

Downtown Soccer Stadium Feasibility Study Scope of Services

Introduction

As part of the RFI process for hospitality project interlocal funding, the City of Raleigh and Wake County have been presented with a proposal that includes the development of a large soccer stadium capable of hosting professional sports teams as well as entertainment events that is requesting interlocal funding. Both the Raleigh City Council and Wake County Board of County Commissioners have asked for a feasibility study of the stadium proposal. The primary goal of the feasibility study is to provide the City and County governing boards with the appropriate analysis and information to make public policy decisions surrounding the proposed stadium.

This memo outlines the guiding questions behind the feasibility study as well as key information that City and County leadership would like the feasibility study to provide.

Feasibility Study Principal Questions

The principle questions that the City and County would like the Feasibility Study to provide answers to are below:

- Does the City of Raleigh and its surrounding area possess the population and economic strength to properly support a modern stadium?
- Does the region possess the demand to properly support the potential arrival of a major league sports franchise?
- What is the likelihood of the stadium and market attracting a Major League Soccer expansion franchise?
- Is the proposed site and stadium size the appropriate option or are there other sites and stadium sizes that would be more appropriate? Is the proposed design and subsequent cost estimates in line with a “multipurpose” venue?
- What new sports, entertainment, convention and tourism opportunities would this proposed stadium bring to the region? What new events or activities in addition to the MLS matches would be available to the community?
- Would a downtown stadium create a net positive economic and tourism impact or draw from other existing venues in Wake County?
- Are the existing sports and entertainment venues in the region providing residents with a sufficient number and variety of events to properly service public demand?
- Is there enough corporate support in the region to commit to important arena revenue sources such as Naming Rights, Premium Seating and Corporate partnerships for a professional soccer venue?
- Is existing transportation infrastructure properly able to service and accommodate the expected impact of the stadium?
- Does hotel and tourism infrastructure currently exist to properly host and support a large number of anticipated out of town event attendees who will use or visit the stadium?

- Would the stadium have a significant positive impact on new development in the surrounding growth area?

Project Process

The study shall be completed in a phase-based approach with three different phases. At the completion of each phase, the consultant will have a check-in meeting with City and County leadership to review the work completed and allow the City and County to determine if they seek to proceed to the next phase. The three phases of the project are:

- Phase 1: Market Demand (Up to 6 weeks)
- Phase 2: Potential Programming (Up to 4 weeks)
- Phase 3: Concept Drawings, Organizational Recommendations, High- Level Proforma (Up to 6 weeks)

The total anticipated duration of the study is 16 weeks.

The consultant shall when appropriate utilize existing data held by the GRCVB by requesting it through appropriate City staff to reduce the need to collect data that the City and County already have access to.

Market Demand

The City and County would like to understand if the market has sufficient demand to attract and retain an MLS soccer team. Additionally, if an MLS soccer team is not viable in the market, is there a level of downtown stadium that could accommodate a women's professional soccer team, a men's semiprofessional soccer team, concert and entertainment offerings and other tenants? Desired information that the City and County would like analysis on include:

- Local market characteristics

The City and County would like to know if local market characteristics are such that the market could sustain an MLS soccer team and if not, are the market characteristics such that a downtown stadium could be adequately anchored with existing local soccer teams and other potential uses? Data points that the feasibility study should consider in this analysis include:

- Demographics
- Untapped demand for greater sports and entertainment programming in region and nationally
- Local/regional corporate base of support for professional sports sponsorship and engagement.
- Youth and adult soccer participation rates (tied to bullet point 2)
- Television - Major League soccer viewership
- Market support for professional sports
- Attendance history for current local professional and semi-professional sports teams
- What percentage of current and future attendees come or could come from outside the market and stay in local hotels?

- Comparable market and facility analysis

The feasibility should compare the local market with comparable markets with USL Championship, NWSL and/or MLS teams. What have been the stadium and market outcomes for the comparable markets?

- Projected utilization rates for facility
- Ability of comparable facilities to be truly multipurpose and what is the mix of events?
- How does multiuse impact construction costs?
- Economic Impact from comparable market research. (room nights)

The City and County would like to know projected utilization rates for the facility under two different scenarios. The first scenario would be with an MLS soccer team as the anchor tenant and the second scenario would be with the existing NCFC and NC Courage teams as anchor tenants. Both of these scenarios should incorporate projected non-soccer usage of the stadium. An understanding of the true multipurpose potential must be analyzed.

- Financial performance of current local professional and semi-professional sports teams
- Overall Proforma for the Stadium

The City and County would like to understand the financial performance of the NC Courage and NCFC teams and the implications of that financial performance for the proposed stadium project.

Building Programming

The City and County want to know what potential programming the stadium would be able to support and if it is sufficient to make the proposed stadium viable. The study should consider programming in both an MLS level stadium and a non-MLS level stadium. To answer this question, the study should include the following information:

- What type of programming would the stadium be able to support?
- How often would the stadium would be programmed?
- How much of the programming would attract out of market visitors?
- How many visitors would be net new visitors to tourism programming in Wake County?
- What is the tourism and hotel impact of the potential stadium programming?
- What other regular event producing tenants could be housed in the facility?
- What would be an appropriate size and seat mix for the stadium (regular tickets, premium tickets, suites) for each overall use?

Impact to Existing Venues

Wake County is home to several existing sports, performing arts and convention venues. The feasibility study should provide analysis about the potential impact of the proposed stadium on these existing venues. If the proposed stadium were built, what would be the impact on existing venue financial models?

- Would this proposed stadium increase the amount of sports, entertainment and convention programming in the region or would it keep the amount of programming at its existing level? What events or event types would be able to come to Wake County because of the new stadium?
- Would this proposed stadium add new sport and tourism revenue or take revenue from existing venues?
- Are there any types of programming that are not currently provided by existing venues that the proposed stadium would likely attract?

The minimum existing or developing facilities that should be considered for the purposes of this feasibility study are listed below:

Sports Venues	Performing Arts and Convention Venues
WakeMed Soccer Park	Raleigh Convention Center
PNC Arena	Red Hat Amphitheater
Five County Stadium	Duke Energy Center for the Performing Arts
Proposed indoor sports facility	Koka Booth Amphitheater
	Coastal Credit Union Music Park at Walnut Creek

Economic Impact

The study should provide insights into the anticipated economic impact of the proposed stadium on the Raleigh and Wake County markets. Information that the study should provide includes:

- How many new jobs would be created by the stadium?
 - What is the mix of part-time versus full time?
 - What would be expected salary ranges for these positions?
 - What percentage of jobs would be net new jobs accounting for potential job reductions at existing venues?
- What is the expected tax revenue of the proposed stadium?
 - What would be the increase/decrease in sales tax revenue?
 - What would be the increase/decrease in property tax revenue for the City of Raleigh and for Wake County?
 - What would be the increase/decrease in Hotel and prepared food tax?
- Direct spending analysis
- Net change in direct spending analysis
- Net change in indirect economic impact analysis

Facility Ownership and Management

The feasibility study should provide an analysis of potential ownership and management models for the proposed stadium. Included within this analysis should be a discussion of potential roles of the

public sector and the developer, various models, the benefits and drawbacks of each model, and the financial and operational liability of each model to taxpayers.

Financing Models

The feasibility study should look at the various debt financing models that have been used by comparable markets for soccer stadiums. This analysis should include Project Development Financing as well as other models that other communities have used. Within each model, the study should address the financial liability to taxpayers, the long term operational financial model with each financing approach, and the anticipated return on investment for taxpayers and the community.

Site Analysis

The feasibility study should include an analysis of the proposed site to consider if the site is suitable for a professional soccer stadium that would host an MLS team and if the site would be suitable for a sports and entertainment complex that would host professional women's soccer and semiprofessional men's soccer. Some of the factors that should be considered in this analysis include:

- Site ownership
- Acreage
- Topography
- Zoning
- Visibility
- Accessibility (ingress and egress)
- Existing parking infrastructure
- Proximity/access to public transportation or alternate forms of transportation
- Other existing infrastructure (utilities, water, sewer)
- Potential to attract private sector investment to the facility and surrounding property (mixed use plan)
- Impact on stakeholders and residents – in proximity to the site?
- Costs associated with land acquisition and/or infrastructure improvement
- Traffic counts

Market Impact on Surrounding Properties

The feasibility study should discuss the potential impacts of the stadium on surrounding properties. The City and County are particularly interested on the impact of the proposed stadium on the property values of surrounding properties. Additionally, is the proposed stadium expected to increase the number of businesses in the surrounding area? Are there examples of Soccer Stadiums having this type of impact? Finally, what are anticipated traffic and parking impacts surrounding properties?