Project Overview





Key Takeaways

- McCormick Field is an important regional asset, currently owned by the City that over the years has not been adequately maintained.
- Facility has been leased out and principally used by a Minor League Baseball team, the Tourists.
- This facility should and can be used for many other purposes to derive broader community benefit.
- To retain Major League Baseball (MLB) affiliation in Asheville, significant renovation is required in order to meet the impending deadline to submit a commitment letter to MLB - April 1, 2023
- A funding plan will require assistance from the Team, County, TDA and possibly the state.
- To absorb this project in our existing CIP plan, either additional resources are needed or existing items will possibly need to be reprogrammed.

THE CITY OF ASHEVILLE

The Asset

- Opened in 1924
- Last Renovated in 1992
- 4,000 seats
- 8.25 acres
- Replaced stadium on Choctaw St



The Asset

Property Ownership:

- Susan Buchanan Unknown - 1922
- Wilber Devendorf 1922 - 1923
- City of Asheville 1923 - 1984
- Buncombe County 1984 - 2005
- City of Asheville 2005 - Present



History - How we got here

- 2015 - Colorado Rockies begin pushing for upgrades at McCormick
- 2016 - Tourists and Parks & Rec commission facilities study.
  - $6M+ Minimum recommended improvements
  - Minimal improvements made as a result, approximately $80,000 in structural repairs

History - How we got here

- 2019 - MLB Advises of planned contraction of Minor League Baseball
  - Teams to be evaluated based on;
    - Geographical Positioning
    - Facilities
- 2020 - MLB Contracts Minor League Baseball from 160 teams to 120
  - In total 42 teams lose their license
- *Tourists - nearly lost affiliation license*

THE CITY OF ASHEVILLE

History - How we got here

- 2019 - MLB advises new facility standards are being developed to update the standards issued in 1990

- 2020 - MLB issues new franchise licenses to all remaining teams valid through 2030

- 2020 - MLB issues new facility standards and rubric scoring system will apply beginning in 2023

History - How we got here

- Rubric Requirements:
- Be under 30 points by April 1, 2023
- Be under 20 points by April 1, 2024
- Be under 10 points by April 1, 2025

- *McCormick Field - 177 points*
  - *Bottom 10% of all minor league facilities*

Highlight Failures -

- Lack of female facilities - Umpires, coaches & support staff
- Security command post & secure player parking
- Exercise/workout room, hitting tunnels
- Commissary & dining areas
- Lacks infrastructure to support modern technology
- Training room & laundry facilities
- Foul poles, field grading, field drainage
- Field lighting, batter's eye, wall padding
- Media facilities

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General Facility Shortcomings -

The 2015 Facility Assessment Report identified that like many of the City's Facilities, McCormick Field's systems are at or past their life expectancy or in need of significant maintenance.

- Stormwater Piping
- Vomitory Archways
- Water Intrusion & Joint Penetration
- Masonry throughout
- Handrails & step supports
- Roofs
- HVAC
- Exhaust systems
- Stadium water heating
- Grease interceptors
- Field lighting
- This is not an exhaustive list

Questions

THE CITY OF ASHEVILLE

Renovations

Full Project			Minimum Project	
Major League Baseball Mandates	**$ 19,600,000**		**$ 19,600,000**	
Facility Operational Minimum Needs	**$ 5,600,000**	**Civil, Structural, MPE**	**$ 5,600,000**	**Civil, Structural, MPE**
Strongly Recommended Pro Sports	**$ 7,050,000**	**Video Displays, Ingress/egress, Suite, Picnic areas**	**$ 1,500,000**	**picnic areas**
Fan Amenities	**$ 5,250,000**	**Interactive display assets, wrap around concourse**	**$ 2,500,000**	**interactive display assets**
Total Project Budget	**$ 37,500,000**	**Includes Contingency**	**$ 29,200,000**	**Includes Contingency**

Construction estimate last completed in 2021, inflation estimator calculation to reach 2024 construction dollar estimate

THE CITY OF ASHEVILLE

Comparable Markets

- Large portions or all of funding from public sources
  - Over 75% in nearly all cases
  - Majority include long range CapX plan
  - All newer (post 2014) agreements require multi-use
- Legal tether for affiliated baseball through 2030
- Legal tether to Club for professional baseball through end of lease

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Tourists in the Community

- Economic impact to Buncombe County - **$9.8M**
- Average Attendance - **179,582**



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Tourists in the Community

$140,560 in 2022

Community & Non-Profit Concessions Program

AC Reynolds High School PTSO	Cougar Athletic Booster	North Buncombe Middle School Softball	Clyde A. Erwin HS Soccer Team	Buncombe County Schools Foundation
AC Reynolds Soccer Team	East Buncombe Little League Football Inc	Reems Creek Beech Presbyterian Church	Clyde A. Erwin Middle School Cheerleading	Thrills Skill Academy
Alpha Sigma Phi at WCU	Enka High School Baseball Team	Rosman High School Cheer	Clyde HS Football	Midnight Ministry AVL
Asheville Barbershop Singers	Erwin Hills Baptist Church	Rosman High School National Honor Society	Western Carolina Media Group	WCCW Kairos Prison Ministry
Asheville High School Band Assoc	LAMB Foundation of North Carolina INC.	St Lawrence Assembly #781	Mitchell High School Drama Club	The Christine Avery Learning Center
Asheville Humane Society	Mars Hill University - Men's Basketball	Storm Booster Club	Mitchell High School FFA	The Rotary Club of Asheville Foundation
WNC Warriors	North Buncombe Baseball Team			

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Tourists in the Community

- 191 Different WNC local vendors utilized in past 2 years
  - 12% of total 2022 vendor spend with MWBE
- 20 different locally made food or beverage products sold in concessions & catering operations
- 50% of front office staff are women
  - National ave 29.2%

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Tourists in the Community

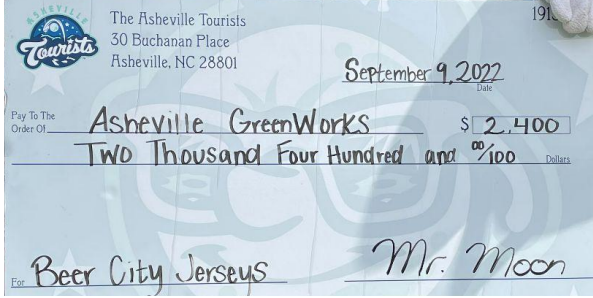
- Full & part time positions - **149**
- ‘First jobs’ provided - **40**
- Locally Brewed beer/ciders sold - **73,466**





Tourists in the Community

- Community contributions - **$630k**
- Need based scholarships - **$50k**
- Partnered with P&R adaptive league - **60 kids**
- Community appearances - **80+**
- Reading program - **10,000 students**





THE CITY OF ASHEVILLE

Impact of not funding project

- Facility remains inadequately maintained
- Club loses license with MLB - Unaffiliated
- Continued lack of female facilities within the property for other uses
- Possible to recruit an Independent Team
- Data from 35 markets which lost affiliation
  - Total games per season down from 66 to 35
  - 25% in total attendance reduction
  - Assumed similar reduction in Economic Impact
  - Multiple teams completely folded

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Questions

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Financing Details - How

- COA will seek debt financing from Local Government Commission (LGC).
- Partner with the Club, County, TDA and possibly the State of North Carolina
- LGC & MLB will require documentation of financial commitments, expected documents include:
  - 20 year or longer agreement with Club
  - COA debt package
  - Resolution from County
  - Commitment from TDA
- Bulk revenue contributions may occur from the State of North Carolina.
- This will be used to reduce the total cost of debt

THE CITY OF ASHEVILLE

Club Lease Deal Points

Assumes full $37.5M project

Year	Lease Payment	Notes
2023	$25,000	Team investing ~$100k for temporary women's facilities & other
2024	$100,000	
2025 - 2029	$450,000	
2030 - 2040	$475,000	
2031 - 2040	$475,000	Plus $1/each paid attendee beginning at 175,001

- Ave Lease payment $468,750/yr
- Requires 35,000 non-baseball attendance with $0.50 penalty per attendee if target is missed

THE CITY OF ASHEVILLE

Club Lease Deal Points

- ‘Naming Rights - 100% Club
- Sponsorship/Advertising: 100% Club - meets city signage ords
    - COA receives MA time & value in digital spaces
- Ticketing Management: 100% Club
- Tickets: COA receive equiv to (8) season tix. COA night annually, 1 night of suite (F&B order not included)
- Food & Beverage: 100% Club (must maintain A health rating)
- No permitted programming at Memorial Stadium on Game days
- City use of the facility: At hard cost only M/A dates
    - DCREF - 1st right on dates ~Sept 10 - 10/31 annually
    - Access to dates throughout the year 2nd to baseball
    - 50/50 split of net bar, tix, event sponsorship sales etc.

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Club Lease Deal Points

- Parking - Hunt Hill, Mtnside & Front Lot
- Property Maintenance
    - Club: Day to day upkeep
    - COA: Trades & Structural (unless negligent act)
- Utilities etc: 100% City
- License & services agreements: 100% Club
- Waive Firework permit fees
- Increase total # of firework shows to a max of 15+ Federal holidays & waive ‘no back to back’ rule on holiday weekends only.
- CapX plan & Annual Budget
    - Club $75k/yr (rollover) if unused at end of term owed to COA
    - COA $25k/yr upkeep/repairs - unused rollover to CapX
    - COA invest $4M in Year 7 & 14

THE CITY OF ASHEVILLE

Club Lease Deal Points

Assumes Minimum $29.2M project

Year	Lease Payment	Notes
2023	$25,000	Team investing ~$100k for temporary women's facilities & other
2024	$50,000	
2025 - 2029	$250,000	
2030 - 2040	$275,000	
2031 - 2035	$300,000	Plus $1/each paid attendee beginning at 175,001
2036 - 2040	$325,000	Plus $1/each paid attendee beginning at 175,001

- Ave Lease payment $287,500/yr
- Requires 15,000 non-baseball attendance with $0.50 penalty per attendee if target is missed

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Questions

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Financing Details - How

- TDA:
  - Apply for Major Works Pathway Grant from TDA
    - Request - Reallocate previously awarded $1.95M for the Coxe Ave Green Main Street project towards McCormick
    - Additionally request Debt Service grant support for the maximum of 15 years in the amount of $1.4M/yr
- County:
  - Request the County Commit to $250,000 per year for 20 years to assist with project debt service

Financial Plan - Full Project

$37.5M Project (Full Project) w/ Coxe Ave Reallocation					
Revenue Source	Revenue Req Per Year	Number of Years	Total	Percent of total project	Notes
COA	$950,000	20	$19,000,000	34%	Ave - debt payments change annually
Club	$468,750	20	$9,375,000	17%	Ave - 5yrs @450k & 15yrs @475k
County*	$250,000	20	$5,000,000	9%	
TDA*	$1,400,000	15	$21,000,000	41%	In debt model this is approx max annual allotment to any 1 project per legislation
TDA upfront	$0	0	$1,950,000		*reallocation of $1.95M from Coxe Ave
Total Amount Borrowed			$35,550,000		$37.5M project - reduce debt service by $1.95M
Total Project Cost Estimate with Interest			$56,141,531		

***Cost sharing figures are best estimates**

Financial Plan - Minimum Project

$29M Project (Minimum Project) w/ Coxe Ave Reallocation					
Revenue Source	Revenue Req Per Year	Number of Years	Total	Percent of total project	Notes
COA	$1,000,000	20	$20,000,000	46%	Ave - debt payments change annually
Club	$287,500	20	$5,750,000	13%	Ave - 5yrs @ $250k, 5yrs @ 275k, 5yrs @ $300k & 5yrs @ $325k
County*	$250,000	20	$5,000,000	12%	
TDA*	$700,000	15	$10,500,000	29%	assumes TDA would fund lesser amount annual due to reduction in scope
TDA upfront		0	$1,950,000		*reallocation of $1.95M from Coxe Ave
Total Amount Borrowed			$27,050,000		Reduce scope to minimum & reduce debt service by $1.95M
Total Project Cost Estimate with Interest			$43,184,344		

THE CITY OF ASHEVILLE

*Cost sharing figures are best estimates

Projected Contributions

	Full	Minimum
Total Project Cost	$37,500,000	$29,200,000
Less Coxe Ave Reallocation	$1,950,000	$1,950,000
Amount to Borrow	$35,550,000	$27,050,000
COA Avg. Annual Contribution	$950,000	$1,000,000
COA % of Project	34%	46%
TDA Annual Contribution*	$1,400,000	$700,000
TDA % of Project (includes Coxe Reallocation)	41%	29%
Club Avg. Annual Contribution	$468,750	$287,500
Club % of Project	17%	13%
County Annual Contribution*	$250,000	$250,000
County % of Project	9%	12%

>$1M difference over term

>TDA level of anticipated support

>Total value of Lease Structure

THE CITY OF ASHEVILLE

*Cost sharing figures are best estimates

Impact on Future CIP

- Total resources (principal & interest on debt) required by the City over 20 years will be approximately $19M to $20M depending on the chosen concept.
- This funding is not currently included in the City's multi-year Capital Improvement Program (CIP)/Debt Model.
- The City will be required to have a financial plan in place identifying these resources prior to going to the LGC for debt approval.
- In order to meet the need and obtain LGC approval, a reduction or delay in planned future project spending will be required or additional CIP resources will be needed.

THE CITY OF ASHEVILLE

Project Delay/Reduction in Current CIP

- The City has approximately $69M in debt funded projects planned in the current 5-year CIP.

- The vast majority of that planned spending is for equipment/vehicle replacement ($28M) and street/sidewalk maintenance and pedestrian improvements ($31M).

- Spending could be reduced in these areas and/or some of the street/sidewalk maintenance and pedestrian improvements could be shifted to a future GO Bond Referendum.

Project Delay/Reduction in Current CIP

Planned Debt-Funded Projects (FY24-FY28)	Amount	Planned Debt-Funded Projects (FY24-FY28)	Amount
Fleet Replacement	18,458,000	Equipment Replacement	2,530,000
Streets Resurfacing	13,773,000	Pedestrian Improvements	2,499,000
Livingston Street Complete Street	5,700,000	Coxe Avenue Complete Street (local match)	2,365,000
Facility Maintenance & Roof Replacement	5,693,000	Neighborhood Sidewalks	2,199,000
Transit Bus Replacement	4,870,600	Self Contained Breathing Apparatus Replacement	1,200,000
Parks & Recreation Facilities	4,317,000	North RADTIP Greenway (local match)	800,000
AFD Apparatus Replacement	3,740,000	Deaverview Rd Pedestrian Improvements (local match)	641,000
		TOTAL	**68,785,600**

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Additional CIP Resources

- The two McCormick concepts would require an annual average City contribution of $950,000 or $1,000,000 per year, raising the current CIP contribution from $15.50M to $16.45M or $16.50M.

- Due to the muli-year nature of the project, the option exists to increase the CIP contribution by $450k-$500k over a two-year period through the annual operating budget process.

- This option may require the use of American Rescue Plan (ARPA) funding or fund balance over theses first two years to fund other high priority operating budget needs.

Questions

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Future Use: A Multi-Purpose Facility

Concerts & Special Events





Future Use A Multi-Purpose Facility



Winterfest / Winterlights

Big Green Egg Fests

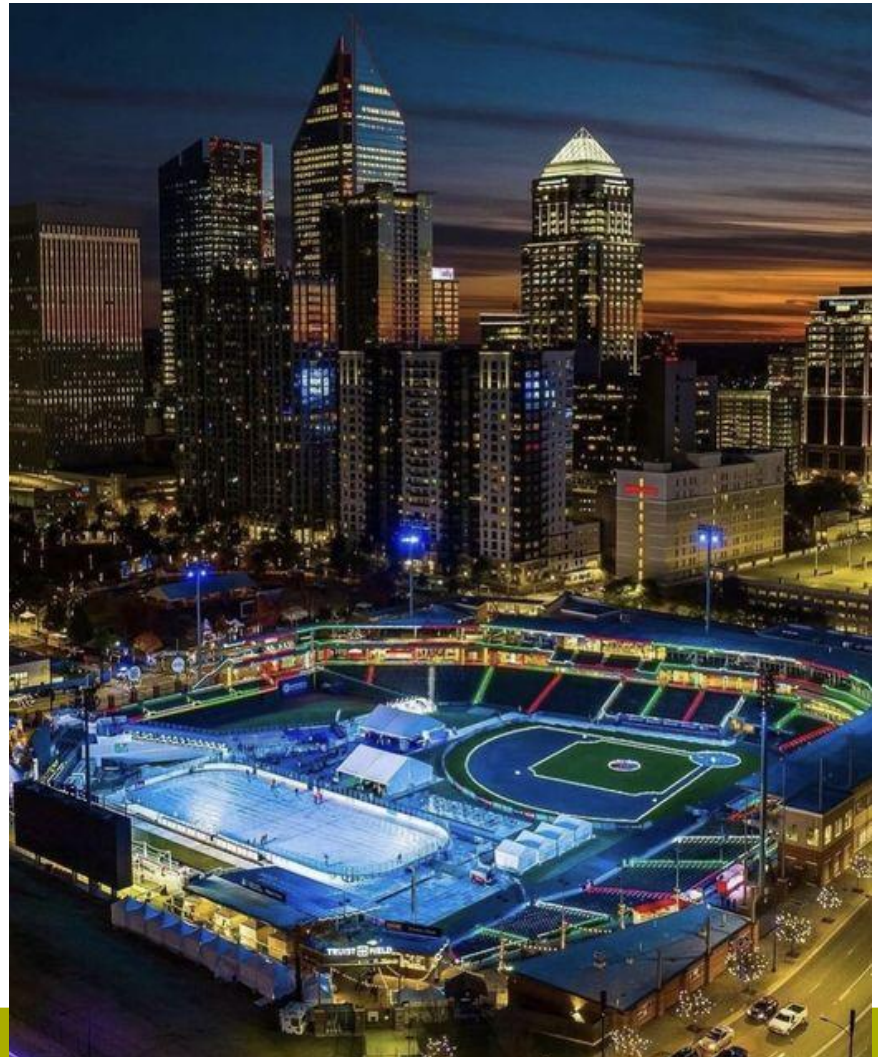
Craft Fairs

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A Multi-Purpose Facility

Ice Skating
Beer/Cider/Wine Festivals

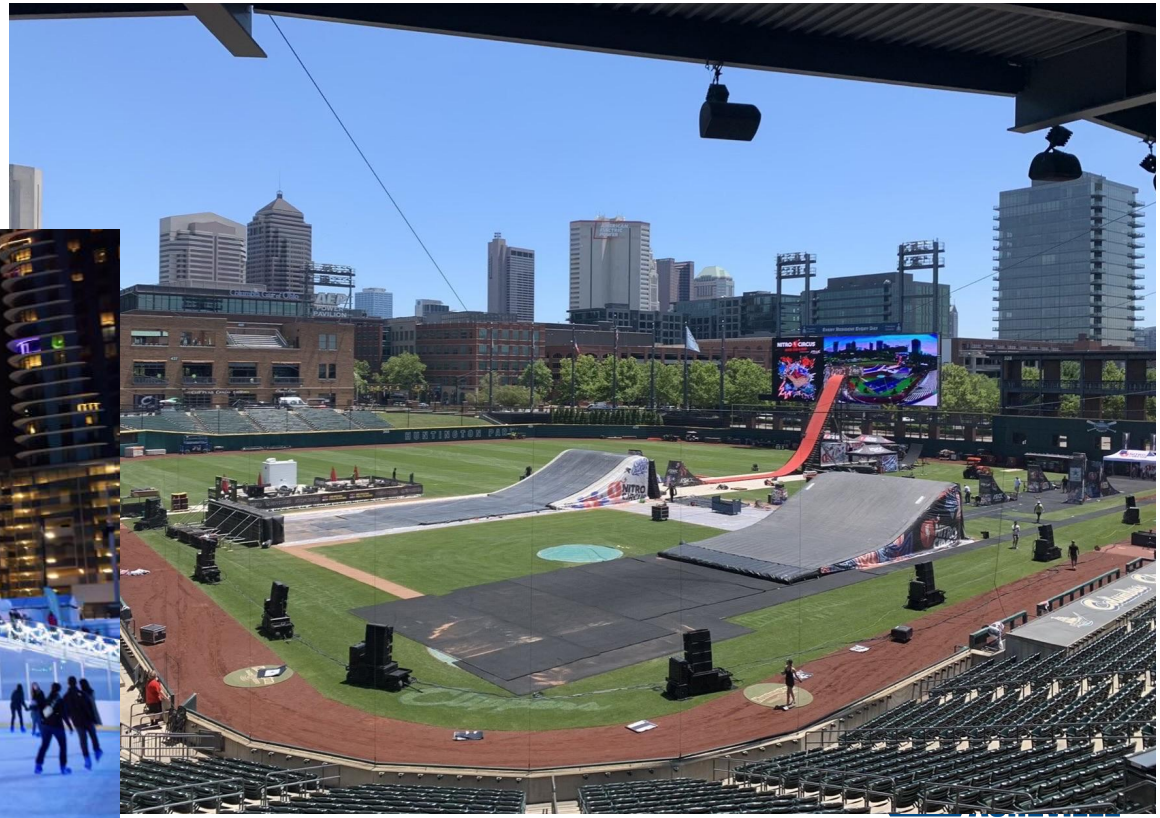




A Multi-Purpose Facility

BMX / X Games style events
Yoga & Walking Groups
Farmer's Markets





A Multi-Purpose Facility

Attendance Projections					
Event Type	Year 1	Year 2	Year 3	Year 4	Year 5
Concerts	24,000	24,000	30,000	32,000	36,000
Free Community	4,000	4,000	5,000	5,000	5,000
Craft/Food Show	2,000	2,000	4,000	4,000	4,000
Winterfest	8,000	10,000	12,000	12,000	15,000
Non-Tourists Baseball	3,000	3,000	3,000	5,000	5,000
Other / Misc	2,000	2,000	3,000	3,000	5,000
Total	43,000	45,000	57,000	61,000	70,000

- Potential COA year 5 net revenue share non-baseball events - $550,000

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Questions

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Pros / Cons - Minimum Project

Pros	Cons
Meets MLB Requirements	Little fan-side improvements
Keeps site programming at similar levels (parking, neighborhood impact, memorial use)	Some larger non-baseball events cannot be executed
	Likely need additional projects in near future
	Lower partner funding input
	Direct & indirect jobs remains same or similar
	Potential minimal support from TDA
	Significant investment & long term commitment of funds
	Safety concerns (crowd management)

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Pros / Cons - Full Project

Pros	Cons
Meets MLB Requirements	Increases site programming (parking, neighborhood impact, memorial use)
Enhanced flexibility for non-baseball events	Significant investment & long term commitment of funds
Many fan-side improvements	
Maximizes matching partner funding	
Expansion of Club's community impact	
Increase in direct & indirect jobs	
Increase in annual economic impact	
Best project for significant TDA support	

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Pros / Cons - No project

Pros	Cons
No immediate strain on CIP	Own facility that continues to need significant repairs
Reduced impact on neighborhood (assuming significant reduction of games)	Significant capital project will need to occur in near future - likely without assistance from funding partners
8.25 acres of potentially developable land	Potential to lose primary tenant (which covers day to day maint)
Opportunity to determine new use for the site	Economic & community impact loss
	Team loses affiliation with no guarantee of independent baseball.
	Significant future investment/effort required to bring affiliated baseball back if community desires in future
	Quality of life reduction

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Questions

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Moving forward

Reviewing the pros and cons of each option;

- Minimum project is $1M more expensive to the City over the term of debt service.
- Full project has the greatest long term flexibility for community & economic development.
- Minimum project invests primarily in back of house and on field improvements only.

- *IF* Council were to elect to move forward with a project at McCormick field, then staff would recommend that Council consider funding the full $37.5 project contingent upon the following;
  - Financial commitment to the project by Buncombe County of at minimum $X
  - Successful full award of a grant request from the Tourism Development Authority's Tourism Product Development Fund
  - Execution of a lease agreement with Dewine Seeds Silver Dollar Baseball Inc.

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Proposed Timeline

- City
  - Council Worksession: Today
  - Council Vote: 3/14/23
  - Submit letter of commitment to MLB with contingencies: 3/30/23
- County
  - Commission Briefing 3/21/23
  - Commission Vote 4/6/23
- TDA
  - City presents & requests funding for the project to TDA: 4/26/23
  - TPDF Committee reviews: May ‘23
  - TPDF Committee recommendation to TDA: 5/31/23

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Key Takeaways

- McCormick Field is an important regional asset, currently owned by the City that over the years has not been adequately maintained.
- Facility has been leased out and principally used by a Minor League Baseball team, the Tourists.
- This facility should and can be used for many other purposes to derive broader community benefit.
- To retain Major League Baseball (MLB) affiliation in Asheville, significant renovation is required in order to meet the impending deadline to submit a commitment letter to MLB - April 1, 2023
- A funding plan will require assistance from the Team, County, TDA and possibly the state.
- To absorb this project in our existing CIP plan, either additional resources are needed or existing items will possibly need to be reprogrammed.

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Direction / Questions

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