



Town of
Leland

Growing our future. Nourishing our roots.

5.3 Jackeys Creek Development Feasibility Analysis and Economic Impact

Town Council
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Economic & Community Development Director

Background

An effort to locate a minor league baseball team to the Town of Leland, North Carolina has presented itself to offer a region-changing development. A new baseball stadium is proposed to attract visitors and visitor spending from the Town of Leland, and the surrounding region. The proposed stadium project is expected to leverage surrounding development consisting of hotels, mixed-use retail and office space, restaurant, rental and for-sale housing, and medical offices.

The venture to bring a minor league baseball team to the region is a public-private partnership between the Town of Leland, REV Entertainment, and Jackey's Creek Investors, LLC.

REV Sports Management

REV Entertainment is a full-service events and entertainment company. Based in Arlington, Texas, REV Entertainment features an events, entertainment, sports management, food service and development division.

REV Entertainment is developing a plan that would include bringing an independent baseball team to Brunswick County.

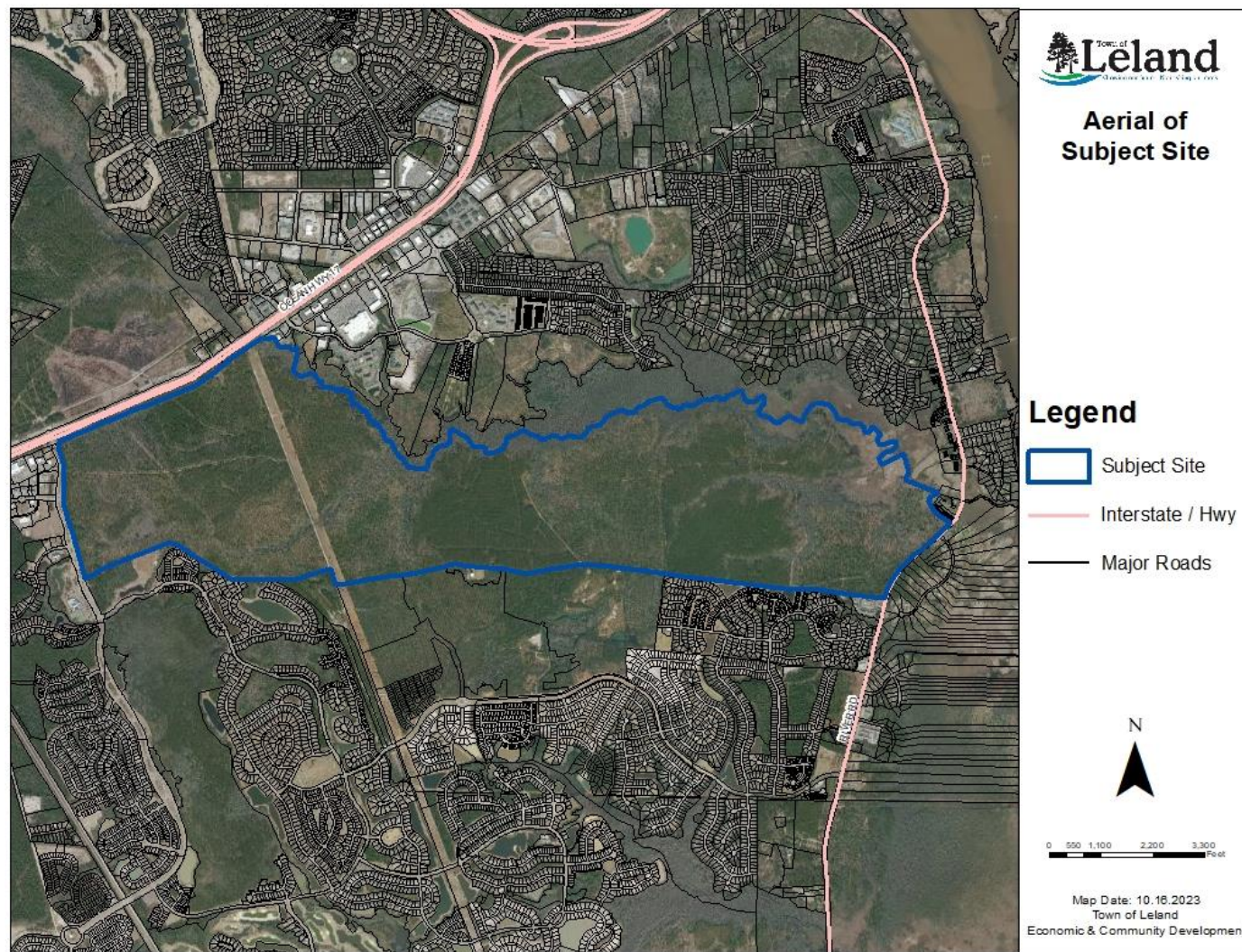


Baker Tilly

Baker Tilly was hired by the Town of Leland to conduct a project feasibility analysis and economic impact assessment to quantify the financial components of a new stadium and the surrounding development and provide a preliminary analysis of benefits to the community, including an economic impact analysis.

The Baker Tilly team utilized client-provided project plans, studies, and construction costs to develop a financial analysis and economic impact assessment to determine project feasibility.



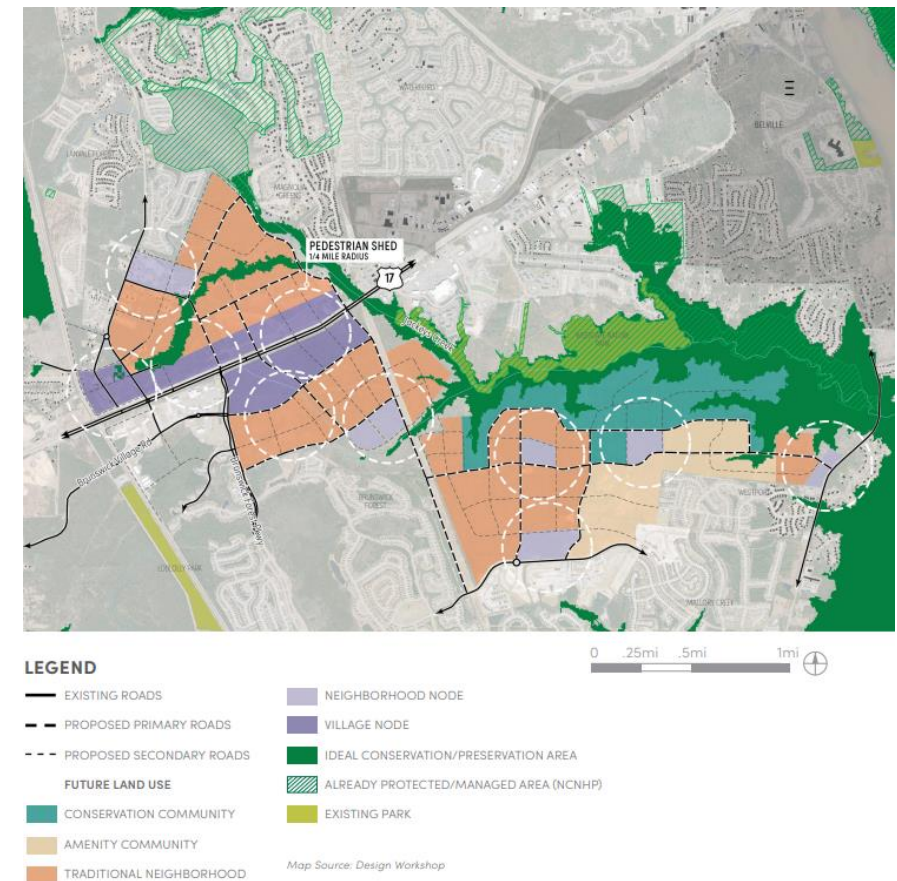


Leland 2045 – Focal Area 2

Focal Area 2 supports and promotes:

- Urbanizing development forms, medium to high density, and a mix of uses that enable people to live, work, and recreate within a compact footprint.
- Quality-of-life elements such as employment, education, recreation, safety, and accessible nodes along pedestrian and bike-friendly streets.

Key planning considerations include connecting open space to greenways, concentrating higher-density housing around mixed-use nodes, and promoting higher levels of connectivity.



Economic Development Strategic Plan

The Economic Development Strategic Plan, adopted in April, outlined a strategy to "develop a town center and activity hub that will connect people through recreation, entertainment, shopping, dining, and other amenities."

Action Items included:

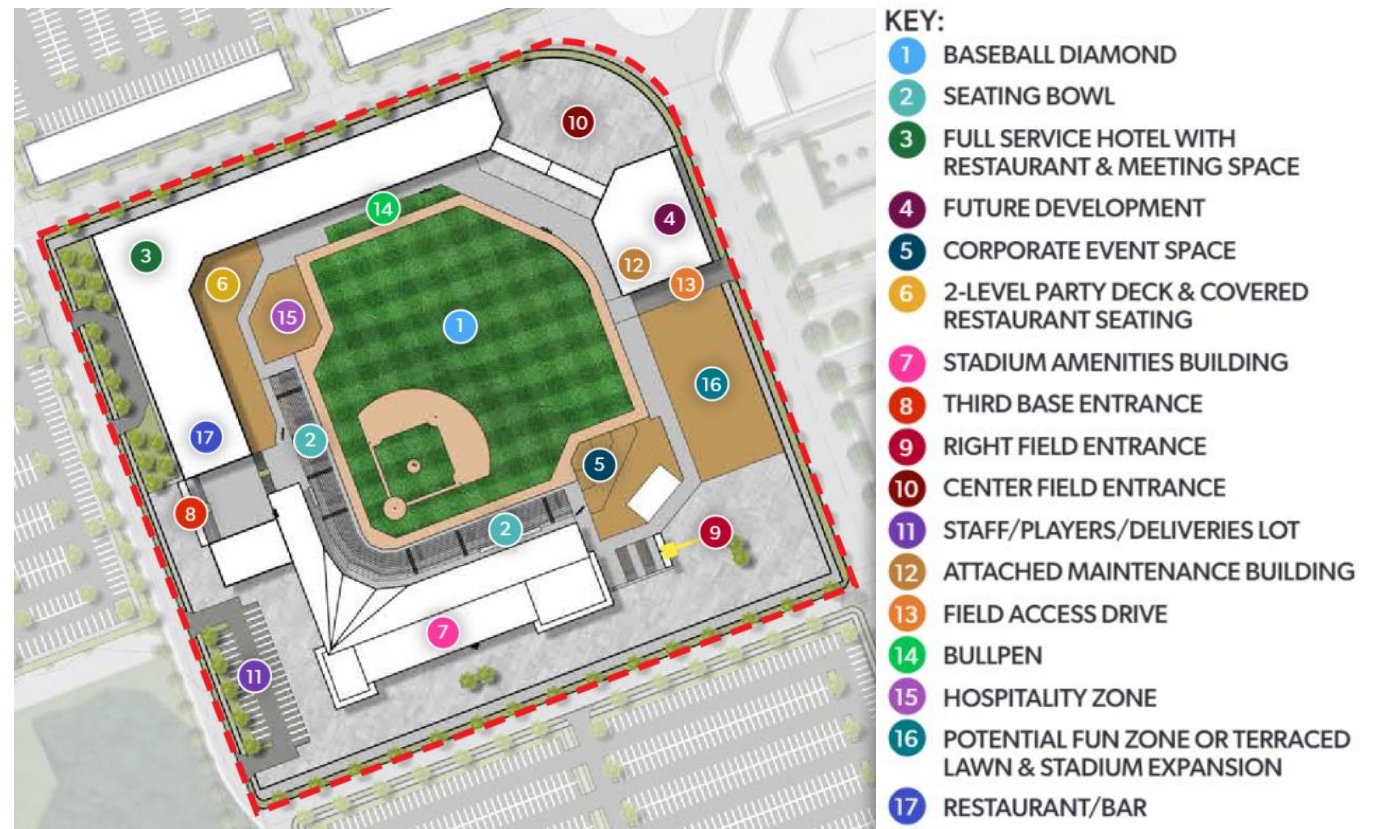
- Identify and study an area that could accommodate a large-scale town center development. A town center could be a hub for destination retail, dining, entertainment, recreation, education, and other amenities.
- Leverage a town center development to diversify shopping and dining options in other parts of the Town.

The Stadium

The proposed Stadium will include:

- 4,000 fixed stadium seats
- 2,000 concourse, group venue, and lawn seating

Notable features include a substantial hospitality zone in left field and an equally large terraced corporate event space in right field, adjacent to the fun zone.



Stadium Benefits

Benefits

- The Stadium is expected to create 800 temporary jobs through construction totaling the economic output from stadium construction to reach \$105 million and \$41 million in total household earnings.
- The Stadium is expected to create 319 permanent jobs through operational activity estimating a total annual economic output of \$21 million and \$8 million total household earnings.
- The total amount of estimated operating revenues generated by the Stadium was projected to be approximately \$135 million over 10 years.

Stadium Costs

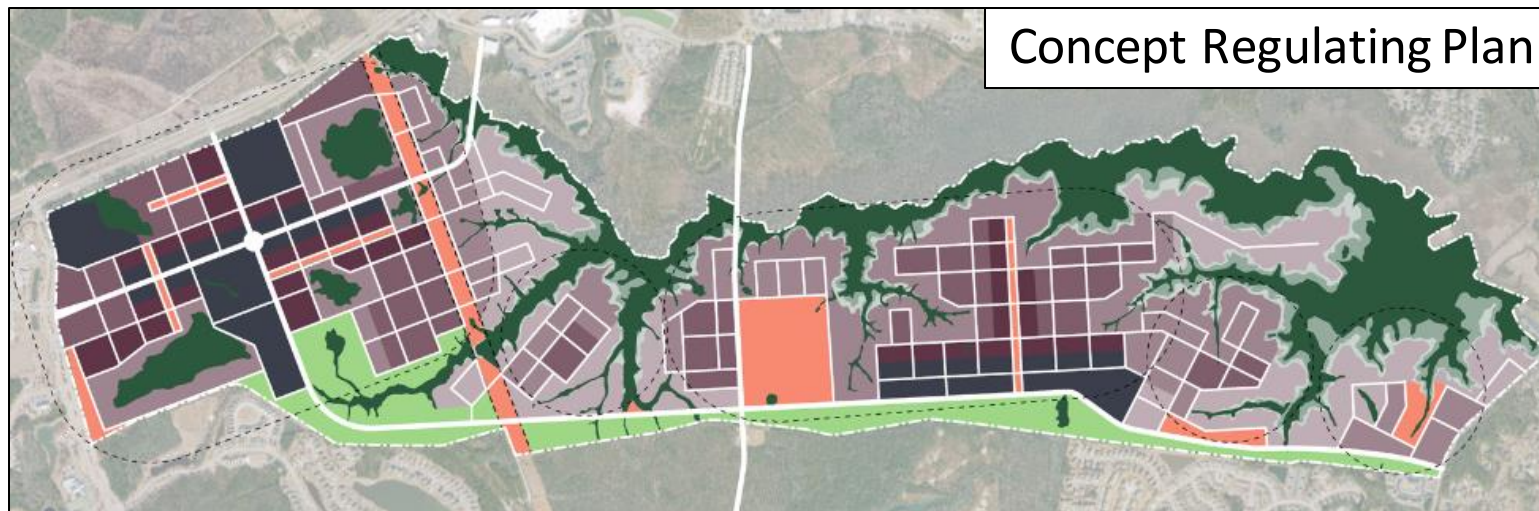
Costs

- Cost estimates for the proposed stadium, plazas, and associated infrastructure to support the stadium development was provided by the consulting firm Jones Petrie Rafinski. An estimated cost of \$59 million for the stadium and \$46 million for associated site costs.



Jackeys Creek Development

Jackey's Creek Investors, LLC is planning to develop an approximately 1,400-acre site, with a high level of interest in leveraging the stadium development. RCLCO, a real estate consulting company, created market-based development projections for the site “based on an analysis of demand for real estate at the subject site, as well as the amount of land able to accommodate it,” which “prioritizes commercial space, multifamily housing, and attached housing over traditional single-family detached housing, with the idea that the ‘highest and best use’ of the subject site is likely to involve greater density and mix of uses.”



Jackeys Creek Development Benefits

Benefits

- The total estimated increase in local and county property tax incremental value over an approximately 30-year period to be over \$182 million.
- Construction of the Jackeys Creek Development is expected to create 28,896 jobs totaling the economic output to reach \$3.5 billion and \$1.5 billion in total household earnings.
- The cumulative estimated total of over \$175 million would be added to the Town portion of the sales tax over a 30-year period.



Jackeys Creek Development "Highest and Best Use"

- **Commercial.** An estimated 400,000 square feet will be available by 2045.

| Commercial Type | Square Footage |
|----------------------------------|----------------|
| Restaurant | 135,000 |
| Grocery and Drug Stores | 100,000 |
| Entertainment and Fitness Venues | 55,000 |
| Service-Driven | 80,000 |
| Hard and Soft Goods | 30,000 |

- **Office.** Traditional office space of 150,000 square feet is planned to be made available. The development will also offer 500,000 square feet of medical office space.

Jackeys Creek Development "Highest and Best Use"

- **Residential.** Both rental and for-sale housing options will be available in the development, forming a true mixed-use community.

| Rental | Number of Units | For-Sale | Number of Units |
|---------------|-----------------|---------------|-----------------|
| Apartments | 4,000 | Single-Family | 3,700 |
| Single-Family | 1,500 | Condominiums | 750 |

- **Hotels.** A full-service hotel with 150 rooms and two limited-service hotels with 120 rooms each will offer additional accommodation for visitors.

Jackeys Creek Construction Value

Costs

- The total expected cost of construction for the Jackeys Creek Development is estimated to be \$2.39 billion.



Jackeys Creek Development Total Impact

The construction expenditures are estimated to result in 29,695 total temporary direct, indirect, and induced jobs along with a total economic output of \$3.6 billion and \$1.5 billion in total household earnings.

| Total Economic Impacts | | | | |
|------------------------|---------------|------------------------|------------------------|------------------------|
| Impact | Employment | Labor Income | Value Added | Output |
| 1 - Direct | 21,926 | \$1,227,728,126 | \$1,405,115,780 | \$2,446,135,000 |
| 2 - Indirect | 3,742 | \$156,775,748 | \$284,941,937 | \$581,096,621 |
| 3 - Induced | 4,027 | \$160,112,010 | \$337,953,438 | \$618,459,904 |
| | 29,695 | \$1,544,615,885 | \$2,028,011,156 | \$3,645,691,525 |

Key Findings – Baker Tilly

1. The preliminary financial and economic impact analysis indicates that pursuit of the baseball stadium is worth further consideration by the Town of Leland due to the potential for new investment, new revenues, and numerous economic benefits.
2. While a debt analysis was not conducted as part of this project, the estimated addition to revenue through property tax, sales tax, project revenues, and other statutorily allowable revenue tools should be considered by the Town of Leland.
3. It is recommended that the Town move forward in further exploration to develop the proposed baseball stadium and Jackeys Creek Development.



Next Steps

1. Identify and quantify available financing tools.
2. Evaluate the availability of statutorily available revenue tools.
3. Evaluate impact on Town services.
4. Develop innovative approach for the early years of the project.
5. Further define quality of life benefits of the project.
6. Engage in a public-private partnership.





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