

PNC Arena Long-Term Planning and Tri-Party Agreement Update

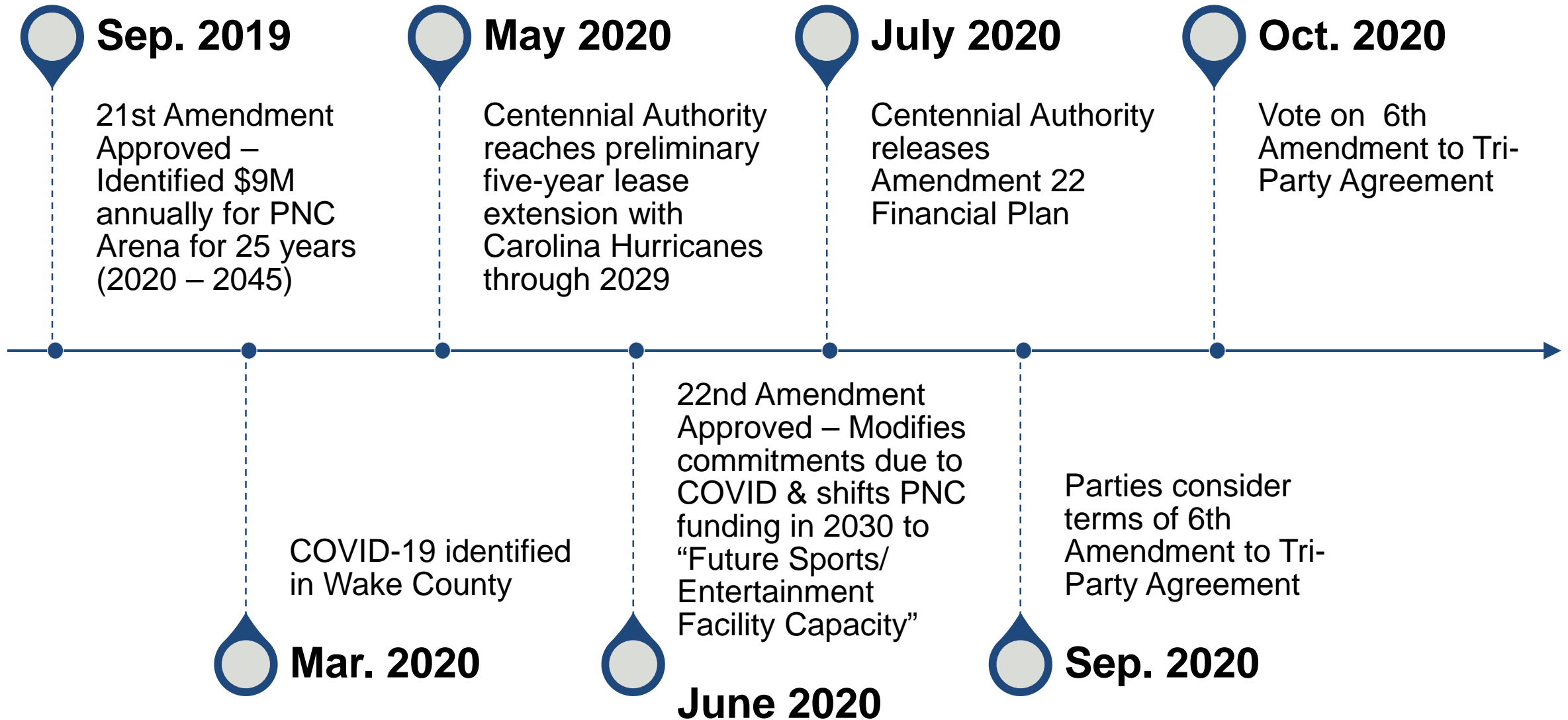
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Background



Current Status

- **Negotiating 6th Amendment to Tri-Party Agreement**
 - **Key terms:**
 - **Establish use, term and timing of \$9M allocation for 2020 - 2029**
 - **Establish joint review of facility, leases, etc. to determine path forward beyond 2029**
 - **Amend payment timing for existing 7% administrative allocation to support cash flow**
 - **Clarify sponsorship revenue language from prior agreements**
- **Brief County Commission and Raleigh City Council**
- **Finalize Agreement for Consideration by Parties in early October**

Centennial Authority PNC Arena

Amendment 22 Financial Plan

PNC Arena Amendment 22 Financial Plan

Maintain PNC Arena as a State-of-the-Art Destination:

- Bring High-Impact Events to Wake County (NCAA Tournament, NHL All-Star Game)
- Attract Top-Tier Touring Events/Shows
- Enhance NC State Men's Basketball
- Retain the Carolina Hurricanes

PNC Arena Amendment 22 Financial Plan

\$9 Million From Amendment 22 to:

- Assume A Portion of Arena Operating Expenses Resulting From Lease Extension With the Carolina Hurricanes
- Maintain On-Going CapEx Master Plan Program
- Implement Improvement Projects Identified by Enhancement Master Plan and Market Survey

PNC Arena Amendment 22 Financial Plan

How Will the Authority Allocate the \$9 Million Annually?

- \$4.3 Million to Meet Operational Requirements (Utilities, Maintenance)
- \$2.3 Million to Maintain On-Going CapEx Master Plan
- \$2.4 Million to Fund Enhancements

PNC Arena Enhancement Options

- Improved Concession Options
- Additional Space for Fan Engagement
- Improvements to Back-Of-House Space
 - Dressing Rooms
 - Kitchens
 - Storage
- Upgrades to PNC Arena Entrances & Concourses
- Improve Traffic Flow

PNC Arena Enhancement Options



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PNC Arena Enhancement Options



PNC Arena Amendment 22 Financial Plan

Summary:

- \$4.3 Million for Additional Operating Expenses Resulting from Lease Extension
- \$2.3 Million for On-Going Capital Maintenance
- \$2.4 Million for Enhancements
- PNC Arena Will Be Modernized
- All ILA Funds Stay With PNC Arena

Discussion