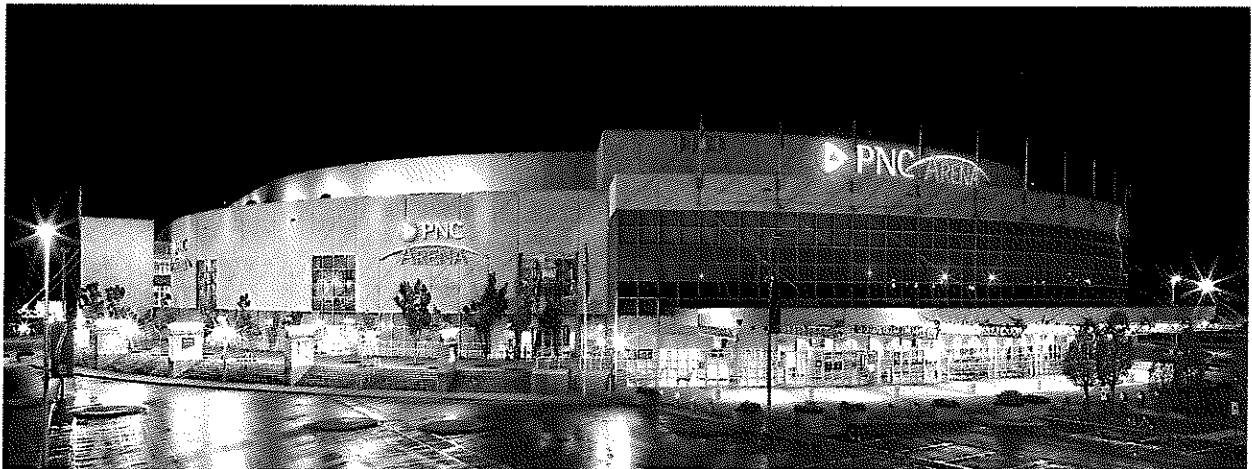


# PNC ARENA

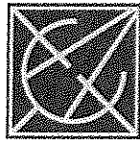
## AMENDMENT 22 FINANCIAL PLAN



The Centennial Authority

July 2020

# CENTENNIAL AUTHORITY



June 30<sup>th</sup>, 2020

Ruffin L. Hall, City Manager  
222 West Hargett Street  
Suite 224  
Raleigh, NC 27601

David Ellis, Wake County Manager  
P.O. Box 550  
Raleigh, NC 27602

Gentlemen:

I am pleased to present the attached financial information requested by the city and county for the purpose of your review of the pending Tri-Party Agreement.

Please let me or Jeff Merritt, our Executive Director, know if you have questions or require further information. Also, kindly share this with your staff and the elected officials as you deem appropriate.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Thomas A. McCormick'. The signature is fluid and cursive, with a large initial 'T' and 'M'. There is a small mark resembling a '3' or a flourish at the end of the signature.

Thomas A. McCormick, Chairman  
The Centennial Authority

## ***PNC Arena Amendment 22 Financial Plan***

The Centennial Authority is responsible for repairs, replacements, and improvements of PNC Arena to allow it to host major national and international events that generate significant economic and fiscal impacts for the entire region. Our goal is to maintain the arena in a first-class manner in order to retain the Carolina Hurricanes and N.C. State University, and continue to attract high impact events.

The Authority has reached a preliminary agreement with the Hurricanes on a five-year lease extension through the 2028-29 season. This allows time for the community and key stakeholders to develop a long-term plan on an arena solution. The lease extension term sheet is predicated on a \$9 million allocation from Amendment 22 through FY 29. In addition, Amendment 22 provided \$9 million annually through FY 2045. The allocation beginning in FY 2030 is designated for the Centennial Authority or for another arena solution the community decides it wants. The \$9 million annual allocation through 2029 allows the community time to build consensus for a long-term arena plan for Raleigh and Wake County.

The Authority will use the \$9 million from Amendment 22 to fund three distinct categories:

1. Additional operating expenses resulting from the lease extension;
2. On-going Venue Solutions Group (VSG) capital expenditure program; and
3. Potential enhancement projects identified in our enhancement master plan and related market survey.

Financial modeling shows that the Centennial Authority will need to allocate \$4.3 million annually to meet additional operating requirements. The modeling further indicates that we can allocate the remaining \$4.7 million as follows: \$2.3 million to maintain our on-going VSG capital expenditure program, and \$2.4 million annually for other enhancements, either pay go or short-term financings.

### ***VSG Capital Expenditure Program***

The VSG capital expenditure program guides the Authority in annual budgeting for capital maintenance and improvements to PNC Arena. It is updated every five years to give the Authority a 25-year look at what and when certain items need addressing. The current program was last updated in 2107, identifying 187 discrete projects totaling \$175.3 million for the 25 year period 2018 through 2042. A summary worksheet, along with a detailed worksheet, of the capital expenditure program for the lease term extension period, 2021 through 2029, is included as part of this document (ATTACHMENT 1). In summary, our capital expenditure program for 2021 through 2029 identifies 222 projects totaling \$56.7 million in order to properly maintain the building.

### ***Enhancements***

Enhancement priority will be given to projects that enable PNC Arena to attract signature events (such as the NCAA Men's and Women's Basketball Tournament) and touring shows, drive additional revenue, and improve the fan experience (e.g. increase opportunities to showcase area food and beverage).

To identify those enhancements, the Authority has for the past several years worked with the design firm team of RATIO and HOK. Their work was augmented by a market survey undertaken in 2019-20 by CAA/ICON. That market survey was exhaustive and gives the Authority the guidance necessary to shape

the improvements so there is maximum impact on the fan experience, return on investment, and marketing to signature event and tours.

The most recent master plan / market survey update, June 19, 2020 (ATTACHMENT 2), identifies potential enhancement projects totaling \$68 million. Within the constraints of the limited enhancement funding available for the nine year extension period, \$22 million, we have identified the following enhancement projects for priority funding consideration:

- **More concession choices and locations for business-to-business interaction.** Design plans and market surveys alike call for more standing room space and additional local food and beverage choices. Plans call for spaces created to open views of the bowl and to the exterior to bring more natural light into the building.

Budget Estimates:

|                                       |                     |
|---------------------------------------|---------------------|
| Upper Level View Concessions (2)      | \$4,000,000         |
| Outer Concourse Level Concessions (2) | \$3,000,000         |
| East & West Concourse Concessions     | \$2,000,000         |
| East & West Priority Lounge           | \$4,000,000         |
| <b>TOTAL:</b>                         | <b>\$13,000,000</b> |

- **Improvements to back of house spaces such as dressing rooms and management areas.** This was clearly identified by not only the CAA/ICON market survey, but also critique from the NCAA Tournament committee chairman following the 2014 event at PNC Arena. This includes improvements to part-time (event day) staff areas, dressing/locker and event management ("Green") rooms.

Budget Estimates:

|                      |                    |
|----------------------|--------------------|
| Event Staff Areas    | \$1,000,000        |
| Dressing/Green Rooms | \$1,000,000        |
| Kitchens             | \$1,000,000        |
| <b>TOTAL:</b>        | <b>\$3,000,000</b> |

- **A 500-person capacity meeting/reception space.** Tour promoters have asked for this for years as concerts and family shows increasingly add pre-show events to their needs. PNC Arena has space now for less than 300 in the Arena Club. To contract with some shows, this means closing the profitable Arena Club restaurant on event nights leading to a loss of revenue.

Budget Estimate: **\$5,000,000**

- **External and internal signage improvements.** To improve traffic flow in and out of PNC Arena, more and better signage is needed. This involves a combination of digital and static signage.

Budget Estimates:

|               |                    |
|---------------|--------------------|
| Internal      | \$500,000          |
| External      | \$2,500,000        |
| <b>TOTAL:</b> | <b>\$3,000,000</b> |

- **General upgrades to entrances and concourses.** The plan is to make largely cosmetic improvements to PNC Arena’s three main event entrances, building façade, outdoor plazas, and concourse areas.

**Budget Estimate:** **\$4,000,000**

ATTACHMENT 2 demonstrates the vision for many of the enhancement opportunities noted. Upon approval of a Tri-Party Agreement, the Centennial Authority’s Building and Construction Committee would begin the process of evaluating enhancement options and budgeting for their construction.

***Summary***

The preliminary lease extension agreement with the Hurricanes, the on-going capital program required to maintain the building, and limited potential enhancement opportunities have required the Centennial Authority to focus its annual \$9 million Amendment 22 funding as follows:

- \$4.3 million for additional operating expense resulting from the lease extension;
- \$2.3 million for our on-going capital maintenance program; and
- \$2.4 million for potential enhancement projects, either pay go or short term financings.

|    | A  | B                 | C               | D | E  | F | G | H | I             |
|----|--|-------------------|-----------------|---|--|---|---|---|---------------|
| 1  | <b>CENTENNIAL AUTHORITY</b>  |                   |                 |   |  |   |   |   |               |
| 2  | <b>VSG Capital Expenditure Program Summary (ATTACHMENT 1)</b>  |                   |                 |   |  |   |   |   |               |
| 3  | <b>FY21 through FY29</b>   |                   |                 |   |  |   |   |   |               |
| 4  | <b>11-Jun-20</b>   |                   |                 |   |  |   |   |   |               |
| 5  |  |                   |                 |   |  |   |   |   |               |
| 6  |  |                   |                 |   |  |   |   |   |               |
| 7  |  | Plan              | Number of       |   |  |   |   |   |               |
| 8  | <u>Year</u>  | <u>Amount</u>     | <u>Projects</u> |   | <u>Significant Projects</u>                    |   |   |   | <u>Amount</u> |
| 9  | FY21   | 4,889,832         | 25              |   | Upgrade LAN                                    |   |   |   | 500,000       |
| 10 |  |                   |                 |   | Replace Point of Sale system                   |   |   |   | 1,100,000     |
| 11 |  |                   |                 |   | Modernize elevators                            |   |   |   | 1,125,510     |
| 12 |  |                   |                 |   | Security enhancement projects                  |   |   |   | 326,468       |
| 13 |  |                   |                 |   |  |   |   |   |               |
| 14 | FY22   | 6,335,785         | 26              |   | Scoreboard control room ph 2                   |   |   |   | 2,800,000     |
| 15 |  |                   |                 |   | Replace air handling units (4 year change out) |   |   |   | 811,492       |
| 16 |  |                   |                 |   | Replace fans (2 year change out)               |   |   |   | 434,728       |
| 17 |  |                   |                 |   | LED ribbon boards                              |   |   |   | 1,156,274     |
| 18 |  |                   |                 |   |  |   |   |   |               |
| 19 | FY23   | 7,354,526         | 21              |   | Replace roof (deferred from FY21)              |   |   |   | 2,945,488     |
| 20 |  |                   |                 |   | Replace air handling units (4 year change out) |   |   |   | 835,835       |
| 21 |  |                   |                 |   | Replace fans (2 year change out)               |   |   |   | 447,770       |
| 22 |  |                   |                 |   | Replace bowl sound system                      |   |   |   | 2,388,105     |
| 23 |  |                   |                 |   |  |   |   |   |               |
| 24 | FY24   | 3,049,472         | 25              |   | Upgrade home basketball locker room            |   |   |   | 368,962       |
| 25 |  |                   |                 |   | Replace air handling units (4 year change out) |   |   |   | 860,912       |
| 26 |  |                   |                 |   | Upgrade LAN                                    |   |   |   | 922,405       |
| 27 |  |                   |                 |   |  |   |   |   |               |
| 28 | FY25   | 7,142,303         | 30              |   | Upgrade home hockey locker room                |   |   |   | 1,266,770     |
| 29 |  |                   |                 |   | Upgrade east-west priority lounges             |   |   |   | 3,293,602     |
| 30 |  |                   |                 |   | Replace air handling units (4 year change out) |   |   |   | 886,739       |
| 31 |  |                   |                 |   |  |   |   |   |               |
| 32 | FY26   | 8,893,986         | 25              |   | Upgrade main level suites (2 year change out)  |   |   |   | 652,387       |
| 33 |  |                   |                 |   | Upgrade club level suites (2 year change out)  |   |   |   | 652,387       |
| 34 |  |                   |                 |   | Replace parking lot pavement                   |   |   |   | 5,871,479     |
| 35 |  |                   |                 |   |  |   |   |   |               |
| 36 | FY27   | 1,872,546         | 17              |   | Upgrade main level suites (2 year change out)  |   |   |   | 671,958       |
| 37 |  |                   |                 |   | Upgrade club level suites (2 year change out)  |   |   |   | 971,958       |
| 38 |  |                   |                 |   |  |   |   |   |               |
| 39 | FY28   | 10,485,498        | 30              |   | Replace center hung scoreboard                 |   |   |   | 8,443,827     |
| 40 |  |                   |                 |   |  |   |   |   |               |
| 41 | FY29   | 6,311,846         | 23              |   | Exterior directional signage                   |   |   |   | 1,568,337     |
| 42 |  |                   |                 |   | Replace cooling towers                         |   |   |   | 520,403       |
| 43 |  |                   |                 |   | Replace sports lighting system                 |   |   |   | 962,389       |
| 44 |  |                   |                 |   | Replace fire alarm system                      |   |   |   | 865,457       |
| 45 |  |                   |                 |   | Upgrade LAN                                    |   |   |   | 1,069,321     |
| 46 |  |                   |                 |   |  |   |   |   |               |
| 47 | <b>Total</b>   | <b>56,335,794</b> | <b>222</b>      |   |  |   |   |   |               |
| 48 |  |                   |                 |   |  |   |   |   |               |
| 49 | <b>Notes:</b>  |                   |                 |   |  |   |   |   |               |
| 50 | Plan amounts do not reflect \$400,000 annual allowance for food and beverage equipment replacement               |                   |                 |   |  |   |   |   |               |
| 52 | Plan amounts do not reflect significant projects deferred from FY19 and FY20, not yet programmed back into plan: |                   |                 |   |  |   |   |   |               |
| 53 | east-west priority lounges \$2.7M, main level and club level suites \$2.2M, and exterior signage \$1.2M          |                   |                 |   |  |   |   |   |               |

|    | A   | B  | C  | D   | E              | F              | G              | H              | I             | J              | K             | L              | M             |
|----|---|--|--|---|----------------|----------------|----------------|----------------|---------------|----------------|---------------|----------------|---------------|
|    | VSG Capital Expenditure Program Detail, FY21<br>through FY29 (ATTACHMENT 1) | Frequency of<br>Repairs &<br>Replacement<br>in Years | Condition of<br>Equipment<br>(good, fair,<br>poor) | Estimated Cost<br>per Occurrence<br>in FY 2017<br>Dollars | FY21           | FY22           | FY23           | FY24           | FY25          | FY26           | FY27          | FY28           | FY29          |
| 1  |   |  |  |   | Year 4         | Year 5         | Year 6         | Year 7         | Year 8        | Year 9         | Year 10       | Year 11        | Year 12       |
| 2  |   |  |  |   |                |                |                |                |               |                |               |                |               |
| 3  | <b>FF&amp;E</b>   |  |  |   |                |                |                |                |               |                |               |                |               |
| 4  | Basketball Floor  | 10   | Fair   | 100,000   | -              | 115,927        | -              | -              | -             | -              | -             | -              | -             |
| 5  | Basketball Goals (3)  | 6  | Fair   | 45,000  | 16,714         | 17,387         | -              | -              | -             | -              | 19,957        | 20,761         | -             |
| 6  | Hockey Dasher Board System  | 10   | Fair   | 200,000   | 112,551        | -              | -              | -              | -             | -              | -             | -              | -             |
| 7  | Hockey Glass  | 2  | Good   | 67,000  | -              | 77,671         | -              | 82,402         | -             | 87,420         | -             | 92,744         | -             |
| 8  | Hockey Protective Nets  | Annually   | Good   | 10,000  | 11,255         | 11,593         | 11,941         | 12,299         | 12,658        | 13,048         | 13,439        | 13,842         | 14,258        |
| 9  | Hockey Safety Net Hoist System  | 10   | Good   | 125,000   | -              | -              | -              | -              | -             | -              | -             | -              | -             |
| 10 | Folding Chairs - Concert  | 15   | Good   | 240,000   | -              | -              | -              | -              | -             | -              | -             | -              | -             |
| 11 | Folding Chairs - Courtside  | 10   | Good   | 11,000  | -              | -              | -              | -              | -             | -              | -             | -              | -             |
| 12 | Folding Chairs - Carts  | 15   | Good   | 30,000  | -              | -              | -              | -              | -             | -              | -             | -              | -             |
| 13 | Retractable Seating Risers (Includes seats)                                 | 15   | Good   | 2,500,000   | -              | -              | -              | -              | -             | -              | -             | -              | -             |
| 14 | Ice Floor Cover   | 10   | Good   | 160,000   | 180,081        | -              | -              | -              | -             | -              | -             | -              | -             |
| 15 | De-Mineralization Plan/Ice Water Heaters                                    | 10   | Good   | 70,000  | -              | -              | -              | 86,091         | -             | -              | -             | -              | -             |
| 16 | Ice Edger   | 5  | Fair   | 5,000   | -              | -              | -              | 6,149          | -             | -              | -             | -              | 7,129         |
| 17 | 2 Way Radios  | 12   | Fair   | 200,000   | 225,102        | -              | -              | -              | -             | -              | -             | -              | -             |
| 18 | Spotlights  | 15   | Fair   | 250,000   | 56,275         | 57,964         | 59,703         | 61,494         | -             | -              | -             | -              | -             |
| 19 | Crowd Control Equipment - Stanchions  | 10   | Fair   | 150,000   | 42,207         | 43,473         | 44,777         | 46,120         | -             | -              | -             | -              | -             |
| 20 | Crowd Control Equipment - Sign Holders                                      | 10   | Fair   | 2,500   | -              | -              | -              | -              | -             | -              | -             | 3,461          | -             |
| 21 | Magnetometers   | 10   | Good   | 160,000   | -              | -              | -              | 196,780        | -             | -              | -             | -              | -             |
| 22 | Utility Carts (2) - Gators  | 10   | Good   | 20,000  | -              | 23,185         | -              | -              | -             | -              | -             | -              | -             |
| 23 | Golf Carts (2)  | 10   | Good   | 20,000  | -              | 23,185         | -              | -              | 25,335        | -              | -             | -              | -             |
| 24 | Mowers - Riding   | 5  | Good   | 20,000  | -              | -              | -              | -              | -             | -              | -             | -              | -             |
| 25 | Concert Staging   | 15-20  | Good   | 250,000   | -              | -              | -              | -              | -             | -              | -             | -              | -             |
| 26 | Floor Scrubbers   | 10   | Fair   | 100,000   | 56,275         | -              | -              | -              | -             | -              | -             | -              | -             |
| 27 | Folding Tables  | 10   | Fair   | 125,000   | 70,344         | -              | -              | -              | -             | -              | -             | -              | -             |
| 28 | Half House Curtain System   | 15   | Fair   | 70,000  | -              | -              | -              | -              | -             | -              | -             | -              | -             |
| 29 | Vomitory Curtains   | 15   | Fair   | 180,000   | -              | -              | -              | -              | -             | -              | -             | -              | -             |
| 30 | Overhead Doors & Dock Levelers  | 10   | Good   | 45,000  | -              | -              | -              | -              | -             | -              | -             | -              | -             |
| 31 | Fixed Seat Replacement - Lower Bowl   | 15-20  | Good   | 1,000,000   | -              | -              | -              | -              | -             | -              | -             | -              | -             |
| 32 | Fixed Seat Replacement - Upper Bowl   | 15-20  | Fair   | 850,000   | -              | -              | -              | -              | -             | -              | -             | -              | -             |
| 33 | Genie Scissor Lifts (2)   | 15-20  | Fair   | 55,000  | -              | -              | -              | -              | -             | 35,881         | -             | 36,958         | -             |
| 34 | Forklifts (3)   | 15-20  | Fair   | 90,000  | -              | -              | -              | -              | -             | -              | -             | -              | -             |
| 35 |   |  |  |   | <b>770,805</b> | <b>370,386</b> | <b>116,420</b> | <b>491,335</b> | <b>38,003</b> | <b>136,349</b> | <b>70,354</b> | <b>303,837</b> | <b>21,386</b> |
| 36 |   |  |  |   |                |                |                |                |               |                |               |                |               |
| 37 | <b>Architectural &amp; Interiors</b>  |  |  |   |                |                |                |                |               |                |               |                |               |
| 38 | Skate-proofing flooring at service corridor                                 | 10   | Fair   | 25,000  | -              | -              | -              | -              | -             | -              | -             | 34,606         | -             |
| 39 | NHL Home Locker Facilities  | 7  | Fair   | 1,000,000   | -              | -              | -              | -              | 1,266,770     | -              | -             | -              | -             |
| 40 | NHL Visiting Locker Facilities  | 7  | Fair   | 100,000   | -              | -              | -              | -              | 126,677       | -              | -             | -              | -             |
| 41 | NCSU locker room (added 3.29.2018)  |  |  |   |                |                |                | 368,962        |               |                |               |                |               |
| 42 | Show Dressing Rooms   | 7  | Fair   | 50,000  | -              | -              | -              | -              | -             | 65,239         | -             | -              | -             |

| A  |   | B   | C   | D  | E      | F       | G       | H       | I       | J       | K      | L       | M       |
|--|---|---|---|--|--------|---------|---------|---------|---------|---------|--------|---------|---------|
| VSG Capital Expenditure Program Detail, FY21 through FY29 (ATTACHMENT 1) |   | Frequency of Repairs & Replacement in Years | Condition of Equipment (good, fair, poor) | Estimated Cost per Occurrence in FY 2017 Dollars | FY21   | FY22    | FY23    | FY24    | FY25    | FY26    | FY27   | FY28    | FY29    |
| 1  | One (1) 850-Ton Centrifugal Chillers              | 23  | Fair                                      | 215,000  | Year 4 | 249,244 | -       | -       | -       | -       | -      | -       | -       |
| 2  | Chilled Water Pumps                               | 20  | New - Good                                | 150,000  | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 3  | Condenser Water Pumps                             | 20  | New - Good                                | 60,000   | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 4  | CHW Pump VFDs                                     | 20  | Poor                                      | 45,000   | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 5  | Cooling Towers Fan VFDs                           | 20  | New                                       | 50,000   | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 6  | Cooling Towers Replacement                        | 20  | Good                                      | 365,000  | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 7  | Condenser Water Filtration System                 | 21  | New                                       | 62,500   | -      | -       | -       | -       | -       | -       | -      | -       | 520,403 |
| 8  | Water-Cooled Recp Chiller                         | 17-20                                       | Fair                                      | 275,000  | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 9  | Brine Pumps                                       | 20  | Fair                                      | 100,000  | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 10   | Ice Floor   | 35  | Fair                                      | 1,000,000  | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 11   | Cooling Tower                                     | 20  | Poor                                      | 50,000   | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 12   | Hot Water Boilers                                 | 25  | Good                                      | 360,000  | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 13   | Hot Water Pumps                                   | 20  | Good                                      | 55,000   | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 14   | Hot Water VFDs                                    | 20  | Fair                                      | 30,000   | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 15   | Bowl Air Handling Units                           | 15-20                                       | Good                                      | 2,000,000  | -      | 579,637 | 597,026 | 614,937 | 633,385 | -       | -      | -       | -       |
| 16   | Air Handling Units                                | 20-25                                       | Good                                      | 1,000,000  | -      | 231,855 | 238,810 | 245,975 | 253,354 | 260,955 | -      | -       | -       |
| 17   | Air Handling Units VFDs                           | 20  | Poor                                      | 100,000  | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 18   | Desiccant Dehumidifier Units                      | 18  | Fair                                      | 600,000  | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 19   | Desiccant Wheel Replacement                       | 10  | Good                                      | 250,000  | -      | -       | 298,513 | -       | -       | -       | -      | -       | -       |
| 20   | Packaged Rooftop & Split Systems                  | 15  | Good                                      | 84,000   | -      | -       | -       | -       | -       | -       | -      | 112,889 | -       |
| 21   | Terminal Boxes                                    | 20  | Good                                      | 540,000  | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 22   | Fan Coils   | 25  | Good                                      | 100,000  | -      | 38,256  | 39,404  | 40,566  | -       | -       | -      | -       | -       |
| 23   | Fans  | 25  | Fair                                      | 750,000  | -      | 434,728 | 447,770 | -       | -       | -       | -      | -       | -       |
| 24   | Diffusers   | 25  | Good                                      | 120,000  | -      | -       | -       | 73,792  | 76,006  | -       | -      | -       | -       |
| 25   | Unit Heaters                                      | 20  | Good                                      | 90,000   | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 26   | Demand-Control Ventilation                        | 20  | New                                       | 90,000   | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 27   | Bi-Polar Filters on Bowl AHUs                     | 20  | New                                       | 500,000  | 39,393 | 40,575  | 41,792  | 43,046  | 44,337  | 45,667  | 47,037 | 48,448  | 49,902  |
| 28   | Add Energy Wheels to Locker AHUs                  | 20  | New                                       | 160,000  | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 29   | Add Desiccant Drying System to Canes LR           | 20  | New                                       | 150,000  | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 30   | Commissioning + Continuing Commissioning          | -   | New                                       | 300,000  | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 31   | Power Monitoring System                           | 30  | New                                       | 150,000  | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 32   | Thermal Imaging                                   | Annual                                      | Fair                                      | 14,000   | 15,757 | 16,230  | 16,717  | 17,218  | 17,735  | 18,267  | 18,815 | 19,379  | 19,961  |
| 33   | Electrical Distribution                           | 5   | Good                                      | 15,000   | -      | -       | -       | -       | 19,002  | -       | -      | -       | -       |
| 34   | Replace Main Switchboards (40-45 yr. useful life) | 43  | Good                                      | 2,500,000  | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 35   | Replace Transformers (40-45 yr. useful life)      | 43  | Good                                      | 350,000  | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 36   | Load Bank Testing                                 | Annual                                      | Good                                      | 12,000   | 13,506 | 13,911  | 14,329  | 14,758  | 15,201  | 15,657  | 16,127 | 16,611  | 17,109  |
| 37   | Add'l Roadway Lights - Wade Ave.                  | 30  | N/A                                       | 150,000  | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 38   | Sports Lighting Systems                           | 15  | Good                                      | 675,000  | -      | -       | -       | -       | -       | -       | -      | -       | -       |
| 39   | Lighting Upgrades                                 | 3   | Good                                      | 20,500   | -      | 23,765  | -       | -       | 25,969  | -       | -      | -       | 962,389 |
| 40   | Replace Lighting Control Systems                  | 20-25                                       | Fair                                      | 1,000,000  | -      | -       | -       | -       | -       | -       | -      | -       | -       |



|     | A  | B   | C   | D  | E       | F       | G      | H       | I       | J         | K     | L       | M         |
|-----|--|---|---|--|---------|---------|--------|---------|---------|-----------|-------|---------|-----------|
|     | VSG Capital Expenditure Program Detail, FY21 through FY29 (ATTACHMENT 1)   | Frequency of Repairs & Replacement In Years | Condition of Equipment (good, fair, poor) | Estimated Cost per Occurrence in FY 2017 Dollars | FY21    | FY22    | FY23   | FY24    | FY25    | FY26      | FY27  | FY28    | FY29      |
| 1   |  |   |   |  |         |         |        |         |         |           |       |         |           |
| 2   |  |   |   |  |         |         |        |         |         |           |       |         |           |
| 161 | CMU repairs  | Once  | Good                                      | 10,000   | Year 4  | -       | -      | -       | -       | -         | -     | -       | -         |
| 162 | Repair spalled concrete  | 5   | Good                                      | 10,000   | -       | -       | 11,941 | -       | -       | -         | -     | 13,842  | -         |
|     | Detailing and repair of architectural finishes at expansion joints         | Once  | Fair                                      | 20,000   | -       | -       | -      | -       | -       | -         | -     | -       | -         |
| 164 | Replace expansion joints on seating areas                                  | 20  | Fair                                      | 100,000  | -       | -       | -      | -       | -       | -         | -     | -       | -         |
| 165 | Rout and seal cracks on seating risers                                     | 10  | Fair                                      | 12,000   | -       | -       | -      | -       | -       | -         | -     | -       | -         |
| 166 | Repair metal expansion joint cover on exterior                             | Once  | Fair                                      | 4,000  | -       | -       | -      | -       | -       | -         | -     | -       | -         |
| 167 | Replace sealant on exterior concrete joints                                | 10  | Fair                                      | 10,000   | -       | -       | -      | -       | -       | -         | -     | -       | -         |
| 168 | Apply sealer to exterior stairs and pedestals                              | 5   | Fair                                      | 20,000   | -       | -       | -      | 24,597  | -       | -         | -     | -       | 28,515    |
| 169 | Exterior Caulking Repair & Replacement                                     | 5   | Fair                                      | 50,000   | -       | -       | -      | -       | 63,339  | -         | -     | -       | -         |
| 170 | Seal coat pavement   | 5   | Fair                                      | 175,000  | 196,964 | -       | -      | -       | -       | -         | -     | -       | -         |
| 171 | Seal cracks in pavement  | 5   | Fair                                      | 25,000   | 28,138  | -       | -      | -       | -       | -         | -     | -       | -         |
| 172 | Replace Parking Lot Pavement   | 20  | Fair                                      | 4,500,000  | -       | -       | -      | -       | -       | 5,871,479 | -     | -       | -         |
| 173 | Replace sidewalk with scaling concrete                                     | Once  | Poor                                      | 100,000  | -       | -       | -      | -       | -       | -         | -     | -       | -         |
| 174 | Attach rooftop equipment   | Once  | Good                                      | 5,000  | -       | -       | -      | -       | -       | -         | -     | -       | -         |
| 175 |  |   |   |  | 231,855 | 6,956   | 19,105 | 31,977  | 70,939  | 5,879,308 | 8,063 | 22,148  | 37,070    |
| 176 |  |   |   |  |         |         |        |         |         |           |       |         |           |
| 177 |  |   |   |  |         |         |        |         |         |           |       |         |           |
| 178 | Information Technologies - Upgrade LAN                                     | 5   | Good                                      | 750,000  | -       | -       | -      | 922,405 | -       | -         | -     | -       | 1,069,321 |
| 179 | Information Technologies - 10G Fiber Optic Backbone                        | 30  | Poor                                      | 620,000  | -       | -       | -      | -       | -       | -         | -     | -       | -         |
| 180 | Information Technologies - Phone System Upgrade                            | 5   | Good                                      | 50,000   | -       | -       | -      | -       | 63,339  | -         | -     | -       | -         |
| 181 | Information Technologies - Update WLAN to 802.11ac WAVE 2 Access Points    | 5   | Fair                                      | 500,000  | -       | -       | -      | -       | 633,385 | -         | -     | -       | -         |
| 182 | Security - Relocating and refreshing servers into MDF                      | 10  | Good                                      | 25,000   | -       | 28,982  | -      | -       | -       | -         | -     | -       | -         |
| 183 | Security - Add Video Surveillance Cameras                                  | 3   | Poor                                      | 200,000  | -       | 231,855 | -      | -       | 253,354 | -         | -     | 276,847 | -         |
| 184 | Security - Upgrade Access Control  | 30  | Poor                                      | 100,000  | -       | -       | -      | -       | -       | -         | -     | -       | -         |
| 185 | Security - Replace controls of hydraulic gate                              | 10  | Poor                                      | 25,000   | -       | -       | -      | -       | -       | -         | -     | -       | 35,644    |
| 186 | Security - Integrate video, access control, and intercom                   | 5   | Fair                                      | 50,000   | -       | -       | -      | 61,494  | -       | -         | -     | -       | 71,288    |
| 187 | Security - Install visitor management system and badging plan              | 5   | Fair                                      | 30,000   | -       | -       | 35,822 | -       | -       | -         | -     | 41,527  | -         |
| 188 | Security - Replace bowl cameras  | 10  | Poor                                      | 40,000   | -       | -       | -      | -       | -       | -         | -     | 55,369  | -         |
| 189 | Security - Vehicle barriers  | 20  | Fair                                      | 25,000   | -       | -       | -      | -       | -       | -         | -     | -       | -         |
| 190 | Security - Loading dock enhancements                                       | 10  | Poor                                      | 150,000  | -       | -       | -      | -       | -       | -         | -     | 207,635 | -         |
| 191 | Sound / AV Systems - Revise and relocate seating bowl speakers for new CH  | One Time                                    | Good                                      | 125,000  | -       | -       | -      | -       | -       | -         | -     | -       | -         |
| 192 | Sound / AV Systems - Seating Bowl PA System maintenance through life cycle | 4   | Good                                      | 35,000   | 39,393  | -       | -      | -       | 44,337  | -         | -     | -       | 49,902    |

|     | A   | B  | C  | D   | E         | F         | G         | H         | I         | J         | K         | L          | M         |
|-----|---|--|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|
|     | VSG Capital Expenditure Program Detail, FY21<br>through FY29 (ATTACHMENT 1) | Frequency of<br>Repairs &<br>Replacement<br>in Years | Condition of<br>Equipment<br>(good, fair,<br>poor) | Estimated Cost<br>per Occurrence<br>in FY 2017<br>Dollars | FY21      | FY22      | FY23      | FY24      | FY25      | FY26      | FY27      | FY28       | FY29      |
| 1   |   |  |  |   | Year 4    | Year 5    | Year 6    | Year 7    | Year 8    | Year 9    | Year 10   | Year 11    | Year 12   |
| 2   | Basketball floor advanced to FY20 (line 4)                                  |  |  |   |           | -115,927  |           |           |           |           |           |            |           |
| 225 |   |  |  |   | 4,889,832 | 6,335,785 | 7,354,526 | 3,049,472 | 7,142,303 | 8,893,986 | 1,872,546 | 10,465,498 | 6,311,843 |
| 226 |   |  |  |   |           |           |           |           |           |           |           |            |           |
| 227 | FY21 adjusted plan amounts  |  |  |   |           |           |           |           |           |           |           |            |           |

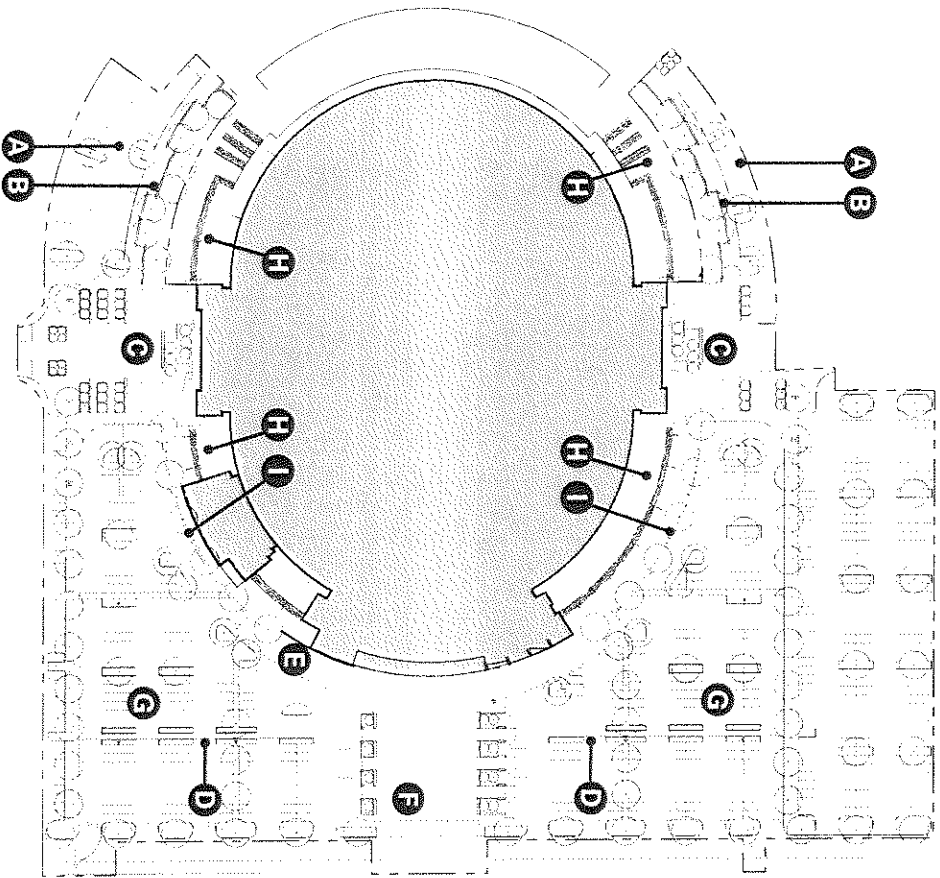
ATTACHMENT 2

# PNG ARENA MASTER PLAN

JUNE 19, 2020

|    |                                  |              |                       |
|----|----------------------------------|--------------|-----------------------|
| 1  | South Enhancements.....          | \$35,000,000 |                       |
| 2  | Digital Facade Display.....      | \$3,000,000  |                       |
| 3  | Plaza Enhancements.....          | \$6,000,000  |                       |
| 4  | East / West Enhancements.....    | \$2,000,000  |                       |
| 5  | Exterior Glazing.....            | TBD*         | EXTERIOR              |
| 6  | Updated Green Rooms.....         | \$1,000,000  | EVENT LEVEL           |
| 7  | New North Employee Entrance..... | \$1,000,000  | STAFF MEZZANINE LEVEL |
| 8  | South Enhancements.....          | See #1       |                       |
| 9  | East / West Enhancements.....    | See #4       |                       |
| 10 | East / West Concessions.....     | \$2,000,000  |                       |
| 11 | Priority Lounge Renovations..... | \$6,000,000  |                       |
| 12 | Main Concourse Enhancements..... | \$4,000,000  |                       |
| 13 | Pub Deck Renovations.....        | \$1,000,000  | MAIN CONCOURSE        |
| 14 | South Enhancements.....          | See #1       |                       |
| 15 | East / West Concessions.....     | See #10      |                       |
| 16 | Updated Champions Club.....      | \$2,000,000  | CLUB CONCOURSE        |
| 17 | Quad Concessions.....            | \$2,000,000  | UPPER CONCOURSE       |
| 18 | Bowl Seating Renovations.....    | \$3,000,000  | BOWL                  |
|    | GRAND TOTAL.....                 | \$68,000,000 |                       |





- A** Additional parking spaces
- B** Low walls for perimeter security
- C** Security plaza improvements at East & West Entries
- D** Improved pedestrian connectivity to Main Plaza
- E** Enhanced Drop-Off & Entrance
- F** Renovation to South Plaza, enhance pedestrian experience, support large gatherings & crowd
- G** Reconfigured/Additional Parking. Meets minimum city of Raleigh requirements
- H** Existing raised terraces and stairs in each quadrant remain
- I** New pedestrian promenade & security perimeter

**PNC ARENA**

**CAROLINA HURRICANES**

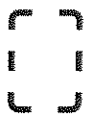
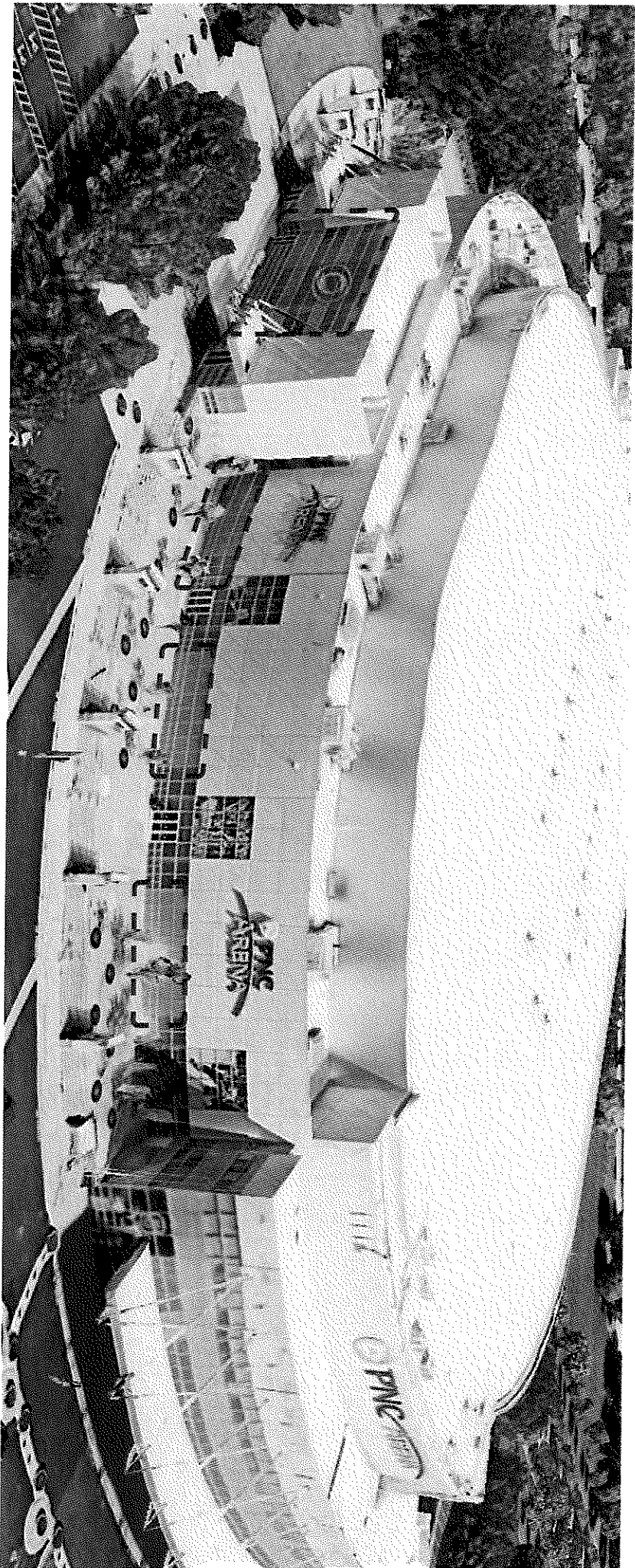
**SWIFT**

West Entrance

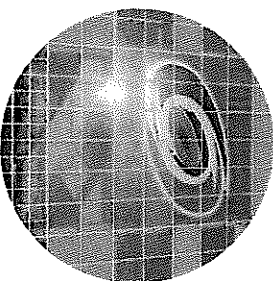
**SWIFT**

West Entrance

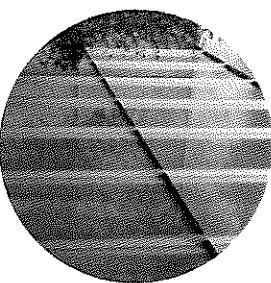




Glazing Enhancement Areas



Existing Glazing



Replace with Gray Glazing

OR



Apply Glazing Film Graphics

A NEW VISION

AERIAL VIEW

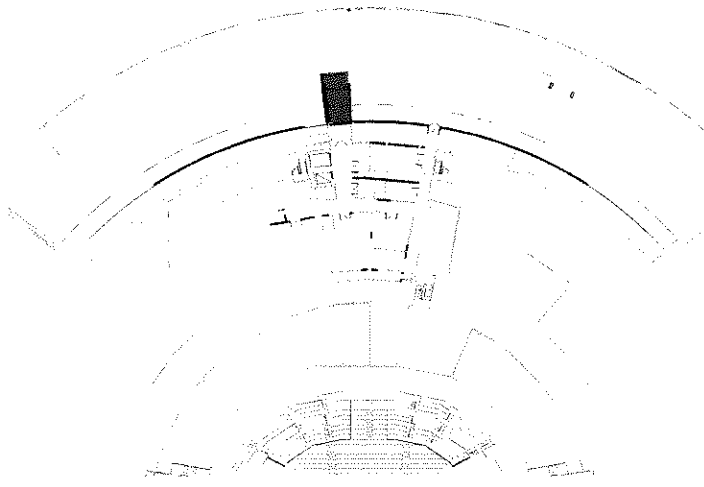
GLAZING ENHANCEMENTS 5

EVENT LEVEL



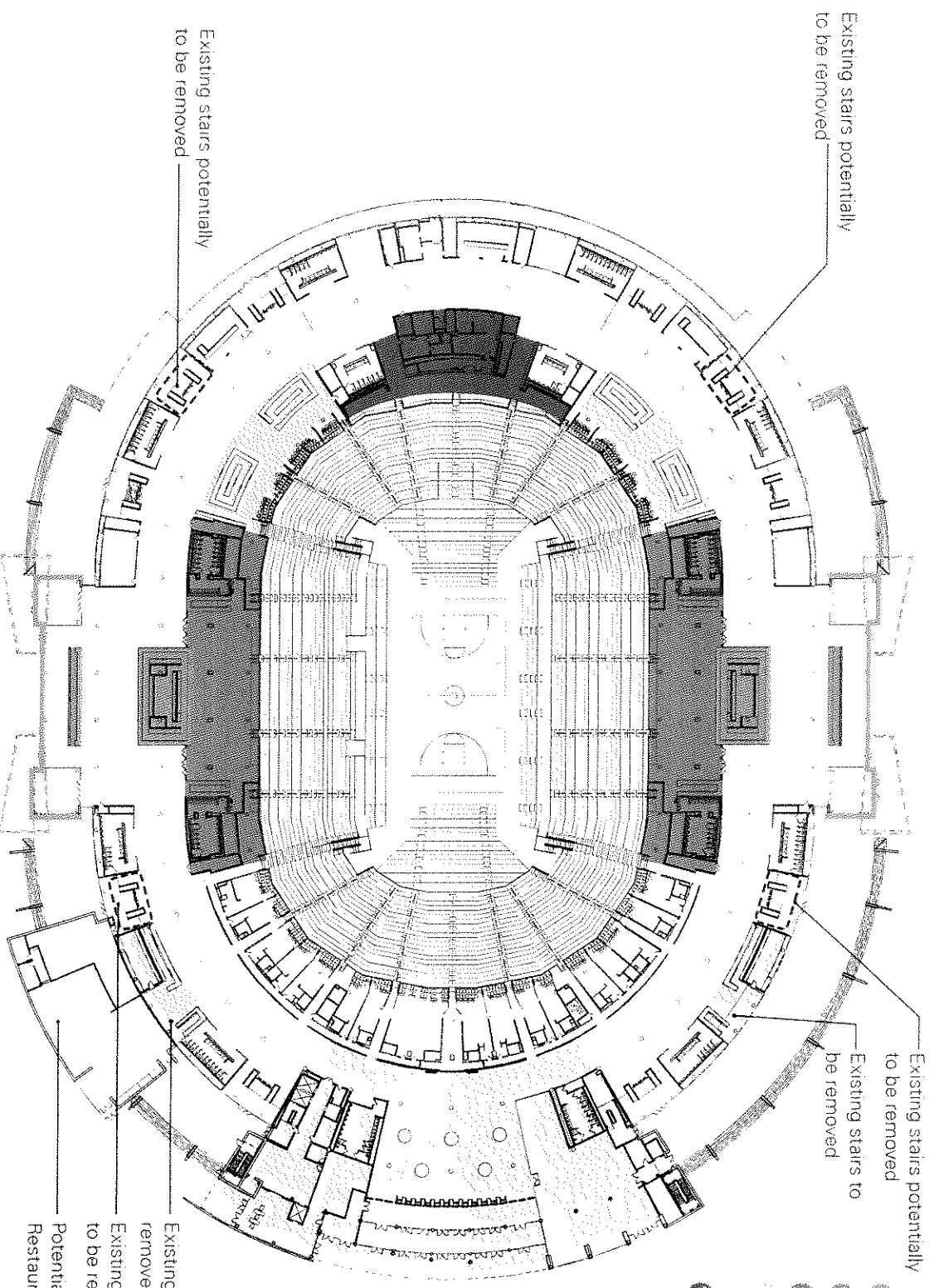
6 Updated Green Rooms

STAFF MEZZANINE



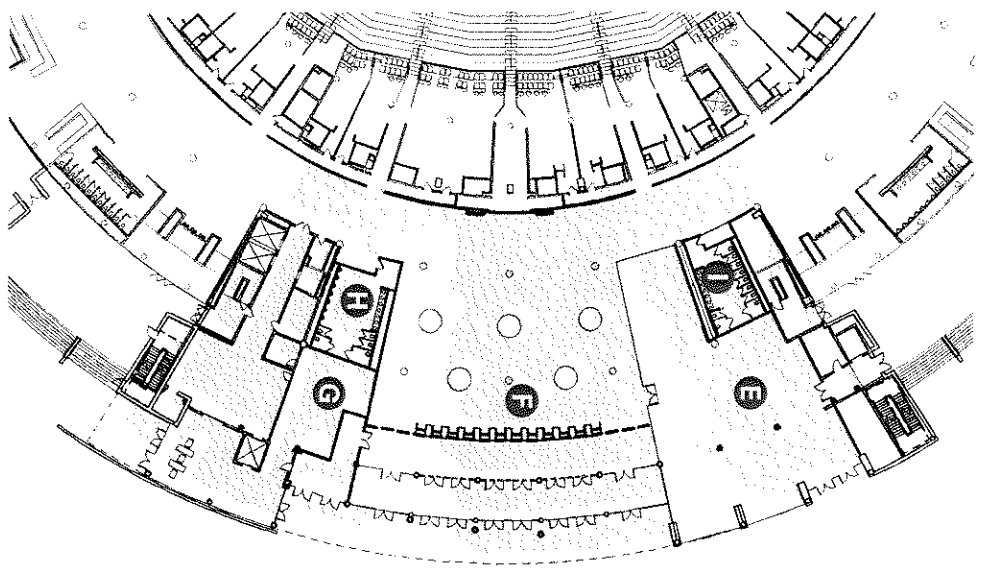
7 New Employee Entrance



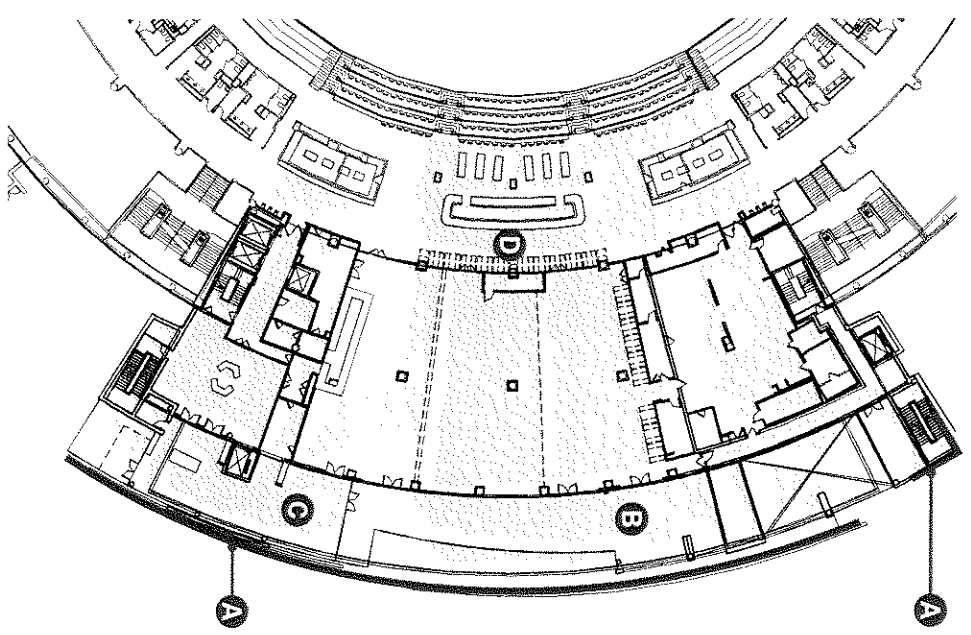


- South Enhancements
  - ② East / West Enhancements
  - ⑩ East / West Concessions
  - ⑪ Priority Lounge Renovations
  - Main Concourse Enhancements
  - ⑬ Pub Deck Renovations
- Existing stairs potentially to be removed
- Existing stairs to be removed
- Existing stairs potentially to be removed
- Existing stairs to be removed
- Potential Future Restaurant

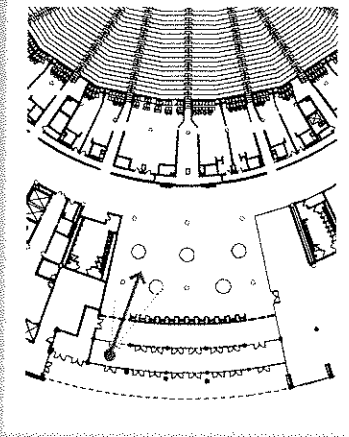
MAIN CONCOURSE



CLUB CONCOURSE



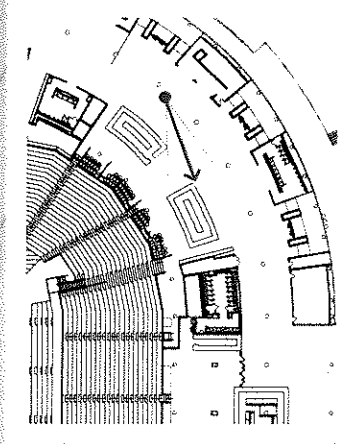
- A** Facade Digital Display
- B** Club Level Terrace
- C** Lettermen's Room Expansion
- D** Club Bar + Lounge Enhancements
- E** Expanded Team Store
- F** Entry Lobby Enhancements
- G** Ticketing
- H** Men's Restroom
- I** Women's Restroom



101  
R&K  
RATIO

INTERIOR CONCEPT

ENTRY LOBBY



INTERIOR CONCEPT

MAIN CONCOURSE

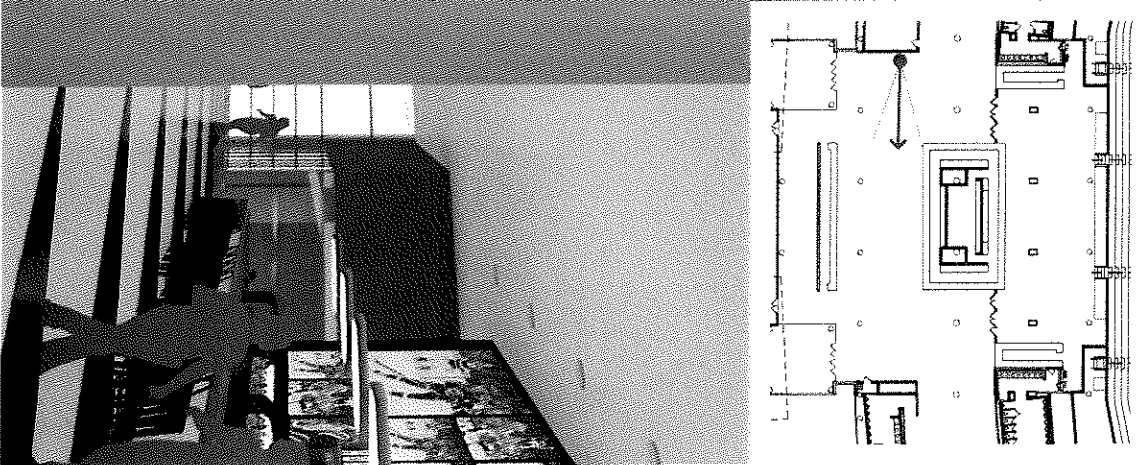
9  
K  
PATIO



104

INTERIOR CONCEPT

MAIN CONCOURSE





INTERIOR CONCEPT

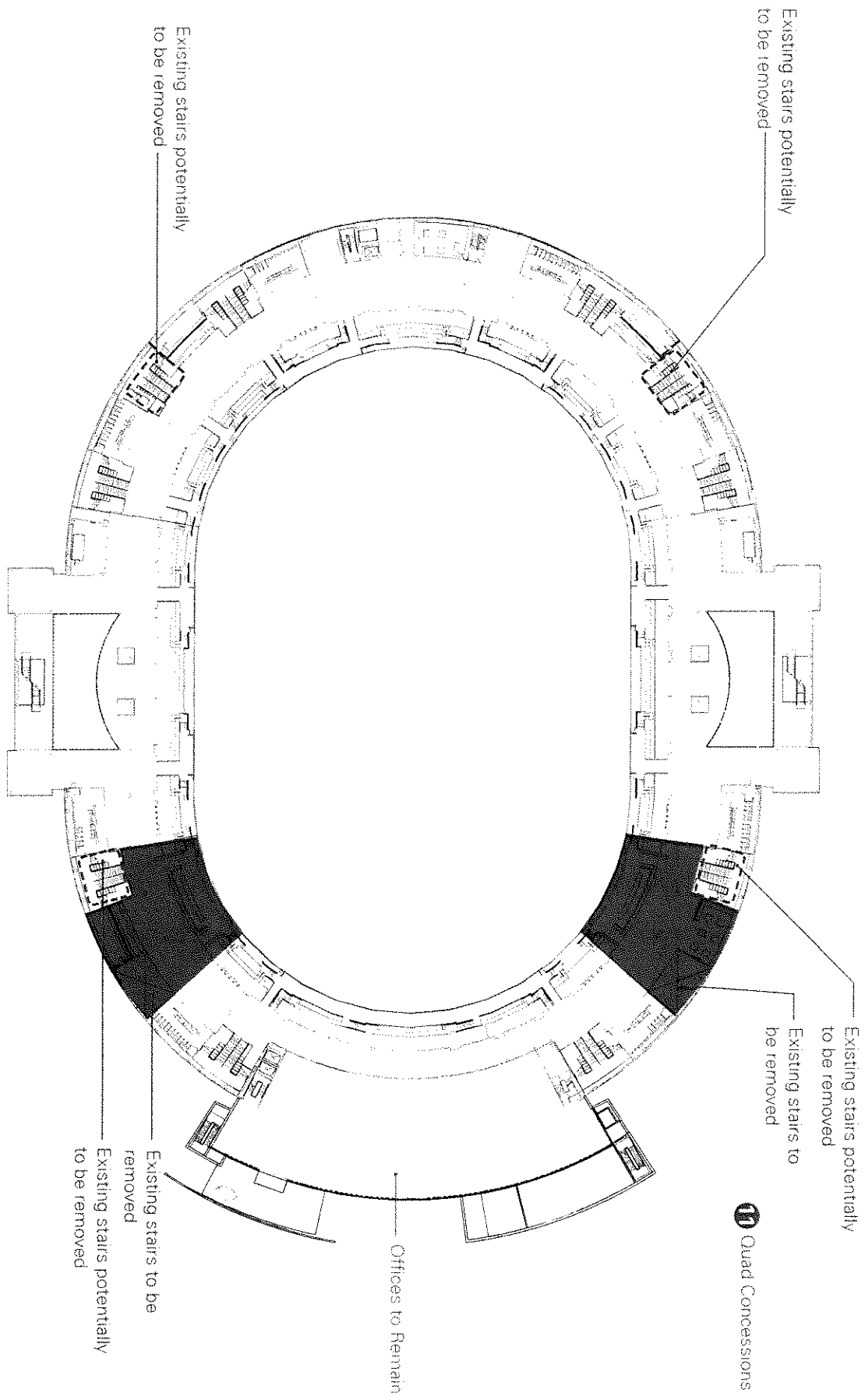
MAIN CONCOURSE



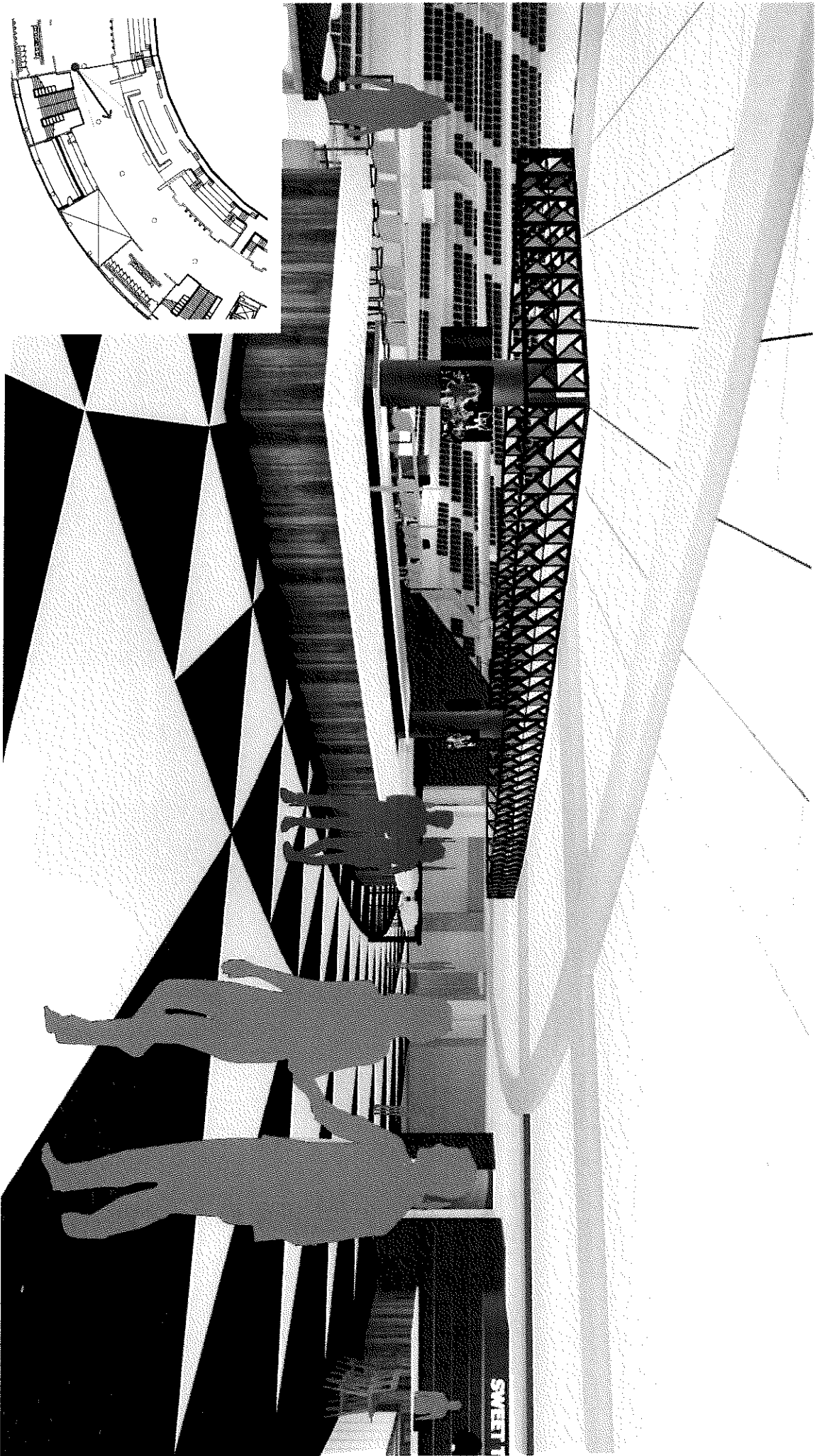
90  
H&K  
STATION

INTERIOR CONCEPT

MAIN CONCOURSE







INTERIOR CONCEPT

UPPER CONCOURSE

SMELT



10  
PATIO

INTERIOR CONCEPT

UPPER CONCOURSE

