

# UNC Charlotte Conference Center Partnership Proposal



City Council Presentation

Monday, June 25, 2018

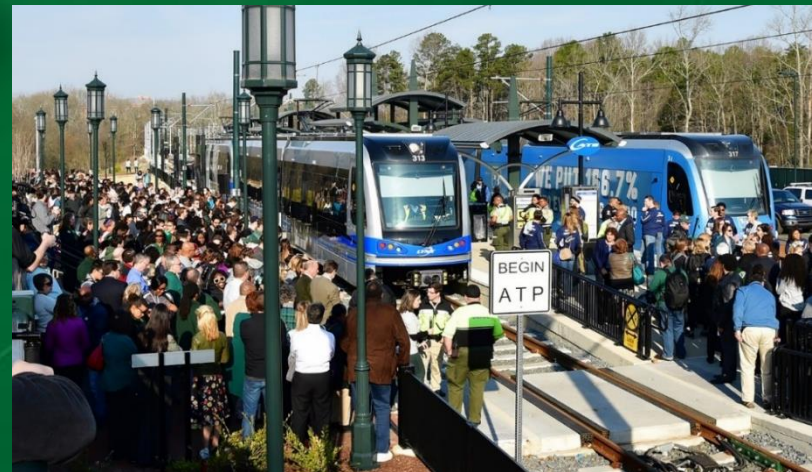
# Today's Presentation

- Growing the City's talent and academic reputation
- Project Overview
- Financing Summary
- Agreement Overview
- Timeline
- Discussion



# Strong History of “Win-Win” Partnerships Between City and University

- First Ward Park and University’s Center City Campus
- Transportation Partnerships
  - South Entrance, John Kirk Blvd.
- Blue Line Extension



# Growing Talent for Charlotte



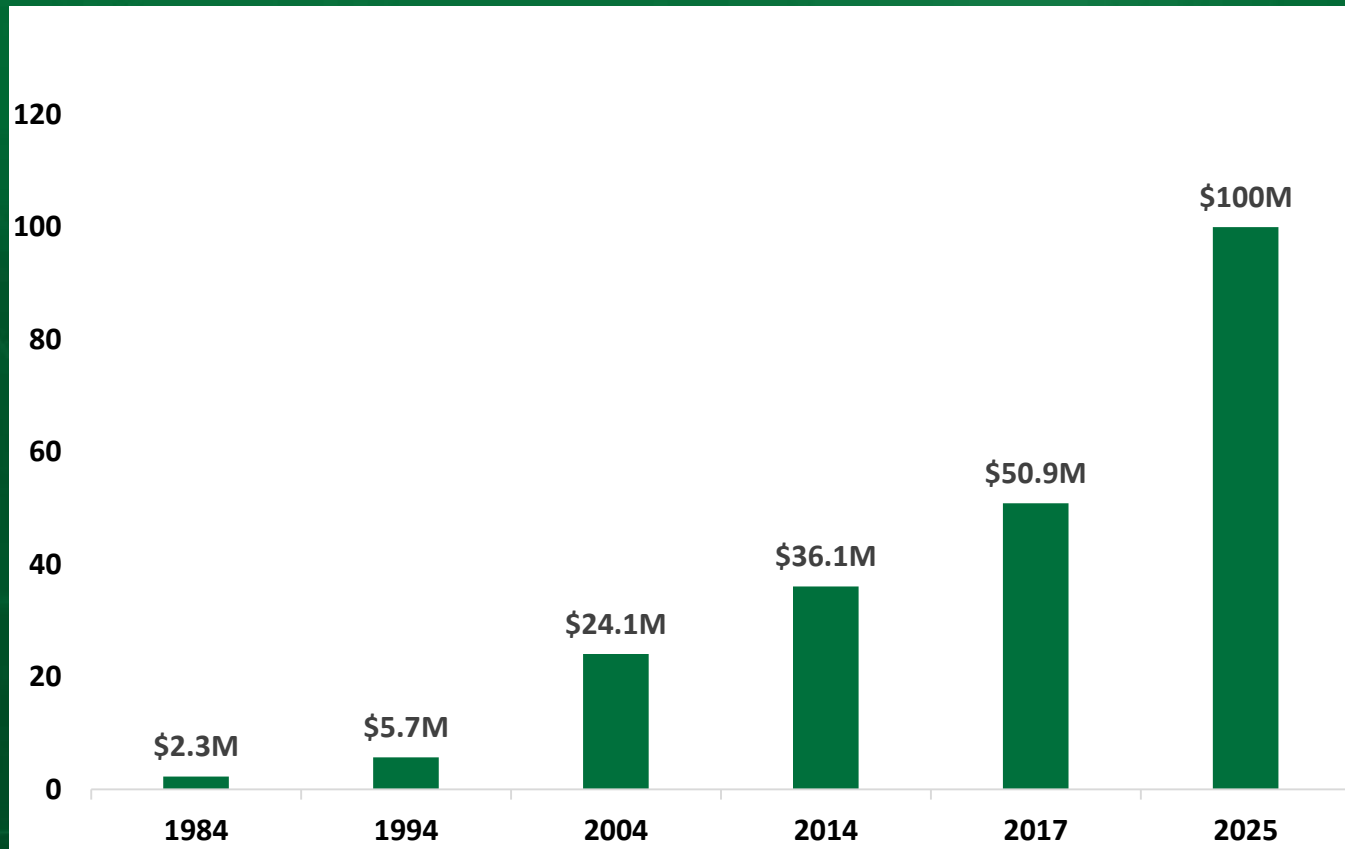
**68,908 degrees**  
awarded since 2005

**72,353 alumni**  
in the Charlotte Region

**8,351 degrees awarded this year!**

# Growing Research

Externally Funded Research 1984 - 2017



Doctoral Programs

0

3

12

21

23



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# More to be Done

## Recent lessons learned:

- Build the City's academic capacity and reputation

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# Project Team

- UNC Charlotte Board of Trustees
- UNC Charlotte Foundation Board of Directors
- Stormont Hospitality, development manager
- Sage Hospitality, hotel operator
- Cooper Carry, architects
- Balfour Beatty, general contractor
- Hilltop Securities, financial advisors
- Jones Lang LaSalle, market analysis



# Project Overview

- Transit oriented development anchor at the JW Clay/UNC Charlotte transit station
- Developed by The Foundation of UNC Charlotte
- \$84 million project (estimated)
- 226 room full service Marriott Hotel, 132 space parking deck
- 24,000 sq. ft. state of the art conference center
  - Twice the size of a conference center in like-sized hotels
  - Conference space exceeds hotel room capacity





# Site Location





# Site Location



**Hotel  
Conference  
Center Site**



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# Project Overview



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# Benefits for UNC Charlotte

- Builds academic reputation with enhanced ability to attract academic conferences and research symposia to the University and to Charlotte.
- Attracts academic talent who would bring research funding.
- An important amenity for the campus for recruitment of faculty, staff, and students; support alumni relations and athletics; and host campus visitors.



# Benefits for University City

- Aligns with the University City Transit Station area plan and the JW Clay master plan.
- Adds needed conference space for University and City's 2<sup>nd</sup> largest employment hub; generates new business "leakage" beyond Charlotte.
- Drives demand for area restaurants, entertainment amenities and residential units
- Anchors north end of Blue Line Light Rail Extension. Hotel guests and conference attendees will have easy access to amenities in NoDa, Center City, South End, and beyond.



# Benefits to City of Charlotte

- Conference Center intended to be a demand generator:
  - Large conferences will require additional room nights from other University City hotels.
  - Light rail access helps to accommodate large scale conventions in Center City, broadening the reach of the Charlotte Convention Center
  - Simulcast connection to UNC Charlotte Center City Campus.
- General Contractor will establish objectives with the City for the Minority, Women and Business Enterprise and the P.I.E.C.E apprenticeship programs.
- An annual scholarship to UNC Charlotte for a hospitality industry employee will be funded from hotel revenues.
- Once open, hotel and conference center will create approximately 210 jobs.





# Benefits to the City of Charlotte

In first seven years, the Hotel and Conference Center will generate nearly \$9 million in City, County, and State taxes

## Assumptions\* (in Year 7)

- Occupancy Rate: 73.5%
- Room Revenues: \$13 MM
- Food and Beverage Revenues: \$5.5MM



*\*Assumptions based on studies by Jones Lang LaSalle, Sage Hospitality Group, Stormont Hospitality and Hilltop Securities.*



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# Financing Summary

- Primary Funding Sources:
    - \$45 MM Debt Issue (UNC Charlotte Foundation as Guarantor)
    - \$9 MM Cash Investment by UNC Charlotte Foundation
    - \$20 MM Private Investment to the UNC Charlotte Foundation
    - \$2 MM Key Money Committed by Marriott
    - **\$8 MM from City of Charlotte Tourism Funds (Requested)**
- 
- The expanded size and scope of the Conference Center is dependent on the City's investment



# Agreement Summary

- City will own a condominium interest in the Conference Center's ballroom and meeting rooms, and will execute and operating agreement with the University.
- University responsible for operating & maintaining the facility



# Agreement Summary



- Through facility operations, Foundation commits to internship, mentorship and scholarship opportunities to the community.
- Agreement between UNC Charlotte and the City to include access to the facility on a rent-free basis for agreed upon dates.



# Timeline

- June 25: Overview Presentation to Council
- July: Detailed discussions with City Staff & Council
- July 23: Council Zoning Public Hearing
- July/August Council consideration of project investment
- August 27: Council consideration of rezoning
- January 2019: Project Groundbreaking
- August 2020: Project Completion



# UNC Charlotte Conference Center Partnership Proposal

## Discussion



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