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First Use of STAR Bonds in Illinois Signals Commitment to Transformational Economic Development, Stinson Attorneys Advise Developer

Stinson LLP Partner Tom Smallwood helped secure necessary public financing for the development of a major destination retail and entertainment project, the first to ever use the Illinois Innovation, Development and Economy Act (also known as the STAR Bonds Act). The Oasis Outdoors real estate project in Marion, Ill., is slated to open to the public by 2027. In addition to representing the developer on this financing and various aspects of the development project, Smallwood was the principal drafter of the STAR Bonds Act, having worked with fellow Stinson partner Todd LaSala and stakeholders, lobbyists and legislators to craft and enact the original legislation.

In February, the Marion City Council approved an ordinance to issue approximately \$125 million in STAR bonds to support the Oasis Outdoors project, which will consist of the ongoing redevelopment of the Illinois Star Centre Mall and new construction of a hotel and entertainment and sports complex that promises to be a significant economic engine for the City of Marion and surrounding areas. The use of STAR bonds was the essential public financing piece to make the Oasis Outdoors project viable. The public offering of the first STAR bonds issuance closed on March 13, 2025.

“Large-scale mixed-use projects take a significant amount of time and creativity to succeed in any market,” Smallwood said. “For the first time in Illinois, we have a developer and a city with the vision to form a public-private partnership to put STAR bonds to work and create jobs, attract further economic investment and build an exciting entertainment and sports tourism destination for southern Illinois.”

Developer Rodney Cabaness shared his gratitude regarding the firm’s work on this effort. “Projects like this don’t happen without a tremendous amount of collaboration. We were incredibly fortunate to have Tom and his team to help guide us through the process,” Cabaness said. “His efforts will be part of an everlasting transformation to our region.”

Smallwood’s experience in Illinois builds off of Stinson real estate attorneys’ depth of experience with STAR bonds in Kansas. Todd LaSala and other Stinson attorneys have worked on numerous STAR bonds projects to help support real estate-based economic development efforts in various parts of the state.

“Our track record with public-private partnerships utilizing STAR bonds and so many other public financing incentives to support multimillion-dollar development projects shows how the firm successfully navigates complex deals to mitigate risks and bring substantial, positive changes that benefit communities,” Smallwood said.

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