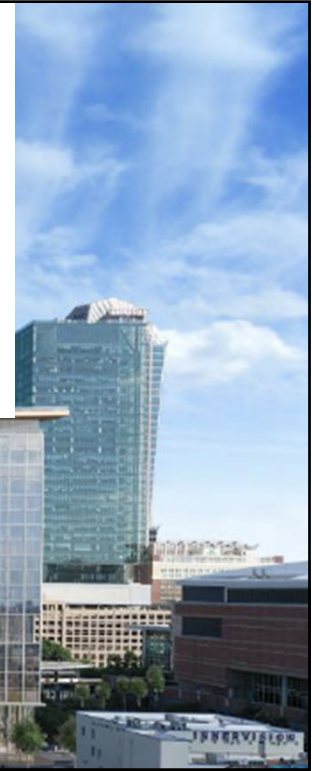




## CTC Redevelopment & District Opportunities

Jobs & Economic Development  
Committee

February 6, 2023



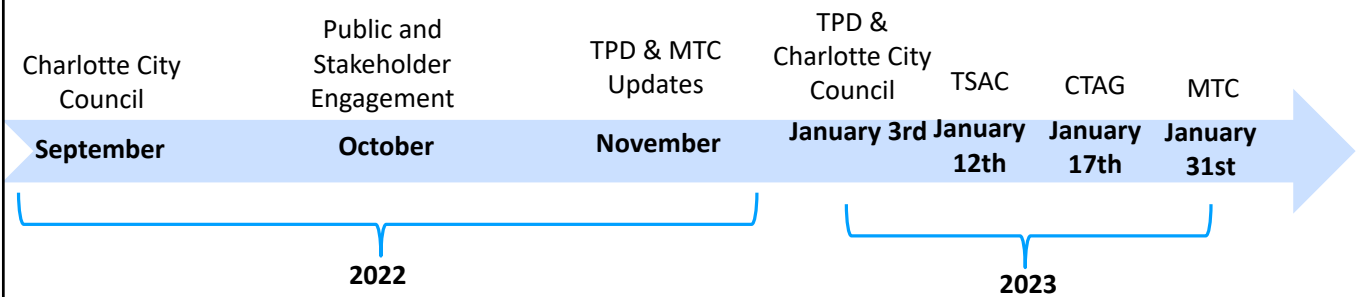
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## Agenda

- ▶ Transit update
- ▶ Hornets Performance Center
- ▶ District opportunity, naming rights, and branding

2

## Design Concept Path to Recommendation



3

## Metropolitan Transit Commission Approval

On Jan. 31, 2023, the MTC adopted the concourse design concept as the Locally Preferred Alternative for the proposed redevelopment of the Charlotte Transportation Center

- More climate-controlled space
- More efficient secured space
- Seamless transfer between bus routes
- Provides maximum integration with development
- Creates more placemaking opportunities
- Best supports the goals of surrounding development opportunities

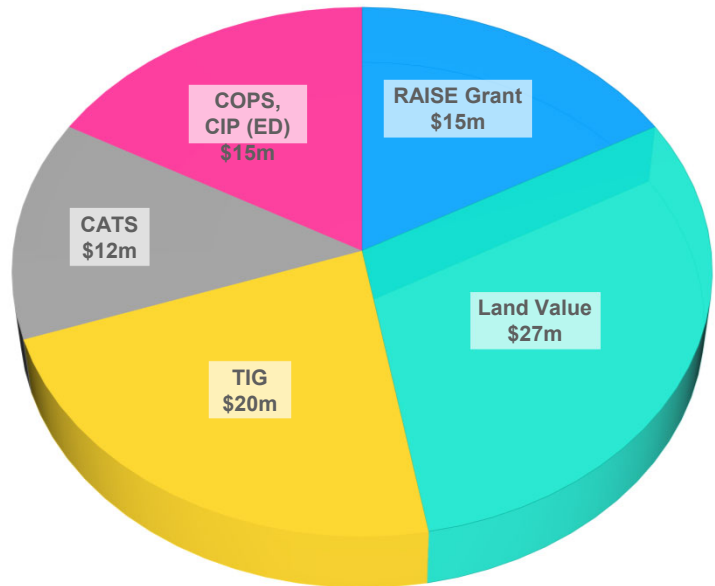


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# MOU Framework

Public Funding for transit: \$89M

- Land - \$27M
- CIP - \$5M
- COPS - \$10M
- TIG - \$20M
- CATS - \$12M
- RAISE Grant - \$15M



5

# MOU Framework

- ▶ Developer to acquire land under existing CTC
- ▶ City to own transit facility
- ▶ Construct temporary bus facility on developer-owned land adjacent to CTC site
- ▶ Exclusivity clause for +6 months to redevelop the site
- ▶ Non-binding nature



6

# CTC Next Steps

- ▶ NEPA Environmental Process
- ▶ Preliminary Design
  - Design Reimbursement Agreement with Developer
  - \$2.9 million approved by City Council on 8/22/2022
- ▶ Route Planning
- ▶ Public Outreach
- ▶ Process for Charlotte City Council approvals
  - Memorandum of Understanding – February Council Meeting
  - Rezoning – Planning Review anticipated in Q2 with Public Hearing anticipated in Q3
  - Joint Development Agreement – Q2 2024
  - Periodic informational updates – Summer/Fall 2023
- ▶ Committee Action:
  - Refer to City Council and recommend approval to authorize the City Manager to negotiate and execute an MOU non-binding with the DART/WPP development team

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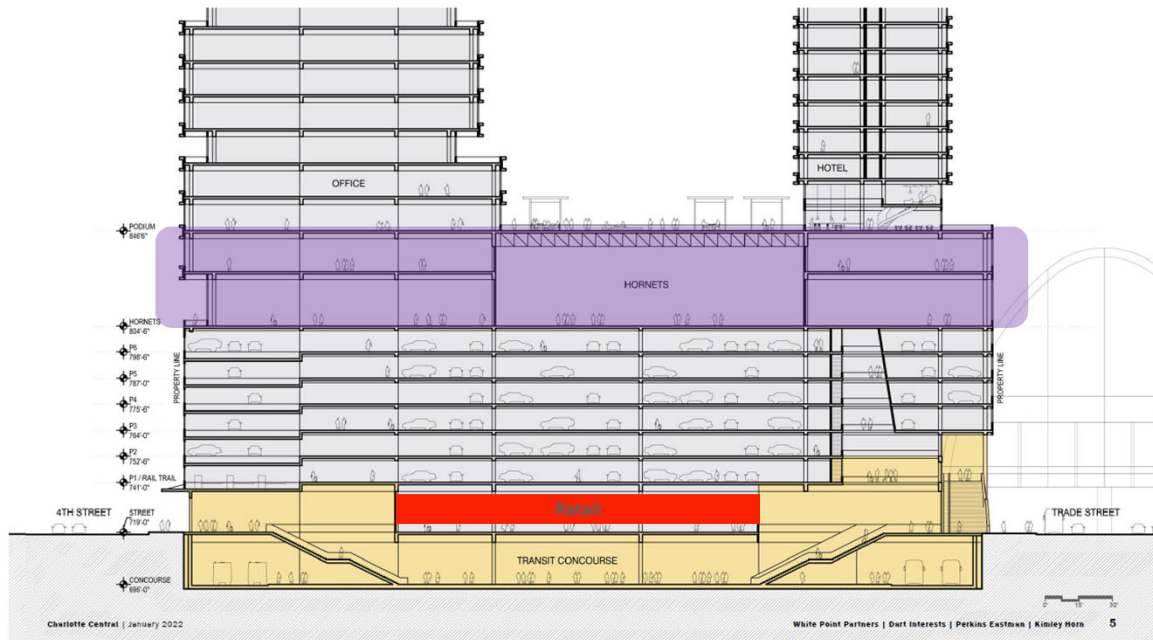
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# City / HSE Partnership



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# PEC Integration



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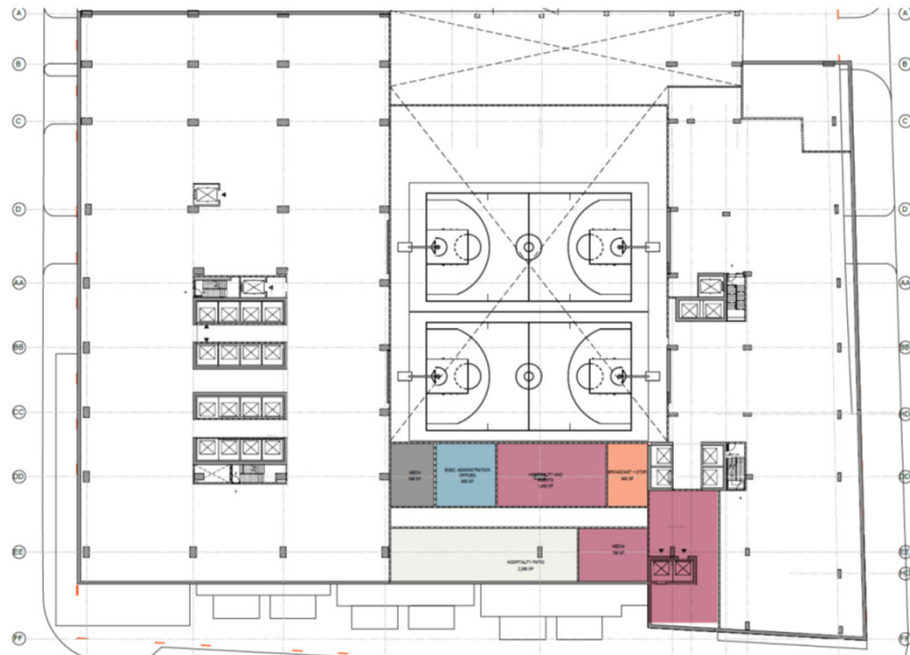


## PEC – 1<sup>st</sup> Level



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## PEC – 2nd Level



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## PEC Program Summary - Benchmarking

	ATLANTA HAWKS AREA (SF)	PHILADELPHIA 76ERS AREA (SF)	CHICAGO BULLS AREA (SF)	MILLWAUKEE BUCKS AREA (SF)	HSE PROGRAM
COURTS	19,100 SF	20,050 SF	17,920 SF	16,900 SF	20,000 SF
PLAYER FACILITIES	7,110 SF	9,315 SF	6,630 SF	7,635 SF	8,700 SF
TRAINING AND TREATMENT	5,345 SF	6,480 SF	6,700 SF	7,461 SF	6,500 SF
BB OPS STAFF FACILITIES	13,450 SF	12,335 SF	9,998 SF	8,520 SF	14,050 SF
GUEST ACCOMODATIONS	3,630 SF	6,335 SF	3,928 SF	3,845 SF	4,500 SF
BUILDING OPERATIONS AND SUPPORT	3,920 SF	3,120 SF	2,257 SF	3,180 SF	4,885 SF
NET USABLE INTERIOR SF TOTAL	52,555 SF	57,635 SF	47,733 SF	47,541 SF	58,635 SF
MEP AND EGRESS	6,990 SF	7,265 SF	11,267 SF	10,234 SF	6,000 SF
CHPF INTERIOR GSF TOTAL	59,545 SF	64,900 SF	59,000 SF	57,775 SF	64,635 SF
BUSINESS OPERATIONS FACILITIES	N/A	N/A	N/A	N/A	750 SF
2K / ESPORTS	SF	SF	SF	SF	0 SF
GRAND TOTAL NET USABLE INTERIOR SF	60,000 SF	65,500 SF	59,700 SF	58,000 SF	59,385 SF
EXTERIOR SPACE ALLOCATIONS					
OUTDOOR PATIOS AND TERRACES	14,450 SF	1,000 SF	3,230 SF	640 SF	9,850 SF

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## Trade Street -Alternate Site Option

- 2018 Development Study completed to review the feasibility of a 100k sq ft facility on an alternate City owned parcel at Trade and Brevard.



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## THE OPPORTUNITY

Charlotte is one of the fastest growing cities in the United States due to large companies migrating to the city as well as key development projects. The re-development of the CTC and the construction of a new Hornets practice facility provides the opportunity for the City of Charlotte and key stakeholders to re-imagine the area surrounding this portion of Uptown.

By creating a new District centered around this area, the City can work with top corporations to make a true community impact by creating more synergy for engagement and foster diversity, equity, inclusion, and belonging.

With significant investment costs associated with these new initiatives, rethinking this District has the potential to create a new revenue source for the City and stakeholders through a corporate sponsorship program that will look to attract top companies to this revitalized footprint through the following:

- District Entitlement
- Performance Center Naming Rights
- Founding Partners



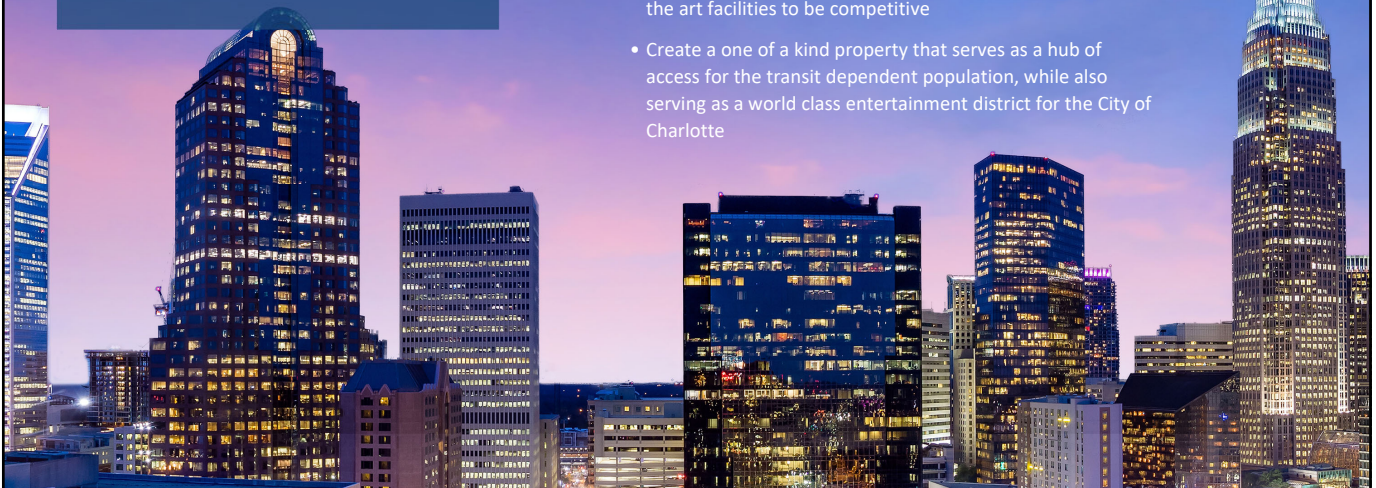
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## MISSION & PURPOSE

### What does the corporate sponsorship program do?

Align with the City's mission to:

- Secure long-term revenue to pay down debt
- Attract long-term corporate partners to the region
- Assist current and future sports tenants in ensuring state of the art facilities to be competitive
- Create a one of a kind property that serves as a hub of access for the transit dependent population, while also serving as a world class entertainment district for the City of Charlotte

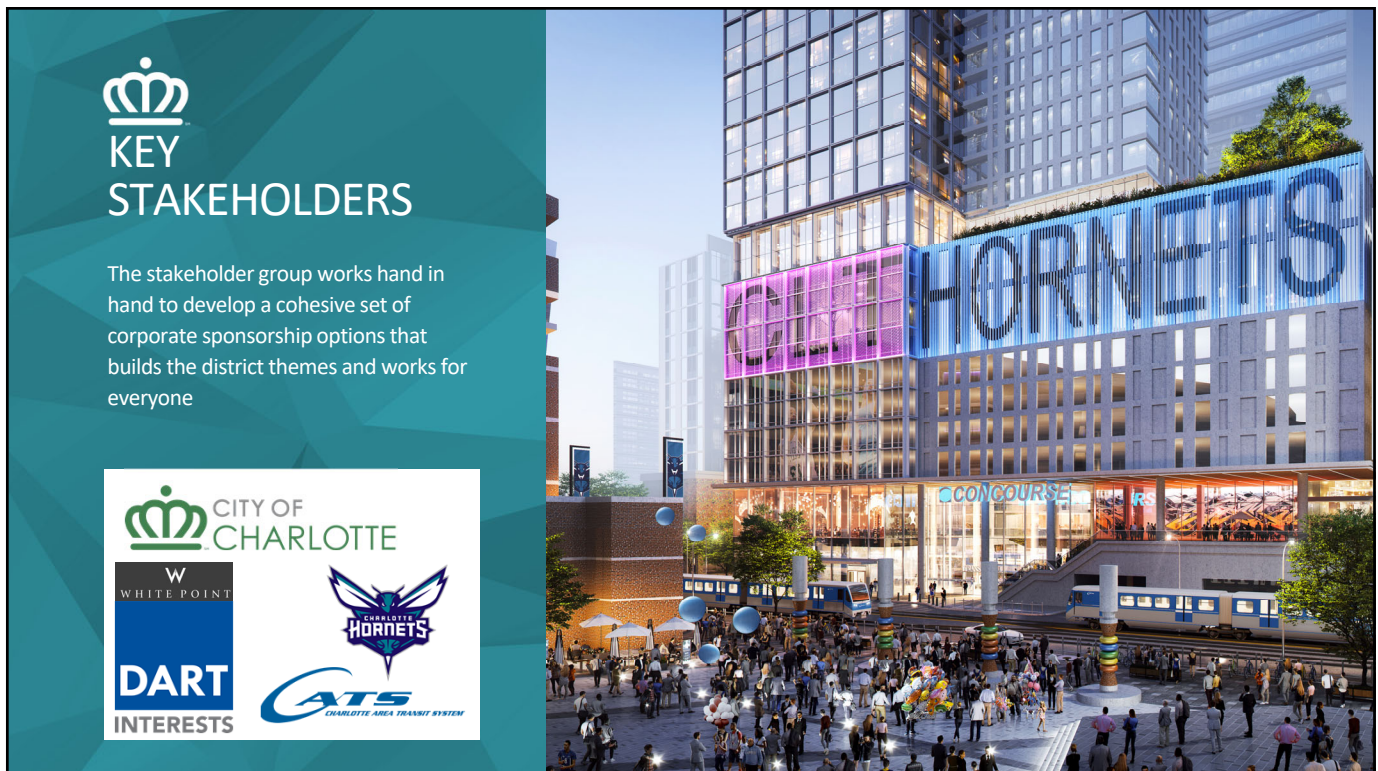


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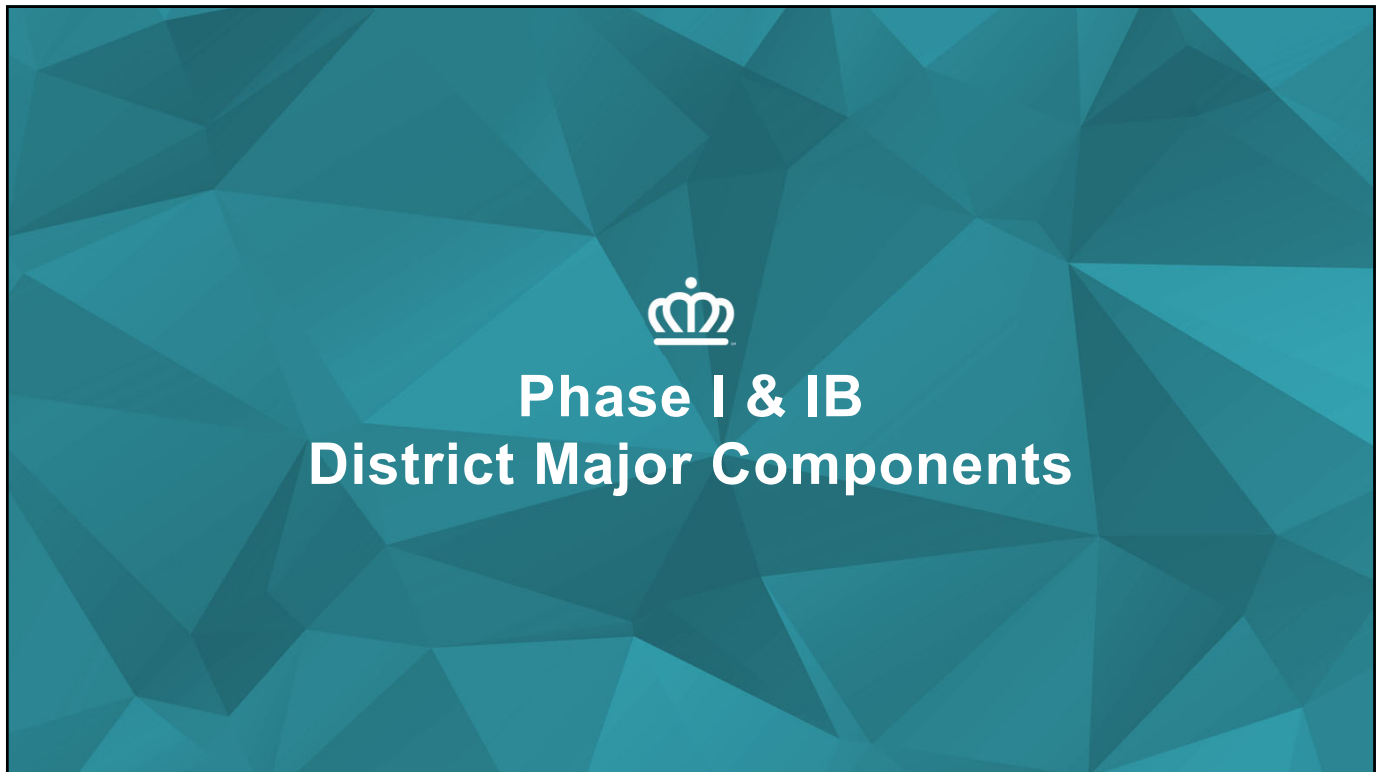


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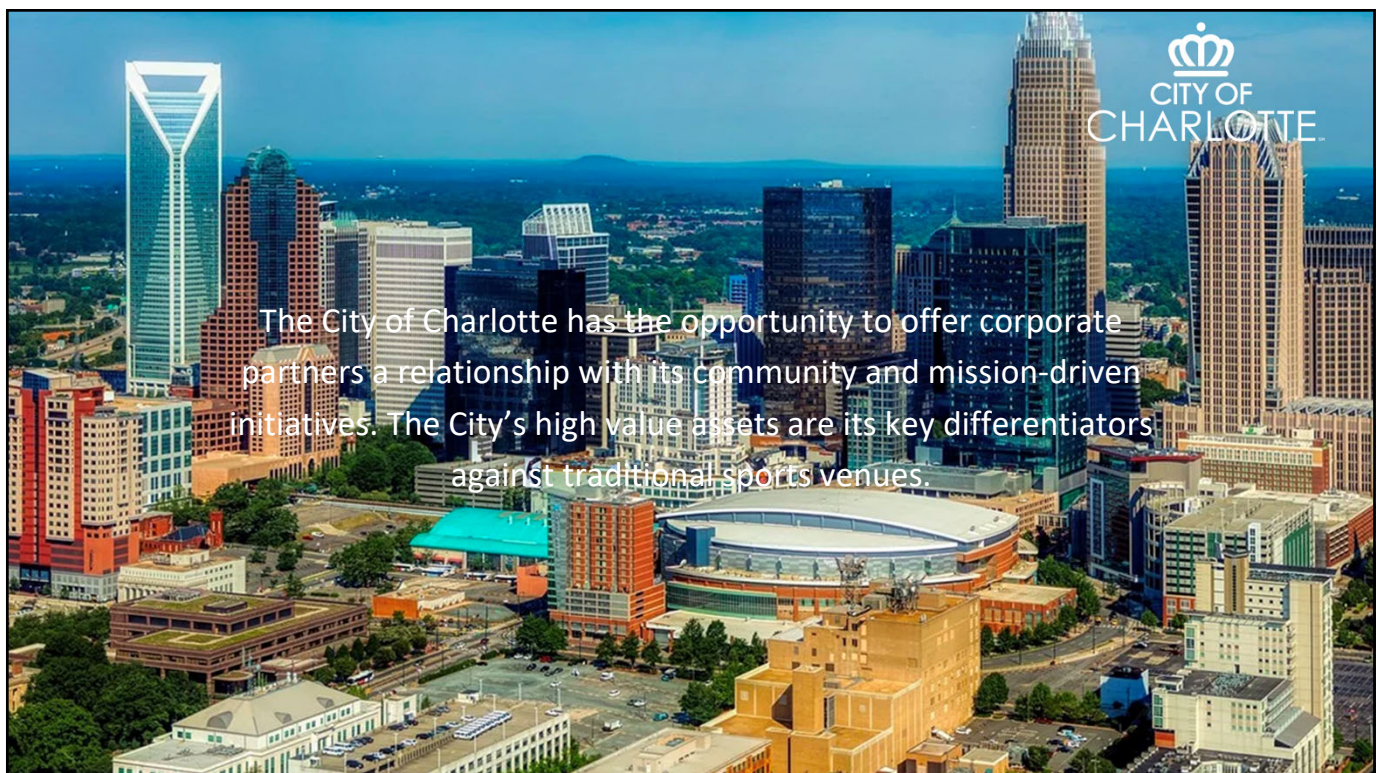


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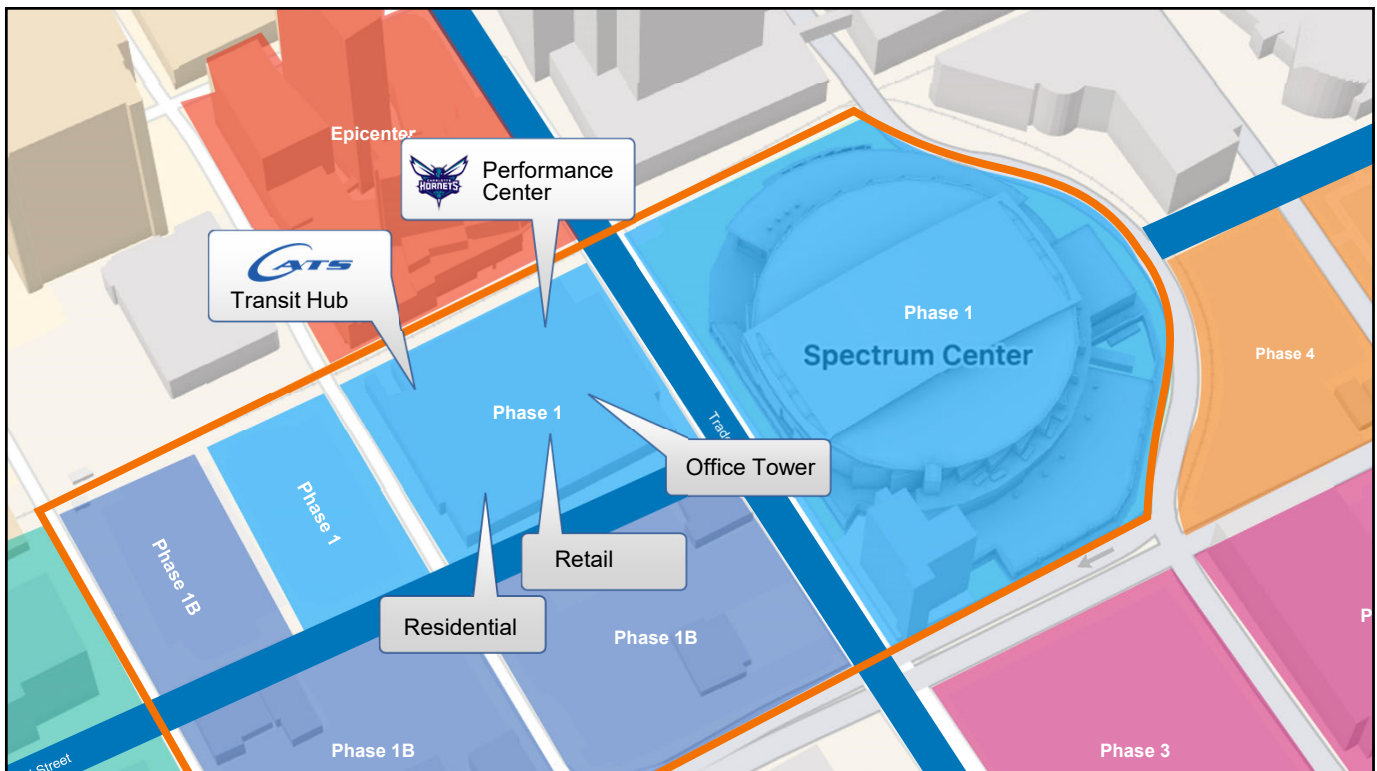
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## BREVARD STREET

Utilizing Brevard Street as a “festival street” will be integral to creating a true “District” and assist in the sales process.

By strategic closings off this street from traffic, the District can have a true community feel with farmers markets, street fairs, etc.

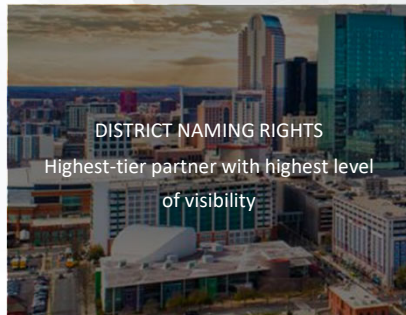
Active street edges will be important for year-round programming opportunities.



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## HIGH VALUE ASSETS & OPPORTUNITIES

INNOVATIVE  
PARTNERSHIPS  
GROUP

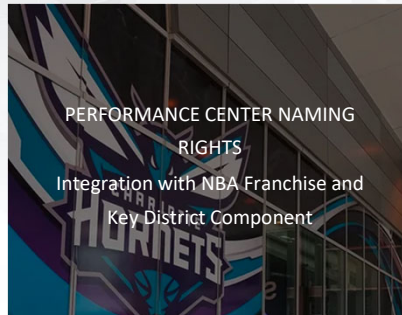


### DISTRICT NAMING RIGHTS

Highest-tier partner with highest level of visibility

#### Partnership Opportunity:

- Category Exclusivity
- Most prominent branding opportunities
- Development of a LED Signage District
- Creation of High Value Assets to create a place that is visited year-round. Examples:
  - Amphitheater
  - Park
  - Ground Floor Clinic

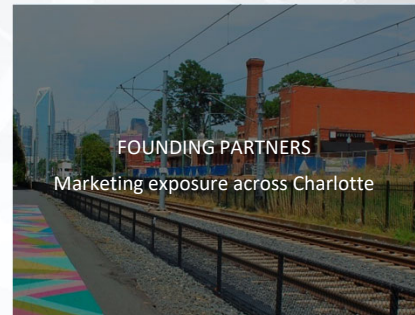


### PERFORMANCE CENTER NAMING RIGHTS

Integration with NBA Franchise and Key District Component

#### Partnership Opportunity:

- Category Exclusivity and branding opportunities (Internal and external)
- Facility Usage
- B2B Tours
- Product integration (technology)



### FOUNDING PARTNERS

Marketing exposure across Charlotte

#### Partnership Opportunity:

- Category Exclusivity and Entitlement
- Earned Media (way finding signage, station identification)
- Business Development opportunities
- Activation Space
- Cornerstone assets:
  - Food hall
  - Festival street
  - Rail trail
  - Transit

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## COMMERCIAL SALES STRATEGY - FINANCIAL PROJECTIONS

In June 2022, \$60M was approved for the new Hornets practice facility, which aligned with sponsorship projections (discounted total value) made over a 10-year period.

With the Spectrum Center lease extending through 2045, sponsorship projections have been updated to mirror that term via the following:

- District Naming Rights - \$2.0M starting price in Year 1 (2028).
- Performance Center Naming Rights - \$1.25M starting price in Year 1 (2028)
- District Founding Partners - Projected a total of five (5) Founding Partners that would be associated with high value assets within the district coming online between 2028 and 2030.

ASSET	STARTING PRICE (2028)	TOTAL THRU 2045	NPV
DISTRICT NAMING RIGHTS	\$2,000,000	\$46,828,871	\$29,260,390
PERFORMANCE CENTER NAMING RIGHTS	\$1,250,000	\$29,268,044	\$18,287,744
DISTRICT FOUNDING PARTNERS	\$750,000	\$61,215,686	\$38,113,406
PROJECTED TOTAL	\$4,000,000	\$137,312,601	\$85,661,540

*Note: The \$750,000 Founding Partner starting price is the average of the five (5) targeted deals that would begin in 2028-2030.*

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## COI: HIGH VALUE ASSETS

From 2028-2045, the District can generate approximately \$137M in commercial partnership revenue (discounted value of approximately \$86M) which includes:

- District Naming Rights - \$47M
- Performance Center - \$29M
- District Founding Partners - \$61M
  - Founding Partners start in in 2028 (2) and continue in 2029 (2) and 2030 (1)
  - Starting values range from will vary based on industry category and high value assets
  - These deals will have shorter terms and could have lapses in extensions or finding new sponsors

YEAR #	YEAR	DISTRICT	PERFORMANCE CENTER	FP #1	FP #2	FP #3	FP #4	FP #5	FP TOTAL
Year 1	2028	\$2,000,000	\$1,250,000	\$1,100,000	\$350,000				\$850,000
Year 2	2029	\$2,060,000	\$1,287,500	\$1,133,000	\$360,500	\$1,000,000	\$650,000		\$1,175,500
Year 3	2030	\$2,121,800	\$1,326,125	\$1,166,990	\$371,315	\$1,030,000	\$669,500	\$400,000	\$1,735,765
Year 4	2031	\$2,185,454	\$1,365,909	\$1,202,000	\$382,454	\$1,060,900	\$689,585	\$400,000	\$1,787,838
Year 5	2032	\$2,251,018	\$1,406,886		\$393,928	\$1,092,727		\$400,000	\$1,841,473
Year 6	2033	\$2,318,548	\$1,449,093	\$1,200,000		\$1,125,509	\$675,000	\$400,000	\$1,490,971
Year 7	2034	\$2,388,105	\$1,492,565	\$1,236,000	\$400,000		\$695,250	\$400,000	\$1,587,918
Year 8	2035	\$2,459,748	\$1,537,342	\$1,273,080	\$412,000	\$1,100,000	\$716,108		\$1,376,937
Year 9	2036	\$2,533,540	\$1,583,463	\$1,311,272	\$424,360	\$1,133,000		\$400,000	\$2,018,245
Year 10	2037	\$2,609,546	\$1,630,966	\$1,350,611	\$437,091	\$1,166,990	\$700,000	\$400,000	\$1,426,406
Year 11	2038	\$2,687,833	\$1,679,895			\$1,202,000	\$721,000	\$400,000	\$1,663,994
Year 12	2039	\$2,768,468	\$1,730,292	\$1,300,000	\$450,000		\$742,630	\$400,000	\$1,769,986
Year 13	2040	\$2,851,522	\$1,782,201	\$1,339,000	\$463,500	\$1,200,000		\$400,000	\$2,223,086
Year 14	2041	\$2,937,067	\$1,835,667	\$1,379,170	\$477,405	\$1,236,000	\$710,000	\$400,000	\$2,289,778
Year 15	2042	\$3,025,179	\$1,890,737	\$1,420,545	\$491,727	\$1,273,080	\$731,300		\$1,642,040
Year 16	2043	\$3,115,935	\$1,947,459	\$1,463,161	\$506,479	\$1,311,272	\$753,239	\$400,000	\$2,391,302
Year 17	2044	\$3,209,413	\$2,005,883	\$1,507,056	\$521,673	\$1,350,611	\$775,836	\$400,000	\$2,463,041
Year 18	2045	\$3,305,695	\$2,066,060	\$1,552,268	\$537,324	\$1,391,129	\$799,111	\$400,000	\$2,536,932
<b>TOTAL</b>		<b>\$46,828,871</b>	<b>\$29,268,043</b>	<b>\$20,934,153</b>	<b>\$6,979,756</b>	<b>\$17,673,218</b>	<b>\$10,028,559</b>	<b>\$5,600,000</b>	<b>\$32,271,212</b>
<b>NET PRESENT VALUE</b>		<b>\$29,260,390</b>	<b>\$18,287,744</b>						<b>\$38,113,406</b>

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## DISTRICT OPPORTUNITIES



Naming Rights to the District



Naming Rights to the Arena



Naming Rights to the Performance Center



Naming Rights to the Transit Hall

## Founding Partners



Mobility Partner



Sustainability Partner



Automotive Partner



Financial Partner



Technology Partner



Insurance Partner



Travel Partner

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## UNIQUE ATTRIBUTES & LANDMARKS

The District has specific attributes needed to serve as integral components (i.e. assets) in a partnership package for each of its partners.

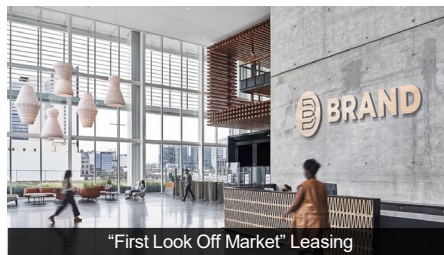
- Landmarks & Entitlement Zones - space for product interaction and other community benefits
- Digital Signage District - LED signage to add media exposure with a need to create a signage ordinance plan for consistent messaging
- "First Look Off Market" Leasing - Founding Partners receive first look at office space
- Trade Street Square Marquee Sign - serves as an avenue to story tell and tie in important aspects of the community



Landmarks & Entitlement Zones



Digital Signage District



"First Look Off Market" Leasing



Trade Street Square Marquee Sign

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## EXAMPLE - DISTRICT CREATION & SPONSORSHIP

INNOVATIVE  
PARTNERSHIPS  
GROUP

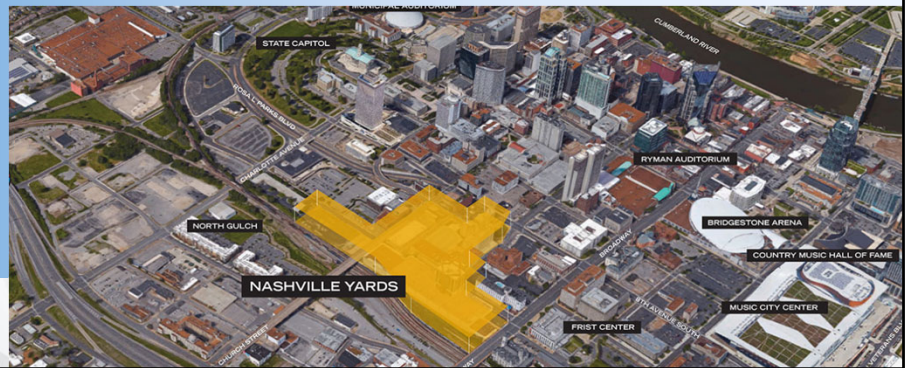
### Nashville Yards (Nashville, TN)

Nashville Yards is an 18-acre project in downtown Nashville, TN expected to be completed in 2024.

It is designed to be a walkable, urban community featuring residential, office space, retail, a park, LED signage district, and an amphitheater.

The initial founding partners have signed 7-figure annual partnership investments for 5+ years.

- Pinnacle Financial Partners (announced 2021, moved HQ)
- Gallagher (announced 2021)
- Ascension Saint Thomas (announced 2022)



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## SPONSORSHIP & BRANDING NEXT STEPS

INNOVATIVE  
PARTNERSHIPS  
GROUP

- Create a detailed timeline for Phase 1, Phase 1B, and Phase 2 to align all key stakeholders and high value assets for the District
- Draft a Signage Ordinance for the District to reduce ambush marketing attempts and to maximize revenue across partners and advertisers
- Incorporate feedback from City of Charlotte Departments (i.e. Mass Transit., CTC, CATS, Sustainability, Zoning etc.)
- Meet with key council members
- Finalize commercial sales program
- Design creative campaign for “go to market” and align on a select few targets for a “first look” opportunity
- Begin selling process in 2023

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