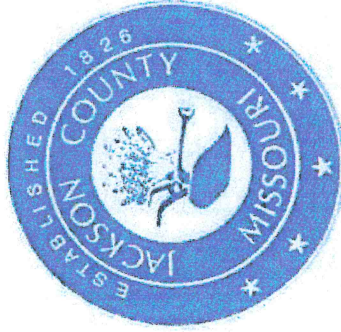


Jackson County, Missouri

Ordinance 5667 authorizing the issuance of:

Special Obligation Bonds
Justice With Dignity Project
Series 2022A



Presentation to Finance Committee
September 26, 2022

Plan of Finance

Sizing of Initial Series of Bonds

- The plan of finance proposes a two-part transaction
 - (1) A larger financing in the fall of 2022 that provides \$200 million in construction funds
 - (2) A completion financing in early- to mid-2024 that provides the remainder of financing need
- The sizing of the first issuance of bonds is designed to meet the County's cash flows needs well into 2024
 - Ground has already been broken and significant construction funds are needed as early as late 2022 or early 2023
 - Providing ample funding now allows the County more flexibility with regard to the timing of the completion financing, avoiding potentially challenging market periods
 - Executing the larger financing now provides more debt service certainty as the borrowing rate for the majority of the total loan will be fixed in the current financing
 - A larger first issuance also serves as an interest rate hedge, as rates (though rising) are still moderate from a historical perspective (see next slide)
- We understand the final cost and design of the facility is still being contemplated and that GMP proposals are due by October 26
 - Based on the 9/19 Legislature meeting we understand there will be options to consider and select from, with final decision timing yet to be determined
 - With total costs still unknown it is not prudent to execute a single bond issuance at this time

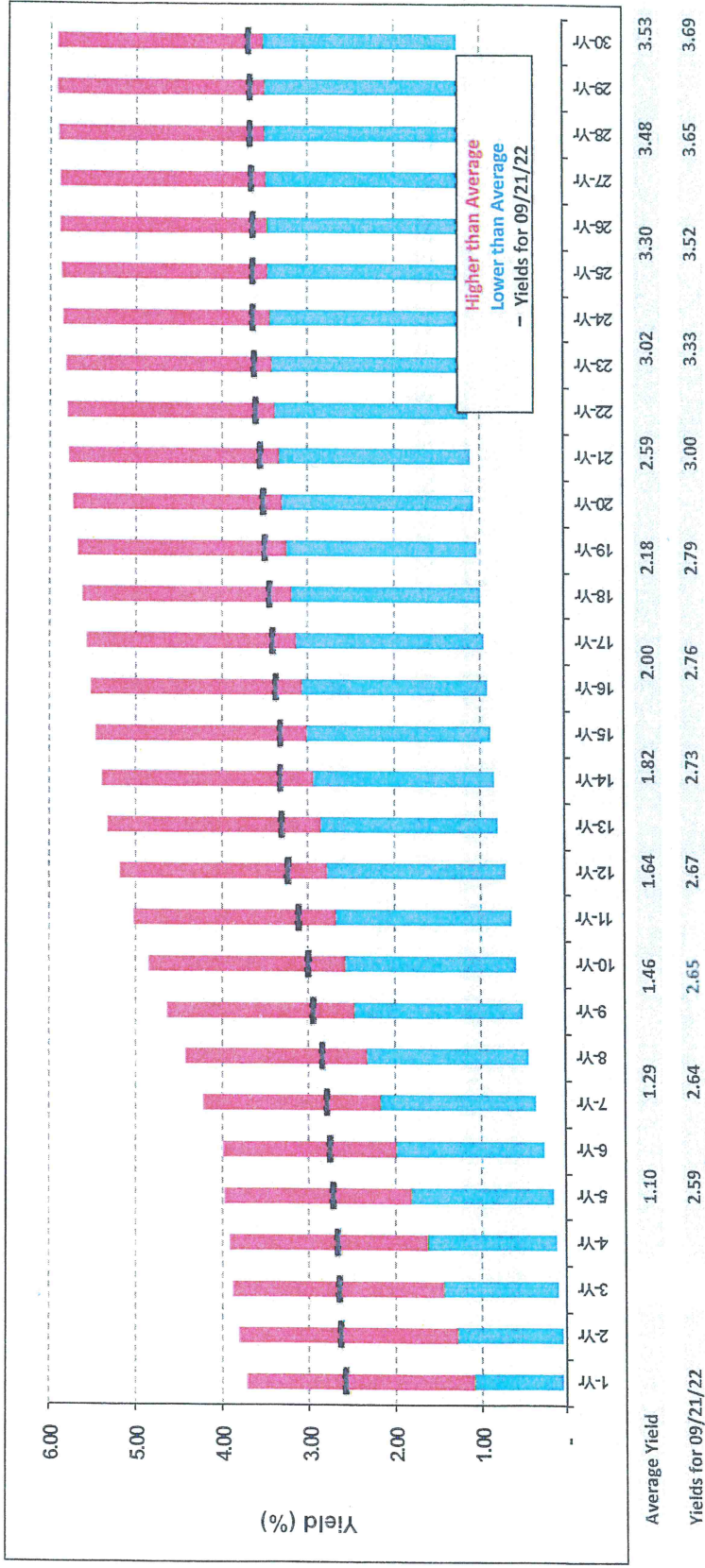
Plan of Finance

Interest Rate Update - Historical Context

- Though rates have moved significantly higher in 2022, from a 20-year historical perspective, rates are hovering just above their average from the 10-yr maturity and out

Tax-Exempt Yields; 5% Coupon; 10-Year Par Call

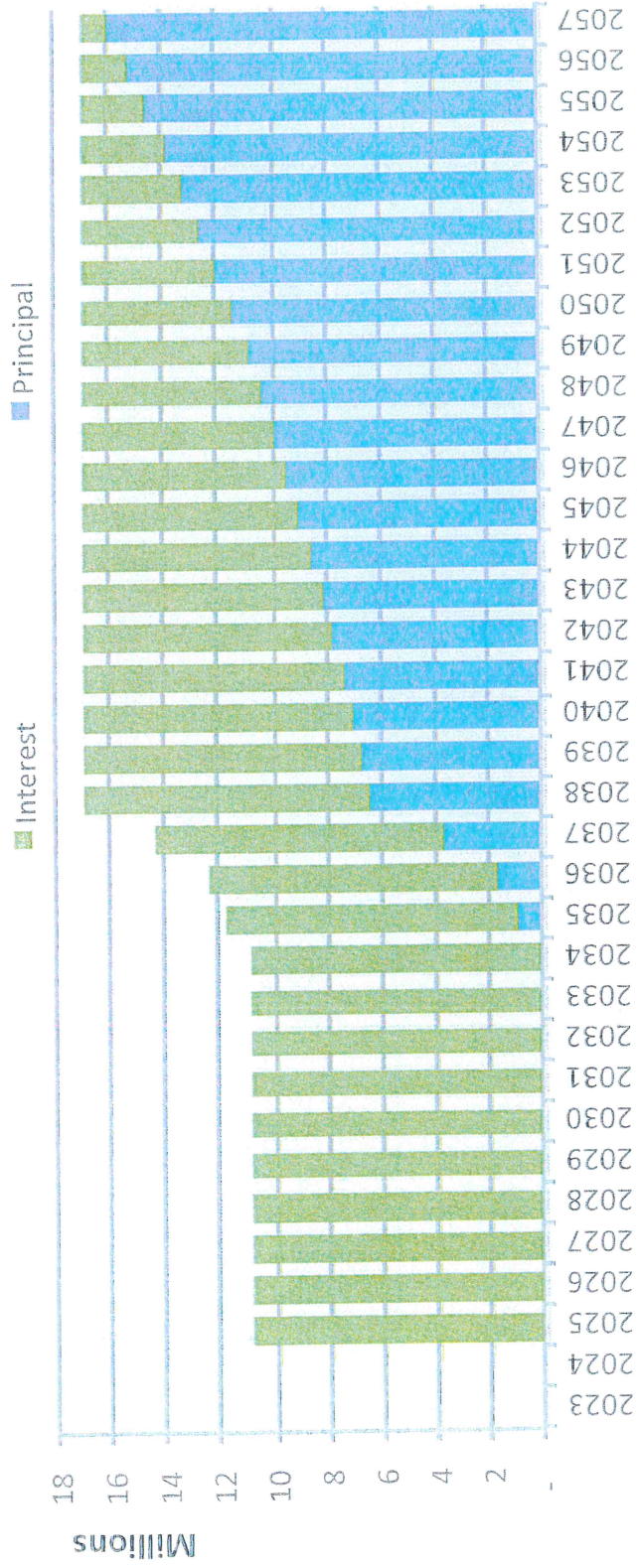
20-Year Historical; Municipal Market Data



Plan of Finance

Series 2022A Preliminary Structure

- To further hedge against interest rates, the first issuance will focus principal amortization in the later years of the loan (approx. 2036-2057)
- This allows relatively low long-term rates to be fixed now



Plan of Finance

Series 2022A plus Series 2024 Completion Financing

- The completion financing will amortize in the earlier years of the loan (approx. 2025-2038)
- Short-term rates are generally less volatile and have less impact on the overall cost of the financing
- When combined with the first issuance, total debt service will produce substantially level debt service to the extent possible contingent on the final amount financed and interest rates at the time of issuance



Proposed Schedule

September							October							November						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3						1			1	2	3	4	5	
4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12
11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19
18	19	20	21	22	23	24	16	17	18	19	20	21	22	20	21	22	23	24	25	26
25	26	27	28	29	30		23	24	25	26	27	28	29	27	28	29	30			
							30	31												

- 9/19/22 – Legislature Meeting for Introduction and Referral to Finance Committee
- 9/26/22 – Finance Committee
- 10/10/22 – County Legislature Approval
- 11/16/22 – Bond Closing / Funding