

Legislation Text

File #: 15-20418, Version: 1

Beemok Sports, LLC Agreement

Action:

- A. Authorize the City Manager, or his designee, to negotiate an agreement or agreements, between Beemok Sports, LLC and the City of Charlotte in an amount not to exceed \$65,000,000 to assist with construction costs associated with a world-class tennis campus at The River District that will house the Western & Southern Open as well as other year-round tennis and entertainment events, and**
- B. Adopt a budget ordinance appropriating \$65,000,000 in proceeds from Certificates of Participation in the Convention Center Fund for construction costs of the tennis campus at The River District.**

Staff Resource(s):

Tracy Dodson, City Manager's Office
Teresa Smith, Finance

Explanation

- Beemok purchased the Western & Southern Open that is currently hosted at the Linder Family Tennis Center in Mason, Ohio.
- Beemok seeks to relocate the Western & Southern Open to Charlotte and design and construct a world-class tennis campus at The River District, in council district 3, that is anticipated to include:
 - Four major stadiums,
 - A 14,000-seat center court facility,
 - 40+ hard, clay, indoor and pickleball courts,
 - A 50+ acre campus with ample greenspace, integrated into the Mecklenburg County's park system and nearby greenways,
 - Vehicle parking capacity of 10,000 (necessary for the Western & Southern Open),
 - 45,000 square foot player/academy building, and
 - A world class pickleball facility.
- In addition to hosting the Western & Southern Open, the project would host a variety of other professional and amateur tennis tournaments, promote youth and adult tennis development, and serve as a major community investment catalyst.
- The total project cost for the new tennis campus at The River District is more than \$400 million. The public investment for the project is targeted at approximately one-third of the total project cost. Public investment from the city, county, and state is being requested.
- Land the airport currently owns adjacent to the project site will be negotiated for use by Beemok for additional parking for tournaments and events.
- The City of Charlotte proposes a public investment of \$65,000,000 in hospitality funds be contributed to the project. Funds will be used on amateur sports-related assets on the campus such as two stadiums, indoor and outdoor courts, and parking required for amateur sports events. These assets will be owned by the City of Charlotte. Beemok will be responsible for the operations and maintenance of the city-owned assets.
- In return for the city's investment, Beemok commits to the following:
 - Operating in Charlotte no less than 25 years,

- Providing world-class tennis facilities available for public use on a daily basis at an affordable cost that will include indoor and clay court options not otherwise available to city/county residents,
- Creating a regional destination for premier concerts and entertainment events that would accommodate 14,000+ attendees,
- Entering into a CBI participation agreement,
- Creating a unique destination for cultural and community events including festivals, community programming, holiday events, and corporate outings,
- Operating a top tier professional tennis academy focused on youth, adult, high performance amateur and professional development,
- Providing high quality pickleball facilities,
- Providing a park-like experience with connectivity to local greenways,
- Hiring a dedicated professional responsible for coordinating community engagement throughout the campus including after school clinics, summer camps, scholarships awards for high performing players and securing equipment for those in need. The priority for this individual will be recruiting and retaining segments of the community that wouldn't typically engage in tennis given limited means or access and providing solutions to ensure engagement, and
- Forming a Board of Advisors that would be comprised of some combination of a community tennis expert and representatives from the west side community, Mecklenburg County Park and Recreation, Charlotte Mecklenburg Schools, and Beemok to assist in maximizing the use of the Project within the broader community.
 - In no less than one year from Western and Southern Open starting in Charlotte, the Board of Advisors will present a strategic community investment plan that will drive Beemok's local philanthropic efforts in areas such as community programming and clinics, equipment donations, and ticket donations to local organizations.
- The debt service for the Certificates of Participation issued for this project will be funded by contributions from the Convention Center Fund. Revenue in this fund is derived from prepared food & beverage and hotel sales taxes and is legally required to be spent on projects to support the city's hospitality economy, which includes funding for construction and maintenance of amateur sports facilities.
- Additional future council actions related to this project should be expected. Specifically, related to the annexation of the tennis campus as well as any transaction (sell or lease) associated with the airport land mentioned.

Fiscal Note

Funding: Convention Center Fund

Attachment(s)

May 10, 2023 Special Joint City Council and County Commission Economic Development Committee Meeting Presentation
May 22, 2023 City Council Action Review Presentation
Project Break Point Q&A
Budget Ordinance