

Triangle Racquet Sports, LLC
RFP #18-001
Proposal for Hospitality Tax Small Capital
Projects Funding
Thursday, February 8, 2018
3:00 PM

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The Next Generation Racquet Sports Centre Happens Here!



USTA 

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 **Triangle**
Racquet Sports

Triangle Racquet Sports, LLC

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Triangle Racquet Sports

The Next Generation Racquet Sport and Health & Wellness Facility

Triangle Racquet Sports in partnership with the City of Raleigh and the United States Tennis Association will provide best-in-class racquet sports, health & fitness experiences for Wake County citizens, corporations and sporting organizations. TRS will be centrally located in the heart of Wake County, in the vibrant Brier Creek corridor. Triangle Racquet Sports will be the world-class amenity other competing cities will aspire to have!

Deliver to Wake County:

1. World Class facility, services, and accessible locale

- 50+ racquet courts (tennis, pickle ball, squash)
- Proposed 2,500 seat stadium court- capable of hosting significant local, regional, and national events
- Campus attractions – retail, fitness, nutrition, physical therapy, sports-medicine, sports-science
- *Family Zone* available to all including pickle ball, youth quick start tennis courts, social areas, and more
- Inclusive campus – public/private facility welcoming ALL residents

2. Commitment to the *Health & Wellness* of our residents- supporting improved health through racquet sports. Racquet sports is the most effective sport to play for your heart and mind health (as quantified by Cleveland Clinic, Mayo Clinic, Johns Hopkins, Harvard, and other prominent research & teaching hospitals)

3. Programming, lessons, camps, activities for ALL LEVELS of participant

- Beginner kids/Jr. tennis- Offer juniors a great pathway for improvement and better health.
- High performance- to include teens, college players, pros, and adults. Create champions at every level of play!
- Adult programming- (cardio, clinics, leagues, etc.). Create both social & competitive teams to promote tennis and better health. Offer the facility as the USTA league epicenter for the region. Expand the game of tennis to those not familiar with the game by offering simple and approachable programs to “Try Tennis”.

4. Local Company Partnerships- We envision two-way brand partnerships.

Triangle Racquet Sports will give Raleigh businesses an opportunity to participate on campus in a unique, and innovative way to represent their brand through experiential, on campus marketing initiatives. TRS will be hosting events at the facility, bringing in many out of town guests to patronize Wake County shops, hotels, restaurants, and entertainment facilities.

5. Marquee National & International events- host significant events annually which promote/drive traffic to the front door and grow the interest in tennis. Considerations include Davis Cup events, Fed Cup events, Challenger pro tennis events/World Team Tennis, Power Shares, etc.

6. Sports Technology incubator on campus- conversations under way with IBM to sponsor an “Innovation Center” on site, which will support the success of sports, health & wellness technology companies.

7. Cause related activities/events

Offer the underserved population a place to play, learn, and grow. Offer not only the facility to teach the game of tennis, but include all the fundamentals to a successful outcome (transportation, nutrition, education, and well-being). Charitable organizations will include:

- Children’s scholarships (NJTL) for programming
- Abilities Tennis
- Tennis for Life



FAMILY ZONE

AND REC
RAILHEAD



6 INDOOR TENNIS COURTS

PARKING

EXHIBITION COURT

COVERED COURTS

JUNIOR DEVELOPMENT/
USTA LEAGUE PLAY

FITNESS STUDIO,
SQUASH, LOCKERS

INNOVATION & CONFERENCE CENTER

HEALTH & WELLNESS FACILITY

& 22 HARD COURTS

ACQUET SPORTS, LLC

Triangle Racquet Sports, LLC
Proposal for \$1.5 Million Wake County Hospitality Tax Small Capital Project Grant

Section numbers are from RFP #18-001 "Request for Proposals for Hospitality Tax Small Capital Projects Funding."

4.1 Executive Summary. Triangle Racquet Sports (TRS) has under development a transformational concept in sporting facilities for Wake County, a unique racquet sports-centric sporting campus to be located in the Brier Creek area of Raleigh. The campus will include 50 tennis courts, squash courts, a health and wellness facility, a "Sports Technology Innovation Center", as well as a play area and walking trail around the perimeter. Mr. Rob Autry, TRS' Chief Executive Officer, has worked with the United States Tennis Association (USTA), the standard bearer for American tennis, to make this project a reality and one that will permanently change the sports scene in Wake County.

In 2014, the USTA sought to relocate its headquarters from New York and build a new world class facility in a warmer region of the country. The Triangle sought the rights to this site, but unfortunately came in second place to Lake Nona, FL, just outside Orlando. The USTA constructed a 100-court center along with its headquarters facility. Since its opening in January of 2017, it has become one of the sought-after tennis locations in the world.

The USTA now plans to expand its reach through select regional teaching facilities in various locations in the United States. Mr. Autry has the opportunity to construct the first of these in Wake County. Significant work has gone into plan development, with the result a campus that will be located on 48 acres of land already identified and owned by the City of Raleigh. TRS and the city have agreed in principle to favorable long-term lease arrangements, with final contractual arrangements currently underway (see attached Letter of Understanding between the City of Raleigh and TRS). This site in Brier Creek provides exceptional access to all of Wake County as well as proximity to RDU International.

The center is planned to have 50 tennis courts including six indoor courts and five covered courts. Thirty-two of the courts will be clay, a rarity in the Triangle but a preferred surface, especially for teaching. The campus will also include squash courts along with pickle ball. Tennis, squash, and pickle ball availability are underserved in Wake County, and the demand for each is increasing. Additionally, a health and wellness facility and a related "Sports Innovation Center" are planned to be included, as well as food and beverage facilities. Finally, center court will include a stadium regularly seating 750 with the ability to expand to 2,500 (developed with this grant funding, see below section 4.2.3) will be a highlight of the campus. This stadium will enable TRS to host not only a wide variety of international tennis events that have never considered the Triangle in the past but also entertainment events such as select concerts. The center will have significant numbers of visitors from outside the Triangle staying for multiple days in the numerous nearby hotel facilities and patronizing local restaurants and shopping. A separate high performance teaching area is also being built that will bring in students from multiple surrounding states. This is only possible because of the unique USTA relationship we are fortunate to enjoy.

The center is planned as a public-private partnership. Memberships will be available at reasonable costs for each of the included venues. The public will also be welcome to utilize the facilities on a walk-up basis with reasonable daily fees.

TRS plans to begin operation in March, 2020. The planners of this project are very proud of the positive impact they believe it will have on Wake County and the Triangle, both in helping to alleviate the shortage of racquet sports availability in the area and its ability to attract events to the area that have heretofore been impossible to host.

TRS is seeking a grant of \$1.5 million from the funds available through the Wake County Hospitality Tax Small Capital Project. As explained throughout this proposal, we believe these will be Wake County funds very well invested.

4.2 Project Overview and Objectives

1. Demand for tennis and racquet sports in North Carolina far exceeds supply. Raleigh is the second largest city in tennis participation on the East Coast, trailing only Atlanta. As the population in Wake County continues to grow, and racquet sports continue to surge in popularity, the scarcity of courts is becoming more evident. Tennis is widely acknowledged as one of the best sports for physical conditioning and is one of the few sports that played by people in all age groups. Triangle Racquet Sports is a project that truly helps Wake County become a healthier community.
2. Triangle Racquet Sports fulfills a number of unmet and underserved needs in Wake County. Triangle Racquet Sports will be centrally located in the Brier Creek area of Raleigh and easily accessible to most areas of Wake County via interstate 40 and highways 70 and 540. (Please see attached reference materials.)
 - There have been no new public courts constructed in Raleigh since 1997, a 20-year gap that has not kept up with a growing population and increased demand. Additionally, many of the already existing courts are in disrepair, many completely unplayable.
 - Tennis is not the only sport in need of additional facilities, and Triangle Racquet Sports addresses this as well by including surfaces for other racquet sports. For instance, in the entire Triangle, there are only 14 squash courts, none of which are available to the general public. Triangle Racquet Sports will include four courts with public access.
 - The same shortage holds true for pickle ball which will be available on the Triangle Racquet Sports campus.
 - There is an emphasis nationwide on health and wellness. Wake County has publicly indicated its interest in fostering a healthier community. Triangle Racquet Sports uniquely addresses this need. In addition to the racquet facilities, TRS will have a state of the art fitness facility and plans to incorporate overall wellness programs—physical, mental and financial—into its programming. Additionally, a Sports Innovation Center highlighting the latest in sports technology is planned. Education on physical best practices for participants is also planned through partnerships with local specialists, including orthopedists, physical therapists and other related disciplines.
3. Assistance of a grant from Wake County changes the dynamics of the contemplated project. Availability of \$1.5 million in grant funds will enable the scope of center court to be increased to enable a wider variety of events. Initially, this project is designed with a center stadium type court that accommodates an audience of 750. Grant proceeds are intended to be used to expand this to a capacity of 2,500. The initial 750-seat arena will be permanent seating and constructed to allow attachment of 1,750 additional seats in a variety of configurations. This flexibility not only gives TRS the ability to host larger functions but also significantly widens the types of events that can be held. A facility that was initially just available to host tennis events could now host musical events or shows. The court would be designed with flooring surfaces that can be changed as well to allow for other sporting events. With the variety of events possible and multiple seating configurations, the center would be used far more frequently. Many of these events would draw visitors from outside Wake County, increasing significantly

the number of hotel rooms needed. Further, most events will be in the evening where patrons, both local and distant, are likely to visit nearby restaurants and entertainment venues. We have already been in contact with event promoters such as eTix and Live Nation who have identified this location as one that would be in high demand and are encouraging this expansion. Without the additional funding available by the County grant program, this expansion would not be included in the initial development.

4. We have been working with the City of Raleigh since the project's inception to ensure a public/private partnership. Having TRS structured in this manner has been among the goals of the project team since its very start. The project will be built on land leased from the City of Raleigh and, in turn, TRS will be open to the public. The overall scope of the project, its size and design, are all focused on benefits that will be brought to the citizens of Wake County.
5. The project will have detailed records on events that are hosted as well as utilization of the various facilities on its campus. Management intends to partner with area hotels and restaurants to publicize availability and offerings of local establishments as well as to facilitate booking. TRS management will construct reports showing utilization of the center along with estimates of visitors from outside the Triangle area and agree to report that to Wake County no less frequently than annually.
6. This project is completely consistent with the Wake County Room Occupancy and Prepared Food and Beverage Operating Principles. Specific examples include:
 - Item A—"...drive measurable, regular overnight visitation..." Not only will the everyday association of the center as a USTA authorized teaching center bring people to Wake County, special events that will be hosted, tennis tournaments in particular as well as entertainment events—will draw people from across the nation. These people will all need places to stay, eat and shop.
 - Item D—"Ensure project investments are secured by solid long-term plans..." The project founders have spent years establishing valuable relationships and carefully planning the scope and operations of the center. A number of well-known and skilled people have already been identified as key personnel for both attracting participants and providing the high level of training the center promotes. The USTA, the nation's premier tennis organization, has pledged support and its endorsement and financial support of the center. This has the potential to be only one of six regional tennis facilities in the country.
 - Item F—"Support investments that complement economic develop efforts and enhance quality of life experiences..." This project will be located in the Brier Creek area, one of the fastest growing regions in the Triangle. It supports multiple areas of Wake County due to its ease of access by three major roadways. The impact of this project will undoubtedly be a strong positive for the area in its abilities to attract visitors and residents.
 - Item J—"Ensure that investments support the long-term vision of Wake County and its cities and towns as a tourist destination." Triangle Racquet Sports will host a variety of events that have not been possible in this region. Never before have tennis events that

have national appeal been held in the area. Additionally, as one of only six regional USTA teaching facilities in the United States, the level of instruction will be unsurpassed and attract visitors from throughout North Carolina as well as neighboring states. This project will advance the Triangle's appeal and add to its popularity as a tourist destination.

4.3 Project Budget and Funding Sources

1. The project is estimated at \$25 million, and will be funded with a combination of municipal commitments and private funds. The City of Raleigh has identified a parcel of land for the project and has agreed to an initial set of terms for its use. Forty-eight acres in the Brier Creek area are now reserved for this project, pending final agreement of the City Council. Initial terms have been presented to the Council and received clearance to proceed with construction of a formal lease document. This is anticipated to be drafted by the end of the first quarter 2018 and executed by the end of the third quarter.

Further funding will come from private investors. The founder of the project has already invested more than \$250,000 for initial project plans, legal opinions and other professional work. Additional potential investors have received presentations on the project and have expressed interest; formal interest has been secured by one capital group totaling \$5,000,000.

Sponsorship discussions are also underway with a variety of large multi-national corporations. The project developers are seeking founder level sponsorships in excess of \$3,000,000. These are still to be secured.

A breakdown of the project financing is as follows:

Land:	\$	7,000,000
Construction:	\$	18,000,000
Fixed assets/other:	\$	3,000,000
Contingency/carrying cost:	\$	2,000,000
LESS: Product in kind:	\$	(2,000,000)
Total project cost:	\$	28,000,000

FUNDING

City land commitment:	\$	7,000,000
Investor commitments:	\$	5,000,000
Membership commitments:	\$	2,000,000
USTA grant commitment	\$	500,000
Investors TBD:	\$	1,000,000
Bank financing TBD:	\$	7,500,000
Sponsorships TBD:	\$	5,000,000
Total funding	\$	28,000,000

Total funding commitments	\$	14,500,000
% of project		52%

- Total funding commitments are in excess of 50% of anticipated financing needs. This includes: Initial funding interest that has been received by Three Waves Investment Company for \$5,000,000, which will be equity funding.
 - An agreement has been drafted with the Raleigh Tennis Association to promote *Founder's Member Early Commitments* to their 13,500 active members. Three initial categories of early membership commitment have been designated with limited numbers of openings in each category. If fully subscribed, this would result in \$2,000,000 in early membership commitments.
 - Land being provided by the City of Raleigh has a value of ~\$7 million (48 acres @ \$150,000 per acre- consistent with comps in the Brier Creek area).
 - These figures do not include approximately \$250,000 already provided by the founder, plus several thousand hours of labor donated by the founding team currently without compensation.
2. The cost estimates have been prepared in conjunction with consultations with the USTA, who have substantial expertise in such matters. The USTA recently completed development of their flagship headquarters location in Lake Nona, FL. This project is more than double the size of the TRS project with substantially more fixed space as well, and has been used as a benchmark to determine as closely as possible price points for the TRS facilities. The USTA has also provided architectural assistance to determine the proposed layout of the TRS campus. TRS management plans to use vendors and contractors who have previously worked with USTA both to ensure price competitiveness and quality. Cost estimates are still preliminary, since the overall project is in its planning and development stages.

A preliminary breakdown of the anticipated project development costs by broad category is as follows:

Planning and Design	\$ 500,000
Land Acquisition/Right of Way	\$ 2,500,000
Construction	\$ 15,000,000
Equipment/Furnishings	\$ 3,000,000
Other	\$ -
Contingency	\$ 2,000,000
	<u>\$ 23,000,000</u>

*Does not include value of land, estimated to be \$7 million.
Figures are prior to credit for \$2 million of in-kind services and goods expected to be received.*

3. City of Raleigh sewer and water is available on site. Terms of the agreement with the city for use of the land is that TRS will be responsible for services to the site. Roadways are already built; TRS will have responsibility for construction of a turn lane into each campus entryway. Discussions are planned with the city regarding possible expansion of mass transit to the site.

4.4 Project Timeline

Opening of the TRS campus and operations is scheduled for the first quarter of 2020. TRS principals have been working with architects and contractors to come up with the following schedule.

Project Action	Start Date	Finish Date
Study and Analysis of Project	Underway	July 1, 2018
Site Identification	Completed	
Land/Site Acquisition	Underway	April 1, 2018
Architectural/Engineering Studies	April 1, 2018	September 30, 2018
Permitting & variances	July 1, 2018	February 28, 2019
Facility Construction	March 1, 2019	February 29, 2020
Equipment Purchase	October 1, 2019	February 29, 2020
<i>Grand opening of Triangle Racquet Sports</i>		March 1, 2020

4.5 Project Operating Plan

TRS has developed a ten year operating plan based on current best forecasts for the center's programming. These forecasts include financial estimates beginning with the center opening in 2020 and encompass all areas currently contemplated. Numerous discussions with potential sponsors and partners are still taking place which will undoubtedly cause changes to the underlying assumptions during the two years leading up to full operations.

Note, TRS is not yet in operation. Accordingly, information requested in Section 4.5 of the grant specifications is not applicable. The business does not yet have any tax returns nor has it had an audit conducted. All invested funds to date have been used completely towards development expenses. These have been incurred by the principals directly and have not caused generation of any supporting financial statements to this point. Additionally, the principals have donated their time and have received no compensation throughout this process. As a result, there is no information available to submit as would normally be contained in Attachment 3 of the grant instructions. Please see the attached table which contains the forward looking forecasts for the center upon opening. More detailed information is available upon request. This information has not been provided with this publicly accessible application due to its proprietary nature.

Triangle Racquet Sports, LLC
Pro-Forma Operating Forecasts
2020-2029

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Revenue										
Membership/Court fees	4,948,500	5,930,300	7,335,908	7,411,764	7,750,516	7,906,865	8,103,659	8,305,833	8,513,539	8,726,936
Instruction	1,675,000	2,433,158	3,173,684	3,332,368	3,498,987	3,586,462	3,676,123	3,768,026	3,862,227	3,958,782
Food & Beverage, Shops	700,000	1,016,842	1,326,316	1,392,632	1,462,263	1,498,820	1,536,290	1,574,697	1,614,065	1,654,417
Events	500,000	515,000	530,450	546,364	562,754	579,637	597,026	614,937	633,385	652,387
Other	500,000	703,684	904,132	948,308	994,663	1,019,802	1,045,579	1,072,008	1,099,107	1,126,892
Total Revenue	8,323,500	10,598,984	13,270,490	13,631,436	14,269,183	14,591,586	14,958,677	15,335,502	15,722,323	16,119,413
Expenses										
Direct Center Operations expense	1,980,000	2,678,908	3,362,592	3,514,118	3,673,094	3,759,855	3,848,819	3,940,042	4,033,581	4,129,495
Maintenance	300,000	312,000	324,480	337,459	350,958	364,996	379,596	394,780	410,571	426,994
Energy & Utilities	240,000	249,600	259,584	269,967	280,766	291,997	303,677	315,824	328,457	341,595
Marketing	325,000	338,000	300,000	312,000	321,360	331,001	340,931	351,159	361,694	372,544
General & Administration	1,300,000	1,352,000	1,406,080	1,462,323	1,520,816	1,581,649	1,644,915	1,710,711	1,779,140	1,850,305
R&M Projects	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Insurance	350,000	385,000	423,500	465,850	512,435	563,679	620,046	682,051	750,256	825,282
Management Fees	450,000	463,500	477,405	491,727	506,479	521,673	537,324	553,443	570,047	587,148
Misc. Taxes	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Total Expense	5,049,000	5,883,008	6,657,641	6,957,445	7,269,908	7,518,849	7,779,307	8,052,009	8,337,744	8,637,363
EBITDA	3,274,500	4,715,976	6,612,849	6,673,991	6,999,275	7,072,737	7,179,371	7,283,492	7,384,579	7,482,051

4.6 Project Visitor Estimates, Return on Investment and Performance Targets

In addition to the availability of court sports and all the ancillary functions TRS will provide to Wake County residents, TRS operations are expected to generate a significant amount of tourism. This will come from three primary areas:

- Hosted tennis tournaments, both professional and college, along with potentially a World Team Tennis team
- World class tennis instruction that will draw high performance players from a wide region as well as junior and adult weekend/week long camps
- Other entertainment events/concerts to be hosted in the center's stadium/center court

TRS has worked with the Greater Raleigh Sports Alliance to compute the economic impact on a select number of hosted events. This represents just a small subset of potential events that can be hosted at the TRS campus and specifically excludes any event other than tennis. Just 25 events were modeled, and these produced an annual net economic impact of \$3,244,678, including both direct and indirect contributions. The true economic impact from events once full operations are established at the center is anticipated to be many times this amount. *This does not take into account out-of-area visitors who come to the campus for tennis camps, high performance instruction or entertainment events and who will often be in Wake County for extended periods.*

We have computed returns based on formulas contained in attachment 4. These take into account only the above 25 events and estimate for out of town visitors to weeklong tennis camps hosted on campus. We anticipate significantly more events that will draw out of town participants, but at this time we have chosen to be conservative and only include the above. We anticipate these event calculations to grow as the facility matures. Please see the calculations below:

Attachment 4: Visitor Estimates and Return on Investment

Visitor Estimates, Economic impact and Taxes Collected							
1. Estimated Wake County residential visitors			91,250				
Estimated Food and Beverage Spending and Taxes Collected							
			Number of visitors	Meal Rate	Meal Spending		
2. Estimated Day Visitors (annual)			6,063	23.40	141,874		
3. Estimated Overnight Visitors (annual)			1,319	26.10	34,426	Food Tax	Total tax
4. Total Meal Spending					176,300	1%	1,763
Estimated Hotel/Motel Spending and Taxes Collected							
			# of ON visitors	Party Size	# of rooms	X Room Rate	=Room Spending
5. Estimated Overnight Rooms (annual)			10,828	1.69	6,407	102	653,544 Occ. Tax
6. Total Room Spending							653,544 6%
7. Return on Investment based on taxes collected				Grant->	1,500,000	divided by Total tax above=	37

4.7 Organizational Information

Organization Background

1. Q: How long has the proposer been in business?

A: *Triangle Racquet Sports, LLC has been incorporated as a NC limited liability corporation since 6/27/2017.*

2. Q: Give a brief description of the organization size and organizational structure. Include a list of the Board of Directors if applicable.

A: *Triangle Racquet Sports is a start-up venture which has assembled a world class team, strategic partners, and vendors to support the mission of the organization. The founders have been successful entrepreneurs in the Triangle for 20+ years and have been in the tennis space for 30+ years.*

Advisory Board Members include:

Rob Autry- *Founder and Operating Manager, Triangle Racquet Sports. After an 8 year career in the corporate world with two fortune 500 corporations (Phillip Morris and Coca Cola USA), Autry founded his first entrepreneurial venture- Cafe Carolina & Bakery. The Autry Group built and operating 11 locations state wide and successfully exited the company in 2005. In 2010, Autry built a sports technology venture, VSTRATOR, which created a universal platform to help athletes accelerate their performance through the use of video analysis and virtual coaching. Vstrator enjoyed multiple JV's with pro athletes and pro teams to include tennis great Rafa Nadal, NFL standout Reggie Bush, The San Francisco Giants, and others.*

Autry is merging his passion for tennis with his entrepreneurial spirit and will be building one of the largest tennis facilities in the country. In conjunction with the United States Tennis Association, Autry will be launching THE next generation tennis/health & wellness facility located in the heart of the Triangle and will be one of only six USTA regional training facilities in the country.

Blount & Dargan Williams- *recognized as the "Tennis Family of the Year" by NC USTA. Successful entrepreneurs, philanthropists, and community leaders.*

Bill Edwards- *President of Raleigh Tennis Association, President of Raleigh Tennis Pro League, successful entrepreneur.*

Mark Friedman- *Experienced Raleigh based business executive and will serve as Triangle Racquet Sports Chief Operating Officer. Friedman was Chief Operating Officer at UAI Technology, Inc. and Vice President for Affordable Care, Inc. and is currently President of RTP Capital Associates, Inc. and Lake View Advisory and Management Services. He also serves on the Board of Directors for The Raleigh School and the UAI Foundation.*

William Trott- *William "Billy" Trott is an accomplished attorney in Raleigh and recipient of the NC USTA Hall of Fame. Trott attended the University of North Carolina-Chapel Hill, helping the Tar Heels to three ACC championships or co-championships in 1966, 1967, and 1968. Trott also won the ACC Doubles Championships in 1967 and 1968. Following*



his playing career at UNC, Trott served as the head coach to UNC's freshman tennis team while he attend law school at the university from 1968-1971. During that time, Trott also served as a coaching assistant to UNC's varsity tennis team.

Jason Degroff- *who will serve as the Chief Culture Officer for Triangle Racquet Sports, is a tenured business leader with over 20 years of experience in IT services with a focus on business development, building and leading high performance teams, organizational development and business transformation. Proven track record of producing top and bottom line business results with a critical focus on customer service, hiring, cultivating top talent, developing strategic partnerships and creating successful IT outsourcing events.*

TRS Strategic Partners include:

Virgil Christian- *USTA Senior Director, Market Development and Collegiate Tennis. Experienced Senior Director credited with multifaceted expertise in corporate and project management and process improvements combined with well-honed ability in marketing, cost control, strategic planning, and budget management.*

David LaSota- *President at The Tennis Design Studio. Architect to multiple USTA facilities to include the new USTA National Training Facility in Orlando as well as the US OPEN facility (thetennisdesignstudio.com)*

Greg Lappin-*Tennis and Health & Wellness Consultant. Winner/Finalist for Seven Nova 7 Awards. Developer of multiple athletic facilities, including a USTA Facility of The Year. Served as the National Tennis Director for Lifetime Fitness (<http://www.tenniscongress.com/faculty/greg-lappin/>)*

3. Q: List all of the executive officers of the organization.

Rob Autry, CEO and Operating Partner

Mark Friedman, Chief Operating Officer

Jason DeGroff, Chief Culture Officer

4. Any material (including letters of support or endorsement) indicative of the Proposer's capabilities to implement the Major Facilities project. **See Attached**
5. Identify any litigation or governmental or regulatory action pending against your organization. **N/A**
6. A description of contractual relationships, if any, with other organizations that would be a conflict of interest or appearance of conflicts of interest in partnering with Wake County to deliver the capital project. **N/A**

Proposer Team Experience



Q: Identify the proposed team indicating who is responsible for the key roles of the proposed project; provide an organizational chart showing lines of communication and levels of authority.

A: *Executive team in place to date will report directly to Rob Autry.*

Similar Projects

Q: Provide a description of a similar project or projects most similar to the one described in the proposal for which the organization has been responsible.

A: *The United States Tennis Association National Campus has set a new standard in tennis for all levels of play. (<https://www.ustanationalcampus.com/en/home.html>) The campus opened in January of 2017 and is far surpassing the business goals and objectives of the USTA, seeing over 200,000 visitors in their first year (<http://www.orlandosentinel.com/sports/os-sp-usta-national-campus-anniversary-1231-story.html>). Triangle Racquet Sports has had the luxury of learning what works at the national campus, what needs attention, and where the opportunities may be to improve the product. Our team, in conjunction with the USTA, their vendors, contractors, architects/designers, and sponsors, are all engaged with Triangle Racquet Sports.*

Appendix 1



City Of Raleigh

NORTH CAROLINA

MEMORANDUM

TO: Ruffin L. Hall, City Manager
FROM: Ken Hisler, PRCR Assistant Director
CC: Diane Sauer, PRCR Director
RE: Land Lease, Triangle Racquet Sports, LLC.
DATE: December 13, 2017

Triangle Racquet Sports, LLC, led by Mr. Rob Autry, in coordination with the United States Tennis Association (USTA) approached the City of Raleigh with the opportunity to develop a state of the art *Raleigh Racquet Sports and Health Center*. This facility will boast a first-in-state fifty+ court indoor/outdoor racquet sports center (e.g. tennis, pickleball, squash, etc.) that the public can access via no-charge walk-up or as a member. In addition to the racquet center this project will include construction of a public park with amenities such as playground, walking trails, community picnic shelter and public restrooms. This facility will provide a destination for health, wellness, fitness and recreation opportunities for the entire Raleigh community.

The proposed location is city-owned property in northwest Raleigh, located at 6205 Mt. Herman Road. This is a 48.63 +/- acres parcel; zoned Industrial Mixed Use that was acquired in 2003 for the purpose of potentially developing the site as a remote operations facility. With the development of the remote operations facilities in northeast and central Raleigh this need is no longer a priority for the city.

The Parks, Recreation and Cultural Department (PRCR) sees this as a positive opportunity so long as: 1) There is considerable public benefit to include park elements (e.g. trails, playground, shelter & restroom) and, 2) The need for additional public tennis facilities are provided and, 3) There is positive economic impact to the community and larger city. PRCR will not incur any annual operating or capital expense to support the Raleigh Racquet Sports and Health Center. Triangle Racquet Sports, LLC. has committed \$25 million for the planning and construction as well as bearing the responsibility for all operating costs. PRCR financial obligations will be limited to the operating and future capital expenses associated with the ownership and management of the public park which will be located on property that will remain owned by the city.

In effort to develop a mutually beneficial arrangement, we have designed a proposal to serve both parties as it relates to:

1. The growing demand for public tennis courts and other racquet sports in the Raleigh market.
2. Address growing demand for USTA league play that pressures the current inventory of courts.

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Raleigh, North Carolina 27601

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3. Add a significant health and wellness facility to the serve the community.
4. Provide a Parks & Recreation and public benefit amenity to an underserved area in northwest Raleigh while limiting the burden on current tax base.
5. Generate significant revenue from an existing, undeveloped land asset.
6. Estimated Economic impact is being confirmed. Triangle Racquet Sports, LLC. is working with the Greater Raleigh Sports Authority to finalize this information.

Summary Term Sheet Prepared by the City of Raleigh

Land Lease – Mt Herman Road

The following is a summary statement of the principal terms with respect to the proposed land lease by the City of Raleigh to Triangle Racquet Sports, LLC. (together the “Parties”) of the 48.63 +/- acres of property located at 6205 Mt. Herman Road (“Property”). The Parties agree that the Property will be used for a private/public partnership to plan, design, construct and operate a possible 50+ court indoor/outdoor racquet sports center (the “Project”). The Project will include a sixteen court “Family Zone” and City of Raleigh Parks, Recreation and Cultural Resources Department public park (amenities could include: walking trails, a playground, restroom and an outdoor shelter).

This summary of terms is intended solely as a basis for further discussions and is not intended to be and does not constitute a legally binding obligation of the proposed parties. Any legally binding obligations will only be made pursuant to definitive agreements as negotiated and executed by the Parties thereto.

Property	48.63+/- acres of land located at 6205 Mt. Herman Road. Does not include the separate City of Raleigh owned 9.0+/- acre tract of land that currently houses remote, City of Raleigh “winter weather” support infrastructure
Parties	City of Raleigh (the “City”) and Triangle Racquet Sports, LLC (the “Partner”)
Lease Price	\$1.00/year
Term	50 years with 5 optional 10 year extensions
Project	Working in conjunction with the United States Tennis Association, the Raleigh Tennis Association, and the City of Raleigh, to construct the <i>Raleigh Racquet Sports and Health Center</i> (the “Facility”). The Facility will emulate the recently opened USTA National Training Facility in Orlando, Florida and boast a first-in-state 50+ court indoor/outdoor tennis center. Adjacent to the Facility on the Mt. Herman property, will be a City of Raleigh Parks, Recreation and Cultural Resources Department public park facility to include walking trails, a playground, and an outdoor shelter (the “Park”).
Environmental Liability	An initial Phase I Environmental Assessment was completed in 2003 when the City acquired the property. To advance the planning of the Project the City will conduct an updated Phase I

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	Environmental Assessment. If necessary to advance the planning of the Project, the City will conduct a Phase II.
Estimated Total Project Cost	\$25.0 million. The Partner will be responsible for 100% of the project planning, design and construction cost associated with the Facility, including any costs of construction of infrastructure, public or private, required by any applicable law, ordinance, or regulation, including, but not limited to, the City of Raleigh Unified Development Ordinance.
Construction	Construction of the Project will be the responsibility of the Partner. Partner will follow established City of Raleigh procedures and policies.
Management	The Partner will be 100% responsible for all aspects of daily, capital and perpetual management and maintenance of the Facility, including the multi-court “Family Zone” area. The City will be responsible for the daily, capital and perpetual management and maintenance of the Park, which will be situated on a parcel separate from the Facility’s parcel.
Public Access	Access to the Facility will be “a la carte” (ranging from no cost access to membership based access). The Park will be managed by the City and be accessible at no cost.
Public Benefit	The City will not incur financial responsibility associated planning design, construction, management and perpetual care of the Facility. The City will receive a \$500,000 investment for the Park as part of the Project. The Facility will include a no-cost access sixteen (16) court “Family Zone” provided by the partner. A la carte court reservation revenue will be shared 50%/50% (annual value estimated at \$250,000). Any lease of space within the center to a third-party agency will accompany an 80% “Partner”/20% “City” revenue split.
Economic Impact	Estimated Economic Impact is being confirmed with the Greater Raleigh Sports Authority.
Compliance Approval	The Transaction is subject to compliance with all federal, state and local laws and ordinances governing the lease of public property and the approval of the Raleigh City Council.
Non-Binding Agreement	The terms in this document are not binding upon the Parties and the Parties do not intend to be bound prior to the execution of the lease

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	agreement, which agreement in its final form must be approved by the Raleigh City Council.
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City of Raleigh Strategic Plan and PRCR System Plan Alignment

- The private – public partnership and resultant economic impact aligns with the City of Raleigh Strategic Plan in the following areas:
 - Maintain and grow a diverse economy through partnerships and innovation to support large and small businesses while providing employment opportunities for all citizens. (*Economic Development and Innovation*)
 - Enhance our citizens’ quality of life by providing a well-designed community that facilitates active living. (*Safe, Vibrant & Healthy Community – Objective 4*)
- Partnership on this effort aligns with the Parks, Recreation and Cultural Resources Department System Plan in the following areas:
 - Provide, partner and plan for indoor and outdoor opportunities for new and growing athletic trends. (*Athletics – Objective 1C*)
 - Promote development of athletic facilities that attract regional and national competitions, generate new revenues and provide economic development opportunities. (*Athletics – Objective 2A*)
 - Expand healthy living options, activities and awareness through programs and events, including partnering with other agencies. (*Programs & Services – Objective 1A*)
 - Establish new public and private partnerships that increase opportunities for a variety of parks and open spaces. (*Growth Centers – Objective 1B*)

Next Steps

During an upcoming work-session staff will present the draft concept of the project as well as the terms (as developed at this stage) of effort. Should Council desire to move forward staff will continue to negotiate a contract to bring forward at a later date.

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Raleigh lacks enough tennis courts for growing number of players, association says

The News & Observer

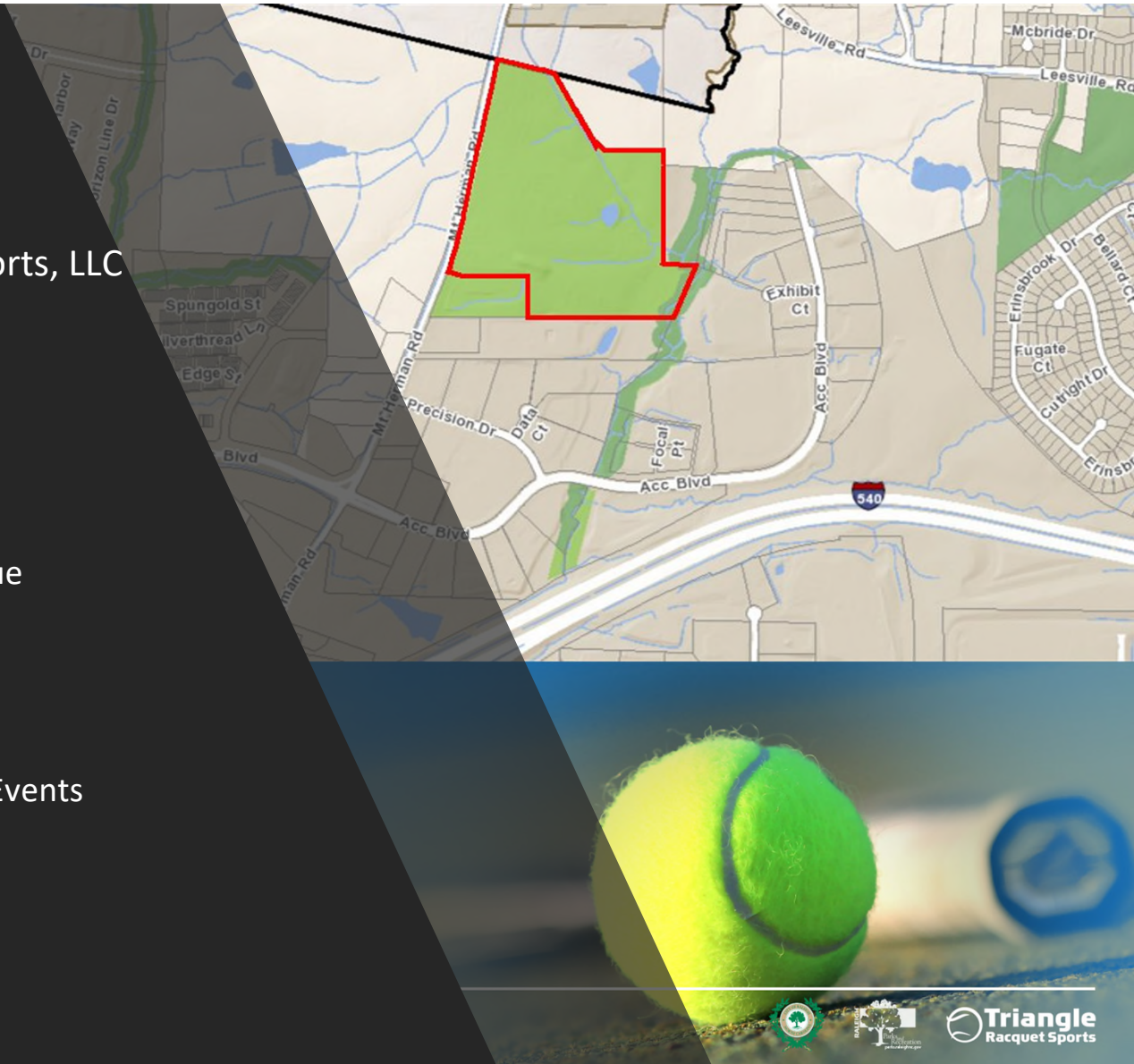
Wake County needs more tennis courts. Should school courts be open to the public?

"We would perhaps be able to have more tournaments here that can bring people in from all over our area. So, it's good for the economy."
Julie Dick, Raleigh Tennis Association



Key Points!

- 1) \$25M investment – Triangle Racquet Sports, LLC
Annual and Capital responsibility
- 2) Public Benefit
Publicly accessible
Add to the supply of city tennis courts
Public Park
- 3) Revenue Sharing
Estimated \$275,000/year court revenue
80/20 split – 3rd party lease of space
- 4) Economic Impact
Estimated \$3.5M annual
75+ Employees
Opportunity for Tournaments, Major Events
- 5) Existing City owned property
44+/- acres in Northwest Raleigh



Opportunities!

- 1) World Class facilities, services & location
- 2) 50+ courts (tennis, pickleball, squash)
- 3) Facility – retail, health/fitness, therapy
- 4) Inclusive – public/private facility

Family Zone for all residents free of charge including pickle ball, quick start tennis courts, etc.

- 5) Move- Tennis Best sport for heart health
Reduce risk of heart disease by 56% (play 2x/week)
- 6) Public park in an area of need
\$500,000 public park to be operated by PRCR.
- 7) Scholarship and Youth Tennis
National Junior Tennis and Learning (NJTL) provides free and/or low cost tennis to under-resourced youth



USTA MEMBERSHIP

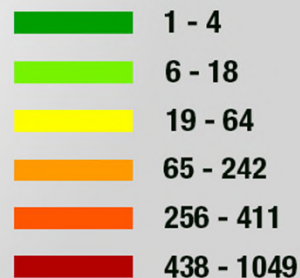
Triangle Tennis Activity is HOT!
15,000 USTA Members
in Raleigh-Durham

"For every USTA member, there are an estimated 3 active tennis enthusiasts who are not members!"

- Kelly Gaines, USTA-NC Executive Director

"There hasn't been a new public tennis court built in Raleigh in the last 20 years and in that time the number of active players has tripled."

- Julie Dick, Director of Raleigh Tennis Association



General Tennis Information

- Nationally Tennis is a \$5.7B industry
- Nearly 18 million participants (10 million play more than 1 x/year)
- Raleigh is the second largest city in tennis participation (to Atlanta) on the east coast
- \$400,000 business for PRCR
- 31,000 hours of court rentals annually (does not account for walk-up)
- 4,000 class registrations
- 130,000 visitors to Millbrook Exchange Tennis Park
- 13,500 adult USTA league members
- No new courts since 1997



Benefits

Opportunity For The Whole Community

Triangle Racquet Sports will be a major site to the NJTL (National Junior Tennis and Learning), which provides free or low-cost tennis & education programming to more than 225,000 under-resourced youth.

Filling a Void

Triangle Racquet Sports will fill a void of public Parks & Recreation facilities in the northwest corridor of the City of Raleigh.



Benefits, Continued

Sustainability

Triangle Racquet Sports plans include a rainwater catchment system for watering grounds and clay courts, solar energy solutions to decrease carbon footprint by harnessing the sun. We will have designated tree & soil protection & conservation areas on campus as a focal point to design & natural shade.

A Healthy Future for Our City

Obesity remains one of the biggest threats to the health of our children & our country. Racquet Sports are proven to be the most beneficial activity for improving heart & mind health for all ages.





Harrison Tseng of Raleigh Charter High School hits the ball during a tennis match on May 20, 2017. **Fabian Radulescu** newsobserver.com

WAKE COUNTY

A 50-court tennis center is planned for Raleigh

BY HENRY GARGAN
hgargan@newsobserver.com

January 18, 2018 08:41 AM
Updated January 18, 2018 03:46 PM

RALEIGH

A local entrepreneur wants to build a 50-court tennis center in northwest Raleigh to accommodate the sport's growing popularity and to host tournaments.

Rob Autry is asking Raleigh if he can lease 48 acres of city-owned land near the Brier Creek community so he can build a facility with six indoor courts and dozens more open and covered courts for tennis, squash and pickleball.

City Council members on Tuesday said they liked the idea for a tennis center, which Autry said would be the largest facility of its kind in North Carolina.

“(Tuesday) was a significant milestone for us,” Autry said. “That was the point in time for them to say, ‘Hey, we have issues and it might not be worth it to press forward.’ But thank goodness they said, ‘We’re in favor of this, and you’ve got our endorsement to go ahead and draw up a contract.’”

Raleigh owns 110 courts, which aren’t enough to satisfy local demand, said Ken Hisler, assistant parks director. Raleigh has more U.S. Tennis Association members than any city in the Southeast except Atlanta, he said.

The city is in the process of [adding eight courts](#) to the eight existing ones at the Biltmore Hills Community Center in Southeast Raleigh, but some say that’s just a start.

A \$25 million tennis center built by Autry’s investment group, Triangle Racquet Sports, would help fill a need without costing taxpayer money, City Manager Ruffin Hall said Tuesday.

“What the city’s really doing is leveraging our land asset in exchange for a tennis facility in a location with a high demand for tennis,” he said. “There’s really not any city money in this deal, and there is a strong demand for tennis across the city.”

Autry, the founder of Café Carolina restaurants and Raleigh sports tech company Vstrator, is a former tennis coach and an active player. He said he had been considering a project like this for about 10 years, but the economic downturn halted early plans. Now, he said, the time is right, and he hopes to open the facility by late 2019 or early 2020.

Since 2003, Raleigh has owned the site at 6205 Mount Herman Road, on the east side of U.S. 70 just north of Interstate 540.



A proposed layout for the 48-acre site Rob Autry and his investors want to lease from the city of Raleigh to build a 50-court tennis center.

The City Council is expected to vote on a lease agreement in about six months. Under a proposal, the city could lease the land for \$1 per year for an initial term of 50 years, with the possibility to extend the lease to 100 years.

Tennis enthusiasts would be able to buy memberships to the center or pay one-time fees to use the courts and a fitness center.

Raleigh would get a \$275,000 cut of the center’s revenue each year, Hisler said. He expects the center would have an estimated \$3.5 million impact on the economy as players, families and fans would travel from other areas and stay at hotels and eat at local restaurants.

Autry said he hoped the venue would be a host site for junior and adult USTA tournaments, as well as events on the American Tennis Professionals circuit.

One of the tennis courts would serve as “center court,” with a maximum seating capacity of 2,500 people for major matches.

“It won’t be the Australian Open, but we could certainly have championship events,” Hisler said.

Raleigh leaders have said they also want the site to feature a small park with a playground, walking trail, restrooms and picnic shelters.

The 32-court Cary Tennis Park, which is the largest public tennis center in the state, is about 13 miles from the proposed site in northwest Raleigh. That facility hosts tournaments, including the ACC college championships this year.

APPENDIX 2

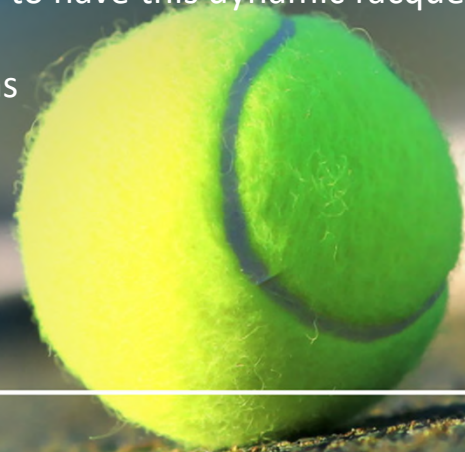
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“As the city of Raleigh grows, the demand for recreational and developmental facilities increases. A lifetime sport, tennis should be readily available to everyone in our community. Triangle Racquet Sports presents an opportunity for all Raleigh citizens to exercise, learn a game for a lifetime and recreate with peers from our diverse community. It further presents an opportunity for our city to host significant athletic events, supporting our other countywide investments.

In our family, recognized as a NC Tennis Family of the Year, all four children played junior and collegiate tennis. We love what tennis has done for our children: their characters are developed, they make decisions, they lose, they win. They make the connection that hard work equals success. Lots of lessons of life have been realized on the tennis court. Raleigh is a dynamic city and deserves to have this dynamic racquet facility.

”

Dargan and Blount Williams



“

I served as Tennis Director for the Raleigh Parks
program for thirty years and have worked for the USTA
for the past eleven years. Throughout my career in
tennis in Raleigh I have seen tremendous growth and
recognize the potential, forever expanding
participation.

We certainly need new facilities such as the one being
proposed by Triangle Racquet Sports to meet the
increasing demand for courts. The City of Raleigh has a
tremendous Parks system, which is one of the reasons
why Raleigh is such a wonderful place to live.

”
The cost of maintaining existing parks is high as is the
building of new facilities. I fully support the public-
private concept in meeting future needs of Raleigh's
Parks system.



Cy King
Tennis Service
Representative,
USTA/Southern/
NC
NC Hall of Fame





“

As a lifelong City resident, permit me to make several points about the plan to build a tennis complex on City land near the airport. This is a brilliant public/private cooperative concept on behalf of the citizens of Raleigh, as well as on behalf of the long-term economic development of Raleigh.

”

William M. Trott
President
North Carolina Tennis Association
NC Hall of Fame



William Edwards
President

Raleigh Tennis Association

“

The Raleigh Tennis Association continues to promote and grow the game of tennis and make it accessible to everyone. We do this because tennis promotes healthier living, both physically and mentally, and is a sport that can be enjoyed by everyone. A new world-class tennis center will be a benefit for every community in Raleigh. For these reasons, the Raleigh Tennis Association fully supports the tennis center proposed by Triangle Racquet Sports and its partnership with the City of Raleigh.

”

November 13, 2017

To the Raleigh City Council,

As a lifelong City resident, permit me make several points about the plan to build a tennis complex on City land near the airport. This is a brilliant public/private cooperative concept on behalf of the citizens of Raleigh, as well as on behalf of the long term economic development of Raleigh. Almost two thirds of all tennis in our country is played on publicly funded courts. Time and again, it has been shown that recreational sports facilities benefit city residents, as well as the city's hotels, restaurants and overall economy in many ways. In this case, not only would city residents be able to use the courts but also the size of the project would bring adult tournaments into Raleigh from a state-wide, region-wide and even nation-wide basis. I have observed this happen in other cities.

There are actually two needs that I believe should be met, and they are not in competition with each other. One is a large complex such as envisioned by this project, and the other is a neighborhood complex to serve the expanding needs of southeast Raleigh. Working on these needs is a complimentary rather than mutually exclusive endeavor. As I understand it, the large complex would not require major City expenditures because, as part of the public/private partnership, the risks would be borne by private efforts. The City would benefit monetarily, both directly and indirectly, for many years.

Tennis is the best lifetime aerobic sport. Numerous studies in recent years show that tennis affords physical, mental and social benefits to our adult citizens. The bottom line from these studies is that people who play tennis live longer, function better mentally and are happier. A great Raleigh resident, Jim Chavasse, has won national championships well into his 90's and appeared before the City Council several months ago.

Thanks to equipment improvements, kids can start tennis at age five or six because we have smaller courts, lighter racquets, lower nets and lower bouncing balls. Studies prove that kids who play tennis stay out of the principal's office, make good life choices, make better grades and become better citizens. Unfortunately, thumb sports, where kids play video games and use mobile devices often for nine hours a day, have recently become the enemy of youth sports in general and a menace to our public health. Inactivity among our youth is an epidemic and will have long range adverse consequences for our City and society. We face a moral imperative to fight back against this epidemic, and learning the lifetime sport of tennis is one of the best solutions.

Tennis has a long and proud history in Raleigh, both from the standpoint of individual excellence and from the standpoint of broad recreational appeal. Statistics show that we are one of the strongest areas for tennis in the entire country. While Raleigh's population has increased dramatically, we have fallen behind in building tennis courts, as the last tennis court built by the City was almost 20 years ago.

Unlike decades ago and unlike other large cities in North Carolina, today there no public *clay* courts in Raleigh. Clay courts are designed for and greatly increase play for adults and for people living in our climate zone. Clay courts are easy on adult joints and are playable throughout our summer heat. Better technologies for underground watering make maintenance much easier than decades ago.

Thousands of people play league tennis in Raleigh, as tennis has truly become a "team sport." A major clay court complex is needed to serve our adult residents and will undoubtedly attract adults from all over the region and the nation for team matches and tournaments.

Sincerely,

A handwritten signature in black ink that reads "William M. Trott". The signature is fluid and cursive, with a long horizontal stroke at the end.

William M. Trott, President
North Carolina Tennis Association



November 19, 2017

To whom it may concern:

The Raleigh Tennis Association is excited about the possibility of a new public/private 50-court world class tennis center being built in Raleigh. Given the limited availability of public and private courts for organized tennis activities, the facility will have an immediate positive impact on USTA and local league play and other tennis programming for youth and adults. Additionally, a facility of this size and design will facilitate large tennis events being held in Raleigh that will bring greater sports visibility to this area and provide positive economic impact for local businesses. Raleigh will become a tennis destination.

As a public/private venture, this project will create a unique opportunity for Raleigh to greatly increase its tennis "footprint" without the investment of public money and, therefore, allow more public money to be available for maintaining and upgrading existing public tennis facilities and other Raleigh projects.

The Raleigh Tennis Association continues to promote and grow the game of tennis and make it accessible to everyone. We do this because tennis promotes healthier living, both physically and mentally, and is a sport that can be enjoyed by everyone, no matter your age or physical/mental limitations. A new world class tennis center provides great advantages in supporting our mission and will be a benefit for every community in Raleigh.

For these reasons, the Raleigh Tennis Association fully supports the tennis center proposed by Triangle Racquet Sports and its partnership with the City of Raleigh.

A handwritten signature in black ink, which appears to read 'William Edwards'.

William Edwards
President - Raleigh Tennis Association