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

September 14, 2020

WAKE COUNTY
NORTH CAROLINA

Background

Sep. 2019

21st Amendment Approved – Identified $9M annually for PNC Arena for 25 years (2020 – 2045)

Mar. 2020

COVID-19 identified in Wake County

May 2020

Centennial Authority reaches preliminary five-year lease extension with Carolina Hurricanes through 2029

June 2020

22nd Amendment Approved – Modifies commitments due to COVID & shifts PNC funding in 2030 to "Future Sports/ Entertainment Facility Capacity"

July 2020

Centennial Authority releases Amendment 22 Financial Plan

Sep. 2020

Parties consider terms of 6th Amendment to Tri-Party Agreement

Oct. 2020

Vote on 6th Amendment to Tri-Party Agreement

Current Status

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

Centennial Authority
PNC Arena

Amendment 22 Financial Plan

PNC Arena Amendment 22 Financial Plan

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

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

PNC Arena Amendment 22 Financial Plan

$9 Million From Amendment 22 to:

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

PNC Arena Amendment 22 Financial Plan

How Will the Authority Allocate the $9 Million Annually?

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

PNC Arena Enhancement Options

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

PNC Arena Enhancement Options

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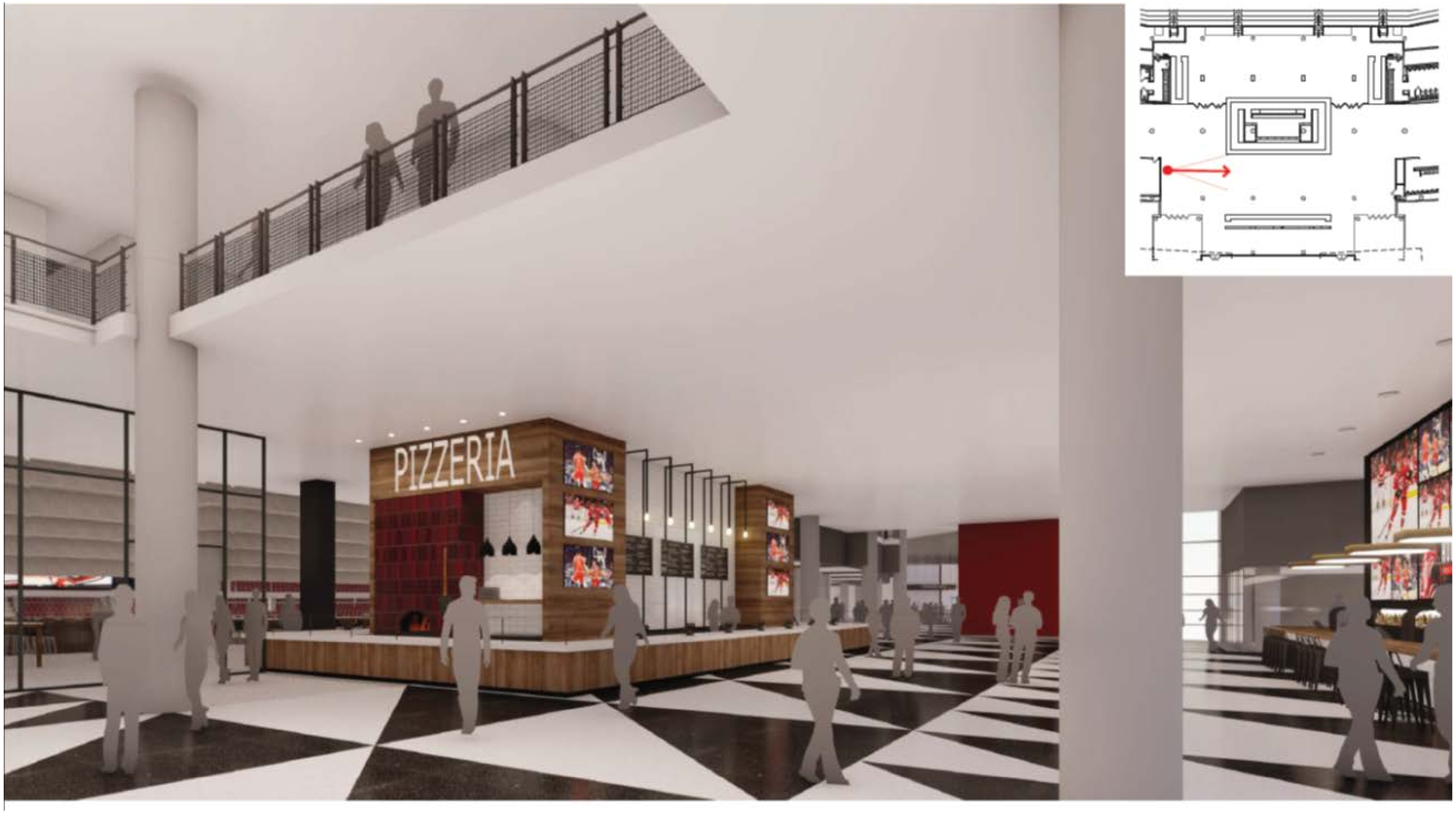

PNC Arena Amendment 22 Financial Plan

Summary:

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

Discussion