately ten miles to the northwest offering both commercial and private air service. The District provides suitable access for hotel development.

B. Is the property near and accessible to hotel room demand generators?

A feasible hotel site is located in close proximity to lodging demand generators. Potential lodging demand generators include freeways, employment centers, sporting venues, tourist destinations and recreational facilities. Lodging demand for the District's planned hotel will originate from the out-of-town leisure travelers to the District's attractions as well as business and group travelers generated by the McConnell Air Force Base, Kansas Star Casino and the many aviation-related businesses operating in the Wichita area. Interstate 35 also generators of transient lodging demand.

C. Is the potential hotel site in close proximity to existing hotel properties?

Six hotels totaling 612 guest rooms currently operate in the competitive market area, including such notable lodging chains as Hilton, Holiday Inn and Choice Hotels.

D. Are the site's physical characteristics suitable for hotel and arena development?

The District's Project Plan is designed to create a vibrant tourism-oriented development suitable for supporting hotel development. The mix of amusement, entertainment, retail and dining improves the marketability of the District's planned hotel. The 3-acre parcel adjacent to the Field Station Dinosaurs attraction provides sufficient exposure, infrastructure and parcel size to facilitate development of the planned 100-room hotel.

The District possesses the necessary location and site characteristics to support additional lodging. The site benefits from a location within an established tourism market, access to lodging demand generators, adequate exposure, necessary infrastructure, modest direct competition and presence within a planned tourism destination. These site and competitive market advantages bode well for the long-term success of the District's planned hotel.

Conclusions

The District is planned for a 100-room limited-service hotel. The competitive hotel market caters primarily to leisure and business travelers. The competitive market area supports just six chain hotel properties totaling 612 guest rooms, the majority of which are located along Interstate 35. Limited-service hotels account for 74 percent of competitive market area's current inventory of hotel rooms, followed by budget hotels with the remaining 26 percent of the room inventory. The 63-room Hampton Inn is the only chain hotel operating in Derby, Kansas.

Concurrent with national hospitality trends, in recent years the Wichita hotel market has been adversely impacted by the recession and subsequent decline in business and leisure travel. Recent operating trends suggest that the Wichita hotel market is on its way to recovery, posting strong gains in room demand, ADR and total lodging revenue during 2014 and into 2015.

The District's favorable site characteristics and competitive market advantages bode well for the construction and long-term success of the planned 100-room hotel.

Market Study Conclusions

The District's principal "destination attraction" will include the Field Station Dinosaurs with complimentary attractions including miniature golf, a ropes course, and a fitness course. A 100-room hotel is planned to accommodate the expected increase in out-of-town visitation generated by the destination attractions.

Destination Attraction

The District's principal tourism attraction will be the Field Station Dinosaurs, a unique amusement and educational destination that will serve to expand and diversify Wichita's tourism industry and stimulate economic growth through increased visitation and expenditures.

One of the strategic recommendations of the *Kansas Cultural and Heritage Research Study* published by the Kansas Department of Commerce – Travel and Tourism Development Division, was to enhance the interpretation and visitor experiences at local heritage sites, attractions and communities. The opening of the Field Station Dinosaurs will introduce a unique visitor attraction to the Wichita area that will broaden the tourism base.

The study findings suggest sufficient demand generators exist to support the Field Station Dinosaurs in Derby, Kansas. The District offers suitable location characteristics to accommodate development of the planned family attraction.

Big-Box Retailers and Out Parcels

The District's initial phase of retail development will include several big-box retailers and restaurants unique to the Derby, Kansas market. Competitive retail market conditions suggest the opportunity exists for the District to attract a sufficient number of junior anchors and restaurants to warrant feasible development of the initial phase. The expected large number of out-of-town

visitors lured by the District's major attractions will also assist in generating on-site retail and restaurant sales and improve feasible development of the retail components.

The District is a suitable retail development site possessing the necessary infrastructure, size, access, visibility and exposure. Competitive market conditions suggest the opportunity exists for the District to attract a sufficient number of junior anchors to warrant feasible development of the initial phase of retail development. The expected large number of out-of-town visitors lured by the District's major attractions will also assist in generating on-site retail sales and improve feasible development of the retail components. The critical mass of amusement, entertainment, shopping and dining attractions unique to the local market will create a "must see" regional destination catering to both local residents and out-of-town visitors.

Lodging

The District is planned for a 100-room limited-service hotel. The competitive market area supports just six chain hotel properties totaling 612 guest rooms, the majority of which are located along Interstate 35. Limited-service hotels account for 74 percent of competitive market area's current inventory of hotel rooms, followed by budget hotels with the remaining 26 percent of the room inventory. The 63-room Hampton Inn is the only chain hotel operating in Derby, Kansas.

Concurrent with national hospitality trends, in recent years the Wichita hotel market has been adversely impacted by the recession and subsequent decline in business and leisure travel. Recent operating trends suggest that the Wichita hotel market is on its way to recovery, posting strong gains in room demand, ADR and total lodging revenue during 2014 and into 2015.

The District benefits from a location within an established tourism market, access to lodging demand generators, adequate exposure, necessary infrastructure, modest direct competition and presence within a planned tourism destination featuring a mix of amusement, entertainment, retail and dining facilities. The District's favorable site characteristics and competitive market advantages bode well for the construction and long-term success of the planned 100-room hotel.

MARKET IMPACT STUDY

The *Market Impact Study* examined the impact the proposed STAR Bond District (“District”) in Derby, Kansas will have on the local economy and tourism industry. Specific issues examined include:

- 1 Project positioning and unique quality;
- 2 Project’s synergy with area attractions;
- 3 Impact on comparable market area businesses;
- 4 Expected draw of tourists from out-of-state and from more than 100 miles away;
- 5 Estimate the project’s retail sales at build-out; and
- 6 Impact on active STAR bond projects in the central Kansas.

Project Positioning and Unique Quality

The District’s Project Plan encompasses 233 acres designed for mixed-use development aimed at serving a regional market area. The Field Station Dinosaurs will serve as the District’s principal “destination attraction”. The indoor exhibition, outdoor displays and exhibits will allow visitors to experience up close life-sized dinosaurs that once ruled the Earth. No such family attraction exists in Kansas. The Field Station Dinosaurs will be complemented by a miniature golf course, ropes course, fitness course, restaurant and a 100-room hotel. When fully developed, the District will function as an entertainment, educational, dining and retail experience serving a regional and national market with a principal market area within approximately a 5-hour drive time.

The District is positioned as an entertainment, educational, dining and retail destination catering to both a local and regional market. The District is designed to complement Wichita’s existing family, cultural, recreational and entertainment attractions and will enhance the region as a tourism destination. The District’s Project Plan assures a cohesive, integrated development designed to create synergy between project components and maximize economic activity. Together, the District’s uses, concepts and design will generate large visitor volumes, draw out-of-town travelers and enhance the Wichita area’s status as a tourism destination.

Synergy with Area Attractions

Tourism and travel is according to the World Tourism Organization (WTO) the world’s largest industry and it is predicted to be one of a few industries that will continue to generate job growth in the future. Hence it is an important vehicle for regional and national economic development. Attractions are an extremely important part of the tourism industry and serve as a primary driver of tourism activity. According to Swarbrooke (1995, p. 3) tourist attractions are the most important component in the tourism industry. Without attractions there would be no need for other tourism services. Many tourist attractions possess strong entertainment connections, including sports venues, theatres and museums.

Much like business clusters, the clustering of destination attractions creates the diversity and critical mass necessary to generate and sustain increased visitation and expenditures. Most tourism clusters also have strong linkages to other closely related and supporting industries such

as transportation, lodging, retail, food and beverage. Therefore, the larger cluster of attractions a tourist destination supports the greater the direct and indirect economic benefits.

The Wichita area supports 34, entertainment, cultural, educational and historic attractions that collectively host approximately 2.5 million annual visitors. Based on the theory of tourism clusters, the introduction of additional attractions to the Wichita market will generate increased tourism visitation and expenditures.

By virtue of unique content and market positioning the District will compliment and have a synergistic effect on Wichita’s tourism industry and the heightened out-of-town visitation is expected to translate into increased attendance at existing family, entertainment, cultural, educational and historic attractions. The District would be particularly complimentary of other family attractions such as All Star Adventures, Botanica, Exploration Place, Great Plains Nature Center, Museum of World Treasures, Old Cowtown Museum and Sedgwick County Zoo. As evident by the 22.3 million annual visitors to the Kansas City MSA, the presence of a large cluster of family, cultural, entertainment and educational attractions creates a synergistic effect that strengthens the regional draw, visitation counts, expenditures and visitor’s length of stay.

During 2013, Tourism Economics reported Sedgwick County (Wichita MSA) garnered nearly \$1.4 billion in tourism expenditures, or 22.9 percent of the state-wide total. Tourism expenditures in Sedgwick County included an estimated \$192 million on lodging, \$294 million on food and beverages, \$211 million on retail, \$199 million on recreation, and \$472 million on transportation. When compared to state-wide tourism expenditures, Sedgwick County lagged in all expenditure categories with the exception of transportation. The District is designed to attract out-of-town visitors and generate increased tourism expenditures on recreation and other support industries.

Tourism Expenditures by Category; 2013 Sedgwick County vs. State of Kansas

Expenditure Category	Sedgwick County (\$ Millions)	Market Share	State of Kansas (\$ Millions)	Market Share
Lodging	\$192.08	14.0%	\$943	15.8%
Food & Beverages	\$294.26	21.5%	\$1,414	23.7%
Retail	\$210.72	15.4%	\$966	16.2%
Recreation	\$198.97	14.5%	\$961	16.1%
Transportation	\$472.01	34.5%	\$1,682	28.2%
Totals	\$1,368.07	100.0%	\$5,966	100.0%

Source: Tourism Economics

To conclude, by increasing the critical mass of destination attractions, the District will improve Wichita’s competitive position as a tourism destination as well as complement the existing attractions by providing a “one-of-a-kind” entertainment, educational, dining and shopping destination not currently available in the region.

Impact on Comparable Market Area Businesses

The District's Project Plan incorporates the Field Station Dinosaurs destination attraction, 100 hotel rooms, one restaurant and 257,980 square feet of new commercial space. This study examined the impact of these project components upon similar attractions, lodging and retail businesses in the Wichita area and found that the project will increase total economic activity in the region and not diminish sales from existing businesses. Increased out-of-town visitation generated by the District's principal attraction is expected to result in increased spending and demand for goods, services and lodging in the Wichita area, providing an opportunity for existing local businesses to capture increased future sales volumes.

The Field Station Dinosaurs is designed as a destination attraction providing children and adults alike with a unique entertainment and educational experience. No destination attraction in Kansas compares, and as a result Field Station Dinosaurs is expected to support a regional draw of up to a 5-hour drive time. By attracting visitors from outside of the Wichita area the Field Station Dinosaurs is not expected to adversely impact the operations on such existing Wichita area attractions as All Star Adventures, Botanica, Exploration Place, Great Plains Nature Center, Museum of World Treasures, Old Cowtown Museum and Sedgwick County Zoo. In fact, under the concept of synergy, the Field Station Dinosaurs is expected to complement existing area attractions and create a larger tourism expenditure pie.

Hotel development commonly follows a cluster pattern whereby a group of hotels concentrate near such lodging demand generators as airports, employment centers, tourist attractions and entertainment venues. The District's planned 100-room hotel is aimed at garnering room demand from out-of-town visitation to the Field Station Dinosaurs. The District's planned 100-room hotel is aimed at capturing room demand from out-of-town visitors to the Field Station Dinosaurs. Lodging demand generated by the District is expected to far exceed the on-site capacity of 100 rooms. Therefore, existing hotel properties in the Wichita area will benefit by capturing overflow lodging demand generated by the District.

Wichita has long served as a regional shopping destination. From 2005 to 2009 Wichita's annual pull factor remained steady at 1.20 to 1.22. However, by 2014 the pull factor declined to 1.12, suggesting Wichita's retail draw may be waning. The District's retail component is designed to be occupied by a wide variety of category-specific junior anchors and restaurants, many of whom are currently in the Wichita market. The *Retail MarketPlace Profile* published by Esri Business Analysis identified such retail categories as department stores, sporting goods, and eating and drinking places as providing opportunities for capturing additional retail sales in the Wichita MSA. Visitors to the District will also represent a new market for local retailers.

The District is positioned to capture retail and lodging sales now eluding the Wichita area and will further enhance the region's competitive positioning as a regional tourist center by providing new destination attractions not currently available in central Kansas. New retail sales and lodging demand generated through development of the District and the potential of the Wichita market to capture current retail sales leakage suggests minimal cannibalization of current retail and lodging sales. Therefore, this report concludes that the District will not have an adverse impact on existing family attractions, retail, dining and lodging businesses in the Wichita area.

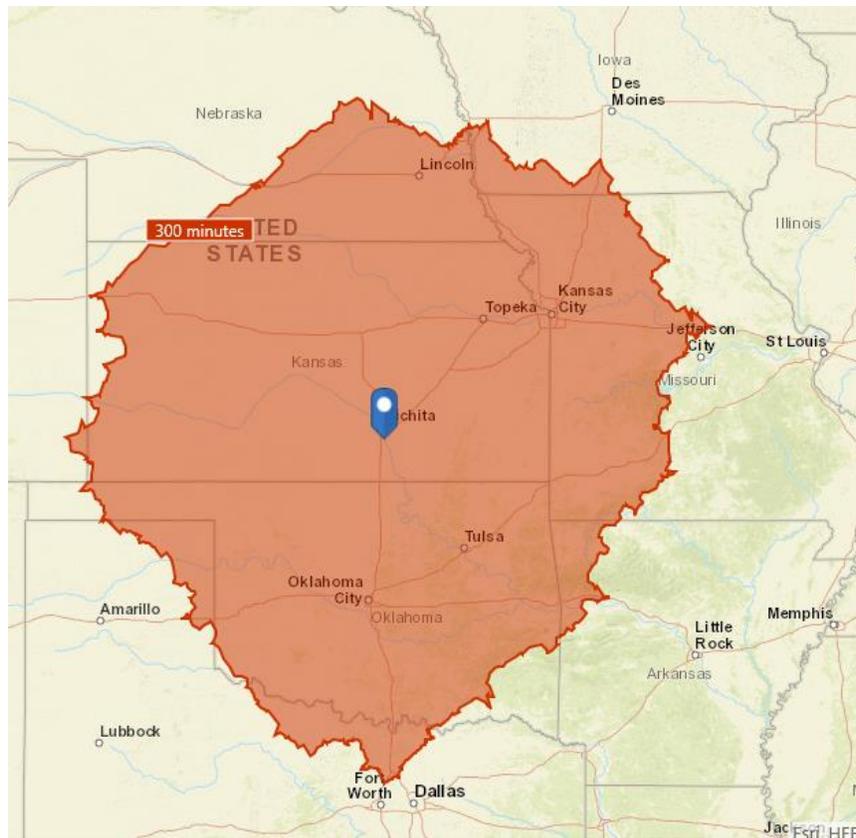
The introduction of a new destination attraction to the area will assist in increasing out-of-town visitation and expenditures.

Estimated Customer/Visitor Counts

STAR bond financing is being sought to assist in the development of the District (“District”) in Derby, Kansas. To assist in evaluating STAR bond applications the Kansas Secretary of Commerce has published guidelines regarding a proposed project’s economic impact. The following criteria were evaluated when considering the tourism potential of a project applying for STAR bond financing:

- Out-of-state visitation from multiple states should have a target of 20 percent of total annual visitation to be considered a major, unique, destination attraction;
- A target of 30 percent of total annual visitation should be drawn from greater than 100 miles distance from the attraction community; and
- Total annual visitation should compare very favorably to existing attractions in Kansas.

A trade area is the geographic area from which a business or community generates the majority of its customers. This often is the geographic area that represents 75 percent of current customers. Given the market positioning of the Field Station Dinosaurs and the absence of comparable family attractions in the Wichita area and state of Kansas, the District’s primary trade area has been defined as the geographic area within a 5-hour drive time from Derby, Kansas. The District’s trade area extends to Lincoln, Nebraska to the north; the Dallas-Ft. Worth MSA to the south; Jefferson City, Missouri to the east and the Colorado state line to the west.



During 2013 visitor spending to Sedgwick County was reported by the State of Kansas at \$1.37 billion. According to *Economic Impact on Travel in Kansas 2013* published by Tourism Economics, overnight travelers spent an average of \$332 per trip with day trippers spending \$74 for an average of \$177 per visitor per trip. By applying the average expenditure of \$177 per visitor, during 2013 Sedgwick County hosted an estimated 7.74 million out-of-town visitors.

The District’s North Tract is designed for the Field Station Dinosaurs, ropes course, fitness course, miniature golf, one restaurant and a 100-room limited-service hotel. The District’s South Tract is planned for 257,980 square feet of new commercial space.

The Field Station Dinosaurs that opened during 2012 in Secaucus, New Jersey is an outdoor prehistoric theme park that is designed to resemble a dinosaur dig site within the first few weeks of a discovery. The exhibition features a walking tour with 32 full-size animatronic dinosaurs, along with interactive exhibits designed to educate children about dinosaurs within the context of the local ecosystem. In 2012 Field Station Dinosaurs was named Best Local Theme Park by Time Out New York and in 2013 was named the second best dinosaur theme park in the world.

Annual visitation at the Field Station Dinosaurs in Secaucus, New Jersey ranged from approximately 113,000 to 135,000 people during the first two seasons (April through mid-November). Annual attendance at Field Station Dinosaurs planned for the District is forecast at 84,000 during the first year and 112,000 during the second year. At full operation in Year 2 an estimated 65 percent of all visitors to the Field Station Dinosaurs are estimated to be from out of town, or 72,800 people. Out of town visitors will be comprised of 75 percent overnight visitors and 25 percent day trip visitors.

Annual visitation to the ropes course, fitness course and miniature golf are estimated at 20,000.

Based on a stabilized occupancy rate of 75 percent, an average stay of two nights and an average of 1.8 persons per room, the planned 100-room hotel will host up to 25,000 guests per year. An estimated 65 percent of the overnight visitors staying at the hotel are expected to visit the Field Station Dinosaurs, or 16,000 visitors.

The restaurant planned for the North Tract is forecast to achieve stabilized year sales of \$2.5 million. Average customer checks for national casual restaurant chains generally range from \$9.50 to \$15.00 per person. At an average customer ticket of \$12.50 per person annual customer counts are estimated at 200,000 for the regional restaurant.

At build-out, the commercial space planned for the South Tract is estimated to attract approximately 900,000 annual visitors based on average sales of \$75 per customer.

At build-out and stabilized occupancy, annual visitation to the District is estimated at approximately 1.3 million.

Annual Visitation Estimates at Build-out District; Derby, Kansas

Project Component	Annual Visitation
Field Station Dinosaurs	112,000
Ropes Course & Miniature Golf	20,000
100-Room Hotel	25,000
Regional Restaurant	200,000
National and Regional Retailers	900,000
Total Annual Visitation	1,257,000

Visitation estimates for the District are segmented into three sources, including: 1) local residents residing within a 100-mile radius; 2) regional visitors residing outside of a 100-mile radius; and 3) out-of-state visitors.

Local Residents Residing within a 100-Mile Radius

The geographic area within a 100-mile radius from the district excludes such principal markets as Kansas City, Topeka and Oklahoma City. The current population within a 100-mile radius from the District is estimated at approximately 1.3 million residents. By comparison, the primary trade area population within a 5-hour drive from the District is estimated at approximately 12.2 million.

Annual attendance to the Field Station Dinosaurs is estimated at 112,000 people. The population of children under the age of 15 years totals approximately 263,000 within a 100-mile radius from the District and 2.45 million within a 5-hour drive. Given the location and density of trade area

population and proximity to competitive metropolitan areas local residents residing within a 100-mile radius are estimated to account for approximately half of visitors to the Field Station Dinosaurs, or 56,000 annual visitors.

Annual visitation to the ropes course, fitness course and miniature golf attractions are estimated at 20,000, with approximately 50 percent drawing from within 100 miles, or 10,000 visitors.

At stabilized occupancy the planned hotel is forecast to host 25,000 guests per year. Visitors residing within a 100-mile radius are estimated to account for just 25 percent of total hotel guests, or approximately 6,250 guests.

The restaurant is estimated to accommodate approximately 200,000 annual customers. Based on the estimated attendance of the Field Station Dinosaurs and the population of the Wichita MSA, residents residing within a 100-mile radius are estimated to account for 70 percent of all customers, or approximately 140,000 guests.

The District’s commercial component is estimated to draw approximately 900,000 customers annually. Given the size of the local resident and visitor populations as well as the level of direct retail competition, local residents within a 100-mile radius are forecast to account for 65 percent of total visitation, or approximately 585,000 annual customers.

To conclude, local residents within a 100-mile radius are estimated to account for approximately two-thirds of visitors to the District, or approximately 797,000 annual visitors.

Annual Visitation Estimates within a 100-Mile Radius

Project Component	Annual Visitation	% Within 100 Miles	Visitors Within 100 Miles
Field Station Dinosaurs	112,000	50.0%	56,000
Ropes Course & Miniature Golf	20,000	50.0%	10,000
Hotel	25,000	25.0%	6,250
Restaurant	200,000	70.0%	140,000
National and Regional Retailers	900,000	65.0%	585,000
Total Annual Visitation	1,257,000	63.4%	797,250

Regional Visitors Residing Outside of a 100-Mile Radius

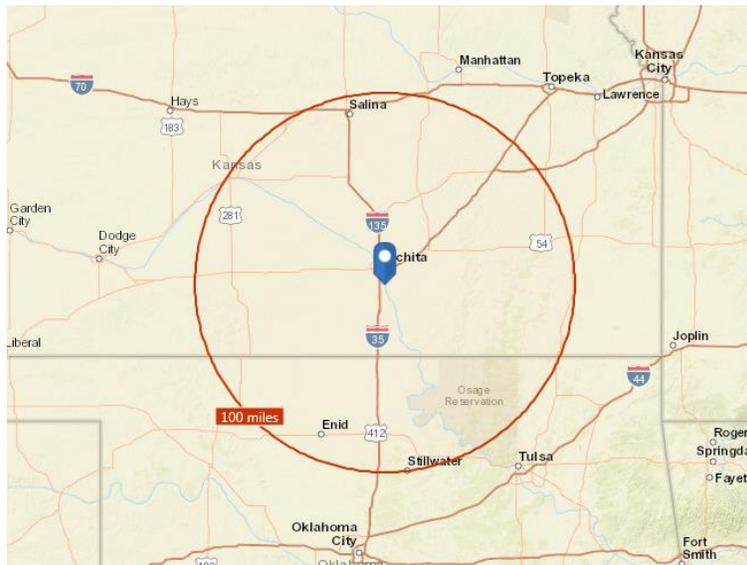
The Wichita MSA supports a regional tourism draw. Regional visitors traveling more than 100 miles to the District are conservatively estimated to account for 36.6 percent of total visitation, or approximately 460,000 annual visitors. Annual regional visitation by project component includes 315,000 visitors to the retail, 56,000 visitors to the Field Station Dinosaurs; 60,000 visitors to the restaurant and retail, 18,750 visitors to the hotel, and 10,000 to the Ropes Course and miniature golf.

Out-of-State Visitors

The District's principal attractions will serve as a regional tourism destination supporting a primary trade area within a 5-hour drive time. Those residents residing closest to the District will account for the largest share of visitors.

Residents within a 100-mile radius are estimated to account for approximately 857,000 annual visitors to the District. According to Esri Business Analyst the current population within a 100-mile radius of the District is estimated at over 1.3 million. As illustrated by the map on the following page the southern portion of the 100-mile radius extends into the state of Oklahoma. Esri Business Analyst estimated the 100-mile radius population residing in Oklahoma at 279,681 residents (111,733 households), or 21.4 percent of the total population. An estimated 51,351 Oklahoma residents within the 100-mile radius are under the age of 15 years. Based on the assumption that as distance from the District increases the rate of visitation decreases, this study estimated the share of out-of-state visitation within a 100-mile radius at 5 percent, or 39,860 annual visitors. This level of out-of-state visitation represents just 14 percent of the Oklahoma population within a 100-mile radius from the District.

The primary market area encompasses a 5-hour drive from the District supporting a total population approximately 12.2 million. Kansas accounts for less than one-quarter of the primary market area population, suggesting the opportunity exists for the District to attract a large percentage of out-of-state visitors.



According to *The Economic Impact of Tourism in Kansas* published by the Kansas Department of Commerce, in 2013 over 33.7 million tourists to Kansas spent \$6.0 billion. Out-of-state and international visitors accounted for 67.8 percent of total tourist expenditures.

Given the size of the primary trade area population and proximity to such potential markets as Kansas City, Oklahoma City and Dallas-Ft. Worth, out-of-state visitors from outside of a 100-mile radius are estimated to account for 60 percent of the District's total annual visitation or 276,000 visitors.

Summary

At build-out and stabilization annual visitation to the District is estimated at 1.3 million people. Residents living within a 100-mile radius are estimated to account for about two-thirds of total visitation. Visitors traveling more than 100 miles are estimated to account for the remaining one-third of total visitation. Out-of-state residents are estimated to account for 25 percent of total visitation to the District, or approximately 316,000 visitors per year. These out-of-town visitation trend estimates 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.

District; Derby, Kansas Visitation Pattern Estimates

Visitor Origination	Total Visitors	Out-of-State Visitors	Market Share
Within a 100-Mile Radius	797,250	39,860	5.0%
Outside of a 100-Mile Radius	459,750	275,850	60.0%
Totals	1,257,000	315,710	25.1%

Source: Canyon Research Southwest, Inc.

Estimated Retail Sales Potential

The *Kansas Cultural and Heritage Research Study* published by the Kansas Department of Commerce – Travel and Tourism Development Division states that “A key deliverable of tourism is spending by visitors for local and state benefit. Kansas has an excellent opportunity to increase the revenues generated through visitor spending while not overburdening its infrastructure.” The study identified several key product development areas designed to impact the growth of cultural heritage tourism in Kansas and the state’s ability to increase retail sales of locally-made items, including:

- Develop and encourage retail opportunities for Kansas artisans at museum stores, galleries, shops and special events.
- Enhance the interpretation and visitor experiences at local heritage sites, attractions and communities.

The District Project Plan includes a cluster of new attractions including the Field Station Dinosaurs, miniature golf, ropes course and fitness course. Complementary uses outlined in the Project Plan include several big-box retailers, restaurants and hotels. Visitation to the District is expected to fuel retail sales and businesses activity.

For the purpose of calculating STAR Bond revenues, incremental taxable retail and lodging sales were estimated for the District based on these sources:

1. Sales data published by the International Council of Shopping Centers (“ICSC”);
2. *Dollars & Cents of Shopping Centers* published by the Urban Land Institute;
3. *NRF Stores Top 100 Retailers 2014*;
4. Tourism spending characteristics published by the Travel Industry Association of America;
5. Competitive hotel operating results provided by Smith Travel Research;
6. *Supermarket News, Food Marketing Institute and Progressive Grocer*;
7. *Economic Impact of Travel in Kansas 2013* prepared by Tourism Economics; and
8. Trade area demographics retail sales gap analysis provided by Ersi Business Analyst.

Estimated Amusement, Retail and Lodging Sales

In Kansas, admission or fee charged to any place providing amusement, entertainment, or recreation services is taxable. Annual sales are estimated at \$4.0 million for the Field Station Dinosaur (includes admission, merchandise, and food and beverage sales) and \$250,000 for the Ropes Course and miniature golf attractions.

The out parcel designed for the North Tract will accommodate a restaurant. Annual sales for this restaurant format are estimated at \$2.5 million.

A 100-room hotel is planned adjacent to the Field Station Dinosaurs and is designed to accommodate out of town visitors to the attraction. A hotel is expected to be a branded limited-service property. At a stabilized occupancy of 70 percent and an average daily rate of \$90 the hotel will generate annual lodging revenues of approximately \$2.3 million.

The South Tract is designed to support the future development of approximately 257,980 square feet of new commercial space accommodating several major and junior anchors, shop space and out parcels. Annual taxable sales were estimate at \$7.0 to \$20.0 million for the major and junior anchors, and \$500,000 to \$2.0 million for the shops and out parcels. In total, taxable sales for the South Tract’s commercial space is estimated at approximately \$67.4 million.

As indicated by the table on the following page, incremental taxable retail sales at build-out and stabilization of the District are estimated at approximately \$80 million annually.

**Estimated Incremental Sales at Stabilization
District; Derby, Kansas**

Project Component	Building Sq. Ft.	Hotel Rooms	Stabilized Sales
North Tract			
Field Station Dinosaur			\$4,161,600
Ropes Course & Miniature Golf	43,560		\$260,100
Regional Restaurant	6,000		\$2,601,000
Hotel		100	\$2,299,500
Medical Complex & Medical Office Building			\$520,200
South Tract			
National Major Retailer	70,000		\$20,808,000
National Major Retailer	55,000		\$8,323,200
National Major Retailer	55,000		\$7,282,800
National Junior Anchor	30,000		\$12,484,800
National Junior Anchor	12,900		\$4,681,800
National Junior Anchor	17,000		\$8,323,200
National Retailer	4,400		\$2,080,800
National Retailer	2,580		\$520,200
National Retailer	1,600		\$1,248,480
National Retailer	2,500		\$1,248,480
National Retailer	3,500		\$1,560,600
National Retailer	3,500		\$1,560,600
Totals	257,540	100	\$79,965,360

Impact on Active STAR Bond Projects

Since adoption of STAR bond legislation the Department of Commerce has approved three projects in the Wichita MSA that incorporate major destination attractions, including the Wichita River District, K-96 and Greenwich Project in Wichita and the Olympic Park District in Goddard, Kansas. To determine the potential impact of the District on each of these approved STAR Bond projects a comparison was made of each project's major attraction(s), tenant mix, market positioning, and target market.

Wichita River District

On July 20, 2007 the City of Wichita approved the undertaking of a STAR Bond Project within the Wichita River District pursuant to House Bill No. 2005 of the 2007 Kansas Legislative Session. In October 2007 the Kansas Department of Commerce approved the STAR Bond Plan for the Wichita River District. The approval was for \$13 million in STAR bonds (exclusive of financing costs) for three projects, including: 1) the Keeper of the Plains sculpture, plaza and pedestrian bridge project; 2) the East River Redevelopment Project adjacent to the Broadview Hotel and 3) the WaterWalk fountain and public plaza area. The total project budget is \$155.8 million and the project was approved for \$14.7 million in STAR bonds. Since 2007, the District has generated in excess of \$12 million in sales tax revenue.

In 2014, the City of Wichita expanded the scope of the project to the West Bank, adding tourism and recreational facilities. Additional STAR bond financing of \$4.75 million were issued to support the \$21 million project.

In May 2007, the *Keeper of the Plains* was re-dedicated and the East River Redevelopment Project completed. The \$20.6 million riverbank improvement project included the creation of two cable-stayed, suspended pedestrian bridges, riverbank landscaping, and the creation of bike/pedestrian paths along both sides of the Arkansas River for easier walking access and landscaping. The Waltzing Waters Fountain and Plaza area was completed in October 2012.

Complementing the public improvements, to date an estimated \$72 million in private investment has been reported. Major private investment projects include:

- WaterWalk Main Place and Gander Mountain - \$29 million
- Marriott Fairfield Hotel - \$12.35 million
- Drury Broadview Hotel remodel and renovation - \$29 million
- Wichita Area Association of Realtors office building - \$1.6 million
- Wichita Boathouse renovation - \$650,000

Because of the unique characteristics of the Wichita River District, particularly since the district did not begin as a "Greenfield," but already contained several active businesses, it was possible to more efficiently use the STAR bond resources in a "pay-as-you-go" manner. Since November 2007 the Wichita River STAR Bond District has generated over \$12 million for financing eligible STAR bond projects. The City of Wichita expects the \$13 million in STAR bond costs to be fully reimbursed during 2015.

The Wichita River District is designed to offer a waterfront recreational and educational attraction complemented by a mix of retail, office and lodging uses. Much of the demand and tenant orientation of the commercial development component will stem from its downtown location and close proximity to employment as well as art, cultural and entertainment venues. Meanwhile, the District is designed as an amusement, entertainment and retail destination with the principal attraction being the Field Station Dinosaurs. While both projects are designed using a mixed-use concept, each will offer a distinctive mix of attractions, anchor tenants, businesses and hotel products.

The remainder of WaterWalk's retail component consists of just 150,077 square feet in buildings ranging from 3,891 to 15,477 square feet. Little retail has followed the August 2005 opening of Gander Mountain; thus, the project's retail market positioning and tenant mix have yet to be well defined. Given its downtown location it would appear that a cluster of national and local restaurants would be appropriate. Similar to Old Town located immediately east of downtown Wichita, traditional retail shopping will likely play only a minor role at Waterwalk.

Retail development will play a role within the District in Derby, Kansas, dominated by category specific, big-box retailers. Given the cluster of planned destination attractions the District's retail components are expected to benefit from the increased out-of-town visitation and associated expenditures. Given the distinctly different market positioning, the retail components of WaterWalk and the District are not expected to directly compete.

Hotels are planned for both WaterWalk and the District. The Drury Broadview Hotel, Hyatt Regency and Fairfield Inn & Suites operate within the Wichita River District catering primarily to business and convention travelers. Two hotels totaling 164 guest rooms are planned for the District that will cater primarily to leisure and group travelers. Therefore, the hotels at the Wichita River District and the District serve distinctive price-points and market segments.

Given the Wichita River District's emphasis on riverfront access and urban-scale mixed-use development, pay-as-you-go project financing and its location in Wichita, the District planned for Derby, Kansas should have little or no impact on operations and financial sustainability.

K-96 & Greenwich District

In late 2013, the Kansas Secretary of Commerce approved the K-96 & Greenwich STAR Bond District located on a 423-acre site at the intersection of K-96 Highway and Greenwich Road in Wichita, Kansas. The Project Plan designates the site for 1.4 million square feet of commercial development anchored by a major state-of-the-art indoor multi-sport athletic complex and destination water park. Additional project components include a mix of big-box retailers, destination restaurants, lodging and medical office space. At build-out total project costs will exceed \$400 million. Approximately \$33 million in STAR bonds were approved and issued.

The 65,000 square foot indoor multi-sport athletic complex will be dedicated to the education and training of players and coaches, destination athletic competition, and entertainment for regional and national tourists. The athletic complex is designed to host regional and national tennis, basketball, swimming, volleyball, wrestling, archery and fencing events. The athletic complex will be accompanied by the 150-room hotel designed to accommodate out-of-town visitors to the athletic complex.

Phase 1 of the Project Plan is designed for 309,000 square feet of commercial space and two hotels. In spring 2012, Cabela's, a premier retailer of hunting, fishing and outdoor gear, opened an 80,000 square foot store in the Project, its 35th store in the United States and Canada. The Wichita store is the second Cabela's opened in Kansas, the first being in the Village West STAR Bond District in Kansas City. The Cabela's store serves as a major "destination" attraction for the Project.

Additional existing development within the District includes a shopping center anchored by Super Target, World Market Hobby Lobby with Chili's, McDonalds, Subway and Kanza Bank occupying out parcels. An Academy Sports store is under construction as is a new K-96 and Greenwich Road interchange. While the District will also include a national sporting goods store and several big-box retailers, its distance from the K-96 & Greenwich will minimize the competitive impact.

Future phases of the Project are planned for the construction of an estimated 700,000 square feet of commercial space, a medical campus designed for 200,000 square feet of medical office space, and 61,500 square feet of professional office space. The Project Plan also includes approximately 35 freestanding pad sites supporting up to 262,500 square feet of commercial uses. Total capital investment for future phases of the Project is estimated at approximately \$200 million. This plan may be amended from time to time as future tenants and users are secured.

The K-96 & Greenwich STAR Bond District Project Plan focuses on creating an athletic and recreation attraction complemented by a mix of retail, employment and lodging uses. Based on this project positioning and location in northeast Wichita, the District should have little or no impact on operations and financial sustainability.

Olympic Park District

In May 2014, the Kansas Commerce Secretary approved the Olympic Park STAR Bond Project Plan and the issuance of up to \$25.4 million in STAR Bond financing. The City of Goddard will contribute \$4.75 million for infrastructure improvements and private investments will reach \$44 million. Total project costs are estimated at \$155 million.

The Olympic Park Project District occupies a 280-acre site located at North Goddard Road and West Kellogg Drive in Goddard, Kansas. The Project Plan designates the site for mixed-use development including a 150-room all-suites hotel and conference center attached to a 66,000 square foot aquatic center with two Olympic competition pools and a diving well for springboard, platform diving, water polo events. The aquatic center includes media rooms and spectator seating for 1,600. Also included are four tournament quality baseball and softball fields. No comparable athletic facility exists in the Midwest, allowing the GAC to support a primary trade area encompassing a 500+ mile radius.

The feasibility study submitted by the City of Goddard reflects that the Project is a unique travel destination that will attract an estimated 2.1 million new visitors annually to the region. At build-out the Project is forecast to generate annual retail sales of over \$154 million.

In January 2016, SLN Manager, Inc. broke ground on a \$35 million Crowne Plaza hotel, an aquatic and wellness center, and a family entertainment center. Completion is scheduled for mid-2017. The four-story, 141-room hotel will feature a restaurant and sports bar, a business center, an indoor pool and a fitness room. The Crowne Plaza brand recently introduced a new room concept called Biz Pro Rooms. Appointed with upscale amenities, including multiple USB ports, the hotel will feature 25 of these new room styles. The hotel will also include a 17,000 square foot family entertainment center offering themed, full-sized regulation Brunswick bowling lanes, laser tag, laser maze, arcade, fitness center, and sports bar.

Expanded to more than 100,000 square feet, the aquatic and wellness center will feature four pools, including a long course pool, a short course pool, a 25-meter training pool, a 25-meter dive pool and a therapy pool. The aquatic and wellness center will also have 4,500 square feet of training rooms ideal for athlete training, meetings, corporate events, school and sports team functions, birthday parties, family reunions, and more.

The 343,500 square feet of planned retail space will house destination retailers and out lots designed to accommodate sit-down restaurants, fast food restaurants and a convenience store.

The Project Plan designates approximately 60 acres for future development.

To conclude, the Project aims at creating a mixed-use athletic, lodging and retail destination. The goal is to create a national and regional destination capable of competing with other major markets. Based on this project positioning the District should have little or no impact on operations and financial sustainability.

Conclusions

The Kansas Secretary of Commerce has approved three STAR bond projects in the Wichita MSA that incorporate major destination attractions, retail, entertainment and lodging, including the Wichita River District and K-96 and Greenwich Project in Wichita and Olympic Park District in Goddard, Kansas.

The Wichita River District possesses a riverfront, downtown location and is designed as an entertainment and employment destination featuring approximately 610,000 square feet of retail, office, hotel and residential space. The K-96 & Greenwich STAR Bond District Project Plan focuses on creating an athletic training center and recreation attraction complemented by a mix of retail, employment and lodging uses. The District's major tourism attractions include the Field Station Dinosaurs, Ropes Course, miniature golf and restaurant. Given the distinctive market positioning of each project, the District is not anticipated to have a negative impact on tourism visitation and retail sales at either the Wichita River District or K-96 and Greenwich Project.

The Olympic Park Project District occupies a 280-acre site in Goddard, Kansas. The principal attraction will be a major multi-sport athletic complex including a 66,000 square foot aquatic center with two Olympic competition pools, a diving well for springboard, platform diving, water polo events and seating for 1,250. Also included are four field tournament quality baseball/softball complex, a 141 room all-suite hotel and conference center and 343,000 square feet of retail space. The Project Plan is approved for up to \$25 million in STAR bond financing. The Project aims at creating a mixed-use athletic, lodging and retail destination. Based on this

project positioning the District should have little or no impact on operations and financial sustainability.

Because each active STAR bond project in the Wichita MSA supports distinctly different major tourism attractions and retail components, it has been concluded that development of the District in Derby, Kansas will not have a measurable adverse impact on visitor volumes, retail sales volumes and STAR bond revenues generated by the Wichita River District and K-96 and Greenwich Project in Wichita and Olympic Park District in Goddard, Kansas. Therefore, the operation of the District is not anticipated to cause default in the payment of outstanding STAR bonds issued by the three active STAR Bond approved development projects in the Wichita MSA.

ECONOMIC IMPACT STUDY

The following economic impacts are forecast when considering the tourism potential of a project applying for STAR bond financing:

- Direct expenditures: Visitor spending that directly supports the jobs and incomes of people and firms that deal directly with visitors;
- Indirect expenditures: Changes in sales, income or jobs in regional sectors that supply goods and services in support of direct expenditure entities;
- Direct job creation: The total number of jobs (distinguished as full-time or part-time) supported by the target attraction; and
- Creation of overnight hotel stays.

The *Economic Impact Assessment* examines the economic implications of the major attractions, lodging and commercial space build-out to be constructed within the District in terms of the direct and indirect growth in employment, income and consumption. The project's economic impact has been measured in terms of both construction-phase and operational-phase.

Direct impacts measure the spending and job creation that occurs as a direct result of the operations and activities that occur within the District. Indirect impacts consist of re-spending of the initial or direct expenditures, or the supply of goods or services resulting from the initial direct spending within the District.

Economic impacts measure the effects of economic stimuli or new demand for goods and services in the local economy. New demand in this case is created by the new retailers to the market and hotel, and the additional spending they will support. The secondary impacts of supplier expenditures by these businesses, employee spending and visitor spending are called multiplier effects. Multiplier effects are a way of representing the larger effects on the local economy of an initial increase in demand.

Total development costs for the District are estimated at approximately \$159 million, including land acquisition, infrastructure, buildings, tenant improvements, soft costs, and contingency allowance.

Wages were determined by consulting the *Occupational Employment and Wage Estimates May 2014* for the State of Kansas published by the U.S. Department of Labor.

Construction-Phase

Development of the District would generate non-recurring construction impacts. Total development costs for the District are estimated at approximately \$159 million, inclusive of land acquisition, infrastructure, vertical construction costs, soft costs, financing costs and contingency allowance. Hard construction costs for the District are estimated at approximately \$122 million.

Construction-phase employment estimates for the District were generated by the *Development Impact Assessment Handbook & Software* with total payroll estimated by consulting *Occupational Employment and Wage Estimates May 2014*, published by the U.S. Department of Labor.

In total, build-out of the District would result in an estimated total economic output of \$170 million, direct and indirect job creation of 1,005 jobs and payroll of \$48 million. Construction phase economic impacts are summarized in the table below.

Construction Phase Economic Impact Estimates District; Derby, Kansas

		Totals
Direct Construction Expenditures		\$121,714,000
Total Economic Impact		\$170,339,600
Job Creation		
Direct		734
Indirect		271
Total		1,005
Payroll		
Direct		\$36,514,200
Indirect		\$11,562,830
Total		\$48,077,030

Effective tax year 2013, the State of Kansas collapsed the current three-bracket structure for individual state income taxes (3.5%, 6.25% and 6.45%, respectively) into a two-bracket system using rates of 3.0 percent and 4.9 percent. For tax year 2015 the bottom bracket of 2.7 percent will apply to income of less than \$15,000 for singles and \$30,000 for couples with the top bracket at 4.6 percent.

Kansas allows itemized deductions and tax payers can claim the same itemized deductions reported on the Federal return. Standard deductions under the Tax Reform Law are increased to \$5,500 for singles or married filing separately and \$7,500 for married couples filing jointly. This analysis applied a blended standard deduction for single and married couples of \$6,500. Kansas has no personal exemption.

Construction of the entire District is estimated to generate total full-time equivalent employment of 1,005 direct and indirect jobs supporting a total payroll of approximately \$48 million. At a standard deduction of \$6,500 and a tax rate of 4.6 percent, the State of Kansas is estimated to collect approximately \$1.9 million (average of \$1,902 per job) in state income tax revenues resulting from construction-phase payroll.

Operations Phase

Full-time equivalent employment resulting from development and operation of the District was estimated using employment ratios stated in the average number of jobs per 1,000 square feet of building area or per hotel room. Total payroll was estimated based on annual mean incomes pertinent occupations in Kansas published by the U.S. Department of Labor's *Occupational Employment and Wage Estimates May 2014*. A sample of annual mean incomes include \$19,660 for food preparation and serving related workers, \$46,550 for food service managers, \$24,500 for retail sales, \$18,520 for hotel clerks, \$23,180 for maids, \$34,400 for housekeeping supervisors, \$48,130 for hotel managers.

All total, at full operating levels the District as planned could create an annual economic impact of \$122 million on the State of Kansas. The District could directly and indirectly support about 868 jobs locally and \$22.9 million in annual payroll.

Operations Phase Economic Impact Estimates District; Derby, Kansas

	Totals
Operations Impacts	
Total Economic Impact of Operations	
Stabilized Annual Sales	\$87,248,160
Output	\$122,147,424
Job Creation	
Direct	677
Indirect	191
Total	868
Payroll	
Direct	\$14,640,577
Indirect	\$8,263,826
Total	\$22,904,403

Accounting for the standard deduction of \$6,500 and a 2.7 percent tax rate for taxable income, the State of Kansas is estimated to collect approximately \$466,000 in annual state income tax revenues resulting from direct and indirect jobs generated by the District.

The District is estimated to attract approximately 1.35 million annual visitors, including 491,950 visitors from over 100 miles away. Assuming 60 percent of the out-of-town visitors stay overnight, an average stay of two nights and 1.8 guests per room, total demand for overnight accommodations is estimated at 328,000 annual room nights. At an average annual occupancy rate of 70 percent, the estimated room night demand is sufficient to support approximately 1,284 hotel rooms. The new hotel planned for the District totals just 100 rooms. These lodging demand forecasts illustrate the significant impact the District will have on the Wichita hotel market and the potential to support additional hotel development.

To conclude, the District will contribute significantly to the state and local economy by generating construction and permanent jobs; attracting out-of-state visitors, spending and lodging demand; strengthening Wichita's status as a regional tourist destination; and yielding state income tax revenues.

STAR BOND FEASIBILITY STUDY

The STAR bond program provides Kansas municipalities the opportunity to issue bonds to finance the development of major commercial entertainment and tourism areas, and use sales tax revenue generated by the development to pay off the bonds. STAR bonds possess a 20-year term. An eligible area for the STAR bond program includes a historic theater, major tourism area, major motorsports complex, auto race track facility, river walk canal facility, major multi-sport athletic complex or a major commercial entertainment and tourism area.

This section of the report quantifies the ability of the District to support the necessary bond debt to cover eligible project costs by calculating the net present value of the forecast STAR bond tax revenue streams generated through maturity of the 20-year term.

STAR Bond Eligible Tax Rates

The STAR Bond Act allows for the pledge of 100 percent of the tax increment revenue received by the State of Kansas, county and city from any local sales and use taxes, including the city’s share of any county sales tax, which are collected within the STAR bond project district. The STAR bond financing being sought for the District will be repaid by incremental retail sales taxes.

The State of Kansas sales tax rate is currently 6.5 percent.

The City of Derby’s 0.5 percent sales tax is dedicated to parks and infrastructure.

During calendar year 2014 the Kansas Department of Revenue reported that Sedgwick County collected \$86.6 million from its 1.0 percent sales tax levy. Sedgwick County allocated 3.96 percent of its sales tax revenue to the City of Derby, or 0.0396 percent.

As outlined in the table below, the total STAR Bond eligible sales tax rate is 6.5396 percent.

STAR Bond Effective Sales Tax Rate District; Derby, Kansas

Taxing Jurisdiction	Tax Rate	% Allocation	STAR Bond Dedicated
State of Kansas	6.500%	100.00%	6.5000%
Sedgwick County	1.000%	3.96%	0.0396%
City of Derby	0.500%	0.00%	0.0000%
Total Tax Rate	8.000%		6.5396%

Under provisions of the Kansas Department of Revenue Regulation KS-1250, the sale of admissions to places providing amusement, entertainment or recreation is subject to Kansas sales tax.

In addition to the retail sales tax the City of Derby levies a percent transient lodging guest tax on hotel room revenues with the State deducting a 0.12 percentage point administrative fee. According to the Kansas Department of Revenue, effective January 1, 2015 the City of Derby's transient lodging guest tax rate is 8.0 percent. The effective tax rates for calculating Sales Tax Special Obligation Bond ("STAR") revenue is 7.88 percent on lodging sales.

From 1995 through 2014 the Consumer Price Index (CPI) rose at an average annual rate of 2.425 percent. Through maturity of the STAR bonds retail and lodging sales volumes within the District are escalated at a more conservative annual rate of 2.0 percent.

STAR Bond Revenue Estimates

The District Project Plan includes the construction of the Field Station Dinosaur, ropes course, fitness course and miniature golf, one restaurant, a 100-room hotel and 257,980 square feet of retail space. The Project Plan calls for the initial phase to be developed and opened by spring 2017.

As outlined in the table on the following page, incremental sales in Year 1 generated by the District are estimated at approximately \$76 million. The hotel will require three years to achieve stabilized occupancy of 70 percent. At build-out and stabilization in Year 3 incremental taxable sales are estimated at approximately \$80 million. Future retail sales are estimated to escalate at an average annual rate of 2.0 percent.

As depicted in the table on page 56, throughout the 20-year life of the STAR bond district the gross eligible sales tax revenues associated with the District is estimated to generate approximately \$126 million in STAR Bond revenue.

**Estimated Incremental Taxable Sales
District; Derby, Kansas**

Land Use	Building Sq. Ft.	# of Rooms	Sales Per Sq. Ft.	ADR	Taxable Sales			
					Year 1	Year 2	Year 3	Year 4
North Tract								
Field Station Dinosaur					\$4,000,000	\$4,080,000	\$4,161,600	\$4,244,832
Ropes Dome & Miniature Golf	43,560				\$250,000	\$255,000	\$260,100	\$265,302
Regional Restaurant	6,000		\$417		\$2,500,000	\$2,550,000	\$2,601,000	\$2,653,020
Hotel		100		\$90	\$1,971,000	\$2,135,250	\$2,299,500	\$2,345,490
Medical Complex & Medical Office Building					\$500,000	\$510,000	\$520,200	\$530,604
South Tract								
National Major Retailer	70,000		\$286		\$20,000,000	\$20,400,000	\$20,808,000	\$21,224,160
National Major Retailer	55,000		\$145		\$8,000,000	\$8,160,000	\$8,323,200	\$8,489,664
National Major Retailer	55,000		\$127		\$7,000,000	\$7,140,000	\$7,282,800	\$7,428,456
National Major Retailer	55,000		\$127		\$7,000,000	\$7,140,000	\$7,282,800	\$7,428,456
National Junior Anchor	30,000		\$400		\$12,000,000	\$12,240,000	\$12,484,800	\$12,734,496
National Junior Anchor	12,900		\$349		\$4,500,000	\$4,590,000	\$4,681,800	\$4,775,436
National Junior Anchor	17,000		\$471		\$8,000,000	\$8,160,000	\$8,323,200	\$8,489,664
National Retailer	4,400		\$455		\$2,000,000	\$2,040,000	\$2,080,800	\$2,122,416
National Retailer	2,580		\$194		\$500,000	\$510,000	\$520,200	\$530,604
National Retailer	1,600		\$750		\$1,200,000	\$1,224,000	\$1,248,480	\$1,273,450
National Retailer	2,500		\$480		\$1,200,000	\$1,224,000	\$1,248,480	\$1,273,450
National Retailer	3,500		\$429		\$1,500,000	\$1,530,000	\$1,560,600	\$1,591,812
National Retailer	3,500		\$429		\$1,500,000	\$1,530,000	\$1,560,600	\$1,591,812
Totals Taxable Sales	257,980				\$76,621,000	\$78,278,250	\$79,965,360	\$81,564,667

Source: Canyon Research Southwest, Inc.; May 2016.

**Estimated STAR Bond Revenues
District; Derby, Kansas**

Year			STAR Bond				Total STAR Bond Revenue
	Retail Sales	Lodging Sales	State 6.50%	County 0.0396%	City 0.00%	Lodging 7.88%	
1	\$76,621,000	\$1,971,000	\$4,980,365	\$30,342	\$0	\$155,315	\$5,166,022
2	\$78,278,250	\$2,135,250	\$5,088,086	\$30,998	\$0	\$168,258	\$5,287,342
3	\$79,965,360	\$2,299,500	\$5,197,748	\$31,666	\$0	\$181,201	\$5,410,615
4	\$81,564,667	\$2,345,490	\$5,301,703	\$32,300	\$0	\$184,825	\$5,518,828
5	\$83,195,961	\$2,392,400	\$5,407,737	\$32,946	\$0	\$188,521	\$5,629,204
6	\$84,859,880	\$2,440,248	\$5,515,892	\$33,605	\$0	\$192,292	\$5,741,788
7	\$86,557,077	\$2,489,053	\$5,626,210	\$34,277	\$0	\$196,137	\$5,856,624
8	\$88,288,219	\$2,538,834	\$5,738,734	\$34,962	\$0	\$200,060	\$5,973,756
9	\$90,053,983	\$2,589,610	\$5,853,509	\$35,661	\$0	\$204,061	\$6,093,232
10	\$91,855,063	\$2,641,403	\$5,970,579	\$36,375	\$0	\$208,143	\$6,215,096
11	\$93,692,164	\$2,694,231	\$6,089,991	\$37,102	\$0	\$212,305	\$6,339,398
12	\$95,566,007	\$2,748,115	\$6,211,790	\$37,844	\$0	\$216,551	\$6,466,186
13	\$97,477,328	\$2,803,078	\$6,336,026	\$38,601	\$0	\$220,883	\$6,595,510
14	\$99,426,874	\$2,859,139	\$6,462,747	\$39,373	\$0	\$225,300	\$6,727,420
15	\$101,415,412	\$2,916,322	\$6,592,002	\$40,161	\$0	\$229,806	\$6,861,968
16	\$103,443,720	\$2,974,648	\$6,723,842	\$40,964	\$0	\$234,402	\$6,999,208
17	\$105,512,594	\$3,034,141	\$6,858,319	\$41,783	\$0	\$239,090	\$7,139,192
18	\$107,622,846	\$3,094,824	\$6,995,485	\$42,619	\$0	\$243,872	\$7,281,976
19	\$109,775,303	\$3,156,721	\$7,135,395	\$43,471	\$0	\$248,750	\$7,427,615
20	\$111,970,809	\$3,219,855	\$7,278,103	\$44,340	\$0	\$253,725	\$7,576,168
Totals			\$121,364,264	\$739,388	\$0	\$4,203,496	\$126,307,148

Source: Canyon Research Southwest, Inc.; May 2016.

Supportable Bond Debt Estimates

The STAR Bond funding capacity of the District in Derby, Kansas was quantified through calculating the net present value of the annual Sales Tax Special Obligation Bond (“STAR”) revenues throughout the 20-year maturity of the district. This report assumed that all STAR bond revenue would be used to pay bond debt. The net present value was calculated using a debt coverage ratio of 1.35 and a discount (“yield”) rate of 6.0 percent.

The District’s total project costs are estimated at approximately \$159 million with STAR Bond reimbursable project costs estimated at approximately \$24 million. Throughout the statutory 20-year STAR bond maturity period the net Sales Tax Special Obligation Bond revenues generated by the District of \$126 million are sufficient to fully satisfy approximately \$50 million in bond debt. Therefore, the District is forecast to generate sufficient Sales Tax Special Obligation Bond revenues to pay for the project costs.

Supportable STAR Bond Debt Estimates District; Derby, Kansas

Year	Estimated STAR Bond Revenue	Less: Adm. Costs 2%	Net STAR Bond Proceeds	Debt Coverage 1.35	Present Value 6.0%	Net Present Value
1	\$5,166,022	\$103,320	\$5,062,702	\$3,750,149	0.94340	\$3,537,891
2	\$5,287,342	\$105,747	\$5,181,595	\$3,838,219	0.89000	\$3,416,015
3	\$5,410,615	\$108,212	\$5,302,403	\$3,927,706	0.83962	\$3,297,780
4	\$5,518,828	\$110,377	\$5,408,451	\$4,006,260	0.79209	\$3,173,319
5	\$5,629,204	\$112,584	\$5,516,620	\$4,086,385	0.74726	\$3,053,592
6	\$5,741,788	\$114,836	\$5,626,952	\$4,168,113	0.70496	\$2,938,353
7	\$5,856,624	\$117,132	\$5,739,492	\$4,251,475	0.66506	\$2,827,486
8	\$5,973,756	\$119,475	\$5,854,281	\$4,336,504	0.62741	\$2,720,766
9	\$6,093,232	\$121,865	\$5,971,367	\$4,423,235	0.59190	\$2,618,113
10	\$6,215,096	\$124,302	\$6,090,794	\$4,511,699	0.55839	\$2,519,288
11	\$6,339,398	\$126,788	\$6,212,610	\$4,601,933	0.52679	\$2,424,252
12	\$6,466,186	\$129,324	\$6,336,862	\$4,693,972	0.49697	\$2,332,763
13	\$6,595,510	\$131,910	\$6,463,600	\$4,787,852	0.46884	\$2,244,736
14	\$6,727,420	\$134,548	\$6,592,872	\$4,883,609	0.44230	\$2,160,020
15	\$6,861,968	\$137,239	\$6,724,729	\$4,981,280	0.41727	\$2,078,539
16	\$6,999,208	\$139,984	\$6,859,224	\$5,080,907	0.39365	\$2,000,099
17	\$7,139,192	\$142,784	\$6,996,408	\$5,182,525	0.37136	\$1,924,582
18	\$7,281,976	\$145,640	\$7,136,336	\$5,286,175	0.35034	\$1,851,959
19	\$7,427,615	\$148,552	\$7,279,063	\$5,391,898	0.33051	\$1,782,076
20	\$7,576,168	\$151,523	\$7,424,645	\$5,499,737	0.31180	\$1,714,818
Totals	\$126,307,148	\$2,526,143	\$123,781,005	\$91,689,633		\$50,616,447

Source: Canyon Research Southwest, Inc.;
May 2016.

ADDENDA

EXHIBIT A

Canyon Research Southwest, Inc., Client Roster

CLIENT ROSTER

During its period of operation, Canyon Research Southwest, Inc. has provided real estate consulting services for a number of leading organizations including:

Abigail Properties
American Furniture Warehouse
Arizona State Land Department
Aspen Enterprises
Bain & Company, Inc. (Boston, Massachusetts)
Bashas' Markets
Belz-Burrow (Jonesboro, Arkansas)
Biskind, Hunt & Taylor, PLC
Bridgeview Bank Group
Browning-Ferris Industries
Cameron Group (Syracuse, New York)
Cass County, Missouri
Cavan Real Estate Investments
D.J. Christie, Inc. (Overland Park, Kansas)
Church of Jesus Christ of Latter Day Saints
Circle G Development
City of Belton, Missouri
City of St. Charles, Missouri
City of Duncan, Oklahoma
City of Fenton, Missouri
City of Glendale Economic Development Department
City of Independence, Missouri
City of Lee's Summit, Missouri
City of Liberty, Missouri
City of Newton, Kansas
City of Osage Beach, Missouri
City of Mesa Economic Development Department
City of Mesa Real Estate Services
City of Phoenix Economic Development Department
City of Phoenix Real Estate Department
City of St. Charles, Missouri
City of Tucson Community Services Department
City of Warsaw, Missouri
Dial Realty (Omaha, Nebraska and Overland Park, Kansas)
Danny's Family Car Wash
DMB Associates
DMJM Arizona Inc.
EDAW, Inc. (Denver, Colorado)
Frontera Development, Inc.
Gilded Age (St. Louis, Missouri)
W.M. Grace Development
Greystone Group (Newport Beach, California)
Hanford/Healy Advisory Company
Heritage Bank (Louisville, Colorado)

Holiday Hospitality Corporation (Atlanta, Georgia)
Jorden & Bischoff, PLC
JPI Development
Kaiser Permanente (Oakland, California)
Landmark Organization (Austin, Texas)
Lee's Summit Economic Development Council (Lee's Summit, Missouri)
Lewis and Roca
Lowe's Companies, Inc. (West Bloomfield, MI)
Lund Cadillac
Marriott International, Inc. (Washington, D.C.)
MCO Properties
Meritage Homes
Metropolitan Housing Corporation (Tucson, Arizona)
Monterey Homes
Mountain Funding (Charlotte, North Carolina)
Navajo Nation Division of Economic Development
Opus Northwest Corporation
Opus West Corporation
Pederson Group, Inc.
Phelps Dodge Corporation
Piper Jaffray (Kansas City, Missouri)
Pivotal Group
Pulte Home Corporation
Pulte Homes of Greater Kansas City
Pyramid Development (St. Louis, Missouri)
Ralph J. Brekan & Company
RED Development (Kansas City, Missouri)
R.H. Johnson & Company (Kansas City, Missouri)
Richmond American Homes
River Run Development (Boise, Idaho)
Royal Properties (Champaign, Illinois)
Salt River Project
Steiner + Associates, Inc. (Columbus, Ohio)
Summit Development Group (St. Louis, Missouri)
SWD Holdings (San Francisco, California)
The Innova Group Tucson (Tucson, Arizona)
The University of Arizona Department of Economic Development (Tucson, Arizona)
The University of Arizona Medical Center (Tucson, Arizona)
Union Homes (Salt Lake City, Utah)
Unified Government of Wyandotte County and City of Kansas City, Kansas
Wal-Mart, Inc. (Bentonville, Arkansas)
Waste Management
Wells Fargo Bank NA
Weststone Properties
Widewaters (Syracuse, NY)
Yavapai-Apache Nation (Camp Verde, Arizona)
Zaremba Group (Atlanta, Georgia)

EXHIBIT B

Canyon Research Southwest, Inc. List of Public Financing Projects

Canyon Research Southwest, Inc. has performed feasibility studies for TIF, TDD and STAR Bond redevelopment areas throughout the United States, a sample of which is listed below:

Tax Increment Financing

- Island Crossings Shopping Center in St. Croix, USVI;
- 718,406 square foot SummitWoods Crossing in Lee's Summit, Missouri;
- 457,250 square foot Antioch Center in Kansas City, Missouri;
- 579,980 square foot Blue Ridge Mall Redevelopment in Kansas City, Missouri;
- Old Orchard TIF District in Webster Groves, Missouri;
- 724,333 square foot Gravois Bluffs East & West in Fenton, Missouri;
- 519,295 square foot Prewitt Point in Osage Beach, Missouri;
- 1,073,743 square foot Branson Hills Shopping Center in Branson, Missouri;
- 398,100 square foot Belton Town Centre in Belton, Missouri;
- Highway 7 Corridor TIF District in Blue Springs, Missouri;
- 106-acre Tuscany Village mixed-use development in St. Joseph, Missouri;
- 675,960 square foot Shoppes at North Village in St. Joseph, Missouri;
- 29th Street & Highway 69 Bypass TIF District in Pittsburg, Kansas;
- North Southgate Center in Olathe, Kansas;
- 230,860 square foot Venture Shopping Center in Roeland Park, Kansas;
- 175,072 square foot North Broadway in Pittsburg, Kansas;
- 89,850 square foot Maryville Town Center in Maryville, Missouri;
- 119,390 square foot Harrisonville Center in Harrisonville, Missouri;
- Highway 61 Redevelopment Area in Moscow Mills, Missouri;
- 435-acre West 370 TIF District in St. Charles, Missouri;
- 115,904 South U.S. 65 TIF in Chillicothe, Missouri; and
- Briarcliff West RPA 9, 22 and 36 in Kansas City, Missouri.

STAR Bonds

- The Legends at Village West in Kansas City, Kansas;
- Kansas City Tourism District in Kansas City, Kansas;
- Downtown Manhattan, Kansas Redevelopment Area;
- East Bank Redevelopment District in downtown Wichita;
- Prairiefire at Lionsgate in Overland Park, Kansas;
- The Gateway in Mission, Kansas;
- K-96 and Greenwich Project District in Wichita, Kansas;
- Caban Marketplace in Bel Aire, Kansas;
- Olympic Park in Goddard, Kansas;
- Dodge City STAR Bond District in Dodge City, Kansas;
- Chisholm Crossing in Wichita, Kansas;
- Kansas University Medical Center in Kansas City, Kansas;
- Overland Park Sports Arena and Entertainment District in Overland Park, Kansas;
- Brookridge STAR Bond District in Overland Park, Kansas; and
- Downtown Salina, Kansas

EXHIBIT C

Resume of Eric S. Lander, Principal
Canyon Research Southwest, Inc.

EDUCATION

In 1981, Mr. Lander received a B.S. in Marketing from the Arizona State University College of Business Administration, receiving honors status for his superior cumulative grade point average. In 1992, Mr. Lander received a Masters in Real Estate Development and Investment from New York University, graduating with honors.

BUSINESS EXPERIENCE

Canyon Research Southwest, Inc.

President (October 1984 to Present)

Established Canyon Research Southwest, Inc. as a multi-disciplined real estate consulting firm designed to provide comprehensive research and analysis to the development, financial, investment, and municipal communities. Responsibilities include direct marketing, project management, staffing, and client relations. The firm has performed in excess of 400 major consulting assignments with over 75 local and national clients. Fields of expertise include market and feasibility analysis of large-scale master planned communities, freeway oriented mixed-use projects, retail centers, office complexes, business parks, and hotels. Additional services include fiscal impact studies, property valuation, and development plan analysis.

Mountain West Research

Associate (December 1988 to January 1990)

Senior Consultant (October 1983 to October 1984)

Mr. Lander assisted in managing the Commercial Real Estate Services Division of Mountain West, Arizona's largest real estate and economic development consulting firm. Responsibilities included direct marketing, personnel management, client relations, and consulting on large-scale commercial, office, industrial, and hotel projects. Also contributed to several real estate publications and assisted in the management and marketing of the firm's commercial, office, and industrial (COI) data base.

Iliff, Thorn & Company

Marketing Assistant (January 1982 to December 1983)

Joined Iliff, Thorn & Company during its infancy and became solely responsible for providing in-house marketing support services to its commercial real estate brokers. These services included demographic research, office/industrial/retail market studies, raw land sales packages, site selection analysis, client relations, and property research. Major accomplishments included establishing and implementing office and industrial absorption studies, devised central office market and available raw land files, and organized the development of an industrial/retail map. Also, during this time, Mr. Lander obtained a real estate sales license and became involved in commercial brokerage activities.

RANGE OF EXPERIENCE

In 1987, Mr. Lander, in cooperation with the Drachman Institute of Regional Land Planning, published a working paper titled "Land Development as Value Added in the Development Process and Appropriate Criteria to Rank Sites for Selection of Master Planned Satellite Communities." Since the publication of this working paper, Mr. Lander has conducted numerous market feasibility studies on existing and proposed, large-scale, master planned communities in the Southwestern United States, totaling over 80,000 acres. The working paper was also evaluated and utilized by such prestigious universities as Harvard, M.I.T. and the University of North Carolina as part of their Masters program in Real Estate, City and Regional Planning, and Business.

Mr. Lander is an instructor with the Commercial Real Estate Institute, teaching classes in Market Analysis, Commercial Property Valuation and Land Valuation.

Developed a model designed to evaluate and rank the development potential of freeway interchanges. The methodology for ranking freeway properties is based on a list of 25 criteria which provide a framework to efficiently compare the strengths and weaknesses of various freeway sites. Seven (7) criteria have been established which apply to metropolitan area economic base and real estate market, five (5) criteria evaluate the region influenced by the presence of the freeway in question, and thirteen (13) interchange and site-specific criteria are aimed at determining future real estate development opportunities. This model has been utilized in evaluating freeway-oriented, mixed-use projects anchored by regional malls, business parks, office complexes, and hotels.

Mr. Lander has provided consulting services on downtown redevelopment and historic preservation efforts. Recent examples include a heritage tourism study for the Erie Canal terminus in Buffalo, New York; evaluation of potential office, retail, hotel and arena development in the downtown areas of Glendale and Mesa, Arizona; retail market evaluation and redevelopment plan for downtown Warsaw, Missouri; a downtown master plan for downtown Lee's Summit, Missouri; and a redevelopment plan for the 24 Highway Corridor in Independence, Missouri.

Mr. Lander has conducted *TIF and TDD Revenue Projections* for a variety of large-scale retail projects in Missouri and Kansas. Tax Increment Financing and Transportation Development Districts are government-backed funding mechanisms designed to finance project-specific public infrastructure improvement. Funding is provided via the issue and sale of bonds. In the case of Tax Increment Financing the bonds are repaid with incremental increases in property tax and sales tax revenue generated by the designated redevelopment area. Transportation Development Districts involve the levy of an additional sales tax on businesses operating within the redevelopment area.

Mr. Lander has conducted *STAR Bond Feasibility and Market Studies* on several proposed developments in Kansas, including the Kansas City Tourism District, Legends at Village West, Kansas City Research & Medical Campus, and Rosedale Station Shopping Center. The *Market Study* evaluates the market positioning, market demand, short-term development potential, and economic impact for the proposed Redevelopment District. Meanwhile, the *Feasibility Study* provides a STAR Bond revenue vs. costs comparison to determine the ability of the Redevelopment District to cover debt service for the projected STAR Bond obligations throughout the bond maturity period.