

**Item Title:** Affirm Funding Commitment for Capital Athletic Pavilion

**Specific Action Requested:**

**That the Board of Commissioners affirms a funding commitment in the amount of \$300,000 for the Capital Athletic Pavilion.**

**Item Summary:**

**Purpose:** The Interlocal Agreement between Wake County and the City of Raleigh authorizes Wake County to distribute certain funds that support convention, sports, cultural or arts related capital investment. The Board is asked to affirm a funding commitment for the Capital Athletic Pavilion to provide \$300,000 in hospitality tax funds in support of the multi-sport indoor sports facility in North Raleigh to assist the project developer with finalizing private financing for the project.

**Background:** In April 2016, the Wake County Board of Commissioners authorized a competitive process to award up to \$3.35 million of “2 for 1” funds available to Wake County as a result of the Interlocal Agreements governing the Occupancy and Prepared Food and Beverage Tax Revenues. In June 2016, 14 proposals were received for consideration by the County. The Board of Commissioners received information regarding each project and subsequent presentations from selected projects. On November 7, 2016 the Board of Commissioners committed funding to seven projects, including \$300,000 for the Capital Athletic Pavilion. Since the original project submittal, the scope of the project has changed significantly therefore, staff requests the Board affirm its commitment to providing funding for the project.

**Board Goal:** This action supports routine County business.

**Fiscal Impact:** Funding to support this request is available through the Major Facilities fund. If the funding commitment is maintained, a funding agreement will be brought to the Board at a later date.

**Additional Information:**

The Capital Athletic Pavilion (CAP) originally submitted a funding request for \$1,500,000 to assist with the construction and upfit of a \$11 million, 100,000 square foot indoor sports facility that would accommodate 14 basketball courts. As the Board worked through the proposed projects and available funding, Commissioners ultimately determined that they would commit \$300,000 to support the project. With the reduced funding commitment, the CAP project leader, Steve Sterrett, began efforts to adjust the scale of the project. Since that time, Mr. Sterrett has worked with potential funding partners, various project site options and has now refined the project plan. The updated project plan envisions a \$6.6 million, 45,000 square foot indoor sports facility with six basketball courts.

County funding for the Capital Athletic Pavilion will assist in the construction of the indoor sports facility and associated parking. The athletic complex will be owned by CJS LLC an organization owned by Steve Sterrett. The primary tenant of the facility will be the Wake County Basketball Association which hosts leagues and tournaments for basketball, volleyball, indoor soccer and wrestling. The total project investment for the athletic complex is \$6,600,000.

Mr. Sterrett is finalizing financing for the project and has requested affirmation that the Board of Commissioners will continue its funding support given the modified scale of the project. If the Board affirms its commitment of funding for the revised project, staff will work with Mr. Sterrett to develop a funding agreement for Board approval no later than February 20, 2019.

**Attachments:**

None.