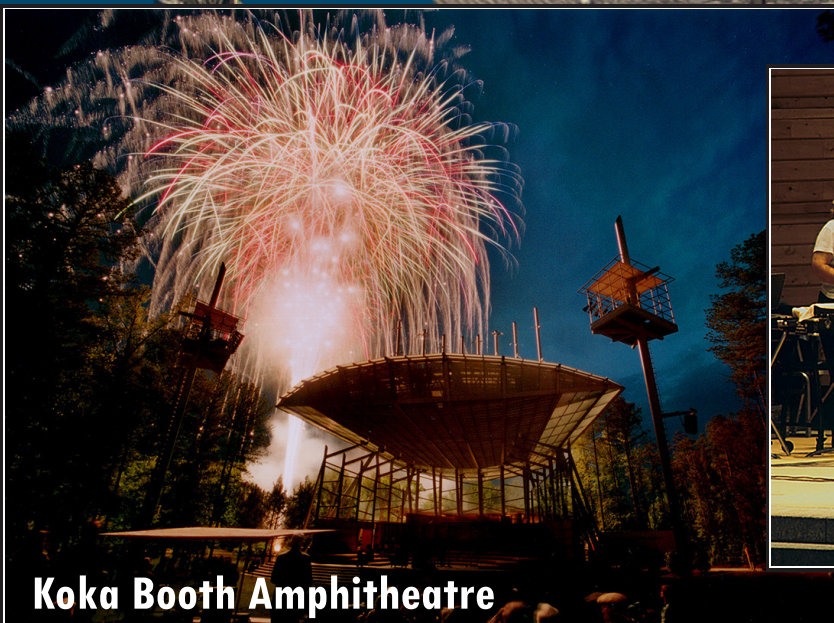


Hospitality Tax Small Capital Projects Funding

TOWN of CARY



WakeMed Soccer Park



Koka Booth Amphitheatre



**RFP #18-001
February 8, 2018 3:00 PM**



HOSPITALITY TAX SMALL CAPITAL PROJECTS FUNDING PROPOSAL

**for
RFP #18-001
February 8, 2018
3:00 PM**



To:

Tom Wester
Wake County Finance - Procurement Services
Wake County Justice Center – 2nd Flr, Ste 2900
301 S.McDowell Street
Raleigh, NC 27601

From:

Russ Overton
Deputy Town Manager
Town of Cary
Russ.Overton@townofcary.org
(919) 469-4033



OFFICE OF THE MAYOR

TOWN OF CARY

P.O. Box 8005
316 North Academy Street
Cary, NC 27512-8005
tel: 919-469-4011
fax 919-460-4910
www.townofcary.org

January 29, 2018

David Ellis
Wake County Justice Center
PO Box 550
Raleigh, NC 27602

Dear Mr. Ellis,

The Town respectfully submits our FY2018 Hospitality Tax Small Capital Projects funding request.

The Town has spent decades, working with many partners, to plan and develop high quality sports and performing arts venues that serve not only the Cary community but draw visitors from across the state and around the country. WakeMed Soccer Park is home to the North Carolina Courage and the North Carolina FC, two professional soccer teams that compete nationally. The stadium is also host to numerous NCAA as well as international soccer events. Likewise, Koka Booth Amphitheatre hosts almost 200,000 visitors annually with events 110 days out of the year. The amphitheatre is a regular stop for GRAMMY-award winning recording artists.

The Town has made ongoing investments in these two venues to develop them into the tourist destinations that they are today. Since their openings in 2001/2002, the Town has invested over \$12 million in capital improvements at WakeMed Soccer Park and Koka Booth Amphitheatre. However, keeping these venues competitive and in the market to draw national and international events requires upgrades to existing technology. The sound system at Koka Booth, as well as the lighting systems at both venues, are the original equipment that was installed roughly 17 years ago. These systems are becoming obsolete and are in need of replacement not only due to the fading life of the equipment, but to meet contemporary standards and requirements for safety and broadcasting, and to integrate technologically advanced equipment of touring artists.

WakeMed Soccer Park and Koka Booth Amphitheatre have proven track records as high quality, sustainably-managed economic catalysts in Wake County. The Town of Cary strives to keep these venues current and competitive. Thank you for your thoughtful consideration of our FY2018 Small Capital Projects request.

Sincerely,

Harold Weinbrecht, Jr.
Mayor

Table of Contents

- 1.0 EXECUTIVE SUMMARY 1
- 2.0 PROJECT OVERVIEW AND OBJECTIVES.....2
 - 1. ANALYSIS OF INADEQUATE FACILITIES AND PROJECTED VISITORS SERVED2
 - 2. PROJECT EFFECTIVENESS IN ADDRESSING COMMUNITY NEED5
 - 3. NEED FOR COUNTY INVESTMENT6
 - 4. PROJECT COLLABORATION6
 - 5. MEASURING SUCCESS7
 - 6. CONSISTENCY WITH OPERATING PRINCIPLES7
- 3.0 PROJECT BUDGET AND FUNDING SOURCES 9
 - 1. SOURCES OF FUNDING9
 - 2. SCHEDULE OF EXPENDITURES 10
 - 3. IMPACT ON EXISTING INFRASTRUCTURE 10
- 4.0 PROJECT TIMELINE 11
- 5.0 PROJECT OPERATING PLAN 12
- 6.0 ESTIMATES IN VISITORS 14
- 7.0 ORGANIZATIONAL INFORMATION..... 16
- ENDORSEMENTS & LETTERS OF SUPPORT 19

Table & Figures Listing

- TABLE 3.1 FUNDING SOURCES 9
- TABLE 3.2 SCHEDULE OF EXPENDITURES 10
- TABLE 4.1 TIMELINE 11
- TABLE 5.1 OPERATING BUDGET 12

Appendices

- APPENDIX A AUDIT MANAGEMENT LETTER
- APPENDIX B VISITOR ESTIMATES

1.0 EXECUTIVE SUMMARY

For close to two decades, the Town of Cary has been a regional leader in the development and management of recreational venues, and most recently received national recognition as the 2016 **Gold Medal Award winner** for Excellence in Park and Recreation Management. Two of the Town's premier sports and performing arts venues, Koka Booth Amphitheatre and WakeMed Soccer Park, were developed during this time and are examples of the Town's success. These venues combined have hosted over **2,150 sporting events and 270 national touring artists. Attendance of over 5 million** has resulted in an economic impact (**visitor spending of over \$204 million** for the county.

To maintain the Town's competitive edge in attracting national and international sporting events, top touring artists and unique cultural events, and their subsequent positive economic impacts in Wake County, the Town is submitting a funding request for the following projects:

WakeMed Soccer Park – Lighting System Improvements

- Total Estimated Cost - \$1,400,000
- Town of Cary (65%) - \$910,000
- Major Funding Grant (35%) - \$490,000

Koka Booth Amphitheatre – Lighting & Sound System Improvements

- Total estimated cost is \$700,000
- Town of Cary (65%) - \$455,000
- Major Funding Grant (35%) - \$245,000

"The Town has spent decades, working with many partners, to plan and develop high quality sports and performing arts venues that serve not only the Cary community but draw visitors from across the state and around the country."

Harold Weinbrecht, Jr. - Mayor

The Town has a proven track record in not only successfully managing these venues as elite facilities, but also in attracting and retaining national events and performances on a consistent basis. WakeMed Soccer Park is **home to two professional soccer teams**, North Carolina FC and NC Courage; it has also been the host facility for 11 Men's and Women's College Cup Soccer Championships and 21 Men's and Women's ACC Soccer Championships. As a premier soccer facility, we continue to grow the market base with an increasing number of sellouts at WakeMed Soccer Park Stadium and a constant demand for use. Of the 270 national artists, Koka Booth Amphitheatre has hosted at least **39 GRAMMY award winners**, and is the summer home to the North Carolina Symphony. This facility also hosts unique cultural events such as Diwali and the Chinese Lantern Festival which are known throughout the Southeast and have drawn almost 90,000 visitors annually.

The Town's project team is well trained and experienced with managing projects of this size and beyond. The project team will oversee the planning and design and will serve as the project manager for construction and completion of the project.

The Town of Cary's primary engagement contact will be Mr. Russ Overton, Deputy Town Manager, russ.overton@townofcary.org, (919) 460-4910 – fax.

2.0 PROJECT OVERVIEW AND OBJECTIVES

The Town of Cary has a long history of investment in the development and management of successful sports and cultural arts and entertainment venues. The Town's commitment to these facilities is evidenced by the goals outlined in The Cary Community Plan, the Town's comprehensive plan, and by the Town's 2016 award of the national Gold Medal for Excellence in Park and Recreation Management awarded by the American Academy for Park and Recreation Administration and the National Recreation and Park Association.

The Town has been a leader in the region for sports tourism and a recurring performance destination for GRAMMY award winning artists. This has resulted in the Town playing host to national events and world class performances which have had significant positive economic impacts in Wake County and the region.

As competition increases for these tourism dollars it is important that these venues remain relevant and continue to attract new events while retaining existing performances and events. As a result, the Town is proposing investments in technology and infrastructure that will enhance our existing venues keeping them competitive on the national and international stage. The Town proposes the following project:

"Manage the Town's competitive Sports Venues so they are financially sustainable, continue to attract regional and national events, and are considered an asset by all citizens."

*Cary Community Plan,
PRCR Plan Goal 7*

- WakeMed Soccer Park Lighting System – Replace field lighting on Sahlen's Stadium, field 2, and field 3 to appropriate lighting levels using LED and updated technology.
- Koka Booth Amphitheater Lighting and Sound Systems – Replace all original theatrical lighting that supports the performance spaces throughout the Amphitheatre. Replace all of the original sound system components. Both sound and lighting system upgrades will take advantage of technology updates over the past twenty years.

The total project investment is \$2,100,000, of which we are requesting \$735,000 from Wake County.

The project is consistent with Chapter 458, Section 5 of the 1995 N.C. Session Laws.

1. ANALYSIS OF INADEQUATE FACILITIES AND PROJECTED VISITORS SERVED

WakeMed Soccer Park Field Lighting Upgrade

Venue

Situated on 158 acres with convenient access to a major interstate highway (I-40), WakeMed Soccer Park includes a 10,000 seat main stadium, two lighted match-only soccer fields, five additional multi-purpose fields, a cross country course capable of hosting 5K, 6K, 8K and 10K races, concession and restroom facilities, meeting space, and approximately 2,600 on-site parking spaces. In addition to North Carolina Football Club (NCFC) and NC Courage matches, the Park hosts a variety of other events on an annual basis, including international friendlies (matches), collegiate and high school matches and tournaments, youth practices, league matches, tournaments and camps, amateur cross country training, competitions and cause runs, among other events. Total annual tracked visitation to the park is approximately 236,000.



Events

Built in 2002, the Town assumed management and operational responsibilities for the park in 2004. Since then, the Town has invested heavily in the facility, both in maintenance (approximately \$1M per year) and capital improvements (approximately \$10M). The Town has developed an expertise in attracting and managing national sporting events. In addition, since assuming control of the Park, the Town's commitment to a state of the art facility has extended beyond major capital improvements. The Town has earned a reputation in the industry as having some of the highest quality and well-maintained soccer fields in the country.

In addition to hosting national events, the facility also serves the local community. This world class facility routinely hosts thousands of hours of training, matches, 5Ks, and other activities each year for local, regional and state-wide events. These include:

- NC State Games
- local high school and middle school cross country regular season, conference and state championships
- Six youth soccer tournaments. These are annual events hosted by NCFC Youth and Wake FC. At least 50-60 teams actually play at WMSP during each of the tournaments.
- NC Soccer Coaches Association Coaches Kick Off Classic High School boys soccer showcase (42 High School teams from across the entire state. Average attendance is about 2200 spectators.)
- Almost 140 5K Cause Runs since 2007
- Training and matches for every major youth soccer club in the area
- Triangle Polo match
- Raleigh Flyers Ultimate Disc Matches
- Training and matches for several local middle school, high school, and college teams
- Major cross country events including the, Adidas Classic (2000 runners plus about 2500 spectators), Great American Cross Country Festival (2000 runners plus about 2500 spectators), the Nike Cross Nationals (1000 runners and 750 spectators), CIAA XC Championships, NCSU, and the ACC Championships
- National Soccer Coaches Association of America Coaching Education Courses

Given the huge impact of these events to Wake County and Cary, it is mutually beneficial to them while attracting new ones. At 17 years old, maintenance, updated technology, and adaptive management are all key components to keeping the facility competitive. In Cary, we pride ourselves on phenomenal sports venues that keep up with the changing landscape. This request is to continue this reputation by upgrading the current field lights for the stadium and fields 2 and 3.

Lighting Improvements

In its conception, WakeMed was one of the first soccer-only facilities in the US and part of the country's major stadium boom. Though state of the art in 2002, today the athletic field lighting system at the venue is outdated and underperforming in all areas for the level of play currently at the facility. The park is host to approximately 40 soccer matches per year that are all aired on TV or streamed. Proper lighting is critical to the safety of the participants; and second to safety, it is important that when Cary and Wake County are nationally televised, the picture quality be consistent with other sports venues around the US. The soccer park is currently lacking in this area creating a darker image and grainier contrast.

NCAA Championships Venue Location			
Men's Soccer History		Women's Soccer History	
YEAR	SITE	YEAR	SITE
2017	Philadelphia	2017	Orlando, Fla.
2016	Houston	2016	San Jose, Calif.
2015	Kansas City, Kan.	2015	Cary, N.C.
2014	Cary, N.C.	2014	Boca Raton, Fla.
2013	Chester, Pa.	2013	Cary, N.C.
2012	Hoover, Ala.	2012	San Diego, Calif.
2011	Hoover, Ala.	2011	Kennesaw, Ga.
2010	Santa Barbara, Calif.	2010	Cary, N.C.
2009	Cary, N.C.	2009	Texas A&M
2008	Frisco, Texas	2008	Cary, N.C.
2007	Cary, N.C.	2007	Texas A&M
2006	St. Louis	2006	Cary, N.C.
2005	Cary, N.C.	2005	Texas A&M

As new technologies emerge, they allow us the opportunity to keep the facility up to international sporting standards as they relate to player safety, broadcast quality, and fan comfort by reducing glare. WakeMed Stadium hosts International Soccer (FIFA lighting standards), Major League Soccer (MLS Lighting Standards), NCAA National Championships (NCAA Lighting Standards), as well as many other sporting events that are all broadcast both nationally and internationally. In order to remain a viable facility and to continue to host these types of events, the venue is in need of an athletic field lighting upgrade to LED sports field lighting.

The switch to LED will bring WakeMed field lighting levels up from an average of 68 ft. candles and a uniformity of 2.8 to 116 ft. candles and a uniformity of 1.2. This change will also reduce the current vertical light pollution and horizontal trespass onto neighboring properties. There will also be a reduction in the total number of fixtures in the facility from 274 to 200 which will greatly add to the inherent energy savings of changing to LED fixtures. The lighting project will also eliminate maintenance cost on the aging fixtures for 25 years, a savings of \$121,782.75 alone, which covers the warranty period for the new fixtures. Total project cost for the proposed lighting project is \$1,400,000.

Visitors Served

The current annual 236,000 visitors to the Park, in addition to event participants, will be served by these improvements. Additionally, audiences to whom the events are televised will benefit from the improved lighting levels.

Koka Booth Amphitheatre Sound System & Lighting Improvements

Venue

Koka Booth Amphitheatre is the Town of Cary's largest and most popular performing arts facility. As the summer home of the North Carolina Symphony, performances have taken place on this site for more than 30 years. In 1999, the Town broke ground on a permanent facility which opened in 2001 and set the stage for a wide range of performances beyond the Symphony, including national touring artists, unique cultural festivals, movies and other celebrations. Designed by the acclaimed Boston architectural firm of William Rawn Associates, the facility has won numerous architectural awards and has become a fan favorite as well, regularly selected as the Triangle's best outdoor music venue by readers of The Independent, Cary Magazine and other publications.



Events



Since its opening, the Amphitheatre has hosted more than 175 performances by the North Carolina Symphony. Over the past seventeen years, over 270 national touring artists, including at least 39 Grammy Award Winners such as Nora Jones, Paul Simon, Chris Stapleton, Jack Johnson, the Lumineers among many others have taken the stage at Booth Amphitheatre as well as hosting Nobel Prize winner Bob Dylan. From 2001 through the 2017 season, the Amphitheatre has a recorded attendance of more than 2.1 million attendees.

Other unique highlights include the Diwali Festival, held at the Amphitheatre annually since 2002. This festival has grown to attendance of more than 13,000 and is said to be the largest Indian/American festival in the southeast. The more recent Chinese Lantern Festival has extended the Amphitheatre's season in the

winter months and in its first three years has drawn visitors from as far away as Vancouver, British Columbia and attracted more than 230,000 ticket buyers. The Amphitheatre has also become a popular location for food and beverage festivals including the Great Grapes Wine Festival, the Beer & Bacon Festival, Beer, Bourbon & Barbeque Festival and Triangle Oktoberfest. All of these programs, as well as the “Movies by Moonlight” series, illustrate the wide range of performances, festivals and events the Amphitheatre brings to the region.

Lighting and Sound Improvements

In order to continue to support these events, it is imperative to bring the amphitheater’s specialty infrastructure components up to the highest industry standards. Both the lighting and sound systems have been in continuous operation since 2001. Since that time, technology has evolved considerably and the facility is past due for improvements. Current lighting fixtures have held up past their expected lifespan given the conditions they operate in, and represented the best technology available at the time. Proposed replacement theatrical fixtures are specifically designed for outdoor installation, will reduce energy consumption, and through the use of LEDs also reduce maintenance and service intervals resulting in ongoing cost savings associated with operation.

The sound system no longer meets the fidelity expectations of patrons, artists, or production staff. Additionally, cabinets have exceeded their usable life, and are experiencing multiple component failures. The original system installation was not designed to meet the expectations of today’s touring artists and has contributed to the challenges of working with a wide range of users. Replacement equipment will be evaluated based on setup speed, fidelity, and ability to maintain high quality sound in the facility.

With this proposed project, the Town will be able to install the most advanced systems available on the market today to provide contemporary performers with superior technology. Given the increased competition in the market with the advent of neighboring amphitheaters and other facilities, there is even greater importance in ensuring the highest quality systems are in place.

Visitors Served

The current annual 232,000 visitors to the Amphitheatre, in addition to performers, will be served by the lighting and sound system improvements. It is anticipated that the enhanced lighting and sound equipment will allow the Amphitheatre to attract a higher level of touring artist and bring new audiences to the venue from across the state.

“The Town of Cary's request for grant funding to improve these systems would be a great investment to extend the reputation of the Triangle area as an entertainment destination.”

Mike Smardak, Outback Concerts of Tennessee, Inc.

2. PROJECT EFFECTIVENESS IN ADDRESSING COMMUNITY NEED

The WakeMed facility upgrade to LED lighting will allow the Town and our community partner, North Carolina Football Club (NCFC), to attract more fans through a better fan experience during the NCFC Men’s and NC Courage Women’s games. The expectation is the increased lighting levels for both the stadium and fields 2 and 3 will continue to attract regional and national teams to Wake County, enhancing the day tripper and overnight visitor counts. If the project is not completed within the described timeframe, Cary will most likely lose some NCAA championships, and NCFC may not meet minimum broadcasting standards for the United Soccer League and National Women’s Soccer Leagues.

By upgrading the lighting and sound systems at Booth Amphitheatre, the facility will be well positioned to continue to be a unique performance venue for the full range of activities currently offered. With technologically advanced systems, the Amphitheatre will continue to showcase the top names in entertainment and potentially attract an entirely new group of performers. Additionally, the North Carolina Symphony will benefit from enhanced sound and potentially be able to reduce the need for additional rental equipment necessitated by its unique needs for amplifying classical music. If replacement of the current lighting and sound systems is delayed, the Amphitheatre not only may lose out on promising performers, but also the facility could be shut down for an extended period of time if the current systems should fail.



3. NEED FOR COUNTY INVESTMENT

The Town of Cary is seeking Wake County capital investment to ensure our ability to keep existing tournaments, events, and performances in Wake County while seeking to acquire new ones as a result of enhanced, state of the art facilities.

Competition among soccer stadiums and premiere level grass fields to host events is very high, and therefore keeping facilities updated is critical. A good example is that currently the US Soccer National Teams come to Wake County and WakeMed Soccer Park occasionally for training and games. The games must be held during the daytime since the lighting levels are too low for night play. With completion of the lighting upgrades, we can host more night games which will likely result in more fans spending the night in the area instead of driving back home after a day game, as well as additional food and beverage spending.

“Updated lighting will make this possible, and it provides a perfect backdrop to showcase Cary as the unquestionable home for soccer championships.”

*Katharine Eberhardt, Business Development
Director, North Carolina FC*

Through these capital investments in sound and lighting system upgrades at Booth Amphitheatre, Wake County helps ensure that this unique venue remains a viable host for a wide variety of events, including concerts, festivals, and special programs which serve to bring visitors here from across the state and beyond.

4. PROJECT COLLABORATION

The Town has a history of collaboration with organizations that support WakeMed Soccer Park and Koka Booth Amphitheatre and contribute to the success of these venues. Below are a few examples of the successful partnerships the Town has cultivated. Facility needs and improvements have been ongoing topics of discussion with the Town’s partners, and continually help inform priorities for venue improvements.

- The Town works closely with NCFC in providing a professional soccer fan experience through their Men’s team as well as the Women’s Courage team.
- ACC and NCAA are successful partnerships in the amateur sports world by regularly selecting WakeMed Soccer Park to host championships. These organizations keep coming back due to consistency in the areas of phenomenal facilities, partnership support, and a full stadium of fans.
- NCFC Youth, Greater Raleigh Convention and Visitors Bureau, and Campbell University are also key partners in hosting collegiate championships.
- The North Carolina Symphony has been an integral part of the Amphitheatre from the very beginning and considers Cary and the Amphitheatre its summer home.
- Hum Sub, a Cary-based nonprofit devoted to sharing the culture of India with the greater community, has worked with the Town to produce Cary Diwali at the Amphitheatre since 2002.

- Asian Focus partners with the Town for the annual Dragon Boat Festival.
- Various arts organizations, including the Triangle Wind Ensemble, Concert Singers of Cary, North Carolina Opera, Theatre Raleigh, Triangle Brass Band, the Philharmonic Association among others.
- Tiyanu Arts & Culture, a Chinese cultural organization, partners with the Amphitheatre to produce the North Carolina Chinese Lantern Festival.
- A wide range of community organizations partner with the Town of Cary to host various events and programs at Koka Booth Amphitheatre, including the Cary Chamber of Commerce, the SPCA, the Caring Place, Esprit de She, AltzNC, Leukemia & Lymphoma Society and other organizations producing various fundraising events.



5. MEASURING SUCCESS



The Town of Cary tracks and measures the attendance at all events at each of the Town's venues. In addition, staff works closely with the Greater Raleigh Sports Alliance and the Convention and Visitor's Bureau regarding the economic impact of all major events at both WakeMed Soccer Park and Koka Booth Amphitheatre. Event and visitor count data would be included in any future reports submitted to Wake County.

Measurement of improved lighting levels at installation, and elimination/reduction of maintenance costs in the future will help indicate success of the facility improvements. Greater ease of access and integration for touring artists' sound systems at Koka Booth is also an anticipated outcome of the proposed upgrades. This feedback and technical data could be included in future reports.

6. CONSISTENCY WITH OPERATING PRINCIPLES

WakeMed Soccer Park and Koka Booth Amphitheatre, and the technological improvements proposed at both venues, are fully aligned with the Wake County Room Occupancy and Prepared Food and Beverage Operating Principles.

Tourism

- A. *Prioritize use of funds for projects that drive measurable, regular overnight visitation or positive return on investment (ROI).*
- G. *Create sports, arts and cultural opportunities, through leveraging community investments and partnerships, that benefit residents and enhance tourism offerings.*
- J. *Ensure that investments support the long-term vision of Wake County and its cities and towns as a tourism destination.*

As evidenced by the attached visitation and overnight visitor numbers, both venues drive measurable, regular overnight visitation in the county. These venues host national and world class events that draw visitors from all over the region, country and world. The Town works in partnership with many organizations (see section 2.5) to meet the needs of and attract nationally known performing artists, professional soccer leagues and

international soccer events so that these venues continue to enhance tourism offerings and promote the county as a tourism destination.

Competitive Venues

B. Support and promote the on-going capital expenditure program and expansion of existing investments in major facilities to keep them current, relevant and competitive in market.

Koka Booth Amphitheatre and WakeMed Soccer Park were both developed in the early 2000s. Though both venues have been big economic drivers in the area, with growing lists of events and performances, some of the equipment at these venues is the originally installed equipment. In order to keep these venues current and competitive in terms of hosting the national and televised events they are currently booking and to attract future bookings, it is important to upgrade lighting and sound equipment to meet today's standards and needs. The proposed projects will allow these facilities to continue to function as tourist destinations, competitive within their markets, well into the future.

Fiscal Responsibility

D. Ensure project investments are secured by solid long-term plans, both operational and financial, that demonstrate viability and sustainability.

E. Utilize high standards of fiscal accountability in planning and managing the use of tax revenues:

- a. Fulfill existing obligations before entering into significant new financial commitments*
- b. Maintain long-term, conservative financial forecasting.*

The Town of Cary oversees management, operation and planning for both WakeMed Soccer Park and Koka Booth Amphitheatre. The Town invests regularly in the operational costs for running the venues and in capital costs of maintaining the facilities. Each facility has a business plan that is regularly updated and approved. These facilities have solid financial plans and the Town has stood behind the facilities, operating them successfully for over 10-18 years.

Quality of Life

F. Support investments that complement economic development efforts and enhance quality of life experiences for visitors, newcomers and long-time residents.

Both venues attract national and international events that draw visitors from across the state and country which have significant positive economic impacts on hotel, food and beverage spending in Wake County. They not only provide world class experiences close to home for local residents but these venues are also host to many local and regional events that enhance quality of life for long term residents and newcomers, in addition to visitors.

3.0 PROJECT BUDGET AND FUNDING SOURCES

1. SOURCES OF FUNDING

Below is a listing of the proposed sports and performing arts venue projects, including sources of funding for each project and year of commitment. Commitment of funds is evidenced by Cary Town Council's January 25, 2018 approval of a staff report detailing the projects and funding commitments (additional documentation can be provided upon request). Cost estimates were prepared by the Town of Cary with input from consultants and vendors. Construction inflation is included for two years at 5.0% per year.

WakeMed Soccer Park Improvements – Total Project Estimate: \$1,400,000

This project will upgrade lighting fixtures to LED. The switch to LED will increase field lighting levels and provide more uniform lighting which are both important to playability, safety, and broadcast coverage. This change will also reduce the current vertical light pollution and horizontal trespass. There will also be a reduction in the total number of fixtures in the facility from 274 to 200 which will greatly add to the inherent energy savings of changing to LED fixtures while increasing the light levels. Finally, the lighting system will have a 25 year warranty period during which maintenance costs will be eliminated resulting in a cost savings of \$121,783 over those 25 years. The 65% match of \$910,000 has been committed by the Town; funding will be appropriated in FY2019 upon award by the County. Requested Wake County funding of 35% would total \$490,000.

“NCFC and NC Courage both play broadcasted games on Sahlen’s Stadium. Without proper lighting, we would be unable to properly broadcast games.”

Steve Malik, Owner - North Carolina Football Club

Koka Booth Amphitheatre - Total Project Estimate: \$700,000



This project includes upgrading all theatrical and stage lighting. Sound system improvements include evaluating the current delay system (which provides even sound throughout the facility) to determine if newer technology would accomplish the same goal, replacing all speakers, woofers and sub-woofers with current technology and providing more efficient connection systems for touring artists to integrate their sound systems into the facility system. The 65% match of \$455,000 has been committed by the Town; funding will be appropriated in FY2019 upon award by the County. Requested Wake County funding of 35% would total \$245,000.

TABLE 3.1 FUNDING SOURCES

WakeMed Soccer Park LED Lighting		\$1,400,000
Town Funding FY2019 (65%)	Committed	\$910,000
Wake County funding (35%)	Requested	\$490,000
Koka Booth LED Lighting & Sound Improvements		\$700,000
Town Funding FY2019 (65%)	Committed	\$455,000
Wake County funding (35%)	Requested	\$245,000

2. SCHEDULE OF EXPENDITURES

Cost Estimates were prepared by Town of Cary with input from consultants and vendor. Construction inflation is included for two years, at 5.0% a year.

TABLE 3.2 SCHEDULE OF EXPENDITURES

WakeMed Soccer Park LED Lighting		\$1,400,000
- Construction & Equipment	90%	\$1,260,000
- Contingency	10%	\$140,000
Koka Booth Ampitheatre		\$700,000
Lighting		\$300,000
- Construction & Equipment	90%	\$270,000
- Contingency	10%	\$30,000
Sound System Improvements		\$400,000
- Planning & Design	10%	\$40,000
- Construction & Equipment	80%	\$320,000
- Contingency	10%	\$40,000

3. IMPACT ON EXISTING INFRASTRUCTURE

Due to the specific, targeted nature of improving upon these existing venues, the Town does not require any land acquisitions, nor anticipate any major impact upon the existing infrastructure.

4.0 PROJECT TIMELINE

The proposed projects at WakeMed Soccer Park and Koka Booth Amphitheatre will begin within 12 months of project approval/agreement execution. Completion of each project is projected well within the requested 36 months of project approval/agreement execution. No site plan approval or zoning variance requirements are anticipated. Projects at both facilities will follow the same schedule due to similar scope of design and construction. Most events at the facilities occur between May and December so construction will be planned for winter and spring to reduce conflict with tournaments and concerts.

Table 4.1 identifies the anticipated project schedule. Since these are existing facilities, many steps have already been completed. It is anticipated that the projects will commence in the spring of 2019 with the hiring of consultants for design. We are projecting that all phases of the project will be completed by mid-2020.

TABLE 4.1 TIMELINE

Project Action	Start Date	Finish Date
Study and Analysis of Project	<i>Complete</i>	
Site Identification	<i>Complete</i>	
Land/Site Acquisition	<i>Complete</i>	
Architectural/Engineering Studies	Spring 2019	Fall 2019
Facility Construction	Winter 2019/2020	Spring 2020
Equipment Purchase	Winter 2019/2020	Spring 2020
Other (describe)	N/A	N/A

5.0 PROJECT OPERATING PLAN

OPERATING BUDGET

The Town of Cary prepared a ten-year operating budget to inform the long-term viability of the project and the operations.

In FY17, approximately 56% of the Wake Med Soccer Park's budget is recovered through revenues obtained through user fees, tournaments/events and the professional tenant contract. In FY17 approximately 85% of Koka Booth Amphitheatre's budget is recovered through concert revenue (ticket sales, ticket rebates, parking, concession commission, merchandise commission, facility maintenance fee), rental revenue and sponsorships. User fees are established in the Town's Fees and Charges portion of the operating budget and are reviewed annually during the budget process. A significant portion of the field space at the soccer park is utilized by activities considered to be basic recreational services. An appropriation from the Town's general fund is necessary to maintain the facility to meet Town of Cary standards and to continue to offer these basic services at both facilities. The Town has consistently appropriated funding to meet these needs since the facilities were opened/operated by the Town.

TABLE 5.1 OPERATING BUDGET

				Projects completed Mid-year FY21						
SOCCER PARK	FY18 Adopted	FY19 Estimated Budget	FY20 Estimated Budget	FY21 Estimated Budget	FY22 Estimated Budget	FY23 Estimated Budget	FY24 Estimated Budget	FY25 Estimated Budget	FY26 Estimated Budget	FY27 Estimated Budget
Total Expense	\$1,441,870	\$1,541,870	\$1,632,840	\$1,729,178	\$1,831,199	\$1,939,240	\$2,053,655	\$2,174,821	\$2,303,135	\$2,439,020
Total Revenue	\$699,826	\$799,826	\$855,014	\$914,010	\$977,077	\$1,044,495	\$1,116,565	\$1,193,608	\$1,275,967	\$1,364,009

				Projects completed Mid-year FY21						
AMPHI-THEATRE	FY18 Adopted	FY19 Estimated Budget	FY20 Estimated Budget	FY21 Estimated Budget	FY22 Estimated Budget	FY23 Estimated Budget	FY24 Estimated Budget	FY25 Estimated Budget	FY26 Estimated Budget	FY27 Estimated Budget
Total Expense	\$1,156,736	\$1,214,573	\$1,275,302	\$1,339,067	\$1,406,020	\$1,476,321	\$1,550,137	\$1,627,644	\$1,709,026	\$1,794,477
Total Revenue	\$958,410	\$987,162	\$1,016,777	\$1,047,280	\$1,078,698	\$1,111,059	\$1,144,391	\$1,178,723	\$1,214,085	\$1,250,507

ANNUAL OPERATING PLAN

The primary objectives of operating both the WakeMed Soccer Park and Koka Booth Amphitheatre is to enhance the quality of life for the residents of the Town of Cary, support and encourage economic activity in Wake County and surrounding area by providing world class facilities for athletics and performing arts that meets a variety of program needs, and operate in a manner consistent with the Mission Statement, Statement of Values and Goals of the Town of Cary.

The Town strives to manage its facilities to the highest industry standards, protect and maintain the facilities' condition, facilitate town wide programs and provide the highest level of courteous,



accurate and responsive customer service. The Town balances use of each facility in such a manner as to diversify and maximize the opportunities for the greatest number of different users.

Facility upgrades will be marketed through updated bid specifications provided when submitting bids for events, tournaments, and performances being sought for the venues. These updated specifications will help keep the venues viable hosts for future events.

Facility upgrades will be marketed through updated bid specifications provided when submitting bids for events, tournaments, and performances being sought for the venues. These updated specifications will help keep the venues viable hosts for future events.

FINANCIAL POSITION DOCUMENTATION

The Town of Cary has a solid financial position. The Town of Cary is an incorporated municipal government, and therefore does not file an IRS form 990 for tax purposes.

A copy of the Town of Cary's most recent financial audit has been included in Appendix A for your review.

6.0 ESTIMATES IN VISITORS

The Town proposes that Wake County would receive its return on investment after 3 years with an anticipated total annual economic impact of \$12.6 million. Projected over a seven-year period, we estimate over \$88 million in economic activity due to the venue enhancements. This estimate factors in the ability to draw new events to the sports and entertainment venues as well as retain existing events, tournaments, and performances. The Visitor Estimates and Return on Investment calculation sheet is included as **Appendix B**.



Cary is proud that over **5 Million people** have attended events and programs at these Cary venues. Specifically WakeMed Soccer Park and Koka Booth Amphitheatre had over 467,070 people come through the gates in 2017.

Since these facilities opened in 2001 (WakeMed Soccer Park and Koka Booth Amphitheatre), **visitor spending (from outside of Cary) has surpassed \$204 million through 2017**. This data is based on tracked attendance and the Economic Impact Formula provide by the Greater Raleigh Convention and Visitors Bureau.

The **annual Economic Impact number has grown nearly every year to a peak of \$14.3 million in 2017** in large part due to the efforts listed below:

Recruitment of Events

Town of Cary works closely with local partners like GRSA, NCFC Youth, etc. to recruit quality events that showcase our venues and brings visitors to Wake County and specifically, Cary. These events include Collegiate Championships (we have hosted over 50 championships), weekend soccer tournaments, and cross country races.

Town of Cary has developed significant partnerships that encourage visitors to the Amphitheatre from across the state. Unique cultural events like the Diwali Festival which celebrates the cultures of India and since 2002 has grown to be the largest such event in the southeast, draws visitors from Washington, DC to Atlanta, GA. The Dragon Boat Festival, going into its fifth year at the Amphitheatre, draws teams from Charlotte and southern Virginia as well as coaches and suppliers from Florida. The North Carolina Chinese Lantern Festival just completed its third season at the Amphitheatre. This six week festival is currently drawing close to 100,000 visitors with approximately 20% coming from beyond a fifty mile radius, the furthest being from Vancouver, British Columbia. This activity is in addition to regular headlining concerts which also draw music lovers from a statewide and larger regional audience.

Upon the completion of the proposed upgrades, Cary can submit bids for events, tournaments, and performances at each of the venues that meet bid specifications by marketing the lighting and sound improvements.

Maintenance & Upkeep

Cary prides itself on the level of maintenance in all of our parks and especially the sports and performance venues. They all have a “park” feel and Cary is constantly keeping them fresh by investing in annual quality and preventative maintenance.

Upgrades and Improvements

History has shown that Cary wants to stay on the cutting edge. Cary, with funding by Wake County, has invested wisely in upgrades and improvements over the past 10 years at these venues. Some examples of past and current projects include:

WakeMed Soccer Park – adding 3,000 seats, two additional locker rooms, multipurpose suites overlooking the stadium field, and a state-of-the-art video board.

Koka Booth Amphitheatre – replacing all main level decking and railing in the Crescent, ADA upgrades, upgrades to the concessions buildings, paving the Gold Circle seating area, drainage improvements, expanded parking, and architectural lighting upgrades.

7.0 ORGANIZATIONAL INFORMATION

The Town is fully capable of supporting its commitment as outlined in this funding request. The Town, and project team, have significant experience in completing capital projects. Over the past fifteen years, the Town has completed over \$100 million in parks-related capital projects. Should this project request be funded, they will be completed within budget and on time.

ORGANIZATION BACKGROUND

The Town of Cary was incorporated on April 3, 1871. The boundaries were initially set at one square mile at the time of incorporation, but has grown to over 55 square miles, serving a population of over 155,918 (as of January 2016). The Town of Cary is administered via a Council-Manager Form of Government. The citizens of Cary elect a mayor and a seven-member Town Council.

Mayor

Harold Weinbrecht

At-Large Representatives

Lori Bush

Ed Yerha

District Representatives

Jennifer Robinson -

District "A"

Don Frantz - District "B"

Jack Smith - District "C"

Ken George - District "D"



The elected Council creates a vision for the community by setting the broad policies, goals, and direction of the government including adopting necessary laws. The Council also appoints three staff members: the Town Attorney, the Town Clerk and the Town Manager.

As the chief executive officer, the Town Manager implements Council's policies and oversees all Town operations. The manager advises the Council on all issues, proposes the annual budget, and coordinates the work of all municipal staff (over 1,200 staff members) not appointed by the council.

Cary's professional staff develops and implements projects, programs, and services in support of Council's goals and is responsible for the organization's day-to-day operations. The staff currently operates at a staff-to-citizen ratio of about 8.3 staff members for every 1,000 Cary residents, one of the lowest in the state.

Endorsements

The Town has significant experience managing projects of a similar scale of those proposed, as well as much larger projects. Please see attached letters of support beginning on page 19.

"The Town has made ongoing investments in these two venues to develop them into the tourist destinations that they are today. Since their openings in 2001/2002, the Town has invested over \$12 million in capital improvements at WakeMed Soccer Park and Koka Booth Amphitheatre."

Harold Weinbrecht, Jr. - Mayor

"SMG understands the importance of these systems for Koka Booth Amphitheatre to continue to attract top-notch talent to join the numerous Grammy-winners that have graced its stage."

Liz McDonald, General Manager - SMG World

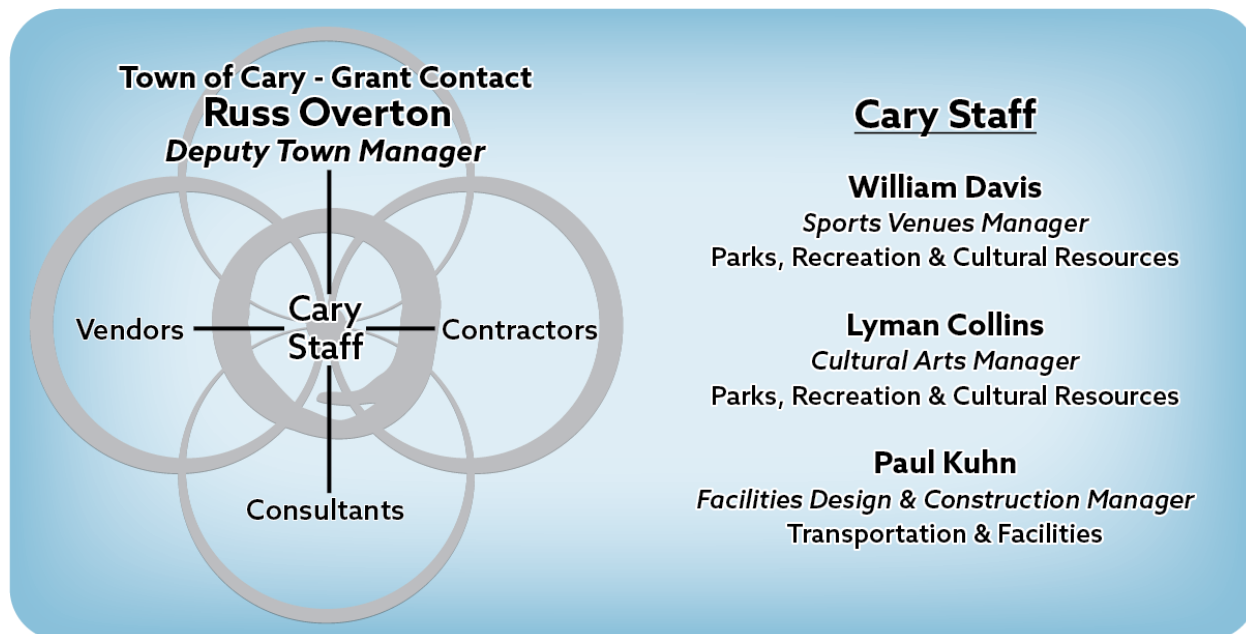
Pending Litigation

Tradition at Stonewater I, LP v. Town of Cary
Town of Cary v. Time Warner Cable, et al
Estate of John Burl Hudson v. Norfolk Southern Railway Co., et al.
Estate of Dorothy Flint v. Norfolk Southern Railway Co., et al.
Woodlyn on the Green v. Town of Cary
Savage Towing v. Town of Cary
Wanda Hudson v. State of North Carolina, et al.
Mohammad N. Jilani v. Wake County District Attorney's Office, et al.

Contractual Relationships

We are not aware of any conflict of interest or appearance of conflicts of interest in partnering with Wake County on these proposals.

PROPOSER TEAM EXPERIENCE



SIMILAR PROJECTS

WakeMed Soccer Park - 2002

WakeMed Soccer Park was completed in 2002 by the Capital Area Soccer League. The property where WakeMed Soccer Park resides is owned by the State and leased to Wake County under a ground lease agreement dated July 6, 1999. Under the terms of an August 16, 2004 Interlocal Agreement between the Town of Cary and the County, the Town assumed operational and maintenance responsibilities for the park. The Town has successfully managed the facility since 2004.

The Town completed a major expansion to the facility in 2012 by adding 3,000 additional seats, multi-purpose rooms, locker-room facilities and a video board. This project was funded as part of the Interlocal agreement with Wake County. Total cost of the project was \$6.0 million.

The WakeMed Soccer Park has an approved Business Plan. It costs approximately \$1.6 million to operate annually. Annual visitation at WakeMed Soccer Park is 240,000 with over 80 groups using WakeMed Soccer Park. The annual economic impact of WakeMed is \$4.5 million.

USA Baseball National Training Center – 2007

In 2007, the Town completed the construction of the USA National Training Complex at a cost of \$11 million. The project was completed in partnership with USA Baseball, the national governing body for amateur baseball. It represents the sport in the United States as a member of the U.S. Olympic Committee (USOC) and internationally as a member federation of the World Baseball Softball Confederation (WBSC). Nearly every major national amateur baseball organization in America is united as a USA Baseball national member organization. As a result, USA Baseball governs more than 12 million amateur players in ballparks and playgrounds across the country.

The USA Baseball National Training Center has an approved Business Plan. It costs approximately \$1.1 million to operate annually. Annual visitation at USA Baseball is 76,500. The annual economic impact of USA Baseball is \$3.3 million.

Interlocal Agreement with Wake County for 800 MHz Shared Radio System Infrastructure - 2014

The Town's Technology Services Department has considerable experience with implementing Wi-Fi and technology infrastructure. In 2014, the Town and Wake County reached agreement allowing Wake County to connect their 800 MHz radio system infrastructure to Cary's shared 800 MHz radio system infrastructure. It created a partnership between the two entities to enhance public safety interoperability and reduce ongoing maintenance costs associated with shared 800 MHz radio system infrastructure. Cary and Wake County split the ongoing annual software and hardware maintenance costs associated with the shared infrastructure.

In addition, the Town coordinated installation of Wi-Fi at Koka Booth Amphitheatre in 2013 and installed Wi-Fi at Cary's Town Hall Campus in 2016.

Synthetic Turf Field Project - 2015

The Town completed the construction of 5 synthetic turf fields. Funding for these fields was a combination of a community bond funding and a public/private partnership with the Capital Area Soccer League (CASL). In 2012, Cary citizens approved funding to construct two to three synthetic turf fields. In 2015, Town Council approved an eight year, \$2.0 million lease with CASL which provided CASL access to two fields during weekly prime time (4:30 to 8:30 pm) in return for \$1.5 million in funding for construction of the fields. As part of the agreement, five to seven annual tournaments are included. Each field provides over 2,000 hours of use. Development of additional synthetic turf fields will provide increasing opportunities for year-round tournaments.

Cary Tennis Park Expansion - 2017

The facility expansion project included minor clubhouse renovations and building a 55,000 square foot tennis court expansion that will provide players with seven post-tension, concrete tennis courts that are covered for year round play. The new covered courts allow the Town to continue scheduled tournaments during inclement weather. This project was funded as part of the Interlocal agreement with Wake County. Total cost of the project was \$5.0 million.

ENDORSEMENTS & LETTERS OF SUPPORT



NORTH CAROLINA FOOTBALL CLUB

February 5, 2018

Mr. Doug McRaney

Director

Town of Cary, Parks Recreation & Cultural Resources

316 N. Academy Street

Cary, NC 27513

Dear Doug:

The North Carolina Football Club (NCFC) and NC Courage are strong supporters of the Town of Cary's grant request for funding for field lighting improvements. We strongly support this project because the lighting improvements are necessary to keep the facility on pace with other high-quality venues throughout the country. Our community needs up-to-date facilities in order to continue to provide the highest quality sports-based entertainment options to our area.

With regard to the lighting improvements, there are several reasons that we support this investment. NCFC and NC Courage both play broadcasted games on Sahlen's Stadium. Without the proper lighting, we would be unable to properly broadcast the games. Improved lighting on the fields will also ensure that our teams are able to practice and play night games. The improvements will also support our track record of success in regard to attracting and hosting international exhibition games on these fields. The lighting needs are truly essential for our operations and continued growth.

Please let me know if I can be of any further assistance as it relates to this high-priority project.

Sincerely,

Steve Malik

Owner

North Carolina Football Club



5501 Dillard Drive, Cary, NC 27518 | NorthCarolinaFC.com | NCCourage.com



February 5, 2018

Mr. Doug McRainey
Town of Cary- Parks, Recreation, & Cultural Resources
316 N. Academy Street
Cary, NC 27513

Doug,

On behalf of North Carolina FC Youth (NCFC Youth; formerly Capital Area Soccer League), it is my pleasure to submit this letter of support for the Town of Cary's bid to Wake County for funding from the Hospitality Tax & Small Capital Projects Fund. Updating and upgrading field lighting at Sahlen's Stadium and fields 2 & 3 at WakeMed Soccer Park will elevate Cary as the destination for sports events.

NCFC Youth is part of the local organizing committee (LOC) that has successfully attracted and hosted multiple ACC Championships and NCAA College Cups. Our goal is for Cary to be the home for college soccer championships. The recent projects underway (i.e., turf field installation and WiFi at Sahlen's Stadium) are two major steps in the right direction, but there is still more to do. Upgrading the lighting to LED to reach FIFA / NCAA TV standards in the stadium will add an enhanced, crisper environment for players and spectators, in addition to allowing us to reach a broader audience through streaming and broadcasting.

One of our LOC goals is to provide an unparalleled playing experience for student-athletes by ensuring that the stadium is full, and we want the world to see this. Often teams are competing in championships in Cary from across the country, and friends, family, and soccer fans across the world (colleges recruit many international players) deserve to have access to quality streaming and broadcasting. Updated lighting will make this possible, and it provides a perfect backdrop to showcase Cary as the unquestionable home for soccer championships. This viewing experience will resonate with viewers who may wish to visit a future championship in Cary, and it will most certainly influence the ACC and NCAA's decision to return to Cary for future championships.

Hosting championships in Cary also helps NCFC Youth attract teams from across the country to compete in our visitRaleigh.com Showcase Series, which we host in conjunction with any college championship. This helps make our bid attractive to the governing bodies, and conversely, hosting championships helps make our tournament attractive to youth teams. We often turn away hundreds of teams because we do not have enough quality lighted fields for competition. Lighting updates to fields 2 and 3 at WakeMed Soccer Park create potential for us to add another game slot during our two college showcases, which currently hosts approximately 1,000 youth soccer teams across two weekends November and December. Updating these fields also ensures that Cary receives the economic benefits of these visitors, as we encourage all teams to stay in the area where they play. In 2017, the two showcase weekends generated 2,448 room nights in Cary. With another game slot, we could add 8 teams to each of the older showcase weekends (16 total teams), which translates to the potential for approximately 384 additional room nights in Cary (16 teams x avg. of 12 rooms/team/night x avg. of 2 night stay) every year.

The proposed updates to WakeMed Soccer Park will have a domino effect on our attractiveness to the ACC and NCAA for future championships, our ability to host youth soccer teams in Cary, and on bringing more out of town visitors to the area. We are in full support of the Town of Cary and this project, and please let me know if I can be of any future assistance.

Katharine Eberhardt
Business Development Director
North Carolina FC Youth

NORTH CAROLINA SYMPHONY

tel 919.733.2750 | fax 919.733.9920 | www.ncsymphony.org | 3700 Glenwood Avenue, Suite 130, Raleigh, North Carolina 27612

February 5, 2018

Dear Hospitality Tax Small Capital Projects Funding Committee:

I am writing in support of the Town of Cary's application for the Hospitality Tax Small Capital Projects Funding to help offset the costs of improvements to the sound and lighting of Koka Booth Amphitheatre, the summer home of the North Carolina Symphony.

The Amphitheatre was designed for the North Carolina Symphony and is amongst the best of its kind. Since the opening in 2001, more than a million Wake County residents of all ages have been introduced to our programs in the idyllic setting. Central to our work at Koka Booth Amphitheatre is our need to present the orchestra to audiences that expect state-of-the art lighting and sound amplification for spoken word and our popular programs.

The impact of the Town of Cary's sound and lighting project will be meaningful to our work in serving Wake County residents and we fully support this application.

Sincerely,



Sandi M.A. Macdonald
President & CEO



To Whom It May Concern:

There are so many great music venues in Wake County, but none like the beautiful Koka Booth Amphitheatre.

We have the pleasure of being the exclusive concert promoter, presenting such amazing concerts as Paul Simon, Willie Nelson, ZZ Top and many more. While these legendary acts love the natural beauty of the venue, having the necessary lighting and sound equipment is essential for the artist. We whole heartedly support the Town of Cary's plan to upgrade the lighting and sound systems to remain a premiere concert venue. The Town of Cary's request for grant funding to improve these systems would be a great investment to extend the reputation of the Triangle area as an entertainment destination.

We support Cary's application for grant funding to facilitate these essential improvements.

Sincerely,

Mike Smardak
Outback Concerts of Tennessee, Inc.

209 tenth avenue south
suite 222
nashville, tennessee 37203
phone 615.242.3323 fax 615.242.3871 / 242.4922
outbackconcerts.com



***Worldwide Entertainment and
Convention Venue Management***

February 2, 2018

Dear Hospitality Tax Small Capital Projects Funding Committee:

As Koka Booth Amphitheatre enters its 18th season, it continues to be the regions premier venue for eclectic performances, spectacular festivals, family movies and community celebrations in an unrivaled, natural setting. With that understanding, we fully support the Town of Cary's grant request to upgrade the venue's lighting and sound systems. These systems form the backbone for creating unparalleled audience experiences that are its hallmark. As the venue management partner for seventeen years and with our national perspective, SMG understands the importance of these systems for Booth Amphitheatre to continue to attract top-notch talent to join the numerous Grammy-winners that have graced its stage.

For these reasons we enthusiastically support Cary's application for grant funding to support this important work.

Best regards,

A handwritten signature in blue ink, appearing to read "Liz McDonald", is written over a light blue circular stamp.

Liz McDonald
General Manager

SMG - Koka Booth Amphitheatre
101 Wilikinson Ave
Cary, NC 27513

Report of Independent Auditor

The Honorable Mayor and
Members of the Town Council
Town of Cary, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cary, North Carolina (the "Town"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

APPENDIX A AUDIT MANAGEMENT LETTER

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2017, and the respective changes in financial position and cash flows thereof, and the respective budgetary comparison for the General Fund and the Transit, Emergency Telephone System for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16 to the basic financial statements, the Town adopted Governmental Accounting Standards Board Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB Statement 68. Amendments to certain provisions of GASB Statements 67 and 68. As a result, net position as of June 30, 2016 has been restated. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Introductory Section, Supplementary Information, Statistical Section, and Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the supplementary information and the Schedule of Expenditures of Federal and State Awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2017 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Cheryl Bekaert LLP

Raleigh, North Carolina
October 19, 2017

Attachment 4: Visitor Estimates and Return on Investment

Updated 5/20/2016 - Please use this version with the RFP submittal

Definitions:

Visitors -

- a. **Wake County resident** - visitor from within Wake County
- b. **Day Visitor** - Visitor from outside of Wake County that doesn't spend the night
- c. **Overnight Visitor** - Visitor from outside 50 mile radius of proposed project that spend the night (include total number of nights if visitor will stay multiple nights)

Hotel Room Rate = \$102/per night

Meal Rate on Day Trip = \$23.40/per day; **Meal Rate on Overnight Trip** = \$26.10/per day

Town of Cary Sports Venues Improvements

Visitor Estimates, Economic Impact and Taxes Collected

1. Estimated Wake County residential visitors (annual) = 248,879

Estimated Food and Beverage Spending and Taxes Collected				
	Number of Visitors	Meal Rate	Meal Spending	
2. Estimated Day Visitors (annual) =	62,495	X \$23	= \$ 1,462,376	
3. Estimated Overnight Visitors (annual) =	55,000	X \$26	= \$ 1,435,511	
				X 1% Food &
4. Total Meal Spending =			\$ 2,897,887	Bev Tax = \$ 28,979

Estimated Hotel/Motel Spending and Taxes Collected

Number of ON					
Visitors	Party Size	# of Rooms	Room Rate	Room Spending	
5. Estimated Overnight Rooms (annual) =	55,000 /	1.69 =	32,545	X	
			\$102	=	\$ 3,319,552.28
6. Total Room Spending =					X 6% Occupancy tax =
				\$ 3,319,552	\$ 199,173

7. Return on Investment based on taxes collected (County funding/total taxes collected) = 3 (in years)

(This factors in attendance for new and retaining existing events/tournaments through the improvement projects)

Total Economic Impact annually = \$ 12,642,589

Total Economic Impact over 7 years = \$ 88,498,123