

## **City/Panthers/State Partnership Proposal Panthers Stadium and Ancillary Facilities**

1. General Assembly authorizes and City Council levies an additional 1% Charlotte only prepared food and beverage tax effective July 1, 2013. Legislation also includes a 30-year sunset, and exempts expenditure of public funds on the stadium from bid statutes.
2. Panthers make up to \$187.5M of capital improvements to the stadium over fifteen years funded \$125M City and \$62.5M Panthers. City's contribution funded through 15-year debt financing using new 1% prepared food and beverage tax revenues. Any funds remaining after fifteen years are paid to City.
3. Panthers and City request that the State of North Carolina invest \$62.5M into this partnership, or provide an equivalent revenue stream which the State deems appropriate. The City acknowledges that the receipt of these State funds is an essential element of the partnership with the Panthers.
4. Fifteen year non-relocation agreement (*i.e.* "tether") beginning July 1, 2013.
  - a. If Panthers seek to make a relocation that would take effect any time during the next 15 years, City may enforce the agreement through specific performance (*i.e.*, injunctive relief) which if successful forces the Panthers to play their home games in Charlotte.
  - b. If injunctive relief is unsuccessful, the Panthers agree to pay liquidated damages beginning at \$125M in year two and decreasing by \$8.33M per year through year fifteen.
  - c. If Panthers relocate any time during the next five-year period following the non-relocation period (*i.e.* years 16-20), City has option of purchasing stadium and lease-hold improvements at fair market value (valued as a stadium without an NFL franchise).
5. City-funded stadium improvements leased to Panthers at fair market value. City contracts with Panthers to manage and maintain the improvements in an amount to be negotiated by the parties and satisfactory to the City, but in no event shall it exceed the lease rate.

6. Panthers and City each contribute \$1M per year for fifteen years to a stadium maintenance fund. Any funds remaining after fifteen years or upon relocation are paid to City.
7. Belk Bowl (or successor event) and up to four additional events (held between January 15 and June 30) requested by City/CRVA and approved by Panthers (approval not unreasonably withheld) may use the stadium rent-free.
8. City to pay up to \$250,000 per year for documented traffic control costs for Panther game days.
9. Options for sharing revenues for Panthers game day parking to be explored.
10. Improvements subject to UMUD approval by City Planning.
11. SMWBE goals to be mutually agreed upon.

## Carolina Panthers Fact Sheet

After extensive negotiations between the City of Charlotte and the Carolina Panthers, the City Council has decided to release for public information, consideration, and comment, the attached term sheet for a proposed deal with the Carolina Panthers. While the Council is aware that there are divergent viewpoints on this matter in the community, it appears that some of those viewpoints have been formed with inaccurate or incomplete information, and without a clear understanding of the primary facts and choices that the community faces. The following statement of key facts and articulation of the choice and consequences are, therefore, intended to add clarity and inform the public.

### **The Facts**

- Bank of America Stadium (“Stadium”) is owned by the Carolina Panthers and sits on land leased from the City of Charlotte.
- The Stadium is 17 years old and is the 25<sup>th</sup> oldest stadium in the NFL (new or substantially renovated) and new stadiums are also planned in San Francisco, Minneapolis and Atlanta.
- The City of Charlotte and Mecklenburg County provided \$60M in land for the Stadium (*i.e.*, \$1/year lease for 99 years), a parking deck (subsequently sold), and environmental clean-up of a contaminated practice field site, but has not otherwise provided financial assistance for the Carolina Panthers.
- The Carolina Panthers conservatively generate approximately \$636 million of economic impact and nearly 5,000 jobs for the region annually.
- The Carolina Panthers are under no current contractual obligation to stay in Charlotte.
- Although, as part of his legacy, Mr. Richardson prefers that the team remain in Charlotte, there are serious suitors who would, in all likelihood, seek to move the team elsewhere.
- The proposal offered is one of the least costly set of public/private NFL major stadium improvements overall, and one of the least costly amounts of public participation in the last 20 years in the NFL.

- The proposed financial contributions of the public-private partners are as follows:

	<u>City</u>	<u>Panthers</u>	<u>State</u>	<u>Total</u>
Capital Improvements	\$125M (50%)	\$62.5M (25%)	\$62.5M (25%)	\$250M
Maintenance Fund (15 years)	\$15M (50%)	\$15M (50%)		\$30M
Rent free Stadium events (15 years)		\$18.75M		\$18.75M
Game day traffic control (15 years)	\$3.75M			\$3.75M
	=====	=====	=====	=====
Total over 15 years	\$143.75M (47.52%)	\$96.25M (32.82%)	\$62.5M (20.66%)	\$302.5M

### **The Choice**

- Strike an agreement with the current ownership group and ensure that the team will stay in Charlotte for the next 15 years
- or**
- Do not reach agreement with the current ownership group and either:
    - (1) hope that the next owner will keep the team in Charlotte without public assistance or with less public assistance than the current ownership group is requesting; or
    - (2) accept the fact that the team could leave Charlotte
  - With regard to the Stadium, and as an additional consequence of relocation, the next owner could either:
    - (1) attempt to operate the Stadium without an NFL team (unlikely);
    - (2) padlock the Stadium and risk decline in the area around the Stadium; or
    - (3) offer to sell the stadium to the City (at an inflated price?)

The Council recognizes that many people are legitimately and philosophically opposed to any amount of public assistance for professional sport franchises. But the reality is that the Panthers are a proven investment, and some level of public assistance is necessary to retain an NFL franchise. With that in mind, the Council submits the foregoing and attached term sheet to the public.