

**Item Title:** Approval of Commitment of Countywide Room Occupancy and Prepared Food and Beverage Tax Revenues to Support an Indoor Multipurpose Sports Facility with the Town of Cary

**Specific Action Requested:**

**That the Board of Commissioners approves committing up to \$2.36 Million per year of Countywide Room Occupancy and Prepared Food and Beverage Tax revenues for a period of up to 25 years to support the development of an indoor multipurpose sports facilities with the Town of Cary and directs staff to further develop the terms of the commitment in a Tri-Party Funding Agreement to be approved by the Town of Cary, City of Raleigh and Wake County.**

**Item Summary:**

**Purpose:** Wake County and the City of Raleigh conducted a competitive process to select to seek proposals from organizations to finance, construct, operate and maintain a multipurpose indoor sports facility in Wake County through the use of countywide room occupancy and prepared food and tax revenues. The selection of a project partner requires the approval of the Board of Commissioners and the Raleigh city Council.

**Background:** In 1991, Wake County was authorized by North Carolina Law to levy a room occupancy tax and prepared food and beverage tax for the purposes of supporting a convention center, arena and other cultural, sports and arts activities. These funds are governed through Interlocal Agreements between the Wake County Board of Commissioner and the Raleigh City Council. In 2019, funding for an Indoor Sports Complex was established to assist in the development of a multi-purpose indoor sports complex that will support large indoor sport tournaments including e-gaming to attract out-of-market tournament business as well as support needs of the local community. Annual funding of up to \$2.36 million is available to support capital costs associated with the project for a maximum period of 25-years. All funding decisions must be authorized by the Raleigh City Council and the Wake County Board of Commissioner.

**Board Goal:** The process yielding these recommendations complements the Board's Great Government Goal #5 to "develop strategies to engage community members in envisioning the County's future."

**Fiscal Impact:** Funding allocations to support this project were approved with the 21<sup>st</sup> Amendment to the Interlocal Agreement Governing the Use of Countywide Room Occupancy and Prepared Food and Beverage Revenues.

### **Additional Information:**

The 21<sup>st</sup> Amendment to the interlocal agreement identified that the County and the City should commit funding of up to \$2.36 million annually for a period of up to 25 year to support a multipurpose indoor sports facility. This facility was identified as a need in Wake County through the Destination Strategic Plan.

In October 2019, the City and County jointly launched a competitive process to identify a project partner. City and County elected officials were briefed on the process and an RFP was released on October 23. A pre-submittal meeting was held on November 14, 2019 to given potential respondents an opportunity to clarify questions they may have regarding the RFP content or process. Proposals were due on January 16, 2020. The Town of Cary was the only respondent to the RFP.

An evaluation team consisting of representatives from the City, County and hospitality community conducted an interview with Town representatives on January 23, 2020. Using a scoring tool developed by the team, team members assigned the project a score of 79 out of 100 points.

Based on the project proposal and the subsequent interview, the evaluation team recommend the City and County move forward with committing funds toward the project and working with the Town of Cary to further refine the terms of the project and a tri-party Funding Agreement.

The project proposed by Cary is anticipated to cost approximately \$193 million, will be located on the site of the Cary Towne Mall and will include:

- 100,000 square feet for central competition space
- 12 full-sized basketball courts (convertible to 20 full-sized volleyball courts)
- Capability of transforming portion of center competition space into a small arena with seating for at least 4,000 championship games, non-sports performances or other uses
- 25,000 square feet of multipurpose space for event support, tournament meetings, exhibit space, walk-throughs, etc.
- Dedicated room/meeting space for e-sports practice that is wired and equipped to meet all E-sports technical requirements/
- 4 full-sized team locker room with showers; separate locker rooms for officials
- Full-service restaurant and concession capability on site
- Commercial kitchen space for events and catering
- 25,000 square feet of storage space for all sports equipment and supplies
- Sufficient open space and outdoor space for family and team gathering and ancillary activities between games and sessions.
- Elevated mezzanine/walkway space for viewing competitions
- Load-in/load-out access doors; separate team/participant entrance and check in area
- Sports trainer/medical room
- Plan for sufficient parking and parking flow
- Child-care space

- Weight room/workout facilities
- Walking track

The Wake County Board of Commissioners were briefed at their February 10 Work Session and the Raleigh City Council was briefed at their February 11 Work Session.

The Wake County Board of Commissioners is requested to support a commitment of \$2.36 million annually for up to 25 years to the Town of Cary to support the Indoor Multipurpose Sports Complex project. Once a commitment by Wake County and the City of Raleigh is approved, staff will work with the Town of Cary to finalize the scope and terms of the project and negotiate a Funding Agreement that will then need to be approved by the Town of Cary, City of Raleigh and Wake County.

**Attachments:**

1. Cary RFP Response
2. Request for Proposal for the Multipurpose Indoor Sports Complex Project Funding