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Mr. Clark Hunt, Chairman and CEO
Kansas City Chiefs
One Arrowhead Drive

Kansas City, Missouri 64129

Mark Donovan, President
Kansas City Chiefs
One Arrowhead Drive
Kansas City, Missouri 64129

Gentleman:

I wanted to make sure I reached out to you with some information before the Kansas Legislative Coordinating Council votes on stadium financing and before any decision is made by the team. I want to ensure your financial team has fully modeled a critical structural advantage: **Missouri offers the team \$400–600 million in federal tax benefits that Kansas structurally cannot match.**

These are not incentives that require new legislation or creative deal-making. They are permanent structural advantages embedded in federal tax law and census tract designations. Kansas cannot change them. Only Missouri can deliver them.

1. Opportunity Zone Benefits: \$200–300 million in Tax-Free Appreciation

Census tracts adjacent to Arrowhead Stadium are designated Opportunity Zones. The Village West area in Kansas is *not*. This distinction has profound implications for the team's long-term wealth.

Under the July 2025 "One Big Beautiful Bill" amendments, Opportunity Zone investors who hold for 10+ years receive a **full fair market value basis step-up** — meaning all appreciation is permanently excluded from federal capital gains tax.

If the team invests capital gains through a Qualified Opportunity Fund into development adjacent to Arrowhead — hotels, entertainment, housing — appreciation over a 15–20 year hold could easily reach \$1 billion. At a 23.8% federal rate, that's **\$238 million the team never pays in taxes**. Plus a 10% step-up on the original deferred gain.

Kansas cannot offer this. Village West is not an Opportunity Zone. Any gains the team realizes from Kansas development will be **fully taxable**. This is not a negotiating position — it is federal law.

2. New Market Tax Credits: \$100 Million for Adjacent Development

The census tracts surrounding Arrowhead — Leeds to the west, tracts north and east — qualify for New Market Tax Credits at the **highest federal priority levels** ("Deep Distress," "Severe Distress"). NMTC typically delivers ~20% of project costs as net proceeds.

For \$500 million in mixed-use development, that's **\$100 million in additional federal subsidy** available only in Missouri. The Village West census tract is designated "Not Eligible." Kansas offers zero.

3. Investment Tax Credit: \$86.7 Million via Direct Pay

Jackson County owns the Truman Sports Complex. This ownership structure enables Jackson County to claim a 50% Investment Tax Credit on a Thermal Energy Network (TEN) as a **direct cash payment from the U.S. Treasury**. No tax equity partners. No value leakage. 100% of the credit.

For a \$173.4 million TEN investment connecting to KC Water's wastewater infrastructure, that's **\$86.7 million in direct federal subsidy**, plus 30–40% annual energy savings on a domed stadium's \$4–6 million HVAC costs.

Kansas's STAR Bond structure requires *private ownership*. Private owners cannot access Direct Pay. Even if Kansas restructured, Wyandotte County lacks the thermal infrastructure and demand density to make a Thermal Energy Network viable.

The Complete Picture

Federal Tax Incentive	Missouri	Kansas
Opportunity Zone (10-yr hold)	\$200–300M+	\$0 (Not Eligible)
New Market Tax Credits	\$100M+	\$0 (Not Eligible)
ITC (Direct Pay)	\$86.7M	\$0 (No infrastructure)
Development ITC (TEN HVAC)	\$37.5M	\$0
TOTAL FEDERAL TAX ADVANTAGE	\$424–524M+	\$0

We are making generational and enormous decisions in stadium location and I want to make sure your team has all the information to allow your financial advisors to fully model what Missouri can offer.

Kansas is offering only STAR Bonds with no other buy in or participation from local entities and that is not just a problem but a huge gap in the proposal. Further, there seems to be no financial aspect of maintenance of the stadium. Any major market could offer sales tax financing. What Kansas cannot offer is the **permanent federal tax advantages embedded in Missouri's geography and infrastructure**.

The Hunt family built something extraordinary in Kansas City. Jackson County wants to help you build the next chapter — not with promises or hype, but with real specifics of hundreds of millions of dollars in federal incentives that only we can deliver.

Respectfully,



Phil LeVota

Jackson County Executive
Jackson County, Missouri