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December 21, 2025

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

RE: Enhanced Stadium Incentive Package — Over \$250 Million in Federal Value

Gentlemen,

As we continue discussions about keeping the Chiefs in Jackson County, we have not specifically discussed a dome issue but it seems that the Kansas proposal may include that. Let me be clear, myself and all of the partners working on our plan to keep the team in Jackson County are open to discussions of a dome at Arrowhead if that is an issue that weighs on the team's decision. We can always fine tune our plan to include that with that addition.

On that issue, a domed facility at the current Arrowhead facility would be much cheaper to operate than a new domed stadium in Kansas to the tune of saving over \$250 million dollars. I want to bring to your attention a federal incentive strategy that fundamentally changes the financial equation — an opportunity that delivers over **\$250 million in quantifiable value** that Kansas cannot match.

The Dome Challenge — And Our Solution

We understand the competitive appeal of Kansas's domed stadium proposal. A dome means Super Bowls, Final Fours, and year-round major events. To compete against the Kansas plans with no public transparency, if you think Arrowhead needs a roof, we can be a partner to that option. It has always been our understanding that you did not want a dome because of the history and making our opponents face the weather in our favor.

But if you are looking to a domed facility, the Kansas proposal doesn't address the **creation of a permanent cost burden of enclosing a 70,000-seat stadium**. For example, the Caesars Superdome in New Orleans spends \$5 million annually on utilities. Any domed stadium — whether in Kansas or Missouri — faces this reality. Any Kansas plan has not addressed this issue at all.

And it's about to get worse. Electricity rates are rising faster than inflation, driven by AI data center demand. Every approved a 14% rate increase for 2025. A Carnegie Mellon study projects 8-25% increases by 2030. A domed stadium built today faces decades of escalating energy costs.

The Thermal Energy Network solves this problem while simultaneously unlocking over \$250 million in federal incentives Kansas cannot access. It's insurance against rising electricity costs AND a path to the most comfortable, most efficient domed stadium in professional sports.

The Value Proposition

Stadium Benefits

Federal & Operational Benefits	Value
Direct Payment from U.S. Treasury (Geothermal ITC)	\$27,500,000
Avoided Mechanical System Costs (no chillers/cooling towers)	\$30,000,000 - \$50,000,000
30-Year Operating Savings (NPV @ 7%, 5% escalation)	\$38,000,000+
Biogas Microturbine ITC	\$2,000,000
TOTAL STADIUM VALUE	\$97,500,000 - \$117,500,000

Mixed-Use District Benefits

Development on parcels surrounding Arrowhead qualifies for additional federal incentives that can attract hotels, housing, and entertainment to create a year-round destination:

Federal Incentives for \$500M Mixed-Use District	Value
Geothermal ITC for Connected Buildings	\$37,500,000
New Markets Tax Credits (Net Benefit)	\$100,000,000
30-Year Operating Savings (NPV)	\$45,000,000
TOTAL DEVELOPMENT INCENTIVES	\$182,500,000

Total Package Value

Component	Value
Stadium Benefits	\$97,500,000 - \$117,500,000
Mixed-Use District Benefits	\$182,500,000
TOTAL QUANTIFIED VALUE	\$280,000,000 - \$300,000,000

Why This Is Only Available in Missouri

Infrastructure Advantage

The Blue River Wastewater Treatment Plant — a 75 million gallon-per-day facility less than 2 miles from Arrowhead — provides the thermal resource that makes the energy network possible. KC Water's recent \$150 million upgrade makes it one of the most advanced treatment facilities in the Midwest. Kansas has no comparable facility near their proposed site.

Direct Pay Access

The Inflation Reduction Act allows tax-exempt entities like Jackson County to receive clean energy tax credits as direct cash payments from the U.S. Treasury. The Kansas STAR bond structure is private development — Direct Pay is not available.

New Markets Tax Credits

Village West is designated "Not Eligible" for NMTC. However, the census tracts surrounding Arrowhead are categorized as "Deep Distress" and "Severe Distress" — the highest priority categories. For a \$500 million mixed-use district, this represents a \$100 million advantage that Kansas cannot match.

The Real Comparison: Total Cost of Ownership

The conversation has focused on Kansas offering 70% public funding versus Missouri's 50%. But that comparison ignores the most important question: **what will the Chiefs actually pay over time?**

Factor	Kansas	Missouri + TEN
Total project cost	\$2.0 - \$2.5 billion	\$1.2 - \$1.5 billion
Chiefs base contribution	\$600 - \$750 million	\$400 - \$500 million
Federal incentives & savings	—	(\$100 - \$150 million)
30-year operating cost premium	+\$40 million+	—
EFFECTIVE COST TO CHIEFS	\$640 - \$790M	\$250 - \$400M

Missouri delivers a renovated, domed, Super Bowl-ready Arrowhead for \$250-400 million less than building new in Kansas — with permanently lower operating costs.

The "Greenest Stadium in America" Narrative

Beyond the financial benefits, this would make Arrowhead the **America's first major sports venue powered by wastewater thermal energy**. The marketing value is substantial:

- **Global media attention** for innovative sustainability leadership
- **Enhanced ESG sponsorship value** as corporate partners prioritize sustainability
- **Super Bowl hosting narrative** — "The Greenest Stadium" generates national coverage
- **Fan experience** — the most comfortable climate-controlled environment in professional sports

Next Steps

Jackson County is prepared to move quickly. We propose:


1. **Immediate technical briefing** with your facilities and finance teams to review the TEN design and incentive analysis in detail
2. **Joint feasibility study** with Burns & McDonnell (who designed the Blue River facility) to validate costs and timeline
3. **NMTC engagement** with qualified Community Development Entities to secure allocation for the mixed-use district
4. **MOU framework** that integrates federal incentives into the broader stadium financing package
5. **Master planning** for the Truman Sports District to maximize development potential on eligible parcels

Arrowhead Stadium is more than a building — it's where Lamar Hunt's vision became reality, where the Chiefs became champions, and where Kansas City comes together.

The federal incentive package I've outlined delivers over \$250 million in value that Kansas just cannot access. Combined with the lower cost of renovating Arrowhead versus building new, and **permanent protection against rising electricity costs**, Missouri offers a dramatically better financial outcome while preserving the legacy and keeping the team where it belongs.

I look forward to discussing this opportunity with you at your earliest convenience.

Respectfully,

A handwritten signature in black ink, appearing to read "Phil LeVota".

Phil LeVota

Jackson County Executive
Jackson County, Missouri

ATTACHMENT A

TEN System & Electricity Rate Analysis

The Electricity Rate Crisis

AI data centers are driving unprecedented electricity demand growth, straining power grids and pushing rates higher nationwide. Any domed stadium built today faces decades of escalating energy costs.

Indicator	Impact
Every Missouri West 2025	14% rate increase approved
National average (May 2024-2025)	6.5% increase (outpacing inflation)
Near data center hotspots (5-year)	Up to 267% increase (Bloomberg)
Projected by 2030	8-25% increase (Carnegie Mellon)
Data center share of US electricity	4.4% (2023) → 6.7-12% (2028)

30-Year Operating Cost Comparison

Assuming 5% annual electricity rate escalation (conservative given current trends) and 7% discount rate:

Scenario	Year 1 HVAC	30-Year NPV
Conventional Dome (Kansas or MO)	\$5,000,000	\$95,000,000+
TEN-Connected Dome (Missouri only)	\$3,000,000	\$57,000,000
TEN ADVANTAGE	\$2,000,000/yr	\$38,000,000+

Federal Investment Tax Credit Calculation

ITC Component		Rate
Base ITC Rate (geothermal energy property)		6%
Prevailing Wage & Apprenticeship Bonus		+24%
Domestic Content Bonus		+10%
Energy Community Bonus		+10%
TOTAL ITC RATE		50%
Application	Capital Basis	ITC Value
Stadium TEN Infrastructure	\$55,000,000	\$27,500,000
Mixed-Use Mechanical Systems	\$75,000,000	\$37,500,000
Biogas Microturbine	\$4,000,000	\$2,000,000
TOTAL DIRECT PAY FROM TREASURY		\$67,000,000

The TEN provides permanent protection against rising electricity costs while delivering \$67 million in direct federal payments plus \$100 million in NMTC benefits