

PUBLICLY-OWNED MULTI-USE STADIUM FAQs

QUESTION: How would the proposed multi-use stadium be used, in addition to hosting Tennessee Smokies AA Southern League professional baseball games?

ANSWER: The Smokies play 60 or more home games each season, from May through September. But the proposed stadium in East Knoxville, at the edge of the Old City, would host more than 200 non-baseball events each year – everything from soccer games to festivals, concerts and other special events. Also, the stadium concourse would be open year round (except when in use for scheduled events) for community use, much like a park.

Q: What assurances do the City and County have that, if they build and own a public stadium, the Tennessee Smokies will be a long-term tenant?

A: Smokies owner Randy Boyd has agreed to a market-rate 30-year lease. A lease amount of approximately \$1 million a year has been tentatively discussed at Sports Authority meetings. If that ballpark figure (pun intended) is agreed upon, a 30-year lease would total \$30 million from Boyd Sports that would go toward paying off the publicly-owned stadium.

Q: What would the stadium's seating capacity be? How many people could attend a concert?

A: Permanent seating in the stadium would accommodate about 7,000 guests. But for a concert, with chairs set up, capacity would be about 15,000.

Q: Are there enough parking spaces nearby to support a stadium?

A: GEM Community Development Group will build parking to support the residents and tenants who live and work in the privately-financed apartments, townhouses and offices that would be built near the stadium. But there are almost 7,700 public parking spaces already within a 10-minute walk to the stadium – 15,000 parking spaces in garages and surface lots within a 20-minute walk. Urban planning models recommend 1 parking space for every 2.5 attendees at an event – suggesting that existing parking, coupled with a walkable, greenway-connected and transit-friendly design, is sufficient.

Q: Will the stadium be easily accessible by transit?

A: Yes. KAT bus routes currently run near the stadium, and the free Green Line trolley now runs directly past the stadium site. If the stadium is built, both bus and trolley service will be enhanced to provide transit passengers with a great option for conveniently getting to and from the stadium and the surrounding amenities. In addition, planners are designing specially designated drop-off and pick-up spaces near the stadium for transit and ride-share passengers.

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Q: Will this stadium and the GEM Community Development Group's private investment leverage more economic opportunities in East Knoxville?

A: As part of a larger redevelopment effort around the stadium, GEM Community Development Group, the private development partner to Boyd Sports, is planning to invest more than \$100 million to build apartments, condos, restaurants, retail stores, offices and space for a grocery store. The design envisions street retail along Jackson Avenue, which will encourage further redevelopment extending eastward on Jackson (and other streets) past the stadium.

Q: Money-wise, how risky is it to build a stadium? Would the City and County be assuming a heavy risk?

A: New revenue will pay for the majority of the debt payment on the stadium. The current estimated cost to build the stadium is \$65 million. A state grant of \$13.5 million represents a big down payment. The Smokies will pay an estimated \$1 million per year to use the stadium. Sales taxes collected from concessions and merchandise sold inside the stadium and private development at the site will produce enough new revenue to cover around 40 to 50 percent of the stadium debt. Any remaining debt payment will be relatively small, and will be split by the City and County.

Q: Could property taxes be diverted to pay for the stadium?

A: No property taxes can be used to pay for a stadium. New revenue (a state grant, team lease payments, new sales tax revenue, etc.) will pay for the majority of the cost of the stadium.. Any remaining debt will be relatively small, and will be paid out of non-property tax revenue.

Q: Would this debt obligation be comparable to, say, the City building its Conention Center?

A: The Knoxville Convention Center opened nearly 20 years ago, and it cost roughly 3 times what's being proposed for a publicly-owned stadium. The City took the lead in retiring the Convention Center debt, with Knox County contributing \$1.5 million a year. For this stadium project, the City would be partnering with Knox County and the Smokies, with guaranteed predictable rent from the team as part of the revenue mix. So a stadium is decidedly less risky than building a Convention Center was. The Convention Center, by the way, has proven to be a successful City investment, bringing in visitors who have pumped tens of millions of dollars into Knoxville's local economy.

Q: Can the Sports Authority pursue other projects?

A: The Sports Authority was formed specifically for this proposed stadium project, and does not have the ability to take on any debt or other projects without authorization from the City and County.

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Q: Can the Sports Authority unilaterally act?

A: No. The Sports Authority will not be able to borrow funds for stadium construction without authorization from the City and County. The City and County will review the development agreement, lease agreement, financing and construction documents to determine if the stadium project makes sense for the community; if the answer is yes, then Council and Commission would vote on an interlocal agreement to authorize the Sports Authority to proceed with the project.

Q: Best-case scenario – when could baseball return to Knoxville?

A: If the project is supported by the City and County, then construction could begin next year. The multi-use stadium could be open for community use and events, including professional baseball, in 2024.

Q: Will there be a community benefits agreement for this project?

A: Both Mayors, the Sports Authority Board, Boyd Sports and members of other elected bodies have publicly committed to ensure the proposed project benefits the community. Commitments such as employment opportunities for nearby residents, inclusion of diverse businesses in construction and operations, grants and investments in youth organizations, design features to make the site accessible to community members, and other benefits, will be included in agreements for accountability.

Q: Will this project push current residents out of the area if rents rise?

A: There are nearly 3,000 units of income-based affordable housing either in place or in progress within one mile of the proposed stadium site. The sources of funding for these units ensures long-term affordability protection for existing residents and new residents with low incomes. In partnership with KCDC, the City is investing nearly \$13 million in improvements in Austin Homes to increase the number of units at that site from 129 to 400. Austin Homes will be directly connected to the proposed development by a new park and greenway. The City's newly established Affordable Housing Fund has committed \$50 million over 10 years to continue increasing the number of affordable units across our community.