



**2023 | ANNUAL
ICMA | CONFERENCE** | SEPTEMBER 30-OCTOBER 4
AUSTIN / TRAVIS COUNTY, TEXAS

Studying Major Venue Projects & Funding Them with Place- changing Mixed-use Districts

Rob Hunden, President & CEO, Hunden Partners

**hunden
partners**



Market Intelligence & Strategy for:

- Mixed-Use Districts
- Tourism & Destination Development Plans
- Stadiums, Arenas & Event Centers
- Hotels & Unique Event Space
- Convention & Conference Centers
- Entertainment Venues & Attractions
- Tournament Sports Complexes
- Retail, Restaurant, Residential, Office

150+
destination/
entertainment district
studies

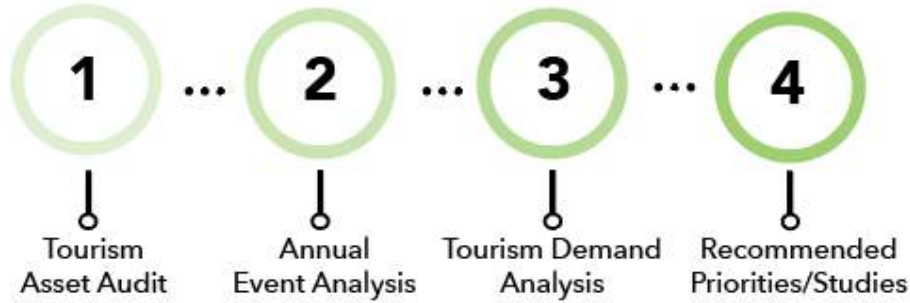
600+
conference,
convention, event
center & hotel studies

200+
youth sports, stadium
& arena studies

80%+
studies & processes
completed for cities, DMOs
& other public-sector clients

Placemaking & Real Estate Advisory

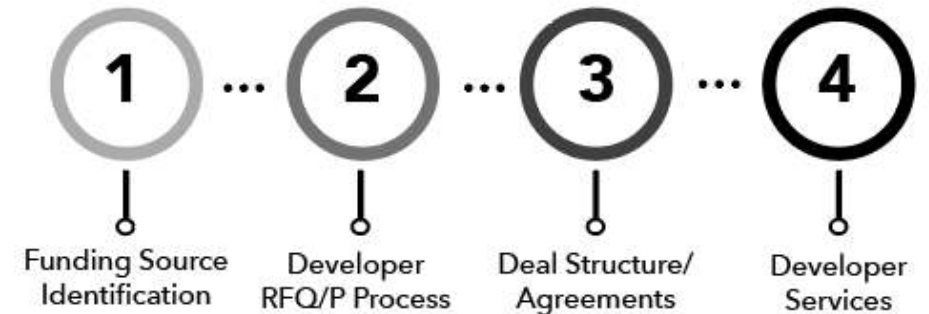
Destination & Tourism Assessment



Feasibility & Impact Study

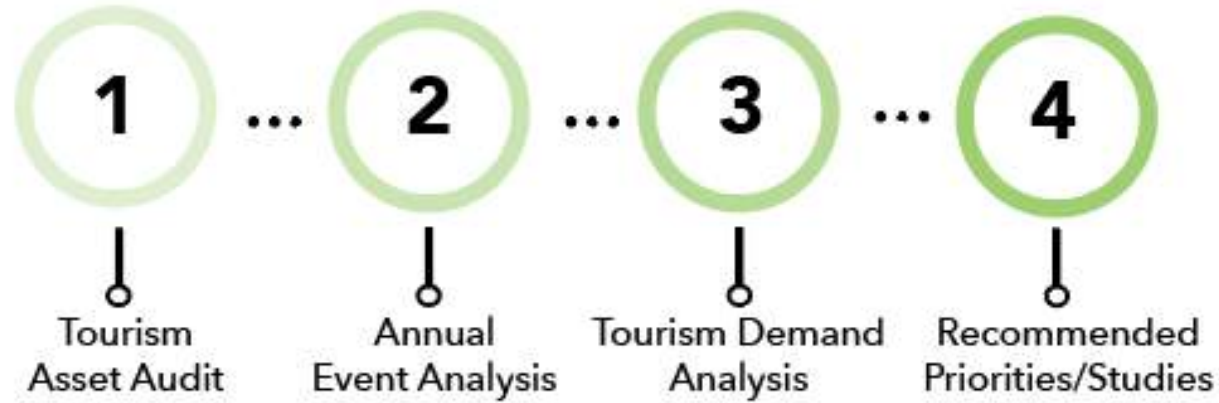


Project Advisory & Execution



Tourism Master Planning

Destination & Tourism Assessment



Market
Assessment for
Placemaking
Success

Key questions answered by the **MAPS** study:

What are your tourism assets & events?

What assets are you missing vs. your peers & competitors?

What are opportunities to fill gaps/fill calendar/put heads in beds?

What deeper dive studies are recommended to determine viability?

Rob Hunden

President & CEO

Public and Private Sector Employment Experience

- Indianapolis Bond Bank/Mayor's Office 1996 - 1998
- Horwath Landauer/Grubb & Ellis 1998 - 2000
- C.H. Johnson Consulting 2000 - 2005
- Hunden Partners – 2006 - Present

Nearly 30 Years of Industry Experience Nationwide

- 1,000+ Projects and Studies
- Speaker, Teacher and Author



Key Steps of Dynamic Real Estate Development

The effective approach to place-shaping developments

Has this ever happened to you?

Your mayor/exec asks you to put out an RFP for a Developer for a project you haven't studied...

Your mayor/exec decides you must have a bigger/better version of something another city next to you did...

Your mayor/exec comes back from vacation with big crazy ideas...

You must now make this magically happen!

But it requires a massive public investment....where can you find the funds?



Real Estate Development Process

1. Market Feasibility
2. Site Analysis
3. Financial Feasibility & Gap Analysis
4. Political Buy-In/Funding Approvals
5. **Financing and Incentive Plan**
6. Political Buy-In/Funding Approvals – AGAIN!
7. Business/Governance Plan
8. Developer/Operator RFQ/P Process + Development Agreement
9. Final Design, Budgeting, Funding

Financing Tools

Ways to fund transformational developments



Public Sector Financial Contributions

Public tools **encourage** and **assist** in development and help make projects **financially feasible** in four ways:

- Reduce front-end cost, the amount that must be financed
- Reduce financing costs, on-going debt service
- Reduce operating costs, i.e., improve project cash flow
- Facilitate process (time = money) with upfront due diligence, etc.

Primary Types of Tools

- Land assembly
- Financing assistance
- Structure incentives to recapture project revenues
- Studies, pay for expertise



State and Local Tools

- Traditional TIFs (Property Tax)
- Tourism Business Improvement District, TBID (for marketing/tourism promotion only)
- Hotel Tax
- F&B/Restaurant Tax
- Auto Rental Tax
- Sales Tax
- Income Tax
- Ticket Tax
- OR.....

All of the Above!

- Synthetic TIF aka Super TIFs (multiple taxes). A district created where multiple local and/or state taxes can be recaptured to fund public and public-private projects. These can include many types of tax streams:
 - Property Tax
 - Hotel Tax
 - F&B/Restaurant Tax
 - Auto Rental Tax
 - Sales Tax
 - Income Tax
 - Ticket Tax
 - Other Taxes by jurisdiction

The Challenge: the Hero and the Halo

- The Hero

- Major transformative event or other publicly-funded venue that is not privately viable (stadium, arena, convention center, performing arts complex).
- Generates dozens if not hundreds of events per year, creating spending & impact.
- The spending it generates is mostly not capturable within the building. Typically run at a loss or small profit. Need public funding stream to fund capital and operations.
- Ticket taxes, F&B taxes, sales, and income taxes are generated onsite and can be recaptured, but often not enough to pay for the building and onsite parking structures.



The Opportunity: the Hero and the Halo

The Halo

- The mix of uses around a major event venue (or multiple venues) can both capture the spending by attendees to events AND induce more commercial activity to the district.
- The adjacent, walkable uses are synergistic with each other and the event venue(s).
- The spending on food, beverage, retail, parking, and hotels generates new tax revenues that can be recaptured for the benefit of the district (esp. the hero).
- The income taxes generated from employees on site (including any professional athletes and entertainers) can be recaptured for the benefit of the district.
- The new property taxes can also be recaptured for the district.
- Hero + Halo's recaptured taxes fund the public's share of district.



What States have Allowed Super TIFs?

Must be created/allowed via state legislation.

- Virginia
- Indiana
- Kentucky
- Missouri
- Texas
- Kansas
- Arizona
- Pennsylvania
- Illinois (transit-oriented, prop tax only, but 35 yrs. vs. 23 yrs.)



District Case Studies

Event facility mixed-use entertainment districts that have successfully utilized unique financing tools

Case Study: Indiana Professional Sports Development Area (PSDA) Funding Tool

The PSDA was established to help fund sports and tourism venues

Retail sales, individual income, and food and beverage taxes generated within the designated area are allocated to the Capital Improvement Board (CIB), instead of the state, which uses the funds to pay for and maintain sports and convention venues in Indianapolis. Other communities in the state are working towards their own versions.

The city or country must establish a geographical area for the PSDA, which can be the professional sports facility or another publicly-owned facility, including an airport, museum, zoo, public attraction with national significance, performing arts venue, county courthouse registered on the National Register of Historic Places, or a hotel.



Eleven Park USL-Anchored Mixed-Use District

Indianapolis, IN

PROJECT

- 20,000-seat USL Soccer Stadium
- 200,000 SF Retail/Restaurants
- 200,000 SF Office
- 300-key Luxury Hotel
- 160-key Lifestyle Hotel
- 1,460-unit Residential Complex
- 4,000-capacity Indoor Entertainment Venue
- 4,600 parking spaces (structured)



Eleven Park USL-Anchored Mixed-Use District

Indianapolis, IN

FUNDING (\$1.5B public/private)

- State Sales Tax
- State Income Tax
- County Income Tax
- County Property Tax
- Food & Beverage Tax (Cap. Imp. Board, aka CIB)
- Innkeeper's Tax (CIB)
- Admissions Tax (CIB)



KFC YUM! Center

Louisville, KY

FUNDING - State TIF

- Incremental State Sales Tax (Full District, which covers all of downtown)
- State Income Tax (YUM! Center Only)
- Incremental Local Property Tax (Full District)



Bluhawk Multi-Sport Complex

Overland Park, KS

STAR Bond Funding Model for Major Mixed-Use Youth Sports Complex

- Indoor sports complex & arena
- Major retail/restaurant development
- Hotels
- Offices
- Multifamily



Bluhawk Multi-Sport Complex

Overland Park, KS

STAR Bond Funding Model for Major Mixed-Use Youth Sports Complex

- Allows for recapture of state sales tax for qualifying projects
- Must show impact to Kansas
- Local incentives in same district also applied



Power & Light District

Kansas City, MO

Missouri Downtown Economic Stimulus Area (MoDESA)

- 8-Block District + CC and Arena
- Retail/restaurant/entertainment
- Hotels
- Offices, including new H&R Block HQ
- Multifamily

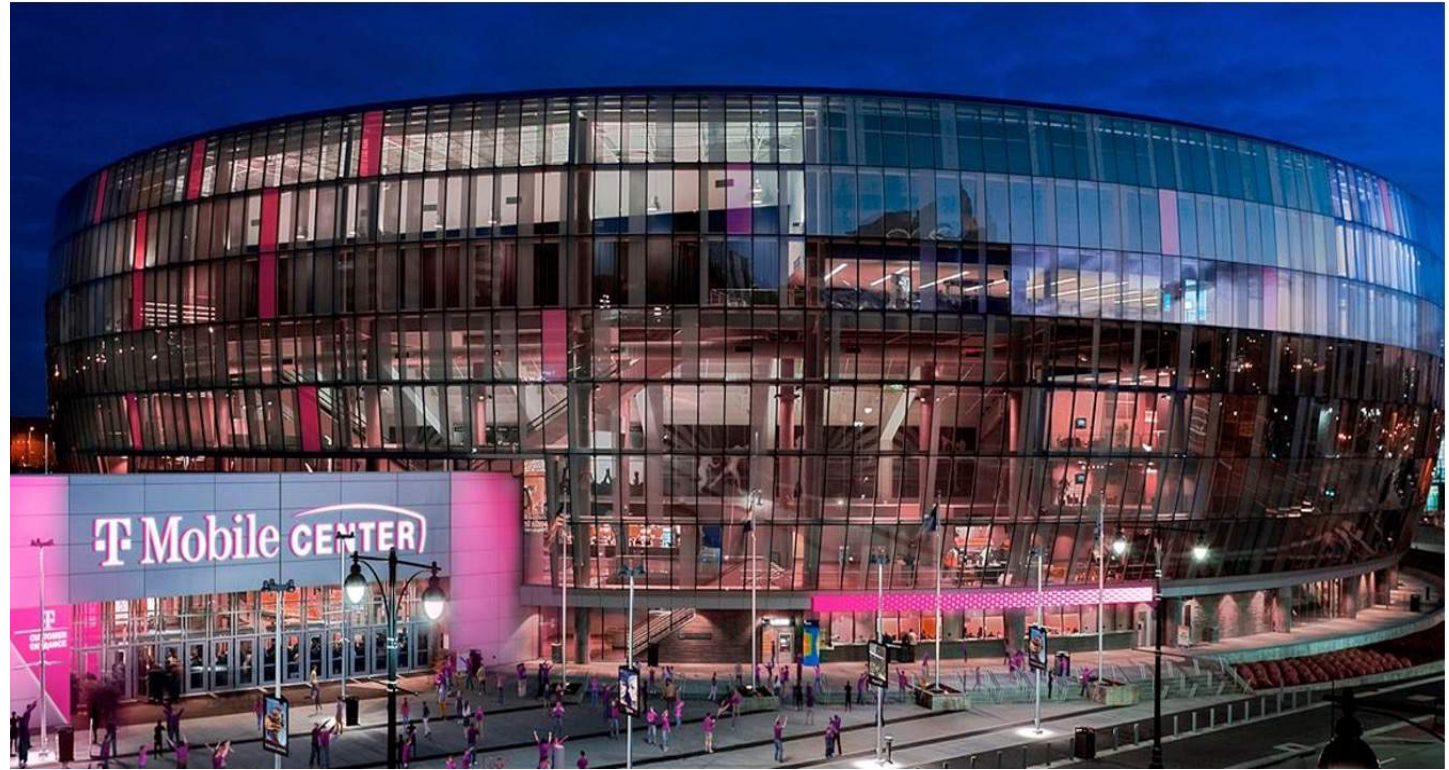


Power & Light District

Kansas City, MO

Funding

- Sales
- Income
- Hotel
- Food & Beverage
- Utility / Property
- Auto Rental (Arena)

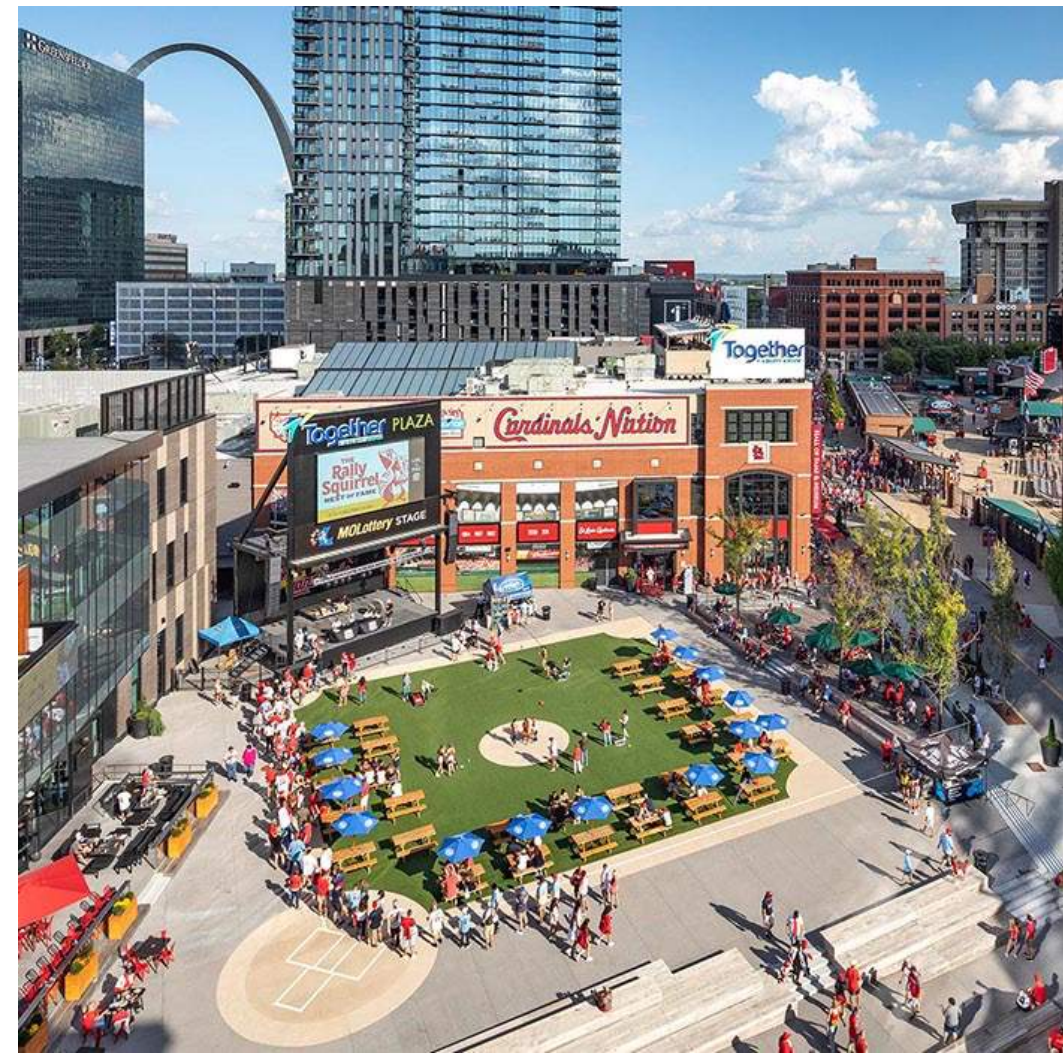


Ballpark Village

St. Louis, MO

Missouri Downtown Economic Stimulus Area (MoDESA)

- Sales
- Income
- Hotel
- Food & Beverage
- Utility / Property



American Bank Center District

Corpus Christi, TX

PROJECT

- 6+ City-Owned Blocks
- Convention Center Expansion
- 600-room HQ Hotel
- Improvements to Arena & Selena Auditorium
- Select-Service Hotel
- Entertainment District: Retail, Restaurants, Bars
- Office
- Residential



American Bank Center District

Corpus Christi, TX

FUNDING

- Type A ¼-cent Sales Tax (Renewal)
- PFZ – Project Financing Zone – State Hotel Tax Increment
- State Hotel & Sales Tax Rebate (10 years)
- TIRZ (Property Tax Increment)
- Local Hotel Occupancy Tax (Convention Center)



Proposed Arena District

Tempe, AZ

PROJECT

- 46 acres
- 16,000-capacity NHL Arena
- Two Full-Service Hotels (500 keys)
- 300,000+SF Retail/Restaurant
- 320,000 SF Office
- 1,675 Units Housing
- 1,100-space Public Parking Garage



Proposed Arena District

Tempe, AZ

FUNDING

- \$1.9 billion (\$1.7B in private bonds; \$200 million in CFD (Community Facilities Development) Bonds)
- Sales Tax (called TPT)
- Commercial Lease Tax (TPT)
- Hotel Bed Tax
- Garage Revenues
- Property Tax
- Developer Surcharge (extra up to 6% sales tax)



Proposed Commanders Stadium District

DC, NoVA, MD

FUNDING

- Property Tax
- Meals Tax
- Sales Tax
- Admissions Tax
- Business, Professional & License Occupation Tax
- Hotel surcharge



Diamond District

Richmond, VA

PROJECT

- 67 acres on site of former stadium
- New \$110 million stadium for AA Squirrels Baseball
- 150-room hotel
- 140,000 retail/restaurants
- 5,100 parking spaces
- 300 units of mixed-income housing



Richmond Community Development Partners

- **JMA Ventures | Machete Group | Tryline Capital:**
Master Developer
- **Enterprise Community Partners | Gilbane Development Co.:**
Affordable Housing Developer
- **Retro Hospitality:**
Hotel Developer
- **EDSA:** Master Planner
- **Odell:** Stadium Architect
- **Hanbury | Moody Nolan:**
Design Architecture
- **Stantec | Biohabitats:**
Resiliency and Sustainability
- **Brick & Story | Storefront for Community Design | VCU School of Regional Studies and Planning:**
Community Engagement
- **CW Consulting Group | Community College Workforce Alliance:**
Workforce Development
- **Contractor:**
Gilbane Building Co. | Davis Brothers Construction Co.

Concept

The Diamond District will become Richmond's newest neighborhood, a vibrant urban destination anchored by a new, first-class, baseball stadium. Our plan uses strong connections – streets, bike and walking paths, green space – to seamlessly and equitably integrate the project into surrounding neighborhoods, creating an authentic place that will feel like it's always been a part of the city.



RVA Diamond Partners

Development Team:

- Republic, Loop Capital, Thalhimier Realty Partners
- Pennrose, NixDev, Southside Community Development, Capstone, M Companies, JMI Sports

Design Team:

- SOM, Nelson Byrd Woltz
- KEi, 510 Architects, Poole & Poole, Hickok Cole
- DLR Group (*Stadium Design*)

Community Equity and Workforce Development:

- J&G Workforce Development
- The Robert Bobb Group

Public Activation:

- Groundswell Design Group, Sir James Thornhill, Culture & Cuisine, Campfire, Madison + Main

Concept

RVA Diamond Partners will deliver a transformational future for the Diamond District: an authentic Richmond neighborhood and one-of-a-kind ballpark experience that celebrates creative placemaking, art, culture, sport, and the incredible upbeat personality of one of the East Coast's most compelling cities.

We look forward to working with the community and city, as true partners in this dynamic development that will catapult Richmond to the forefront of conversations about successful, large-scale, mixed-income, mixed-use, and stadium-integrated development, establishing the Diamond District as a national model for urban regeneration.

Our vision for the Diamond District is firmly rooted in the rich culture of the city and designed to catalyze a more verdant, equitable, and inclusive future for all Richmonders. We firmly believe that community building and inclusive placemaking, along with excellence in planning and design and exceptional development acumen can support Richmond's continued evolution into a global city.



Vision300

- Freehold Capital Management: Lead Developer & Community Development
- Brookfield Properties: Mixed-use Developer & Project Financing
- BHC: Affordable Housing
- Astyra: Mentor-Protege & Jobs
- Spy Rock: Multi-Family
- Shamin Hotels: Hospitality
- Canterbury Ent.: MBE Contractor
- KDC: Corporate HQ & Mixed-use
- Hourigan Group: Commercial Developer & Construction Mgmt.
- Greenstone Prop.: Stadium & Office Developer
- Live Nation: Concert Venue Developer & Operator
- Murray Twohig: Planning & Placemaking
- MBL: MBE/EMB Engagement
- YMCA: Community Programming
- Sports United Ltd.: Youth Counseling & Sports
- Kodjoe FDN: Arthur Ashe Initiative
- Timmons Group: Engineering/Permitting
- HKS: Architecture & Urban Planning
- C2: Landscape Architecture

Concept

The Diamond District is the legacy that our generation will write for Richmond.

A welcoming destination for all groups, ages and backgrounds. A mixed-income neighborhood that connects surrounding communities. Delivered by a team who love Richmond.

A new home for the Squirrels. A new concert venue. A new YMCA. A new neighborhood with homes, offices, hotels, shopping, parks and places that bring Richmond together. A magnet for talent and investment.

A place worthy of Arthur Ashe's legacy, where all have access to opportunity and the chance to succeed.



Diamond District

Richmond, VA

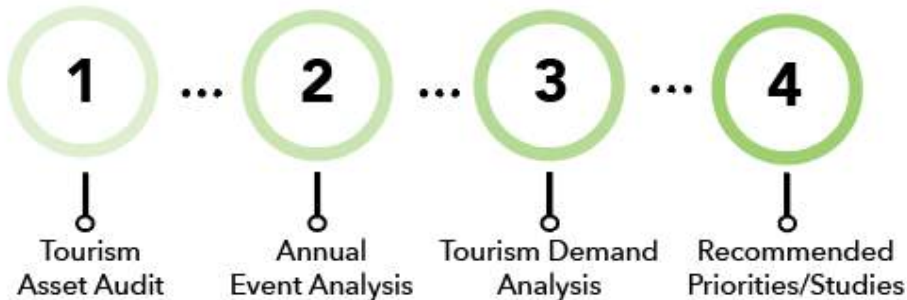
FUNDING (from within the District only)

- Property Tax
- Meals Tax
- State portion of Local Sales Tax
- Admissions Tax
- Business, Professional & License Occupation Tax
- 2% Hotel surcharge
- 0.25% surcharge on all purchases (sales tax)



PROCESS IS KEY!

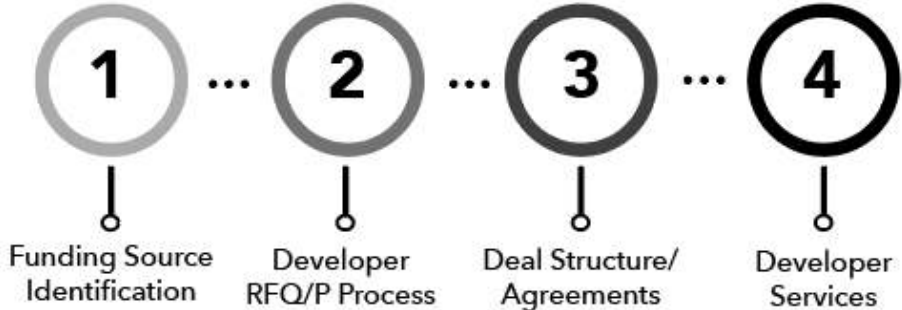
Destination & Tourism Assessment



Feasibility & Impact Study



Project Advisory & Execution



Lessons Learned

Process and Communication are Key!

- Move through the financial feasibility study process first – do your homework!
- Move through the onsite tax generation analysis. Determine what new taxes will be generated.
- Determine local/county/state options for recapturing taxes to fund district elements, especially event facilities and parking structures.
- Copy the best ideas in your state and other states. Write new legislation.
- Show 'net new' benefits to the state from the project (jobs, taxes, spending), not just onsite taxes.
- Be transparent: communicate with elected officials, stakeholders and citizens
- Hire advisors who have experience on all aspects
 - Legal, Finance, PR, Studies



Thank You.

This presentation is available for download at **HUNDEN.COM**

The logo for Hunden Partners is displayed on a dark blue rectangular background. The word "hunden" is written in a bold, lowercase, light green sans-serif font. Below it, the word "partners" is written in a bold, lowercase, white sans-serif font.

hunden
partners

Hunden Partners is a full-service real estate development advisory practice specializing in destination assets.

With professionals in Chicago, San Diego, Minneapolis and Seattle, Hunden provides a variety of services for all stages of destination development in:

- Real Estate Market & Financial Feasibility
- Economic, Fiscal & Employment Impact Analysis (Cost/Benefit)
- Organizational Development
- Public Incentive Analysis
- Economic and Tourism Policy/Legislation Consulting
- Research & Statistical Analysis
- Developer Solicitation & Selection

The firm and its principal have performed more than 1,000 studies over the past 25 years, with more than \$20 billion in built, successful projects or projects underway.