



Fairgrounds Redevelopment Concept Information Packet

Agenda for City Council Update About Fairgrounds

- The history and vision for this project will be presented by Kevin Kane, president of the Memphis Convention & Visitors Bureau.
- Conceptual context for Fairgrounds and improvements already made will be presented by Tom Marshall of O.T. Marshall Architects.
- How we have planned for the interrelationship between the Fairgrounds and adjacent neighborhoods will be presented by Ray Brown of Ray Brown Urban Design.
- Why Memphis can be a national center for amateur and youth sports and why a multi-purpose building is crucial for success will be presented by Brandon Dowling, director of sports and entertainment for Johnson Consulting.
- The retail analysis and revenue projections process will be presented by Larry Cranor of RKG, which provides economic consulting, financial feasibility, and market research for governments, developers, and economic development organizations.
- The revenue bond financing will be presented by Tyree Daniels, senior vice-president at Raymond James.
- The steps in the TDZ process will be presented by Mark Mamatov, attorney with Bass Berry and Sims, who has drafted much of Tennessee economic incentive legislation, including the Tourism Development Zone.
- Legal issues like the ADA issues and Grizzlies agreement regarding the Coliseum and the Interlocal agreement with Shelby County Government will be explained by Hunter Humphreys, attorney with Glankler Brown

Fairgrounds Tourism Development Zone Packet

I. Overview of Fairgrounds Tourism Development Zone

II. Frequently Asked Questions about Fairgrounds Tourism Development Zone

III. Presenting Fairgrounds Concept Vision

Section I:
Overview of Memphis Fairgrounds
Tourism Development Zone

Overview of Memphis Fairgrounds Tourism Development Zone

Vision

The Fairgrounds Tourism Development Zone is an essential element of an interlocking investment plan by City of Memphis with goals of expanding the local economy, producing more revenues for local governments without increasing the tax rate, attracting more than one million new visitors to Memphis to fuel our tourism industry, making the investments through creative financing structures that mitigate and eliminate City of Memphis CIP funding, and creating better lives for Memphians, particularly youths.

Specifically, the City of Memphis Tourism Development Zone (TDZ) projects - the Fairgrounds and Bass Pro Shops at the Pyramid - will attract 1.25 million new visitors to spend money in local businesses, restaurants, and hotels and to support investments made in Memphis in assets like the Memphis Zoo, AutoZone Park, Overton Square, downtown Memphis, Broad Avenue, Cooper-Young, FedExForum, and more. In addition, the investments made in projects by City of Memphis are creating 5,000 permanent jobs, including 1,700 at the Fairgrounds, at a time when the Blueprint for Prosperity focuses on reducing the unemployment rate and the poverty rate by providing more prosperity for more people.

Memphis remains the economic heart of the regional economy, and it is in everyone's self-interest for it to be successful, to have an expanding economy, and to create more jobs. The city team that developed the Fairgrounds redevelopment concept also worked on the The Pyramid, AutoZone Park, American Queen, Sears Crosstown, and Overton Square, and they have relied on the same conservative projections and conservative philosophy used at the Pyramid to assess and imagine the future of the Fairgrounds, which would be the lowest cost Tourism Development Zone project of the seven other public ones in Tennessee (more than \$1 billion in two Nashville TDZ projects).

An Opportunity for a Unique Government Partnership

Memphis and Shelby County have a unique opportunity to work as partners on a project that will have significant benefits for our community. This partnership – made possible by a forward-thinking law passed by the State of Tennessee can create a projected investment in our community of more than \$400 million. It can provide about 1,700 citizens with a job. It can infuse over \$39 million a year in earnings into our shared economy. It can generate almost \$40 billion in 30 years in new spending throughout Memphis and Shelby County as millions of visitors and participants are attracted to an urban village anchored in family-oriented retail and state-of-the-art youth sports facilities. In addition, it can produce new property tax receipts and expanded sales tax revenues.

The concept of the Fairgrounds Redevelopment is to create an amateur sports complex that meets or exceeds AAU/NCAA requirements for sports complexes hosting regional and national tournament level play. In this way, it can attract sports tournaments and cheer competitions that cannot now come here and provide high-quality facilities for University of Memphis as it competes in men's and women's sports in its new athletic conference. It also creates a top 25 experience for the fans of the University of Memphis's top 25 football program. It not only provides best-in-class sports venues, but it will also provide a first-class tourist experience for our visitors and sports participants, fans, and families in an environment that will ensure return business and a national reputation for excellence.

The Fairgrounds site, in conjunction with its closest neighbors, the Cooper-Young, Overton Square, and Broad Avenue retail, entertainment and restaurant districts will provide amenities unsurpassed in the entire United States, and the Fairgrounds does this by complementing, rather than competing, with its neighbors while attracting new visitors and customers for them.

Benefits of the Fairgrounds Project

Some of the benefits of the Fairgrounds project are that it:

- Creates 1,698 jobs that increase earnings and increase sales taxes from the consumer spending all over Shelby County related to the \$39.4 million in new paychecks annually.
- Produces \$3.9 billion in new spending over 30 years that will occur all over Shelby County and that will increase local option sales taxes.
- Increases property values in adjacent neighborhoods, creating more property taxes for Memphis and Shelby County Governments.
- Annual payments create a new incremental Shelby County revenue stream for schools and City of Memphis through the yearly calculations of the TDZ baseline.
- Eliminates funding needs for Shelby County with facilities to benefit schools:
 1. New \$3.2 million gymnasium for Fairview School;
 2. New \$20+ million sports facilities to be used by Shelby County Schools by providing new sports fields;
 3. New \$28 million multi-purpose building where graduations, sports events and tournaments, and other school events.

- Upgrades and builds sports facilities that benefit all of Memphis and Shelby County by improving Liberty Bowl Memorial Stadium and adding new high-quality sports facilities for University of Memphis, including tournament-quality competitive sports fields and a multi-purpose building as home for women's basketball and indoor sports, and that provide more first-class venues that attract fans from all over Shelby County and can be used by Shelby County Schools in lieu of building new facilities.

State TDZ Law

The Fairgrounds is a case study that exemplifies the philosophy and legislative intent that resulted in passage of the Convention Center and Tourism Development Financing Act of 1998, which states that its purpose "is to increase state tourism and related economic development by providing a financing mechanism for the development of convention centers and other similar public use facilities that will attract and serve major tourism destinations, thereby fostering economic benefit to the state and hosting cities and counties."

How State Law Works

This is how the state TDZ law works: Currently, only about 24% of the state sales taxes produced here makes its way back to Shelby County from the State in the form of state services and programs. The other 76% of the state sales taxes produced in Shelby County is retained by the State and spent for other purposes across the state.

The Tourism Development Zone (TDZ) changes that. It returns the **new** state and local sales taxes produced within a Tourism Development Zone back to our community to pay for the construction of a major tourist destination that will attract significant numbers of new visitors to spend their money in Memphis. The new money spent inside the TDZ produces new sales taxes called the **Increment**. The Increment is produced AFTER the project is built and is over and above the previous sales taxes produced in the same area BEFORE the project is built. No sales tax revenues that exist today are captured by the TDZ for the project and these current revenues continue to flow to state government, city government, and schools just as they do now. The previous amount of sales tax in the Zone is called the **Baseline**, and the state continues to distribute the Baseline local option sales taxes to the City of Memphis and Shelby County over the term of the TDZ. In addition, the baseline is recalculated each year and it is increased by the overall growth rate of sales taxes countywide. Only the amount above this recalculated baseline goes to the TDZ. This is done every year and means that city government and schools receive new revenues from the TDZ every year for as long as it exists.

The TDZ law requires that the remaining new city and county local option sales taxes collected after the yearly baseline calculation is dedicated to the debt service for the project, resulting in a 3 to 1 match between new state and local sales tax revenues. The law pledges all new local option sales taxes in the Zone, including the part that would go to city government and education. The law concludes that these new sales taxes would never exist without the building of the project; therefore, they are NOT sales taxes that would ever be available otherwise to the City or County.

As a publicly owned project, this scenario is different from a private project allowed under the law. No private project may receive the local option sales tax reserved for schools. The Graceland TDZ is an example of the private project scenario, which requires the local option portion for education produced by the Graceland Project to be paid.

Despite the letter of the law, City of Memphis has undertaken an effort to respond to Shelby County's concern about education funding. It has discussed with county officials an Interlocal Agreement in which the City provides school funding as part of the project costs. No other city TDZ in Tennessee has ever undertaken such action.

In its efforts to create a compact project at a reasonable cost, City of Memphis has produced a TDZ project that has the lowest cost of all the public TDZs in the State of Tennessee:

- \$664,000,000 – Nashville Music Center Convention Center
- \$400,000,000 – Nashville Opryland
- \$380,929,250 – Sevierville Event Center, Parking Garage and Infrastructure
- \$362,534,500 – Pigeon Forge LeConte Convention Center
- \$292,994,430 – Knoxville Convention Center
- \$280,278,512 – Chattanooga Riverfront and Convention Center
- \$215,000,000 – Memphis Pyramid (about 1/3 of that amount was to buy Shelby County's half of the Memphis Cook Convention Center)
- @ \$165,000,000 – Memphis Fairgrounds

History of the Youth Sports Vision

The current Fairgrounds concepts are more than 20 years in the making, fueled by an interest in Memphis's entry into the growing youth sports tourism industry's economy of more than \$8.3 billion a year. The vision emerged in the late 1980s and gained momentum in the early 1990s when Greater Memphis Chamber of Commerce, Memphis Convention and Visitors Bureau, and Shelby County officials urged a major push for Memphis to assume a strong competitive position, contributing to the creation of Memphis and Shelby County Sports Authority.

Meanwhile, the Governors Alliance for Regional Excellence (chaired by the governors of Tennessee, Mississippi, and Arkansas) completed a lengthy process that resulted in a 2001 report with 10 major recommendations for economic growth, including establishing Memphis as a center for sports. The Sports Authority focused its attention on the 2000 opening of AutoZone Park and the 2001 move of the Vancouver Grizzlies to Memphis. At about the same time, the Memphis Sports Council was formed by the Memphis Convention and Visitors Bureau.

It was into this environment that a committee was appointed in 2004 by former Memphis Mayor Willie W. Herenton and then-Shelby County Mayor A C Wharton Jr. to consider how to capitalize on undervalued and underused assets at The Pyramid and Fairgrounds. That committee divided its work with a subcommittee concentrating on The Pyramid and another on the Fairgrounds. The Pyramid group, chaired by businessman Scott Ledbetter, welcomed all kinds of ideas for the reuse of the former arena – from a church to an aquarium and from a theme park to world trade center – before settling on destination retail as the best way to increase tax revenues and expand the economy. That committee then identified Bass Pro Shops as the prime target. The subcommittee evaluating the future of the Fairgrounds – chaired by Methodist Hospital executive Cato Johnson – was the first to introduce the idea of mixed uses there with an emphasis on amateur sports.

The 2007 Fairgrounds report said: “The future vision of the Fairgrounds is to build on its historic role and location as a family recreation center to become the heart of the city for children, youth, and their families. Furthermore, it will be the place where an unprecedented diversity of Memphians can come together to recreate, learn, and grow, forming a tapestry of people that make up the ‘family’ of our great city. Both literally and figuratively, the Fairgrounds will serve as a ‘level playing field’ for all Memphians to refresh and build body, mind, and spirit while strengthening bonds with their families and community through shared recreation, entertainment, and education.”

Memphis’s interest was further underscored in 2014, when the State of Tennessee Tourism Strategic Plan called for a priority to be set to make the state a center for national youth sports.

Section II:
Frequently Asked Questions
Fairgrounds Tourism Development Zone

Frequently Asked Questions about Fairgrounds Tourism Development Zone

- **Where does the public money come from?**

From new sales taxes created by the development and 75% of them are State of Tennessee sales taxes. The state Tourism Development Zone law is based on the fact that the sales taxes would not exist except for the development of the project and therefore it is revenue neutral for government. At the point when the bonds for the project are paid off, the additional sales taxes will go to state government, City of Memphis, and for schools in keeping with state law.

- **What is the impact of this project on our economy?**

It will produce \$3.9 billion in spending over 30 years and it will create 1,698 new jobs upon its opening, according to RKG Associates in a “conservative analysis” for the project.

- **How much in local option sales taxes collected in the Tourism Development Zone will be used to pay debt service for the bonds for the project?**

State law requires that all sales taxes within the zone, including local option sales taxes, be collected for the purpose of paying the development bonds. This project does not collect any current taxes that are now being received by City of Memphis, State of Tennessee, or schools because of the calculations set out in the state law for setting the baseline for the Tourism Development Zone.

- **Isn't it a fact that once the TDZ is created, City of Memphis and schools won't get an increase in sales taxes within the zone?**

No, far from it. No sales taxes now received by City of Memphis, State of Tennessee, and Shelby County Schools within the zone are affected. Upon approval by the State Building Commission, a pre-construction baseline will be set for the TDZ, and each year, the amount of sales taxes for city and schools will increase by the percentage of sales tax growth countywide. Only the amount above that new yearly threshold will be used to pay the bonds for the Fairgrounds development. In this way, the state Tourism Development Zone seeks to capture only the sales tax growth associated with the project.

- **Doesn't this project significantly increase the City of Memphis debt?**

No, these are revenue bonds, and as a result, City of Memphis has no risk and these bonds do not accrue to its bonded indebtedness. Revenue bonds are special bonds that are repaid from revenues generated by a specific revenue-generating project.

- **What about the money already spent on Tiger Lane and improvements to Liberty Bowl Memorial Stadium?**

City of Memphis can be reimbursed for these bonds from the Tourism Development Zone revenues. Without the TDZ, their costs will be paid from City of Memphis's general fund.

- **Aren't Midtowners the people really paying for the new development?**

No, like the Pyramid Tourism Development Zone project and in keeping with the TDZ law, the development is designed to attract large numbers of new visitors and new spending to Memphis. In fact, the two projects will bring 1.25 million new visitors to Memphis yearly who will produce \$425 million in new direct annual spending. These new visitors will be new customers for Overton Square, Cooper-Young, Midtown, and all parts of Shelby County.

- **How much private money will be invested at the Fairgrounds?**

The state TDZ law requires a minimum private investment of \$75 million.

- **Why should public money be spent to build retail stores?**

It's not. The private developer will build the stores. City of Memphis will fulfill the traditional role of government by providing the infrastructure for growth. It will not build stores.

- **Who owns the Fairgrounds and who will own it when it's developed?**

It has been publicly-owned property since 1897 and it will remain the property of the citizens of Memphis once it is redeveloped. In preparation for this project, the land owned by City of Memphis at the Fairgrounds was deeded to City of Memphis.

- **Haven't the boundaries of the Tourism Development Zone been gerrymandered?**

The boundaries specifically meet the requirements of state law, which encourages cities to draw them to capture the sales taxes from the area where the economic impact of the project will be the greatest. State law requires that expressways, railroads, natural borders, and residential areas are avoided, and says that other commercial properties must be included. That said, the Memphis boundaries are much more contiguous than other TDZ boundaries (as demonstrated on the map in Section III).

- **Why is the City of Memphis acting as the developer?**

It isn't. The City will issue Request for Proposals (RFPs) for private developers to be in charge of the project. In this way, the market will be the ultimate judge of the project, because if there is no interest by developers, the project will not go forward. The private developers will also determine the size of the retail portion of the project which in turn will determine the size and scope of the sports components.

- **Why can't the Mid-South Coliseum be restored as part of this project?**

Several engineering studies have been conducted, including one by City of Memphis, to determine the feasibility of the Coliseum being renovated or reconfigured and any uses that would contribute to a successful business model for the Fairgrounds. Unfortunately, none of the assessments concluded that it was possible for reasons that include: 1) numerous life safety code violations; 2) noncompliance with ADA requirements; 3) the non-compete provisions of the contract with the Memphis Grizzlies; 4) the limited ability to compete with more modern buildings with greater flexibility such as those with 6-8 courts for basketball games to take place simultaneously; 5) limited marketability for the national tournaments being recruited, according to national sports consultant; 6) prohibitive cost to update - \$30 million compared to \$26 million for a new, more flexible multi-purpose building that could handle more variety of events; and 7) lack of a business model in which the Coliseum can be profitable.

- **What is the opening date for the Fairgrounds project?**

It will be completed 24 months after the start of construction. It cannot begin until it receives the go-ahead from the State Building Commission.

- **Why did it take so long to get this project under way?**

Three main reasons – the Great Recession, the ADA complaint by the U.S. Department of Justice that had to be resolved, and the public input process. Of course, the recession stopped all development projects in their tracks and only now is the economy recovering. As for the Department of Justice, it had a long-standing Americans for Disabilities Action (ADA) complaint against the stadium that had to be resolved, and after taking office, the Wharton Administration brought it to a resolution. Finally, City of Memphis wanted to make sure that the process gave stakeholders, neighborhoods, and others an opportunity to suggest uses and design.

- **Why weren't there any public input sessions?**

City of Memphis has conducted more than 30 input sessions to obtain opinions and suggestions about the concept, and there have been 28 presentations to Memphis City Council. That said, City of Memphis is not through with its community meetings, and if the application is certified by the State Building Commission, a series of community meetings will be held to obtain input as final decisions are made about the project.

- **Why is the retail development so big?**

We are not certain what the size of the retail component will be. The private developer and the response from the marketplace will determine the eventual size of the retail component for the project. If there is no developer interest, the project cannot be built, and if there is, the Sportsplex will then be sized in keeping with the retail sales taxes that are available to pay for the project.

- **How do you know what sports facilities should be built?**

City of Memphis hired Johnson Consulting to evaluate the potential of specific sports to draw tournaments and events to Memphis. The Chicago firm has extensive experience in evaluating stadiums, arenas, youth sports complexes, and more. The ultimate configuration of the sportsplex will be based on the firm's recommendations and public input, keeping in mind that our ambition is to become a magnet for amateur sports similar to Indianapolis. At this point, no final decision has been made about the number or types of sports fields, and this decision will be reached after the city's TDZ application is certified and community meetings are held.

- **Why amateur sports?**

The idea for Memphis to become a national hub for amateur sports was born in the 1990s when Shelby County Government, Greater Memphis Chamber, and Convention and Visitors Bureau leaders advocated for a stronger sports presence as a way to attract new visitors and create new spending and jobs. In 2004, a special committee was appointed by Memphis and Shelby County to evaluate the best uses for the Fairgrounds, and it led to the concept of a mixed-use development focused on recreation and families. Amateur sports industry is an \$8.3 billion growth industry – spending increased 9% and events increased 10% in the latest reporting year. For markets the size of Memphis, about 60% of the events come from outside the region. Equally important, it was seen as a vehicle to improve the health of Memphis youths and attack problems like juvenile obesity.

- **What is the impact on Gameday Baseball?**

City of Memphis has met with Gameday Baseball and Penny Hardaway in order to ensure the success that can come from coordinated activities and from having more fields to quality for larger and more tournaments. The aim of the Fairgrounds is to make Memphis eligible for major regional and national tournaments that do not now come here now because we don't have the required number of sports fields. In other words, Fairgrounds can't achieve its youth sports ambitions without the involvement and coordination with other Memphis and Shelby County sports facilities. Gameday Baseball has important contacts, relationships, and operational knowledge, and because of it, City of Memphis intends to partner with it to market and recruit tournaments for the Fairgrounds Sportsplex. Ultimately, success depends on increasing the size of the sports market and economy in Memphis rather than competing with existing facilities in the city.

- **Will the retail part of the project be big boxes?**

That's not the city's vision. The city's vision is for mostly smaller stores that cater to the families and sports-related activities on the site, but the private developer and the market will tell us what is feasible.

- **What will the improvements to the Children’s Museum be?**

Ultimately, that decision will be made by the Museum board, but some of the ideas under consideration are an ice skating feature, restoration of the historic carousel from Libertyland, and exhibit improvements.

- **Won’t the project eliminate most of the parking needed for football games?**

Planning for the project has been especially sensitive to the needs of the stadium and plans call for purchasing adjacent land for the parking of football fans. Prior to construction of Tiger Lane, there were 5,752 parking spaces, but after Tiger Lane, the number grew to 8,122. Once the Fairgrounds redevelopment is completed, there will be 9,130 parking spaces for football.

- **What is the retail mix, how big will the hotel be, and will there be any apartments or lofts in the project?**

The market and private developers will determine the answers to these questions and if it is feasible for them to be part of the project.

- **Why would the Fairgrounds even need a hotel since most of the ones in Midtown have closed or have problems?**

Families attending events customarily prefer hotel accommodations close to the venues, but it is up to the marketplace and hotel developers to tell us if this is feasible. That said, similar facilities in other cities have shown that fans, families, and participants also stay in hotels all over the cities.

- **How many jobs will be created and what’s the payroll?**

1,461 direct jobs with a payroll of \$32.4 million and 237 indirect jobs paying \$7.0 million.

- **What benefits do Cooper-Young and Overton Square get from the development?**

The new visitors to Memphis will frequent all of our attractions and entertainment, arts, and restaurants districts. It is in the interest of the Fairgrounds redevelopment for Cooper-Young and Overton Square to thrive since they are within the boundaries of the Tourism Development Zone. Also, developers of these districts support the project because of the potential for new customers. In addition, the Fairgrounds project does not want to create a restaurant or entertainment district similar to either of these important Memphis areas. After all, City of Memphis has made investments in both areas and is committed to their futures.

- **Is there really any need for more retail in Midtown?**

The market will tell us if there is. A study some years ago by the University of Memphis pointed out that the area lacked a number of specialty stores and retail opportunities. RKG Associates, an economic planning and real estate consulting firm who advises developers on their investments, has based its projections on retail options that do not now exist in the area. As part of its stringent process, RKG considers more than 40 market segments as part of its analysis.

- **Why doesn't City of Memphis just build the Sportsplex itself?**

Because if it did, the taxpayers of Memphis would pay the costs. With the Tourism Development Zone, the State of Tennessee pays 75% of the costs, and in this way, the Fairgrounds is precisely the kind of project envisioned when the TDZ law was passed with its aim of expanding the state tourism industry. More to the point, the recent strategic plan for the State of Tennessee Department of Tourism sets a priority for the state to become more of an amateur sports center, and this project directly responds to that priority.

- **Does the project benefit Shelby County Schools?**

Yes, the county school system will get a new \$3.2 million gymnasium for Fairview Schools, new sports facilities for events, and a multi-purpose building where graduations, sports, and other school events can be held.

- **Why wasn't the process more transparent?**

The process has had 28 presentations to Memphis City Council since 2009, about 30 presentations to stakeholders, and more than 30 community meetings. It is hard to think of a major project of local government that has demonstrated more transparency, and in addition, more presentations and community input meetings are scheduled if the State Building Commission certifies the project to move to its next phase.

- **How does the City guarantee that the project gets the best thinking about the retail and the Sportsplex?**

By continuing to listen to the public, to test every assumption, to get advice from national experts, and to rely on people with experience in managing and operating successful retail and sports developments.

- **Why doesn't the City of Memphis use the TDZ to develop projects in other parts of Midtown or Memphis?**

The TDZ is site-specific, and state law only allows two more TDZ projects – one at the Fairgrounds and one at Graceland. If the TDZ financing mechanism is not used at the Fairgrounds, it cannot be used anywhere else in Memphis.

- **What is the overall vision for the Fairgrounds project?**

The overriding vision for the Fairgrounds is the same as for all City projects – to make Memphis a City of Choice and to do this by making the quality of life investments that create jobs and expand the economy, attract talented workers, and to do it whenever possible without spending existing city revenues or increasing the tax rate to do it.

- **What is the operating philosophy for Fairgrounds redevelopment?**

It is that Memphis must “grow the business,” producing revenues through a more robust economy and property development rather than increases in property taxes. Similar developments have resulted in new development in the adjacent area and produced taxes through growth.

- **Are City of Memphis and Shelby County Government in alignment?**

City of Memphis has negotiated an interlocal agreement with Shelby County Government for school funding although such an agreement is not required in the state TDZ law and no such agreement has ever been entered into by any other city in the state.

III. Presenting Fairgrounds Concept



PRESENTING
THE FAIRGROUNDS
VISION

Memphis, Tennessee



Bass Pro Pyramid



Pinch



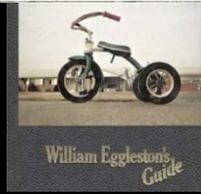
Burkle House



Crosstown



Brooks



Eggleston



Memphis Zoo



Overton Square



Mud Island



American Queen



Beale Street Landing



THE BIG PICTURE



Shelby Farms Greenline



Shelby Farms Park



Pink Palace



Civil Rights Museum



Beale Street



Heritage Trail



Stax Museum



Graceland



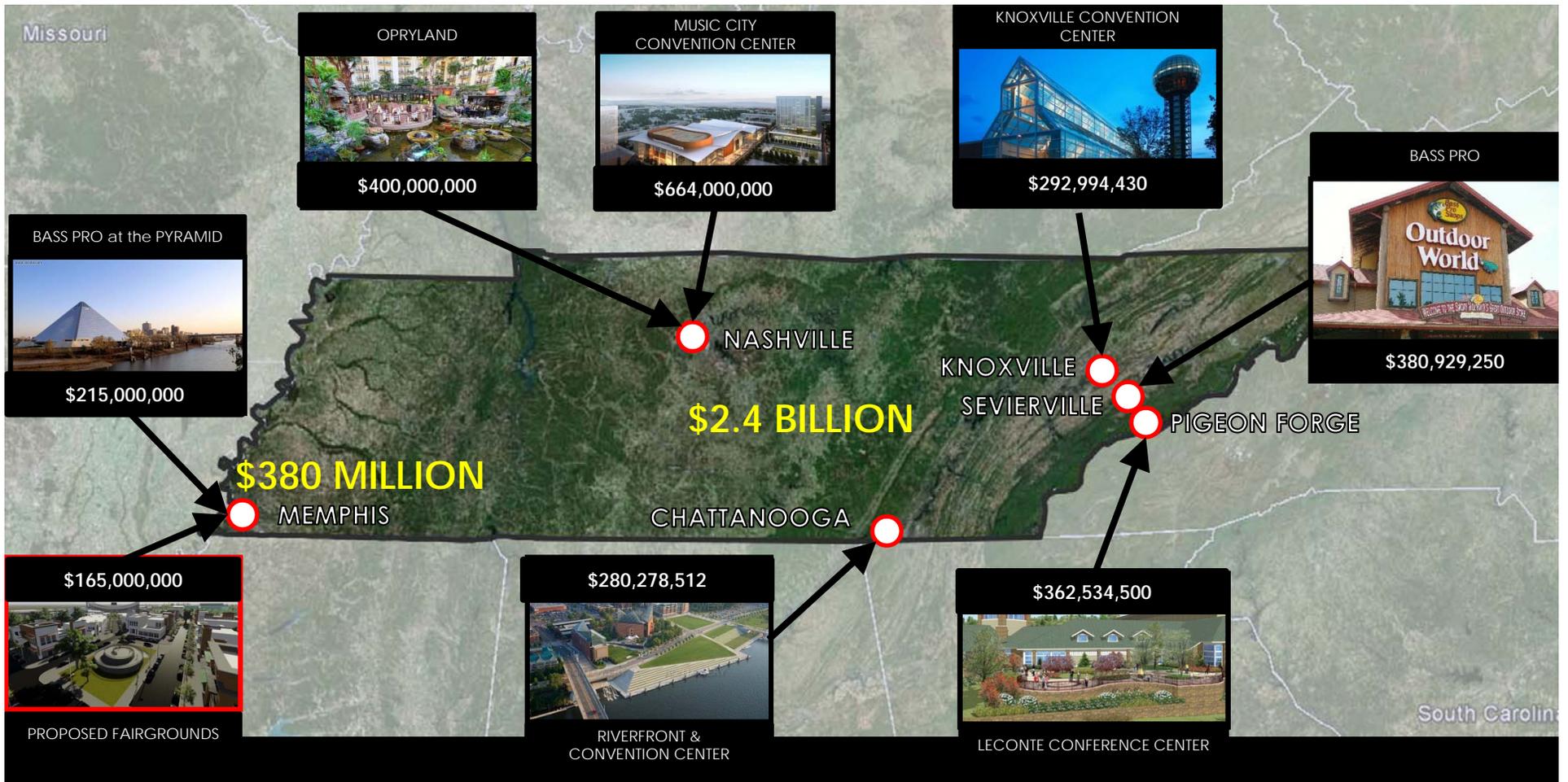
Sun Studio



Fairgrounds



Dixon



How the State has used the TDZ

KEVIN KANE

CVB

Fairgrounds Redevelopment Project History

- 2004-2005: Fairgrounds Re-Use Committee issued report and recommendation
- 2006: Master Planning
- 2007: State amended TDZ statute to expand definition of QPUF to include facilities for sports events for Memphis project
TDZ Letter of Intent submitted to Governor Bredesen
Council approved Resolution to establish Zone
- 2008: Beginning of Great Recession
- 2009: City acquired County's land interest
City demolished former Libertyland site and other obsolete structures
- 2010: City constructed Tiger Lane
- 2011: City completed Stadium Improvements Phase 1 (field, locker rooms, digital display board, etc.)
- 2012: City accepted County land donation
- 2013: City executed Settlement Agreement with DOJ for Stadium
City completed Stadium Improvements, Phase II (ADA/DOJ Compliance)
Council authorized submission of TDZ application to State
Renewed Letter of Intent submitted to Commissioner Emkes
Application submitted on September 13, 2013
Additional information provided to State staff

\$ 8.3 Billion in annual spending

*10% Increase each year
for the last 3 years*

*"Almost one half of all sports tourists
come from cities outside the
organization's home community"*

April 2013



SPORTS TOURISM: A State of the Industry Report

Dr. Lisa Delpy Neirotti - The George Washington University



Sports Tourism Industry

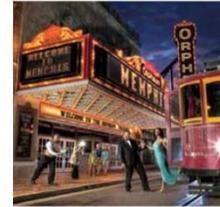
"A youth sports tourism strategy prioritizes major opportunities for positioning & growth in Tennessee by 2015 and thereafter"

"Sports are a major draw for visitors to Tennessee: youth sports tourism, and outdoor recreations events differentiates Tennessee from its competitors"



TENNESSEE

TOURISM STRATEGIC PLAN — AUGUST 2013 [FINAL] UPDATED OCTOBER 2013

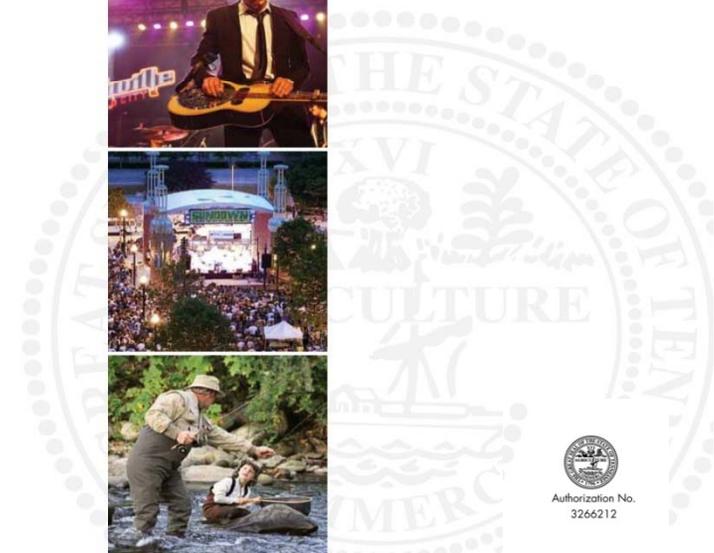


TOURISM STRATEGIC PLAN

AUGUST 2013
[FINAL]
UPDATED OCTOBER 2013



Prepared by
The Tennessee
Tourism Committee



Authorization No.
3266212

State Focuses on Sports Tourism

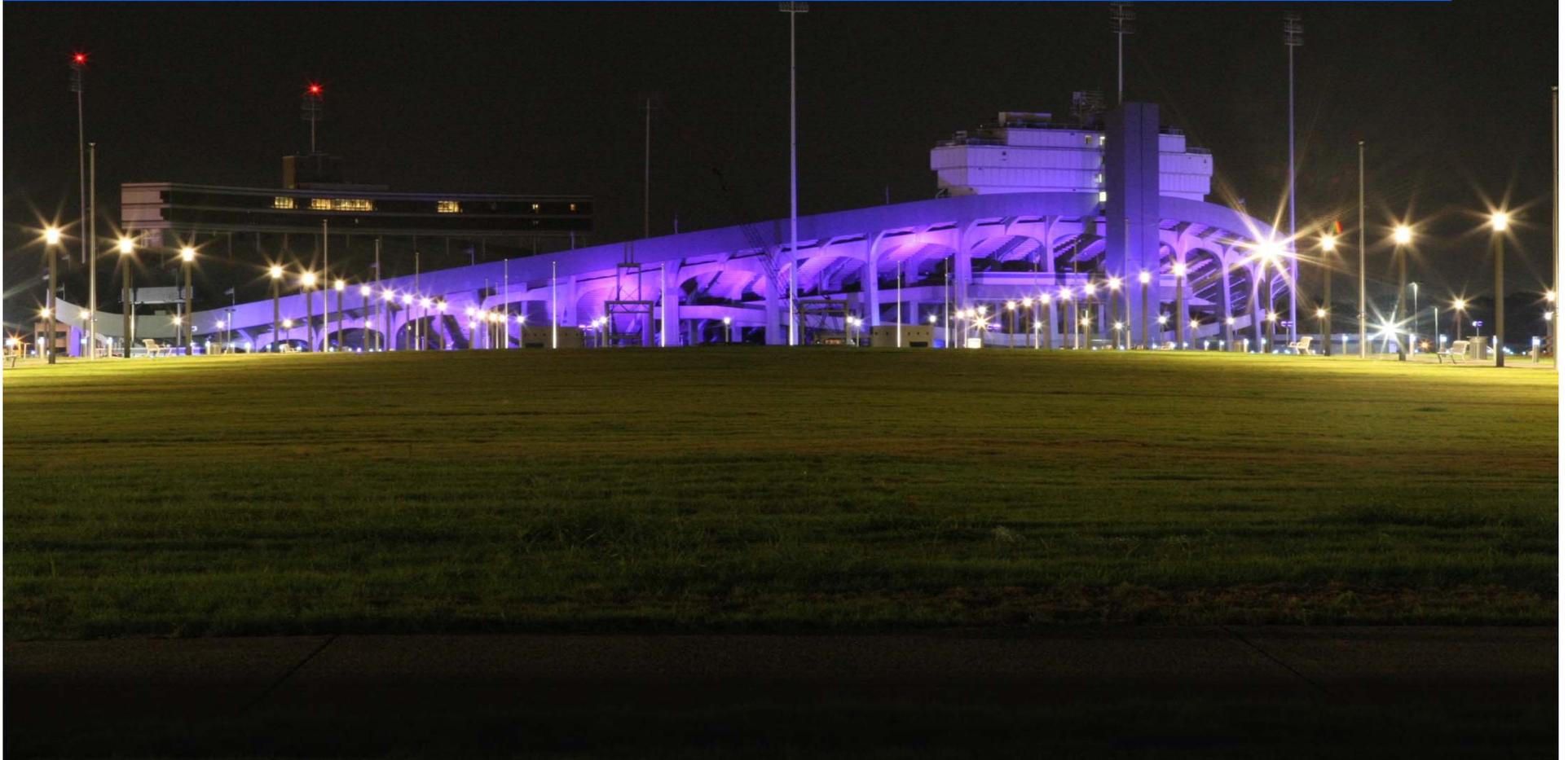
TOM MARSHALL

OTMA

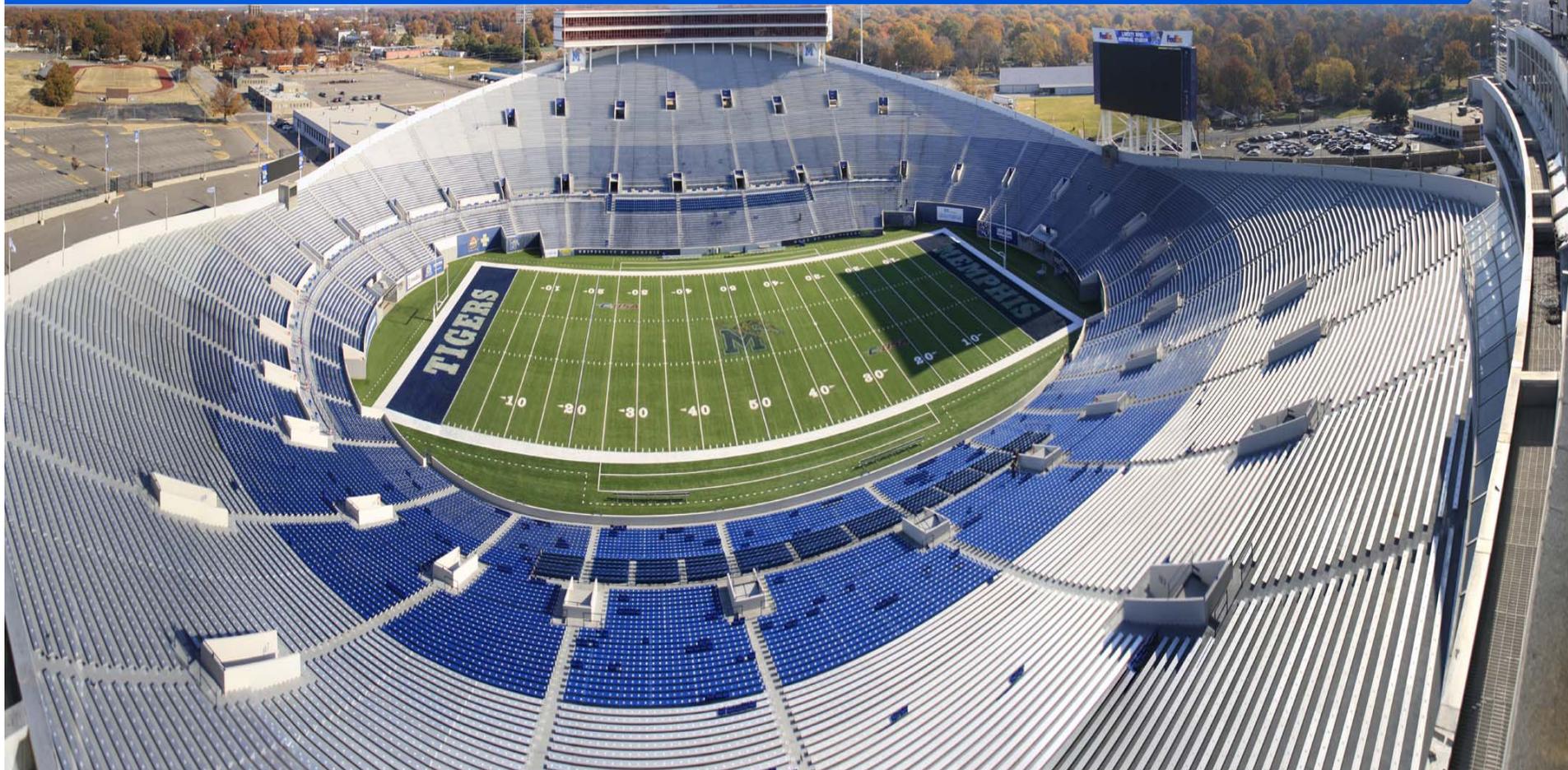
Mid-South Fairgrounds - Before



City of Memphis Tiger Lane - After



City of Memphis Stadium



New Digital Display Board



FedEx donated \$ 2.5 Million

D.O.J.

- Row 25 Seating
- Upper Concourse Seating
- Skybox Seating
- Lower Level Concourse
- Gate 6
- V-2 Location
- Elevators
- Stadium Club Level Press Box
- Stadium Club (VIP Lounge)
- City of Memphis Room
- Suite 207
- Ramps
- Lower Level Concourse Restrooms
- Press Box Unisex Toilet Room
- All other Single-User Toilet Rooms throughout Press Box
- Corridor Toilet Room near Suite 109
- Upper Level Concourse Restrooms
- North Tunnel
- Lower Concourse Drinking Fountains
- Press Box Drinking Fountain
- Locker Rooms: South (Home) and North (Visitor)
- Voice activated evacuation system



Project Completion Report

LIBERTY BOWL MEMORIAL STADIUM PHASE II ADA RENOVATIONS

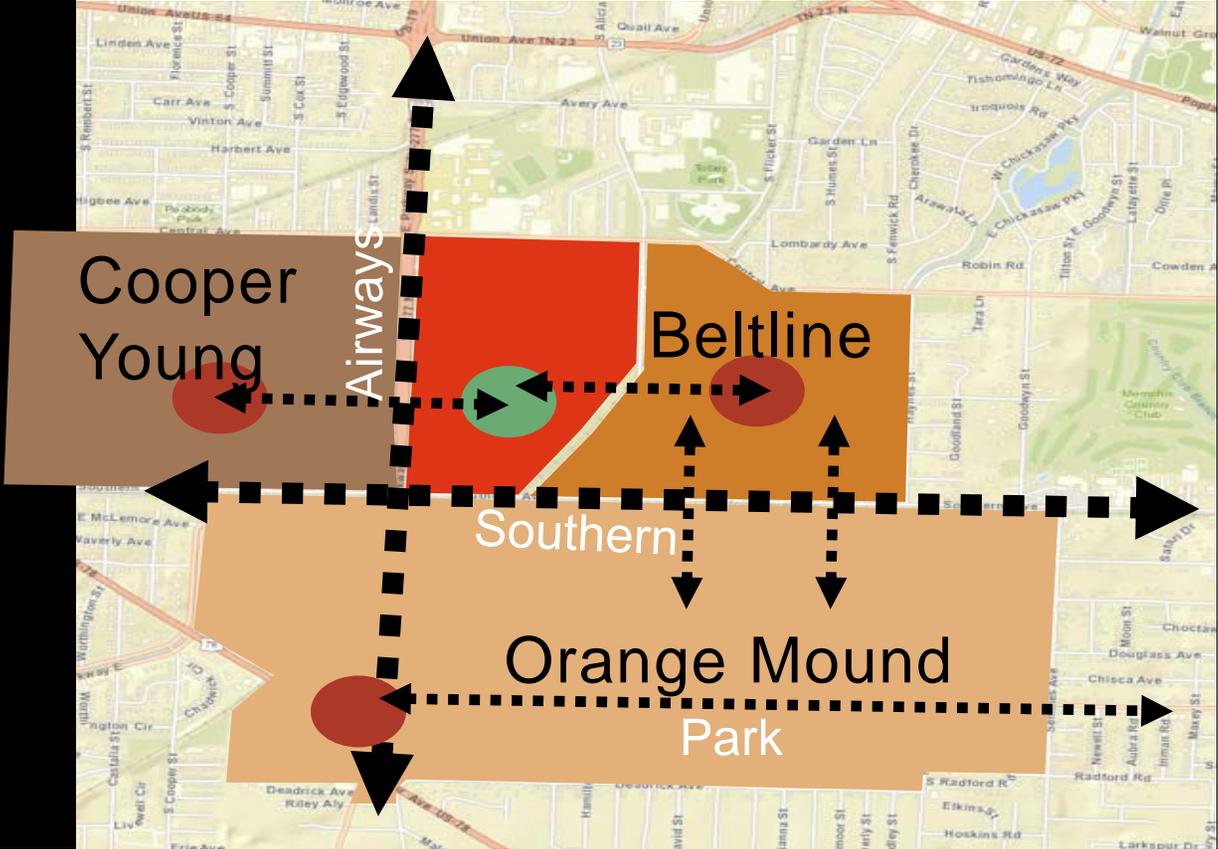
Provided by:

O. T. Marshall Architects

January 24, 2014

RAY BROWN
URBAN DESIGN

Connection



Beltline
Commons



Community



Beltline
Commons



Identity

Identity

Park Ave
Gateway



Airways
Gateway



Identity

Transit
Shelters

Southern Ave
Underpasses



Vitality

Southern Ave Gateway



Vitality

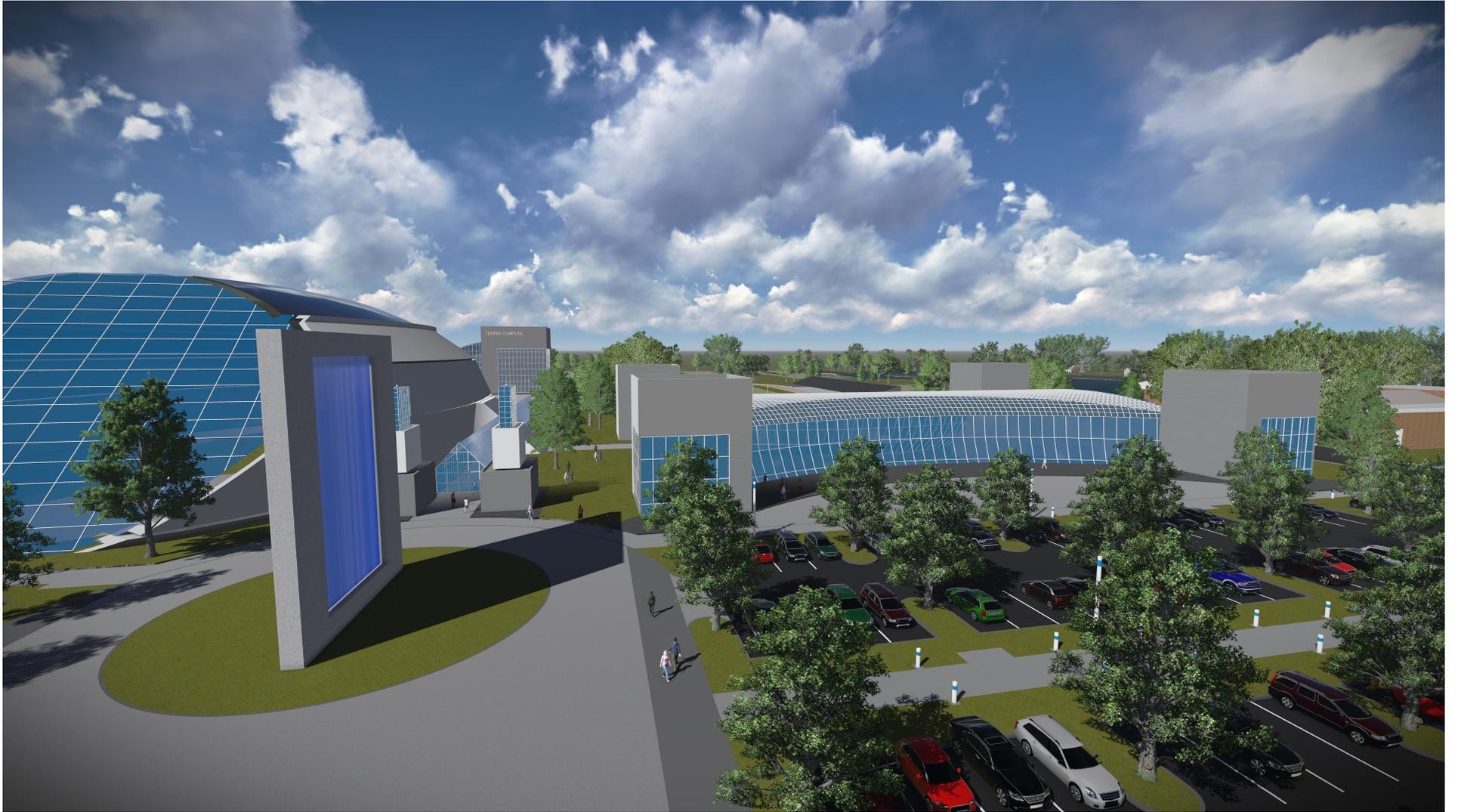
Airways
Gateway



RYAN JOHNSON AND BRANDON DOWLING
JOHNSON CONSULTING

Sports and Recreation

- National Center for Amateur and Youth Sports
- Multi-Purpose Indoor Facility
- Optimizing Existing Sports Facilities in Memphis
- Central location with Comparable Demographics to other Successful Sports Facilities





Walking Trail



LARRY CRANOR
RKG ASSOCIATES



TYREE DANIELS
RAYMOND JAMES

Planned Issuance

Revenue Bond:

A bond that is payable from a specific source of revenue. Pledged revenues may be derived from operation of the financed project, grants, or excise or other specified non-ad-valorem taxes. Generally, no voter approval is required prior to issuance of such obligations. Only the revenue specified in the bond contract is required to be used for repayment of interest and principal.

Source: Municipal Securities Rulemaking Board

Pledged Revenues:

The pledged revenues will be the receipts of the TDZ revenues received under the Fairgrounds TDZ and all project revenues available to pay debt service. The City of Memphis will NOT be making a pledge of any ad-valorem or general fund revenues.

Debt Service Coverage Ratio:

The ratio will be negotiated with investors at the time of bond pricing and issuance. The underwriter will work with investors and determine a market expectable ratio. Currently, we are using 1.5x for presentation and informational purposes.

Term:

Up to a maximum of 30 years.

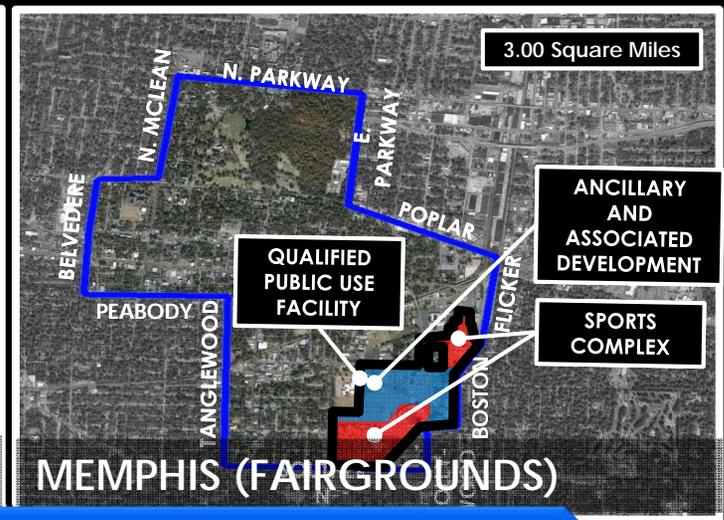
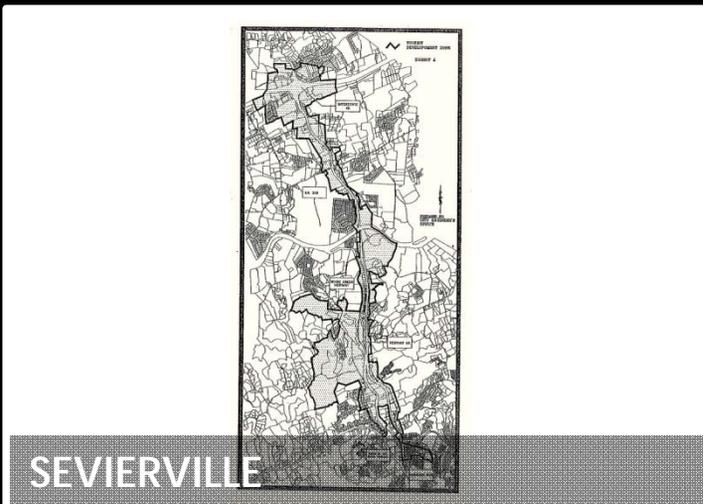
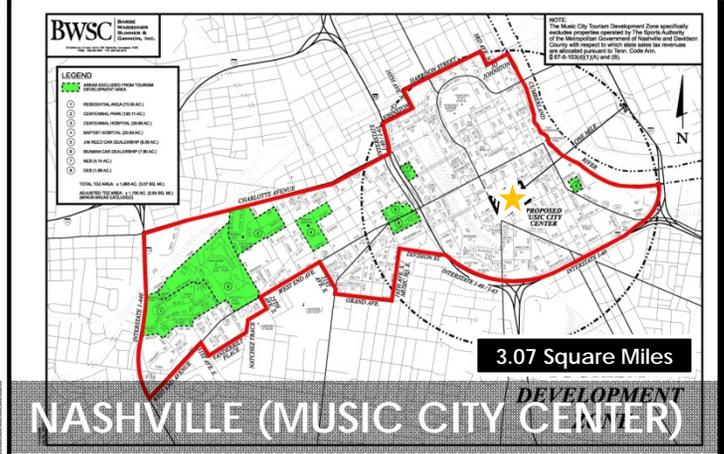
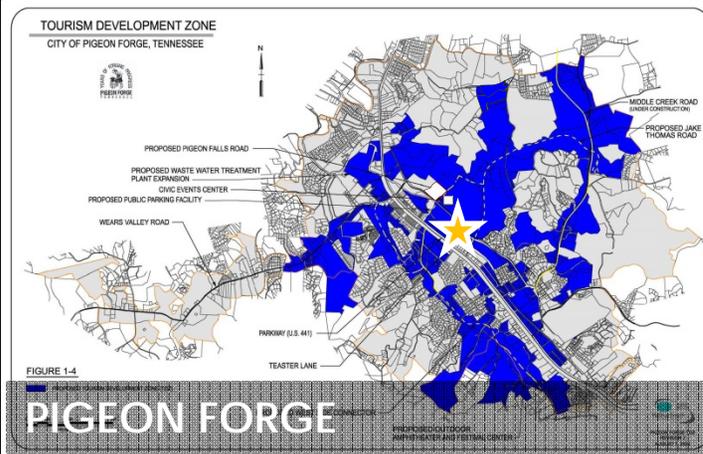
Financial Due Diligence

MARK MAMANTOV

BASS BERRY SIMS

The TDZ law was passed

- To create a dedicated budget neutral revenue stream
- To showcase Tennessee and its tourist destinations
- To foster economic benefits for Tennessee
- To expand the State tourism economy



BOUNDARIES **3** SQUARE MILES

TDZ Boundaries Across the State

HUNTER HUMPHREYS
GLANKLER BROWN

CITY/COUNTY INTERLOCAL AGREEMENT

- Interlocal Agreement Between City and County
- Liberty Bowl Stadium ADA Compliance
- HOOPS Agreement

POINTS TO REMEMBER

- THIS PROJECT IS IN THE CONCEPT STAGE
- CITY OF MEMPHIS IS NOT THE RETAIL DEVELOPER
- COLISEUM DOES NOT MEET CODE OR MARKET DEMAND
- REVENUE BONDS ELIMINATE TAXPAYER RISK



PRESENTING
THE FAIRGROUNDS
VISION

Memphis, Tennessee