

GILMORE BELL

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Special Committee on Commerce

Economic Development Bonds 101

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December 6, 2017

Background

We serve as bond counsel to the governmental entities
We negotiate development agreements on behalf of these governmental entities
We have been involved with STAR bonds since the 1999 amendments

What revenues pay the bonds?

Sales tax revenues (State, local, CID/TDD)
TIF – property tax revenues

What are the challenges of revenues over the life of the Bonds?

Do you have credit tenants or mom/pop stores?
Is financing in place to build project?
What if stores not completed on time?
What if a store closes?
What if a recession?
What if State or locals lower sales tax rate or increase exemptions?

How are Bonds structured and why?

Debt Service Coverage
Debt Service Reserve Fund (usually 10% of principal amount of bonds)

What happens if revenues are not sufficient to pay the Bonds?

Draw on Debt Service Reserve Fund
Default on the Bonds

History and Background

Gilmore & Bell was established in 1979, and today is one of the leading public finance law firms in the United States. The Firm specializes in public finance transactions, serving as bond counsel or underwriters' counsel in a wide variety of tax-exempt and taxable financings and providing tax and arbitrage rebate services in connection with tax-exempt financings. The Firm also handles commercial and corporate finance transactions and securities law matters. Gilmore & Bell has 69 attorneys and seven offices, located in Missouri, Kansas, Utah, Nebraska and Illinois. The Firm's attorneys have varied and extensive experience in all aspects of public finance transactions, including planning, structuring and coordinating financings, drafting legal documents, appearing before public bodies and agencies, and consulting with issuers and investment bankers on a wide array of public law matters.

National Bond Counsel Ranking

The Firm has a national reputation in the field of tax-exempt bond financing and has one of the largest public finance practices in the country. For more than 20 years, Gilmore & Bell has ranked in the **top 10 nationally in the number of bond counsel opinions rendered on municipal bond issues**. In 2016, the Firm delivered the approving opinion on 457 long-term municipal issues aggregating \$8.1 billion in principal amount. According to published listings, the Firm's 2016 rankings among bond counsel throughout the United States were as follows:

National Bond Counsel Ranking⁽¹⁾

	<u>Nation</u>	<u>Missouri</u>	<u>Kansas</u>	<u>Nebraska</u>
<u>Gilmore & Bell</u>				
Number of Issues:	3 rd	1 st	1 st	3 rd
Dollar Volume:	9 th	1 st	1 st	2 nd

⁽¹⁾ Source: Thomson Reuters.