

REIMAGINING THE FAIRGROUNDS

Streaming live on City of Memphis HCD Facebook



THE OPPORTUNITY

To transform the 178 acres of the Fairgrounds and Tobey Park into an activated engine of economic growth and associated community benefits, reactivating a special space in the heart of Memphis.



GUIDING PRINCIPLES *from the Mayor*

- Create an active, vibrant place where the entire community is welcome
- Create new jobs and expand our economy
- Strengthen neighborhoods and civic pride
- Accelerate our city's current momentum and speak to our values as a people
- Produce synergy with new projects in Memphis so the whole is greater than the sum of its parts



PROCESS

- Ideation → Evaluation → Recommendation
- Context: 2015 ULI Report and 12 years of planning
- Meetings with stakeholders, neighborhoods & advocates
- Evaluation to determine cost and return on investment
- Specialized team for due diligence and analysis



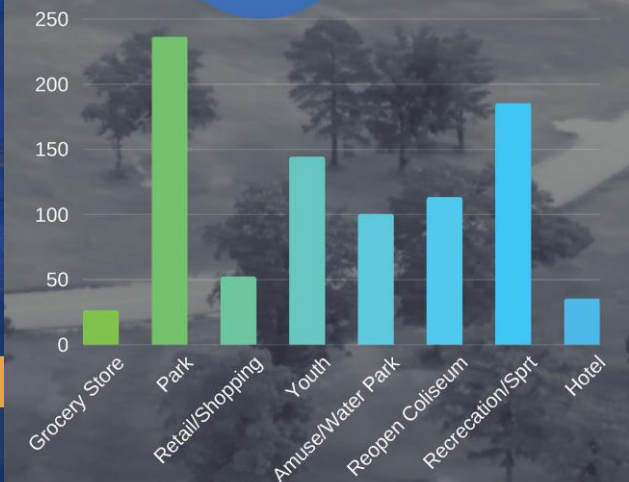
IDEATION

- Over 430 ideas collected from public
- From 2 meetings, community outreach & on Fairgrounds website
- Ideas centered on 6 topics
- 5 addressed in concept
- Amusement and water parks are not feasible based on space and economics



FAIRGROUNDS IDEATION

PUBLIC IDEA RESULTS
BASED ON 430 RESPONSES



EVALUATION CRITERIA

- Budget neutral for City – capital and operating costs
- Good return on investment
- Attract tourists and serve Memphians
- Sensitive to current tenants and parking capacity
- Provide opportunities for Memphis youth
- Intentionally build in community benefits
- Connect and support all adjacent neighborhoods
- Leverage City investment to spur private development



WHY YOUTH SPORTS?

- Fastest growing tourism sector
- Aligns with Tennessee State Tourism Strategic Plan (2013):
“Sports are a major draw for visitors to Tennessee: youth sports tourism, and outdoor recreations events differentiates Tennessee from its competitors”
- Have to attract tourists to use funding source
- Memphis ranks near bottom in fitness levels - 45 out of 50 largest metro areas - *American College of Sports Medicine’s Fitness Index*
- Healthier kids and more productive adults





SFA
THE SPORTS FACILITIES
ADVISORY

SFM
THE SPORTS FACILITIES
MANAGEMENT

COMPANY OVERVIEW



Accurate Financial Forecasting
Strategic Program Planning
Unparalleled Access to Real-Time Data
Project Finance Support Services

MEASURING EXCELLENCE



OUR HISTORY:

- **SFA, Founded In 2003**
- 1400+ Clients Served
- Over \$8 Billion + in Planned Venues
- Public | Private | P3

SFA
SPORTS FACILITIES
ADVISORY

SFM
SPORTS FACILITIES
MANAGEMENT

OUR MISSION:

To dramatically improve the health and economic vitality of the communities we serve.



STRATEGIC ALLIANCES

INDUSTRY ASSOCIATIONS | NATIONAL GOVERNING BODIES
CHANNEL PARTNERS | TEAMING PARTNERS



SPEAKING ENGAGEMENTS

PARTIAL LIST OF AWARDED PRESENTATIONS:

Aspen Institute Project Play Summit 2017

ICMA 2017

Virginia Governors Conference on Tourism 2017

TedX Columbus Ohio 2017

US Indoor Sports 2017

TLC Leadership Summit 2017

Surgeon General Private Roundtable / 2016

International City Managers Association / 2016

National Association Of Sports Commissions / 2016

TEAMS Conference / 2016

Aspen Institute Project Play / 2016

Virginia Conference On Tourism / 2016

US Indoor Conference / 2016-2015-2014

NRPA Innovation Lab Wall Street and Parks and Recreation (25 Largest Cities) / 2016

International City Managers Association / 2015

Governors Conference On Tourism (SC) / 2015

Kroc Center Convention / 2015

National Association Of Sports Commissions / 2015

RECSPO / 2014

Association Of Aquatics Professionals / 2014

STRATEGIC MEDIA

We generate newsworthy stories and are sought as industry experts.

2016= 2,666 publications

2017 = + 4000 publications and televised viewership of more than 5 Million

**Bloomberg
Business**

ESPN



Forbes

THE WALL STREET JOURNAL
WSJ

 **CNBC**

YAHOO!
FINANCE

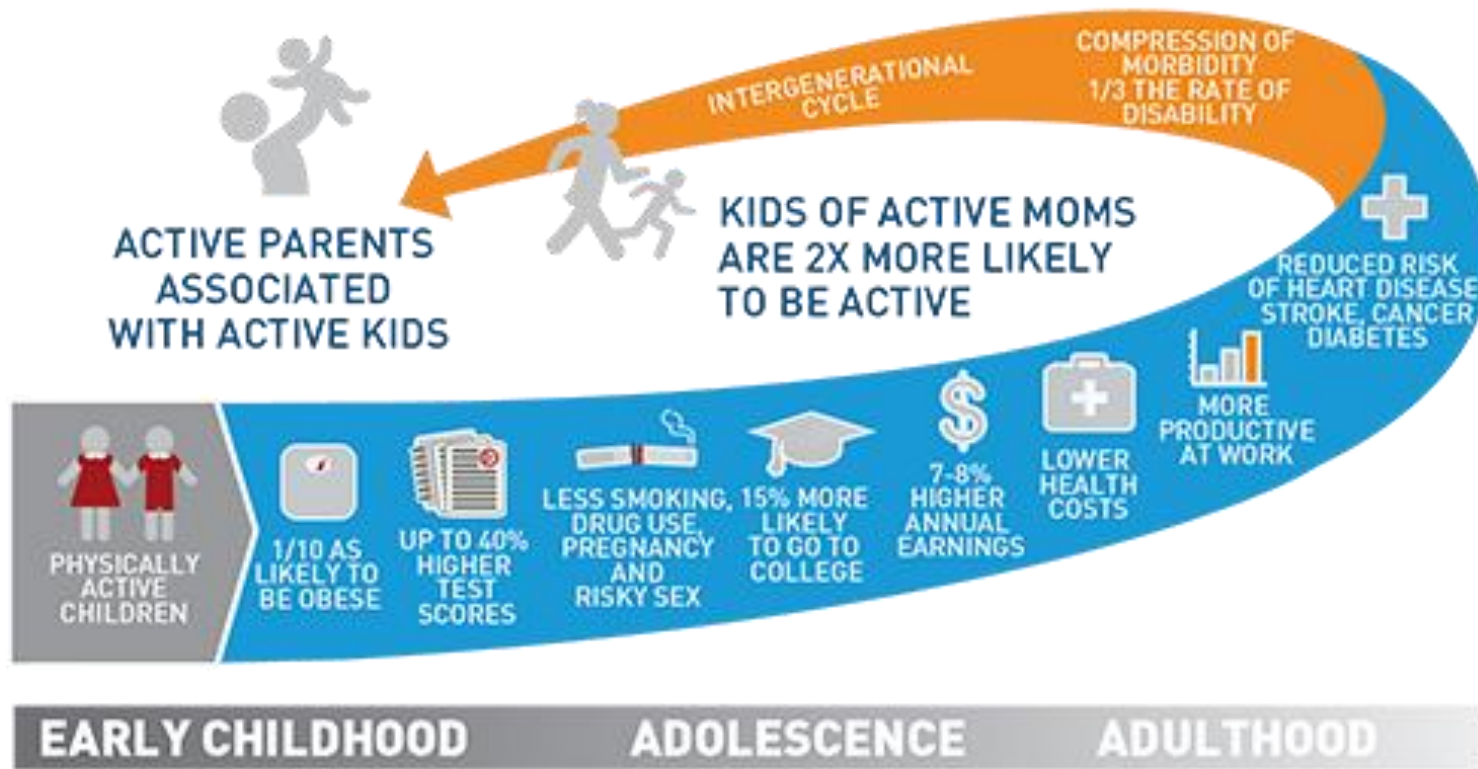
REAL SPORTS
WITH BRYANT GUMBEL

**SBJ
SBD** STREET & SMITH'S
**SportsBusiness
JOURNAL**

SPG
SportsPlanningGuide

ACTIVE KIDS DO BETTER IN LIFE

WHAT THE RESEARCH SHOWS ON THE COMPOUNDING BENEFITS



SPORT MATTERS



PORTFOLIO



ROCKY TOP SPORTS WORLD

GATLINBURG, TN



**HOOVER MET
COMPLEX**



HOOVER METROPOLITAN COMPLEX

HOOVER, AL



UPWARD STAR CENTER
SPARTANBURG, SC



NEVELE PROSPORT CAMPUS

ELLENVILLE, NY



MYRTLE BEACH SPORTS CENTER

MYRTLE BEACH, SC



LEGENDS SPORTS COMPLEX

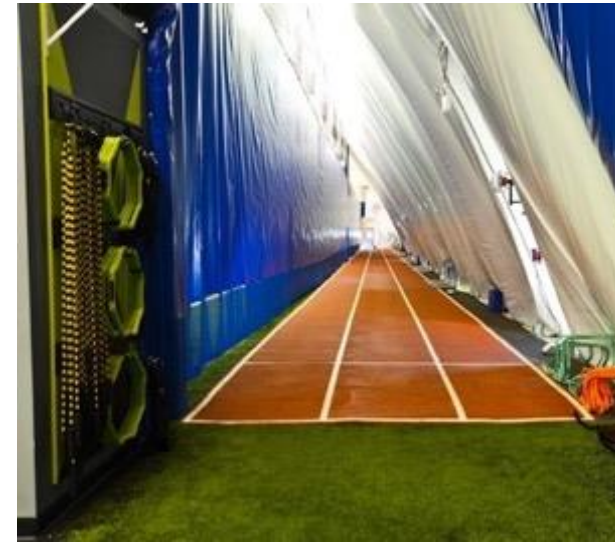
WOODLANDS, TEXAS



LOVE HATBOX SPORTS COMPLEX

MUSKOGEE, OK

Bo Jackson's
ELITE SPORTS
TRAINING ATHLETES INSIDE-OUT

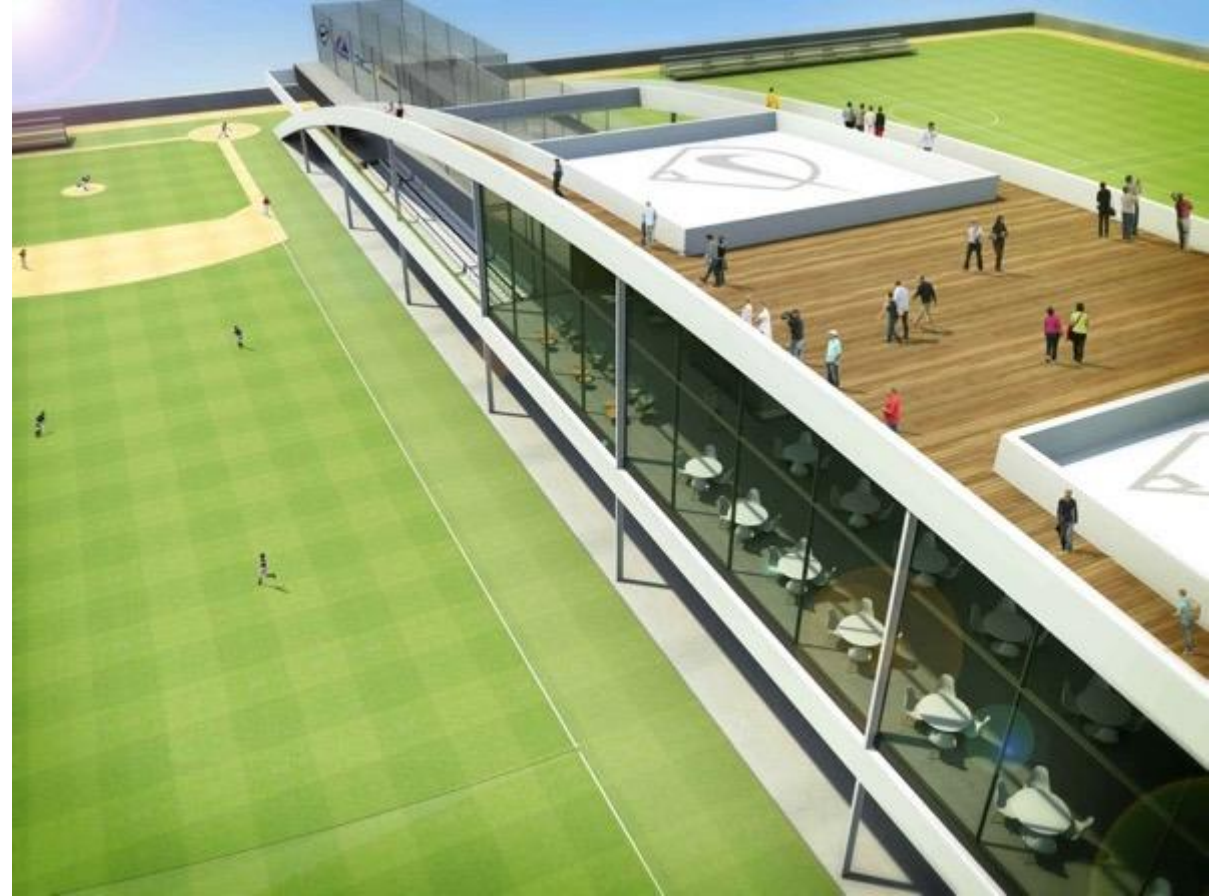


BO JACKSON'S ELITE SPORTS
HILLIARD, OH



DRIVE NATION
DALLAS-FORWORTH, TX

KINGDOME
SPORTS



KINGDOME SPORTS
EAST FISHKILL, NY



SPOOKY NOOK SPORTS
LANCASTER, PA



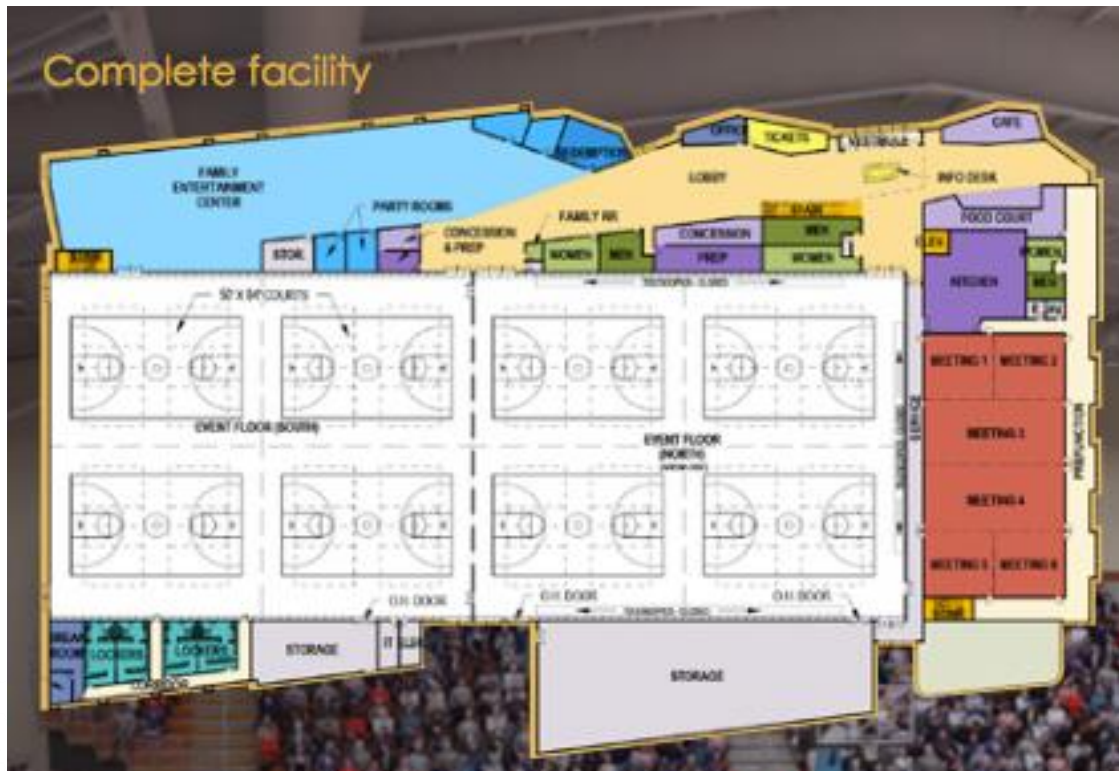
AVIATOR SPORTS & EVENTS CENTER

BROOKLYN, NY

EXAMPLE FLOORPLAN

Potential Event Capabilities

- 8 basketball or 16 volleyball courts
- Event center
- Concessions
- Family Entertainment Center



Rocky Top Sports World in Gatlinburg, Tennessee, is a brand new indoor/outdoor sports destination that is bigger, better and more accommodating than any other venue in the region.



ROCKY TOP SPORTS WORLD

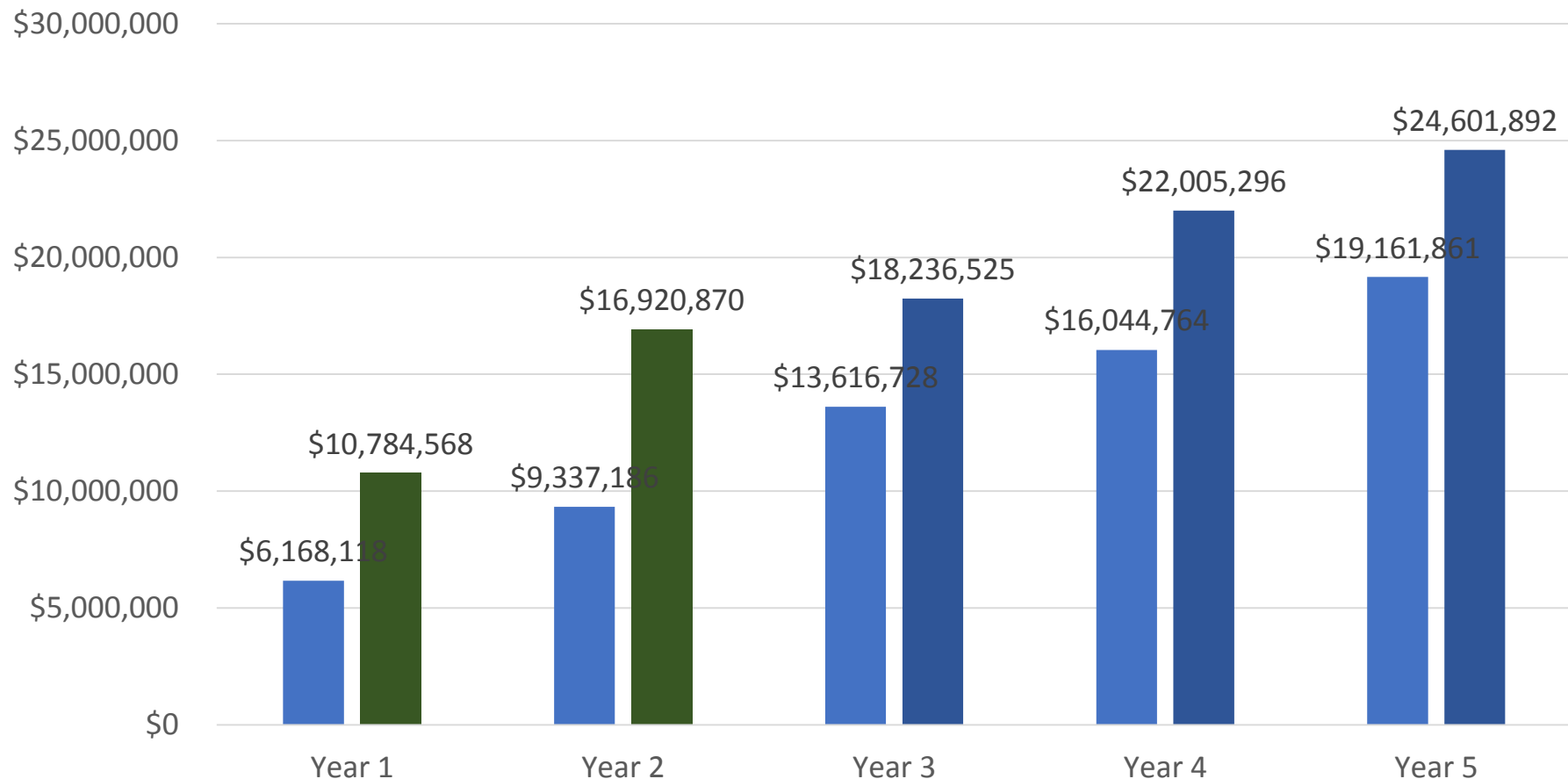
Gatlinburg, TN

This 80 acre Indoor and outdoor sports tourism development has won numerous awards in the sports tourism marketplace. Rocky Top Sports World is SFA planned and SFM managed. Economic Impact has far exceeded original SFA forecasts under SFM management. Under SFM full-time management - this project has produced hundreds of thousands of visiting overnight stays since it's inception in 2012 and is playing a significant role in the rebuilding efforts following the devastating fires of 2016.

ECONOMIC IMPACT



Rocky Top Sports World Projected Economic Impact



Originally Budgeted 5 year cumulative economic impact = \$64,328,657

Two year actual plus projected 5 year cumulative economic impact = \$92,549,151

The Myrtle Beach Sports Center gives your team, your tournament or your next event the home court advantage.



This SFA planned and SFM managed project was funded as additional conventions and meetings space. This project was 100% booked to year-one forecast before it was open. Under SFM's full time management, this project has significantly out-paced both economic impact and cash-flow forecasts.

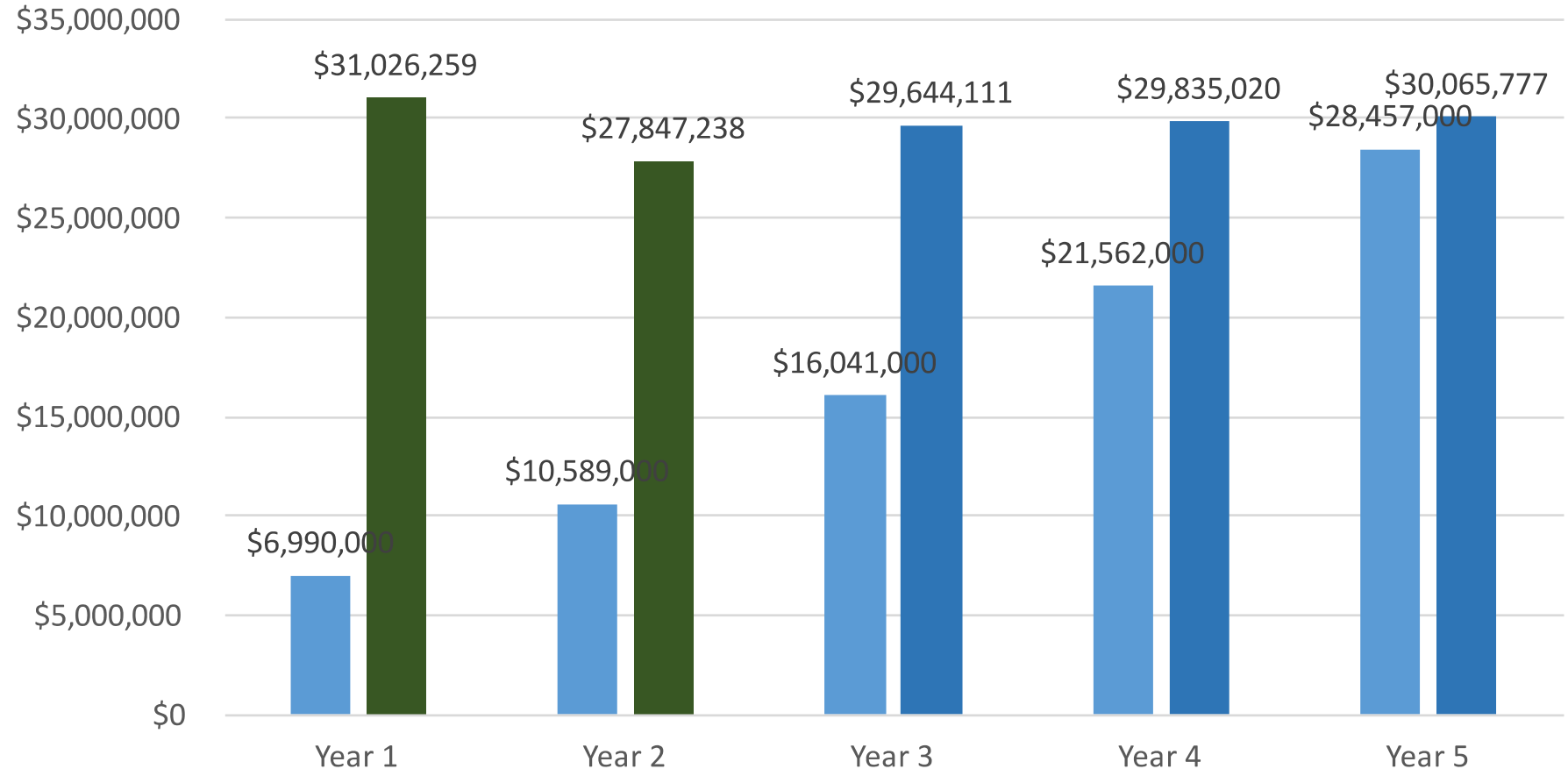
MYRTLE BEACH SPORTS CENTER

Myrtle Beach, SC

ECONOMIC IMPACT



Myrtle Beach Projected Economic Impact



Originally Budgeted 5 year cumulative economic impact = \$83,639,000

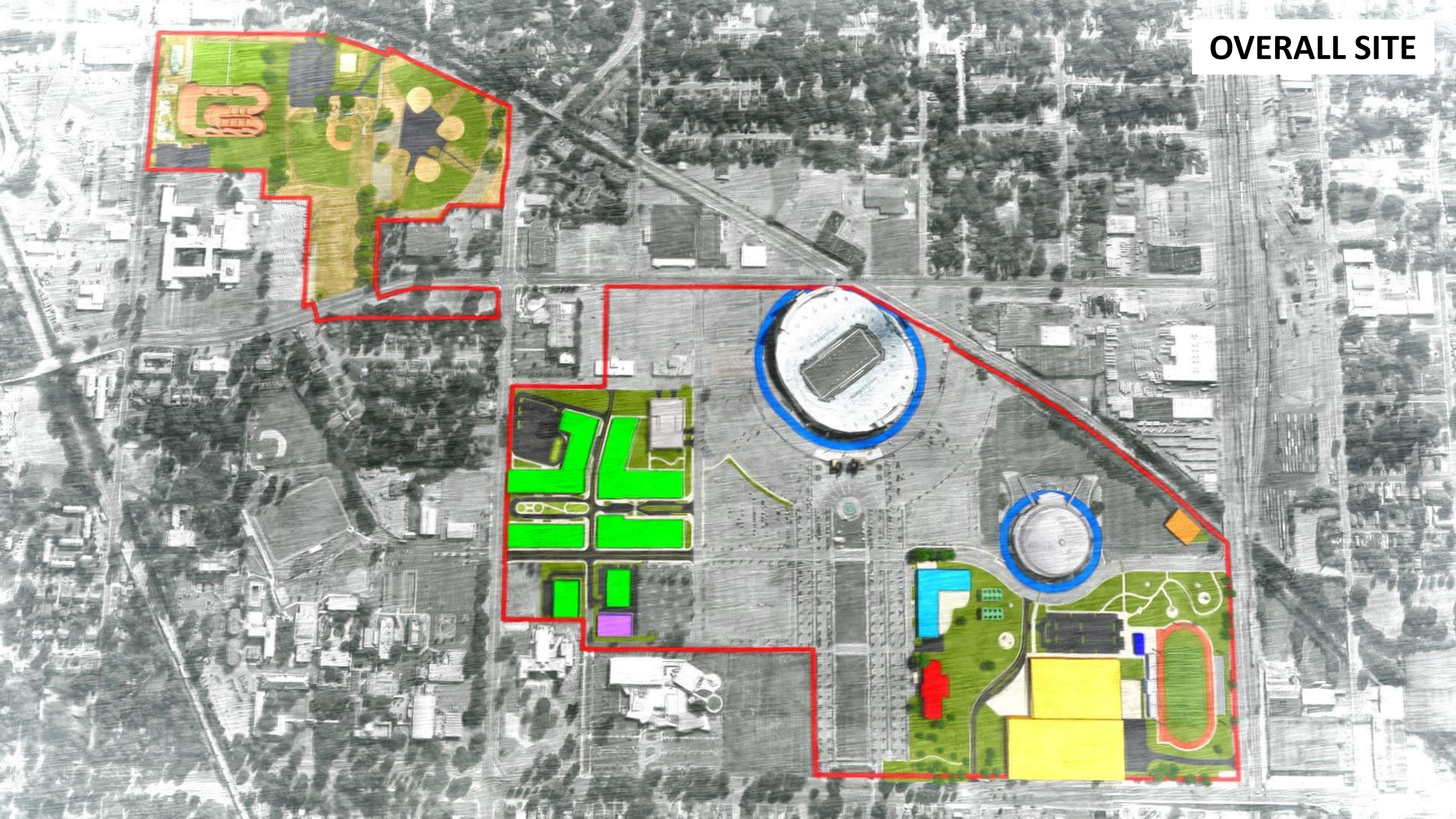
Two year actual plus projected 5 year cumulative economic impact = \$148,418,405

RECOMMENDATION: ASPIRATIONAL DRAFT CONCEPT

NOTE: These graphics are pre-design renderings intended to convey the general arrangement of the project elements and their relative sizes and scales. They are NOT representative of the how the completed project will look. Accurate architectural renderings of all project elements will be created during the next phase of the development process.



OVERALL SITE



- Multi-sport facility
- Track & field relocated from Central Ave
- Rehabbed Creative Arts building with non-profit tenant, possibly “The Junkyard Museum”
- Pipkin building expanded and improved for more community uses
- Solar-lit outdoor pavilions for basketball, volleyball, and family gatherings
- Walking path and playgrounds

COMMUNITY/YOUTH SPORTS AREA



Basketball courts

Coliseum

Play areas

storage

Pipkin

Tiger Lane

Creative Arts building

Multi-sport building

Track & Football/Soccer Field



DRAFT CONCEPT IMAGE

View from corner of Young Ave and East Parkway



DRAFT CONCEPT IMAGE

View from across Young Ave

TOBEY PARK



Greenline connection

Operations building

Parking improvements

Dog park relocated & improved

Skate park

BMX track

- Competition BMX track
- Improved baseball fields
- Parking improvements
- Dog park upgrades
- Bike safety school

Rugby field

Improved ball fields

HOTEL/RETAIL AREA

Liberty Bowl Memorial Stadium

500 car garage

hotel

Retail/mixed-use

New school gymnasium

Retail with classrooms above

- 500-car garage with MATA access and bike share – also available for football games
- 120-180 room hotel
- Mixed-use development with supportive functions for Shelby County Schools
- Shape, size & location of buildings is speculative – will be determined in conjunction with selected developer

LIBERTY BOWL MEMORIAL STADIUM

- Next phase in process to enhance stadium experience
- Upgrades to press box, sky boxes, general seating, and technology
- Addressing deferred maintenance
- New fund set up for on-going maintenance needs
- Improvements are in support of two major bowl tenants and University of Memphis



PARKING

- Losing 2,200 unpaved parking spaces from Libertyland area
- Garage replaces all parking spaces lost to new buildings
- A combination of strategies needed for parking on game days:
 - New parking lots nearby
 - Shuttles to nearby parking lots
 - Uber/Lyft/Taxi stand
 - Increased MATA service to site
- City will continue to work on traffic management & other operational concerns



MID-SOUTH COLISEUM OPTIONS

- **Preserve for future development - \$ 0.5M**
(Secure all access doors, repair flat roofs)
- **Spruce-up exterior - \$ 2M**
(Preservation option plus: rescreen equipment yard, repair exterior facade, landscape)
- **Re-Activate concourses - \$14M to \$ 18M***
(Spruce-up option plus: asbestos abatement, restroom & concourse upgrades, new mech & elec systems for concourses, address ADA and building code issues within concourses)
- **Complete Rehabilitation - \$ 40M to \$ 44M***
(Re-Activation option plus: arena & media spaces upgrades, new mech & elec systems for arena, new arena seating, address ADA and building code issues within arena)
- **Demolish - \$ 8M**



COLISEUM DECISION FACTORS

- Amount of capital costs
- Concern about annual operating losses
 - Landers Center has net operating loss of \$3.5 – \$4.4 million per year (including debt service)
 - Landers Center, arenas & convention centers often rely on hotel-motel taxes to balance operating budgets
 - Operating losses at Coliseum would come out of City's general fund
- Don't want to take business from other local event spaces:
 - FedEx Forum, Orpheum and Canon Center
 - Mud Island Amphitheater, Levitt Shell and Botanic Garden



COLISEUM DECISION

- Preserve for future development - \$ 0.5M
- Stop damage from roof leaks & illegal entry
- Keep all options open – including creative, adaptive reuse
- Seek partner to help reactivate – national Request for Proposals (RFP)
- Making site active & vibrant can help attract future partners



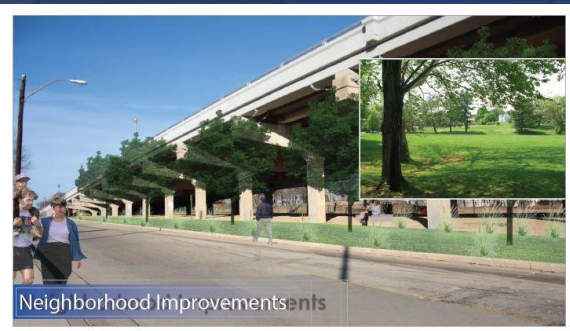
ON-SITE COMMUNITY BENEFITS

- Preservation & adaptive reuse of historic Creative Arts Building – talking to “The Junkyard Museum” = climbable sculpture like STL City Museum
- Improved and expanded multi-use Pipkin Building
- Open green space and trails
- Recreation: outdoor fields, track, basketball/volleyball pavilions
- Supportive functions for Shelby County Schools
- Tobey Park improvements (baseball fields & dog park)
- New bike safety school for kids
- Community use of multi-sport building & BMX track



NEIGHBORHOOD CONNECTIVITY

- Greenline extended from Flicker Street thru Fairgrounds to Cooper Young
- Young Ave entrance reopened
- Improved traffic signals on E Pkwy and Central
- Streetscape improvements to viaduct where E Pkwy crosses Southern
- Improved RR underpasses along Southern at Josephine and Boston



OFF-SITE COMMUNITY BENEFITS

- Historic Melrose School – preservation & adaptive reuse including museum
- Infrastructure improvements of Lamar/Airways retail area (southern gateway to Fairgrounds) spurring private investment



Melrose High School
(Former Location at Dallas Street & Park Avenue)



COMMUNITY BENEFITS AGREEMENTS

- CBAs are legal documents outlining specific benefits the community will receive, such as:
 - Local employment, Wage requirements, Job training
 - Community access to spaces
- Each component of Fairgrounds redevelopment will have one
- Will be negotiated with each developer, retailer, management firm, and tenant – will include a public input process
- This will be FIRST use of CBAs by the City



CONCEPTUAL CAPITAL BUDGET

Multi-Purpose Sports Complex	\$ 80.0 M	Upgrade Women's Building	\$ 3.5 M
Liberty Bowl Improvements	\$ 20.0 M	Outdoor Track/Football Complex	\$ 3.0 M
Upgrade / Expand Pipkin Building	\$ 10.0 M	Lamar-Airways Infrastructure Improvements	\$ 3.0 M
Parking Facilities (structure and surface)	\$ 10.0 M	Storage Facility Demo / Replacement	\$ 2.5 M
Retail / Gym / Classrooms (Central Ave)	\$ 8.0 M	Exterior courts and playgrounds	\$ 2.5 M
Site Improvement/Utilities/Infrastructure	\$ 7.0 M	Melrose School Project	\$ 2.0 M
Tobey Park Improvements	\$ 4.6 M	Mid-South Coliseum (Preservation Option)	\$ 0.5 M
BMX Track at Tobey	\$ 3.5 M	TOTAL	\$160.1 M

These are **FULL** project costs, not just construction. These costs include allowances for Furniture, Fixtures & Equipment (FFE) where appropriate, Architectural & Engineering fees and other soft costs, and 10% contingency. They do not include any seismic upgrades.

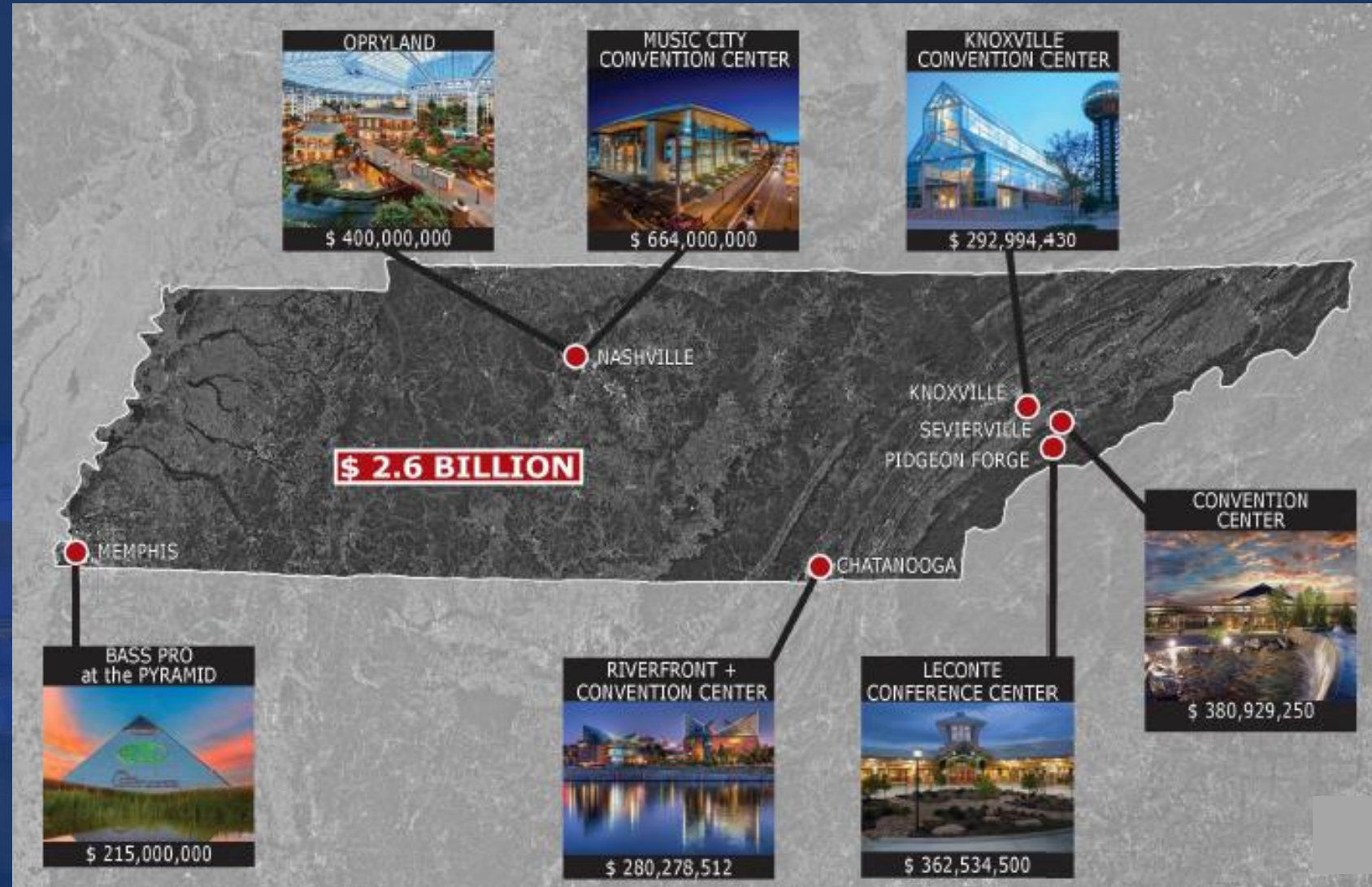


FINANCING THE PROJECT

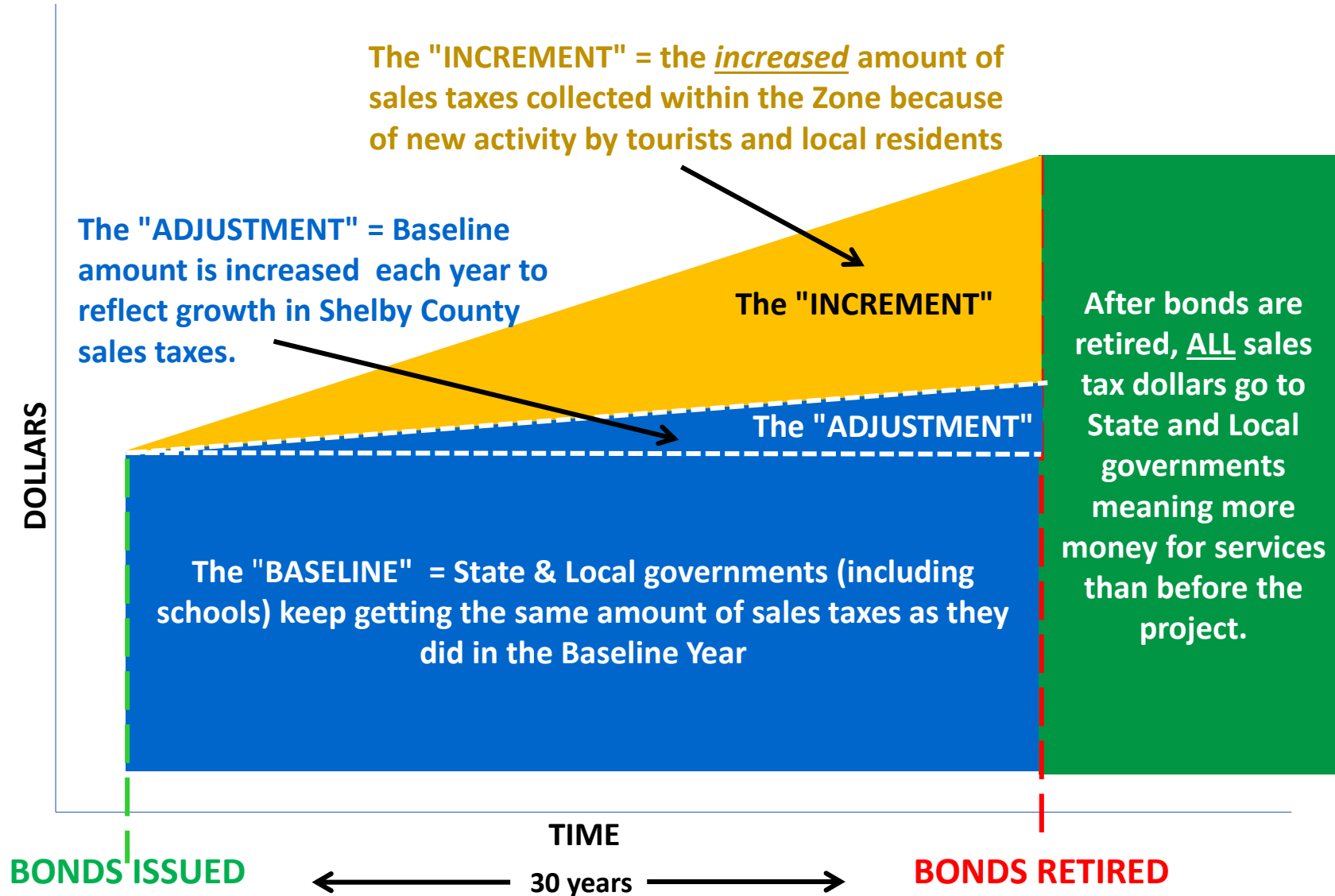


TOURISM DEVELOPMENT ZONE

- Convention Center & Tourism Development Financing Act of 1988
- Used for several major projects across state
- Approval rests with State Building Commission
- Fairgrounds is *last* TDZ possible in TN



HOW TDZ WORKS



CONDITIONS OF TDZ

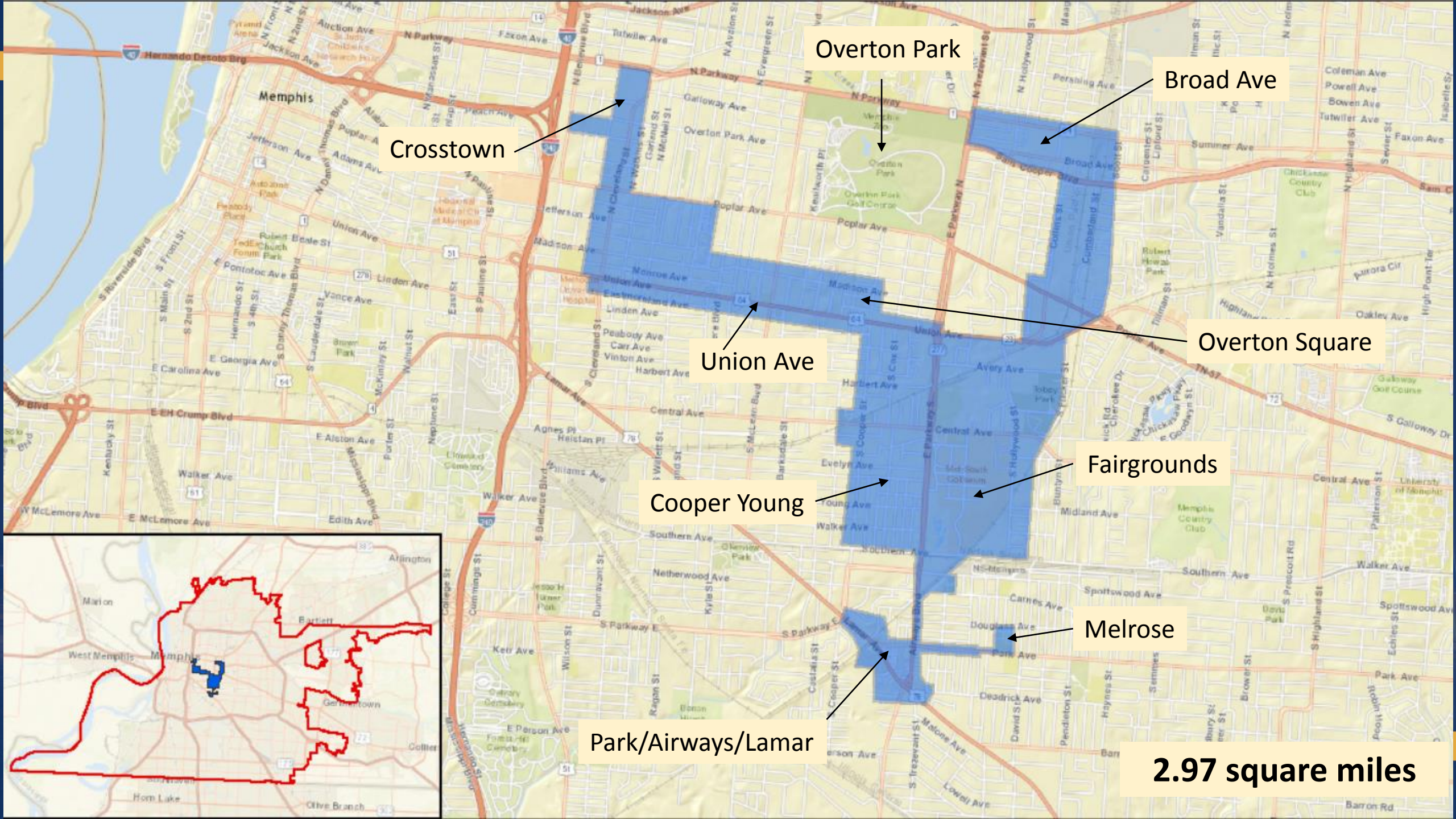
- Must be for a project expected to increase tourism
- Required minimum cost of \$75M
- Can only be used for capital costs
- Most construction costs must be on-site
- Only certain off-site costs can qualify



THE ZONE

- Cannot be more than 3.0 square miles
- State's instructions:
 - carve out residential
 - carve in sales-tax generating properties
- Include areas that will benefit from increased visitors & generate more taxes
- Include areas to be helped thru project





Overton Park

Broad Ave

Crosstown

Overton Square

Union Ave

Fairgrounds

Cooper Young

Melrose

Park/Airways/Lamar

2.97 square miles

BENEFITS OF TDZ

- Significant source of funds that is budget neutral for City
- May result in a surplus = more tax collections than needed to pay debt service on bonds
- Surplus can only be used for 2 things:
 - paying off debt early
 - new construction projects on site
- Downtown TDZ has generated significant surplus allowing for new projects like Mud Island aquarium & new Brooks museum



ADDITIONAL POTENTIAL FUNDING

- The TDZ will not generate enough funds for whole project
- Other potential funding sources might include:
 - Private Debt & Equity
 - New Market Tax Credits
 - Development Surcharges
 - State and Federal Grants and Incentives
 - Tenant Lease Payments
 - Corporate Sponsorships



NEXT STEPS – NEAR TERM

Phase 1 Continues: Leading to TDZ Application

- Nov & Dec – Complete operating pro forma on sports complex & analysis of potential TDZ revenue
- Early January – Memphis City Council Resolution authorizing TDZ application
- Mid-January – County Board of Commissioners resolution of support
- January 26 – Submit TDZ Application to State
- February 19 – State Building Commission Executive Subcommittee
- March 8 – State Building Commission Meeting



NEXT STEPS – LONG-TERM

These steps are contingent on State Building Commission approval of TDZ Application.

- Phase II:
 - RFP for retail/hotel
 - Assemble Funding Stack - includes extensive vetting by bond market as part of TDZ bond issuance
- Phase III: Architectural Design
- Future Phases: Negotiate CBAs; Determine Site Governance Plan
- Future Phases: Construction beginning 2019



WE WILL CONTINUE TO UPDATE THIS PLAN BASED ON CONSULTANT REPORTS AND PUBLIC FEEDBACK

www.memphisfairgrounds.com

Director Paul Young at paul.young@memphistn.gov

Mary Claire Borys at mary.borys@memphistn.gov

