

City of
HIGH POINT
NORTH CAROLINA

High Point Catalyst Project

Presentation to Guilford County Commissioners

August 17, 2017

The Largest Trade Show in North Carolina



- 11.5+_million sf Furniture Showroom
- \$5 billion economic impact
- 80,000 visitors twice a year
- Intense activity 2 weeks per year
- INACTIVITY 50 weeks per year
- Lack of vitality
- Lack of employment opportunities

- Declining Tax Base

City Council Goal:

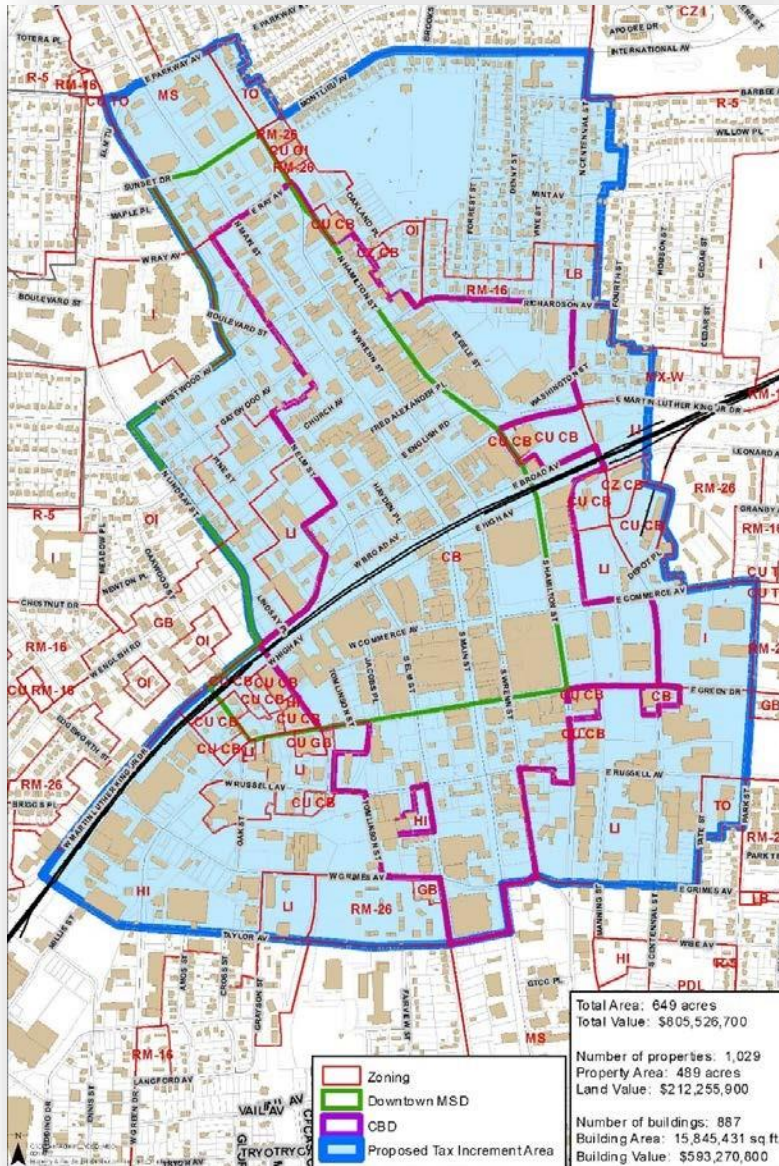
City Council Goal:

Create a downtown catalyst project that produces:

- 500 private sector jobs
- 15-20 new restaurants and shops
- 250 additional residential housing units
- A centralized gathering space

Catalyst Project Area

- 649 Acre Stadium Influence Area
- Proposed Revenue Target Area

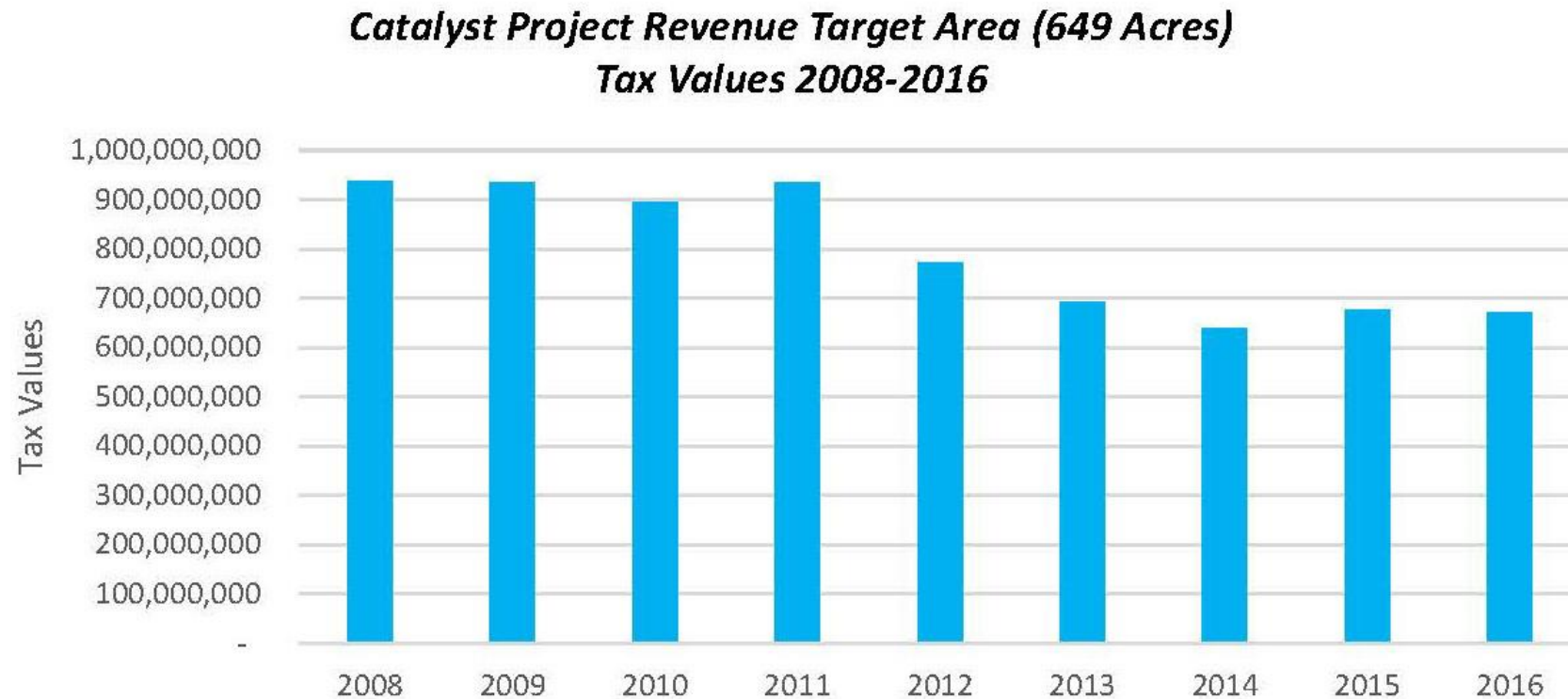


Current Catalyst Project Area



Current Catalyst Project Area

Revenue Target Area Tax Value Loss 2008 - 2016



\$266,335,565 Tax Value Loss

Revenue Target Area

Actual Tax Dollar Loss 2008 - 2016

					Lost Taxes			
	2008 Base	Annual Valuation	Taxable Value Change from 2008	Tax Rate	High Point	Tax Rate	Guilford County	
2009	\$ 937,318,450	\$ 934,514,800	\$ (2,803,650)	0.6330	\$ 17,747	0.7575	\$ 21,238	
2010	937,318,450	894,058,100	\$ (43,260,350)	0.6330	\$ 273,838	0.7590	\$ 328,346	
2011	937,318,450	935,183,250	\$ (2,135,200)	0.6330	\$ 13,516	0.7592	\$ 16,210	
2012	937,318,450	772,143,357	\$ (165,175,093)	0.6620	\$ 1,093,459	0.8040	\$ 1,328,008	
2013	937,318,450	691,692,135	\$ (245,626,315)	0.6750	\$ 1,657,978	0.8042	\$ 1,975,327	
2014	937,318,450	640,022,585	\$ (297,295,865)	0.6750	\$ 2,006,747	0.7938	\$ 2,359,935	
2015	937,318,450	676,336,185	\$ (260,982,265)	0.6640	\$ 1,732,922	0.7981	\$ 2,082,899	
2016	937,318,450	670,982,885	\$ (266,335,565)	0.6500	\$ 1,731,181	0.7896	\$ 2,102,986	

Actual Tax Dollars Lost:

\$ 8,527,388

\$ 10,214,948

Reversing the Revenue Trend

Reversing the Revenue Trend

- Catalyst – **“An agent that provokes or speeds significant change or action”**
(Merriam-Webster)
- Multi Use Stadium – 200,000 visitors annually
- Private Development
- Market-Driven Plan
- Control of Land Dedicated to Development
- \$38 million Commitment from the Private Sector for Team

Ownership, Naming Rights, Event Center, Childrens’

Museum, Downtown Park

Downtown Catalyst Project



Preliminary Design – For Discussion Purposes Only

High Point Multi-Use Stadium – Development

- 200+ Apartments (Private Dev.)
- 90 Room Hotel (Private Dev.)
- 120,000 sf retail/restaurant (Private Dev.)
- Event Center (Privately Funded)
- Children's Museum (Privately Funded)



High Point Multi-Use Stadium



- 11 ½ Acre Site
- Elm to Lindsey
- Gatewood to English
- 5 Acre Stadium
- 6 ½ Acres for
Deve
(own
- Master Developer

Preliminary Design – For Discussion Purposes Only

High Point Multi-Use Stadium – Land Acquisition

- Purchased/Under Contract/Under Agreement/Pending 1031 Exchange Details
- 10.99 Acres (95% of site)
- Tax Value \$8,282,800
- Total Contract Cost \$10± Million



Preliminary Design – For Discussion Purposes Only

High Point Multi-Use Stadium

- Land Investment – Up to \$15 Million (Internal Borrowing & Fund Balance)
- Stadium Investment \$30 Million (Borrowed – Secured by Asset)
- Design/Build – Samet (contractor)/Odell (architect)
- Team purchased by private investors
- Team operators responsible for operating costs
- Major Tenant: Atlantic League – 70 games



High Point Multi-Use Stadium



- CS&L Studies

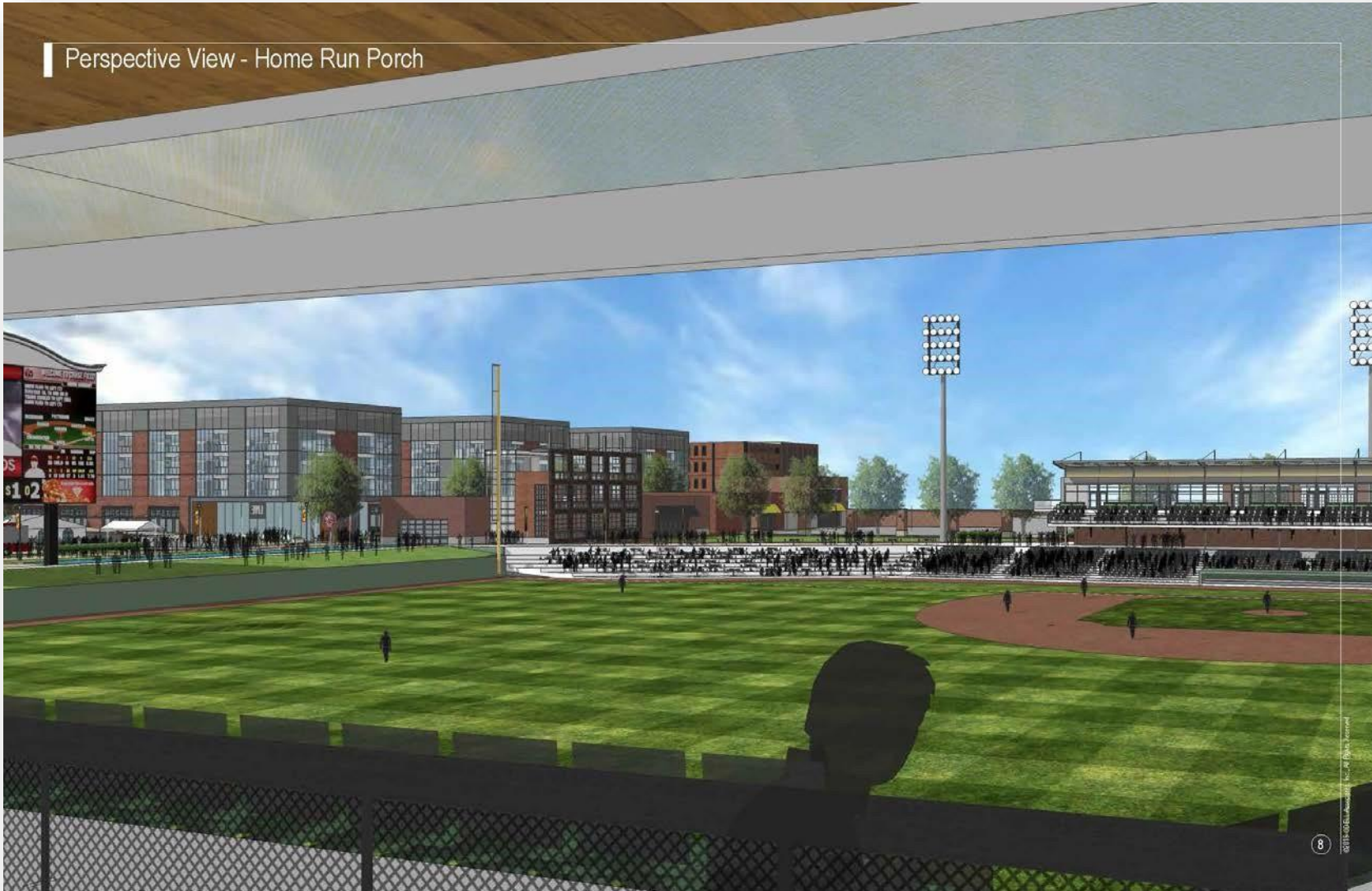


Preliminary Design – For Discussion Purposes Only

- Attendance Draw – 230,000± south of the middle of HP
- Atlantic League Average Attendance: 4,184 per game
- Lowest Attendance in League: 2,916 per game
- Our Attendance Assumptions: 2,500 per game 175,000 total (Grasshoppers 336,000 total/5,170 game)

- 74 Other Events (other sports, concerts, festivals,banquets) totaling 33,250 in attendance
3,800 Fixed Seats 1,200 Other Seats
Baseball
Soccer

High Point Multi-Use Stadium



Preliminary Design – For Discussion Purposes Only

- Football
- Lacrosse
- Concerts
- Events

Private Investment - \$38 Million

- Purchase Team
- Secure Naming Rights
- Downtown Park
- Children's Museum
- Event Center



Preliminary Designs – For Discussion Purposes Only



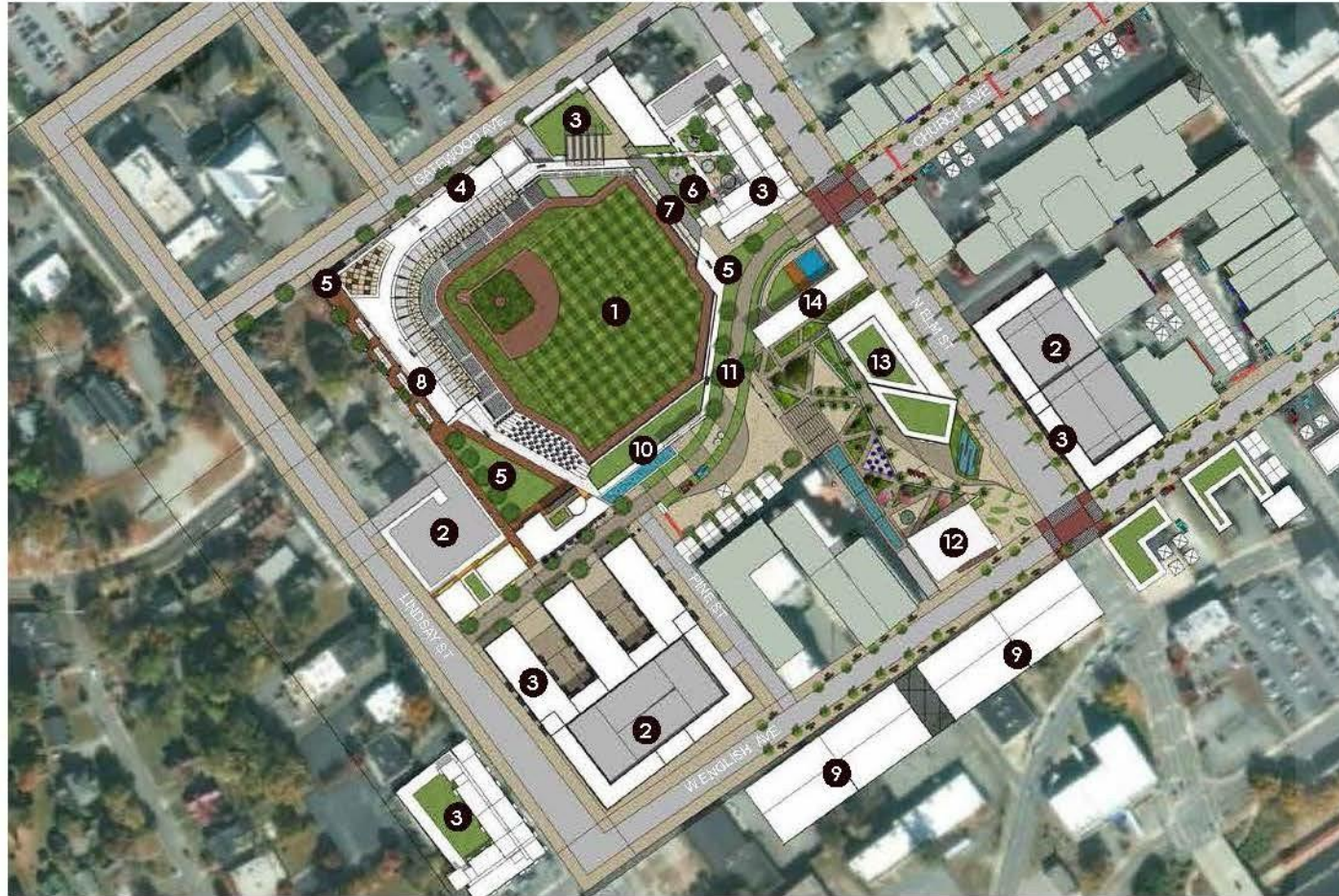
High Point Multi-Use Stadium Impact Area

Legend

- 1 Ballpark
- 2 Parking / Parking Deck
- 3 Retail/Restaurant /Multi-family
- 4 Ballpark Program Area
- 5 Plaza / Ballpark Entrance
- 6 Green Space
- 7 Home Run Porch
- 8 Club (2nd level)
- 9 Showrooms
- 10 Berm Seating
- 11 Church Street Linear Park
- 12 Children Museum
- 13 Convention Center
- 14 Hotel

Proposed Tabulations

Residential Units: 448
Hotel Keys: 90
Retail/Restaurants: 120,000 SF
Showroom: 65,000 SF
Children Museum: 20,000 SF
Convention Center: 40,000 SF
Surface Parking: 50 spaces
Parking Garage: 1474 spaces



0' 100' 200' 400'

Preliminary Design – For Discussion Purposes Only

High Point Multi-Use Stadium

High Point Multi-Use Stadium



Revenue From New Development

- \$99 Million of New Development Over 10 years
- The City owns/controls land where most development will occur
- Commitments will follow the Master Developer Agreement
- Land will be SOLD to private developers
- Development will generate income to support stadium debt

Preliminary Design – For Discussion Purposes Only



Other Development – Main Street Station

- 32,000 SF Retail/Restaurant/Professional
- 20,000 SF Class A Office
- 120-150 Residential Units

Total Value: \$16,500,000 to \$22,000,000

High Point Multi-Use Stadium

- *Stadium Cost repaid by:*
- *60% (paid by users)*
 - Team Annual Lease Payment to City

- Facility Fee Surcharge (on ticket)
- Parking Surcharge (on ticket)
- Naming Rights

- *40% (paid by new development)*

- Revenue from New Private Development over and above current assessed value
- 20% from City Increment
- 20% from County Increment

High Point Multi-Use Stadium – Public Support

Presentations to:



Preliminary Design – For Discussion Purposes Only

- Planning & Dev. Public Input Meeting
- Connect High Point
- Conversation Cafe
- NAACP
- YP Summit • Kiwanis
- State of the City Mtg.
- Neighborhood Leadership Council
- 2 Realtors Groups
- 2 Rotary Clubs
- City Council
- TREBIC

High Point Multi-Use Stadium – Public Support



High Point Multi-Use Stadium CSL Feasibility Study

High Point Multi-Use Stadium CSL



Feasibility Study

- Study estimates that operations will support **708 new full time equivalent jobs in the Core City**
- Construction will create 137 new full-time equivalent jobs with \$6 million in personal earnings
- Over 30 years the stadium and surrounding development will generate over \$700 million in total consumer spending

High Point Multi-Use Stadium

High Point Multi-Use Stadium

- 200,000+ people coming downtown for games and events YEAR ROUND
- 200+ New Residential Units
- 120,000 square feet of restaurants & retail
- Hotel
- Events Center
- Downtown Park

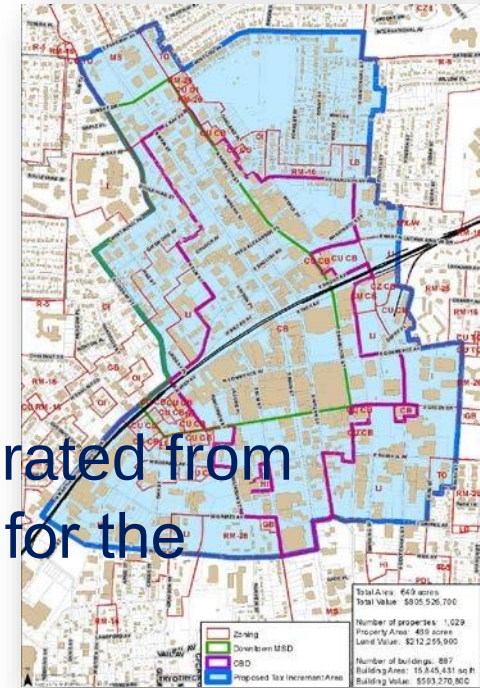


Preliminary Design – For Discussion Purposes Only

Revenue from Increased Property Value

2016 Tax Value Revenue Target Area:	\$671+ million
Increased Value from New Development:	\$ 99+ million*
New Value in Revenue Target Area:	\$770+ million

- September 7, 2017 Request: New County Tax Revenues Generated from this 649 acres be pledged to repayment of the City's borrowing for the construction of a Multi-Use Stadium



*Funds from increased Tax Value of New Development (\$99 million that will not occur without the development of the Stadium) will be used to help pay for the Stadium

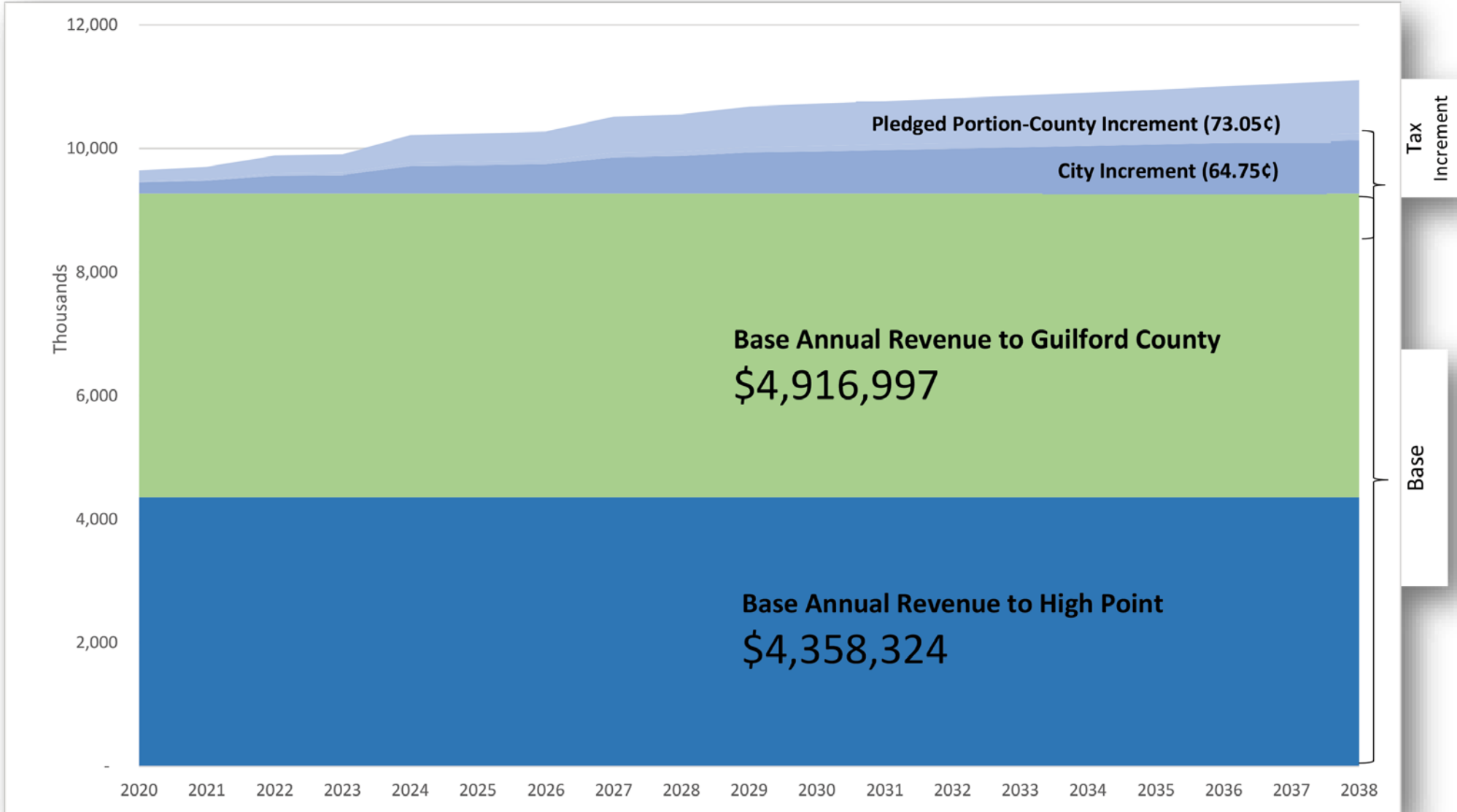
Why Participate?

Why Participate?

- Stop the downward spiral of tax value that has resulted in the loss of \$18.7± million in County and City Tax Revenue since 2008
- \$38 Million in Private Investment Already Committed
- Commitment by the City
- Conservative Assumptions
- Growing the tax base is the only sustainable option
- A Downtown for High Point
- Community, Quality of Life, Vibrancy, Transformation of Guilford County's second largest city

Catalyst: an agent that provokes or speeds significant change or action *(Merriam-Webster)*

Annual City & County Incremental Property Tax Proposal (249-Acre, 2016 Tax Base of \$679,899,220)



QUESTIONS?

