



Legislation Text

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Agenda Item Name:

Sports Events Center 60% Plans Review and Project Update

Presenter:

Tommy Crosby, Assistant County Manager

Description:

60% Design of the Sports Events Center at Celebration Pointe.

Recommended Action:

Approve the 60% Design Plans in accordance with the Predevelopment Agreement and direct staff to continue to engage with the development team on the design to maximize the sports events potential of the facility while maintaining the financial pro forma. Allow for the use of 1917 energy management funds for the commissioning of building systems in support of sustainability goals for operations and utility performance.

Prior Board Motions:

At the Board's April 13, 2021 meeting, the Board adopted the two resolutions and authorized bond counsel to initiate the bond validation process.

At the Board's March 23, 2021 meeting Commissioner Alford moved to direct staff to continue to engage with the development team on the design to maximize the sports events potential of the facility while maintaining the financial pro forma. The motion carried 5-0.

At the Board's Jan 26, 2021 meeting Commissioner Wheeler moved the following:

- 1) Authorize the Chair to sign a pre-development agreement consistent with the term sheet not to exceed \$1 Million and
- 2) Authorize staff to work with the Operator to finalize the project development and operations agreements for future Board consideration.
- 3) The Board will review the plans at the 60% completion point.

2nd

Chestnut

The motion carried 5-0.

At the November 10, 2020 Board Meeting Commissioner Cornell moved to direct staff to negotiate a term sheet for the financing, construction, and operation of a Sports Events Center with the most responsive proposer. And 2) bring back the results of negotiations for the Board's consideration. (5:0)

At the October 15, 2019 Board Meeting Commissioner Byerly moved direct staff to further explore the creation of a Sports Events Center via a partnership with Celebration Pointe Community Development District with the following ordered steps:

- 1) Determine public funding sources/amounts for the project.
- 2) Develop architectural designs and construction cost estimates.

- 3) Conduct a Celebration Pointe parking demand study and determine cost and Funding sources for additional parking stalls.
- 4) Establish legal parameters for venue funding and ownership.
- 5) Authorize a Chair letter to the City of Gainesville that provides the economic impacts of the Event Center to the community and request that the City get back to the Board of County Commissioners as soon as they have the necessary information to move forward with the eastern part of the City to move in a parallel path if possible. (5-0.)

At the May 7, 2019, Special Meeting Commissioner Byerly moved the following:

1. That we direct staff to expand Victus Study to include an analysis of the Celebration Pointe Site and include as needed an analysis of the range of Public and/or Private Ownership models and to work with the Celebration Community Development District to come up with those numbers.
2. Direct staff to prepare a business model / operational analysis for all three of the sites we have been considering for public investment; Celebration Pointe, Cabot Koppers and the MLK Site.
3. Direct Staff to draft an Interlocal Agreement for consideration by the Commission for investments of Community Redevelopment Agency (CRA) funds and Wild Spaces Public Places funds for the Citizens Field and Cabot Koppers sites. This should include a timeline for the development.
4. Authorize a Chair Letter to request that the Event Center be a topic of discussion at our Joint Meeting in June with the City of Gainesville.

The motion carried 5-0.

Fiscal Consideration:

After 30% design, significant deviation from the programmatic offerings or building components may negatively impact the financial pro forma. Any change requested by the County to the design plans following approval of the 60% design plans that increase the development budget for the Event Center shall be the responsibility of the County in addition to the \$30M in TDT funding.

Per the Pre-Development Agreement, if the County elects to not proceed with the development, then Viking may be entitled to reimbursement of costs not to exceed \$1 Million for the preparation of design and construction documents incurred to date.

Contingent on the Board continuing past the 60% Design and an eventual Comprehensive Agreement with the Developer at a future board meeting, the County's total obligation for the project would be \$30 Million from TDT funds via 30-year bond issuance. This amount may be increased for the use of energy management funds to commission the building systems to meet sustainability goals and/or the use of American Rescue Plan funds to implement "well building" standards.

The land and the building when constructed will be owned by the County.

Background:

The Board's review and approval of the 60% design plans is the next step in the development of the design for the Event Center. Pursuant to the Predevelopment Agreement previously authorized by the Board, the 60% design approval is a significant stage in design development because, once approved, any subsequent changes requested by the Board that result in increases to the development budget will be at the sole cost and expense of the County and shall be in addition to the \$30M in TDT funding previously contemplated by the

Board.

The design is further refined from the 30% plans to better-fit budgeted funds and Board suggestions from the March 23 meeting.

County's programmatic requirements were not changed in the refinement to 60% plans.

Landscaping buffers are in design for the east elevation.

Electronic signage has been removed in this version.

The main, west entrance has become a single story, high-roofed entrance hall. The removal of the west entrance second floor and associated stairwell and elevators was necessary to keep the project within budget.

The east elevation wall was moved westward by four feet to accommodate a waste water line.

The County Team continues to make progress on the Operations and Construction Agreements.

County staff continues to work with the Developer's design team to meet County sustainability objectives and community economic benefits within the prescribed budget commitment. Staff is recommending that the Board authorize the use of 1917 Energy Management Funds in support of systems commissioning to meet sustainability goals for the project. This fund is used in addition to resources allocated to any County-owned capital fund projects to enhance utility efficiency.

The Predevelopment Agreement was signed on March 23, 2021. As the design progresses, the County and Developer are drafting the Comprehensive Agreement governing operations and management of the center.

If the Board decides to not pursue the project after the Pre-Development Agreement is executed but before the Board approves the Operating Agreement, the County will be required to reimburse Viking up to \$1 Million for its costs to develop the design, budget, and GMP.

It is projected that 90% Plans and Specification, Budget, GMP, and Operating Agreement may be ready for Board consideration by June-July 2021. The 90% Design Plan will be the last major decision point for the Board and will include a request to approve a 30-year bond issuance for \$30M.

Site work construction would commence in August and building construction in September 2021.

Current estimates place the project being open for events in January 2023. The following is a general description of the project.

Project Description:

The Project will be designed to a Class A institutional quality and commensurate with National Collegiate Athletic Association qualifying sports facilities. It will have no less than 110,000 square feet focusing on an indoor track, volleyball, basketball, dance, and cheerleading. The Center shall contain an indoor track, 13 basketball courts, 26 volleyball courts, concession areas, restroom facilities, offices, and other related facilities.

Prior History:

In June 2020, the Board received an unsolicited proposal from Celebration Pointe Holdings (CP Holdings) to develop a Sports Events Center to be located in Celebration Pointe. A request for competing proposals was

issued in September 2020 with a due date of 5 PM October 21. The request was posted to the Florida Administrative Register, advertised in the Gainesville Sun, on the County's Website, and County Procurement's Demandstar. In addition, all Alachua County City Managers were contacted and a press release issued to generate greater awareness of the opportunity.

No competing proposals were received by the County.

The original proposal proposed the County finance the construction of the Sports Event Center using tourist development tax revenues. CP Holdings would assume operational control of the Sports Event Center and assume responsibility to fund operations from revenues of the project. Tourist development tax revenues are dedicated to supporting the tourism and associated hospitality industries. The community will benefit overall if Celebration Pointe is selected as the Sports Events Center location.

Victus Advisors has estimated that this project at Celebration Pointe would:

- 1) Generate net impacts over a period of 30 years with a net present value (NPV) of approximately \$1.2 billion in total economic output,
- 2) \$392 million in wages, and
- 3) nearly \$24 million in County sales tax revenues,
- 4) and County tourist development taxes.
- 5) In addition, it is estimated that up to 1,150 incremental annual jobs could be supported by this new economic activity.
- 6) Brings \$12 million/year in hotel spending and 116,760 room nights.
- 7) Land does not need to be bought and is shovel-ready.

This enhanced economic activity addresses the peaks and valleys of hotel stays and the hospitality industry by stabilizing the revenue stream over the course of a year. The programming from a sports events facility fills gaps in the tourism sporting calendar and grows a critical market opportunity along a high visitation corridor.

Location to a highly-used transportation corridor, with adjacent supporting retail and hotel facilities, is critical to meeting these financial objectives.

There will be no property acquisition costs as the land is being offered as part of the agreement; provided the Board pays the existing special assessment liens against the property.

Prior to receiving the proposal, Victus Advisors reviewed four potential locations for a sports events center tracking sequentially westward from Waldo Road to Celebration Pointe. The Celebration Pointe location was ranked number 1 at a score of 92% and was highly recommended due to the significant supporting development, retail amenities, I-75 access, and lodging opportunities. All other sites scored too low to be recommended (Waldo Road and 39th Ave: 50% score and Waldo Road and 8th Ave: 46% score) or scored marginally and are no longer available for consideration (Koppers: 67% score)

Prior Market Study & Site Analysis - In January 2019, Victus Advisors completed a Market Demand Study identifying demand for a new sports events center in Alachua County with:

- At least eight (8) indoor hardwood basketball/volleyball courts,
- An indoor banked track (hydraulic or removable),
- Retractable/portable seating with upwards of 3,000 seats for championship track events, and
- Parking for up to 1,150 vehicles.

In addition, in June 2019, Victus Advisors also completed a Site Options Analysis, which identified Celebration Pointe as the recommended location for a new sports events center in Alachua County. Celebration Pointe is located on the northwest quadrant of the Interstate 75 and Archer Road (SR 24) interchange in Alachua County. The Celebration Pointe site was scored as “highly recommended” due to its easy access to hotels, retail, and dining, as well as convenient highway access, all of which could maximize tourism benefits, drive visitor satisfaction and return usage, and provide the greatest opportunity for the long-term success of the proposed sports events center.

Additional Victus Advisors Analysis for the County - In June 2019, Victus Advisors was engaged again by Alachua County to conduct a business planning, operations analysis, and economic impact analysis for a new sports events center at Celebration Pointe.

This study is intended to be a first step in analyzing the partnership opportunity at Celebration Pointe, confirming the operational validity of the site, and analyzing the net benefits of the project; and thus, facilitating additional conversations between the potential project partners (i.e. Alachua County, CPCDD, and Viking Companies).

In this additional study, Victus Advisors conducted the following services and analysis, specific to the proposed Celebration Pointe site and partnership opportunity:

- Meetings in Alachua County with Viking Companies and CPCDD to discuss potential parameters and information needs for a partnership to develop a new sports events center,
- SWOT Analysis for a new sports events center at Celebration Pointe,
- Management Options Analysis for a public-private sports events center,
- Usage Projections and Operating Pro Forma under the recommended management model, and
- Economic and Fiscal Impact Analysis, incorporating Celebration Pointe development plans both with and without a new sports events center.