

Cain Center for the Arts

Implementation Strategy & Economic Impact Analysis

Cornelius, North Carolina

July 2021



**JOHNSON
CONSULTING**



**ROSE
ASSOCIATES**



CORNELIUS
NORTH CAROLINA



**LAKE
NORMAN**
economic development



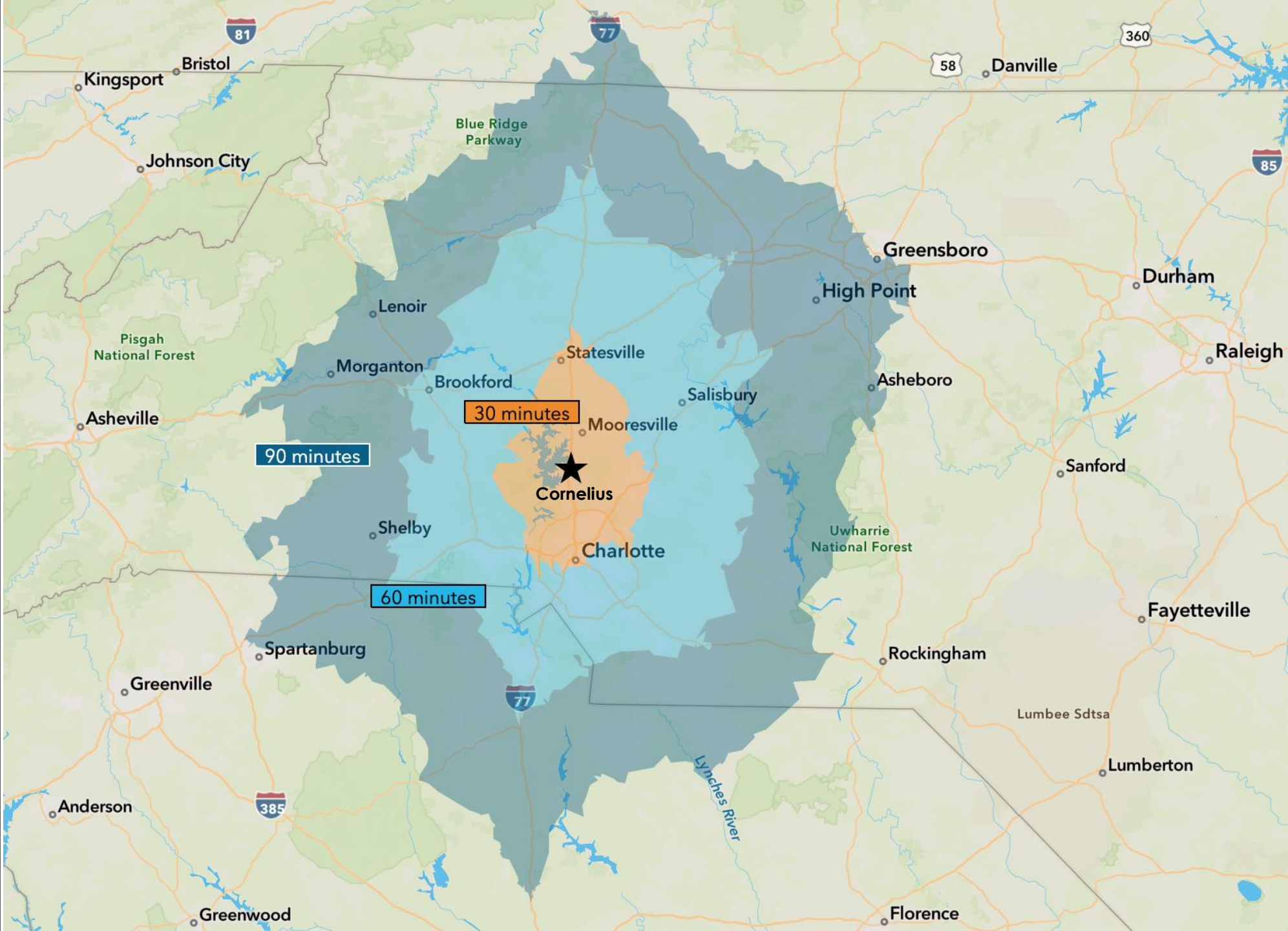
Introduction

There have been several studies and plans previously prepared in the community that are related to this project, including:

- Cornelius Arts & Community Center Report – Town of Cornelius, January 2017
- Cornelius Arts Center Market Study – Next Stage Consulting, November 2017
- Cain Center for the Arts Strategic Plan – Cain Center for the Arts, August 2019
- Cain Center for the Arts Integration Plan – Deloitte, February 2020

From each of these previous documents, this report aims to pull inspiration, recognize differences, and make strategic recommendations to provide a path forward.

Market Analysis



Market Analysis

Population					
	2000	2010	2020	2025	CAGR* 2010-2025
Cornelius	14,132	24,802	31,282	33,529	3.5%
30-minute drive	462,841	690,335	864,730	955,483	2.9%
60-minute drive	1,903,321	2,436,417	2,887,923	3,120,845	2.0%
90-minute drive	3,455,162	4,131,655	4,692,249	4,986,533	1.5%
Davidson	7,670	10,878	13,987	15,652	2.9%
Huntersville	25,988	46,794	60,198	66,293	3.8%
North Carolina	8,049,313	9,535,483	10,736,879	11,357,303	1.4%
U.S.	281,421,906	308,745,538	333,793,107	346,021,282	0.8%

* Compounded Annual Growth Rate
 Source: Esri, Johnson Consulting

Market Analysis

Cornelius Downtown Development Pipeline

Project	Status	Residential		Commercial Square Feet	Type
		Rental Units	For Sale Units		
Cain Center for the Arts	Approved	-	-	27,000	Performing Arts Center
Antiquity	Approved	-	-	15,000	Commercial - No. of Catawba
Antiquity	Approved	-	-	4,200	Commercial & 1/2 acre Park
N. Zion	Approved	-	-	16,000	Medical Office
Mulberry	Approved	-	6	-	Townhomes
Mommas Pizza	Proposed	-	-	5,250	Pizza Restaurant Expansion
Caroline	Proposed	260	-	95,000	150 Active Adult & 110 Market Rate Apartments
Greenway Gartens	Proposed	398	50	55,000	Park of Old Meck Brewery Project
Towns & Feriba	Proposed	-	9	-	Feriba Place
The Venue	Proposed	70	-	6,000	Mixed Use Commercial
TOTAL		728	65	223,450	

Source: Johnson Consulting

Market Analysis



Stakeholder Engagement

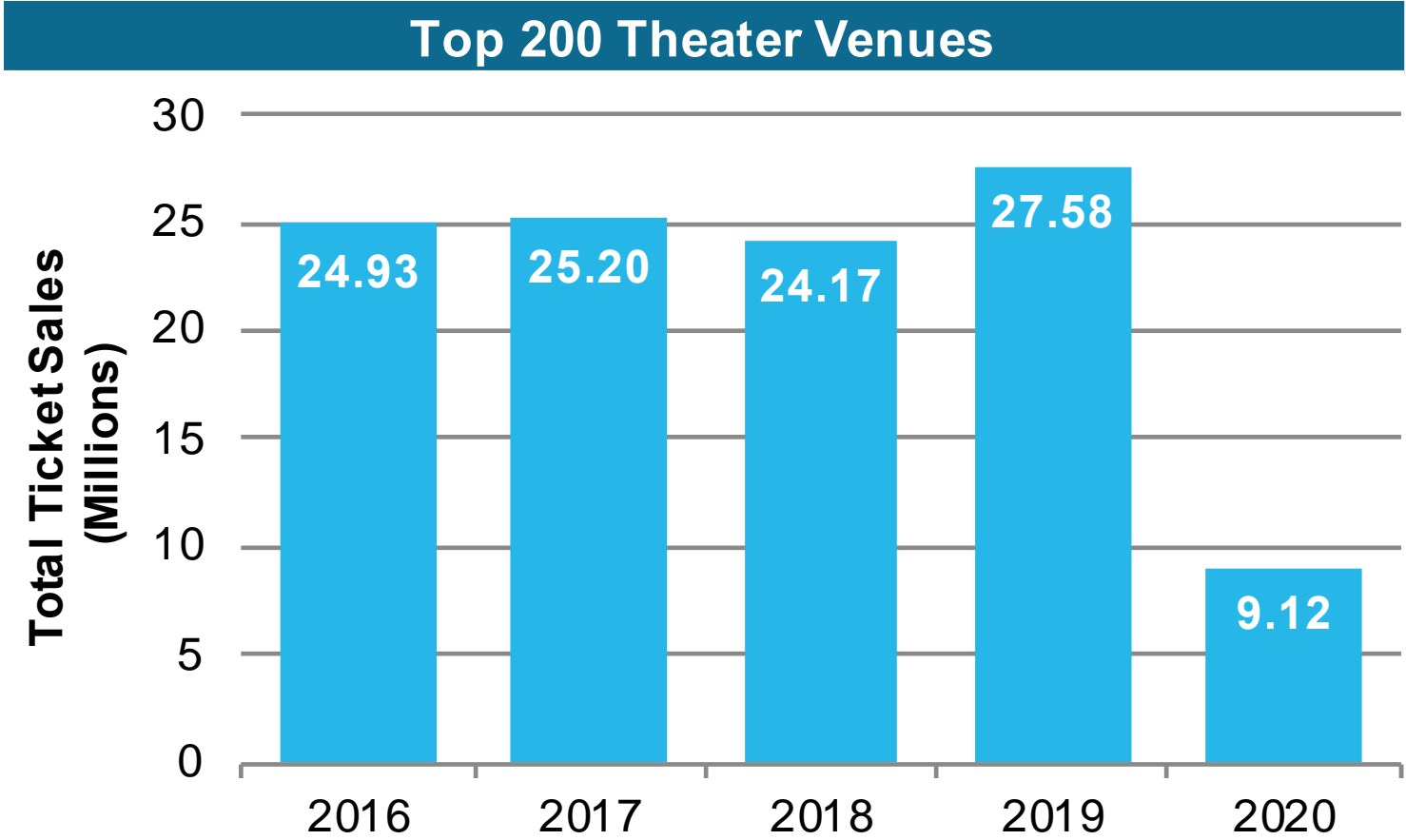
The Consulting Team was charged with a streamlined stakeholder engagement effort that builds upon the previous surveys and outreach efforts that have engaged the community as a whole. This process involved targeted interviews and focus groups with the entities listed below. The most salient observations from these interactions are summarized on the following slide.

- Bouk Management
- Cain Family
- Cain Center for the Arts & Board
- Cornelius Arts Center
- Davidson Community Players
- Electricities
- Lake Norman Economic Development
- MaxxMusic
- Town of Cornelius Commission
- Town of Cornelius Department of Parks, Art, Recreation, and Culture
- Town of Cornelius Department of Finance
- Town of Cornelius Department of Planning
- Visit Lake Norman

Stakeholder Engagement

- General sentiment was overarching desire to do what's best for the future of the community
- **Many believe Lake Norman Region lacks facilities that are attractive for hosting certain types of events and activities**
- Rare opportunity to make an intentional investment in future prosperity that leverages both public and private dollars
- **Region is well-versed in collaboration between multiple towns – Cornelius, Davidson, Huntersville, and Mooresville**
- Desire for additional arts and cultural festivals and events to serve local community and attract visitors
- **Importance of attracting employers and well-paying jobs to Lake Norman Region**
- Rapid growth in the Lake Norman Region from those seeking warmer climates, affordable living, larger living spaces
- History of east/west division by the interstate could be alleviated by creating more vibrancy Downtown
- **Philanthropic efforts have been very successful but there is still a need for government subsidy and grant programs**

Industry Trends



Sources: 2016-2020 Pollstar Top 200 Theaters, Johnson Consulting

Industry Trends

Top Venues in the Carolinas (2019)

Rank	Venue	Location	Type	Tickets Sold	Gross Sales	Average Sales per Attendee	Capacity
1	Durham Performing Arts Center	Durham, NC	Theater	522,678	\$33,841,840	\$64.75	2,700
2	Spectrum Center	Charlotte, NC	Arena	438,289	\$34,672,797	\$79.11	20,200
3	PNC Music Pavilion	Charlotte, NC	Amphitheater	278,328	\$16,004,550	\$57.50	19,500
4	PNC Arena	Raleigh, NC	Arena	269,586	\$25,198,199	\$93.47	19,772
5	Colonial Life Arena	Columbia, SC	Arena	226,073	\$16,200,544	\$71.66	18,000
6	Greensboro Coliseum	Greensboro, NC	Arena	192,288	\$13,327,402	\$69.31	23,500
7	Coastal Credit Union Music Park	Raleigh, NC	Amphitheater	179,446	\$9,227,122	\$51.42	20,601
8	Peace Center Concert Hall	Greenville, SC	Theater	171,132	\$13,021,539	\$76.09	2,100
9	Belk Theater	Charlotte, NC	Theater	154,033	\$11,537,636	\$74.90	2,100
10	North Charleston Coliseum	North Charleston, SC	Arena	72,429	\$5,738,667	\$79.23	13,295
11	North Charleston Performing Arts Center	North Charleston, SC	Theater	65,047	\$3,988,617	\$61.32	2,341
12	Knight Theater	Charlotte, NC	Theater	64,888	\$3,566,072	\$54.96	1,191
13	Red Hat Amphitheater	Raleigh, NC	Amphitheater	55,822	\$2,398,693	\$42.97	5,990
14	Ovens Auditorium	Charlotte, NC	Theater	52,825	\$3,171,367	\$60.04	2,460
15	Harrah's Cherokee Casino	Cherokee, NC	Theater	45,622	\$2,487,923	\$54.53	3,000
16	Charleston Music Hall	Charleston, SC	Theater	36,756	\$1,730,836	\$47.09	965
17	Charlotte Metro Credit Union Amphitheater	Charlotte, NC	Amphitheater	36,216	\$1,575,246	\$43.50	5,000

Source: Pollstar, Johnson Consulting

Industry Trends

The Impact of COVID-19

- The COVID-19 pandemic has been devastating for the arts and live entertainment industry
- Strict federal and state guidelines have greatly limited personal and business activities, especially in this industry
- Many market trends that were occurring before the pandemic have accelerated while others have shifted radically, ranging from the ways we live, work, move, and socialize
- Many arts and entertainment venues have been virtual-only or closed entirely since March of 2020, and are only beginning to think about the possibility of partially reopening by the end of 2021
- However, the pandemic is more of a temporary disruption rather than a permanent trend in terms of the size and strength of the industry
- A variety of industry sources are projecting that the industry (along with other similar industries, such as the MICE industry, airline industry, travel and tourism industries, and hotel industry) will bounce back to pre-pandemic levels by 2024

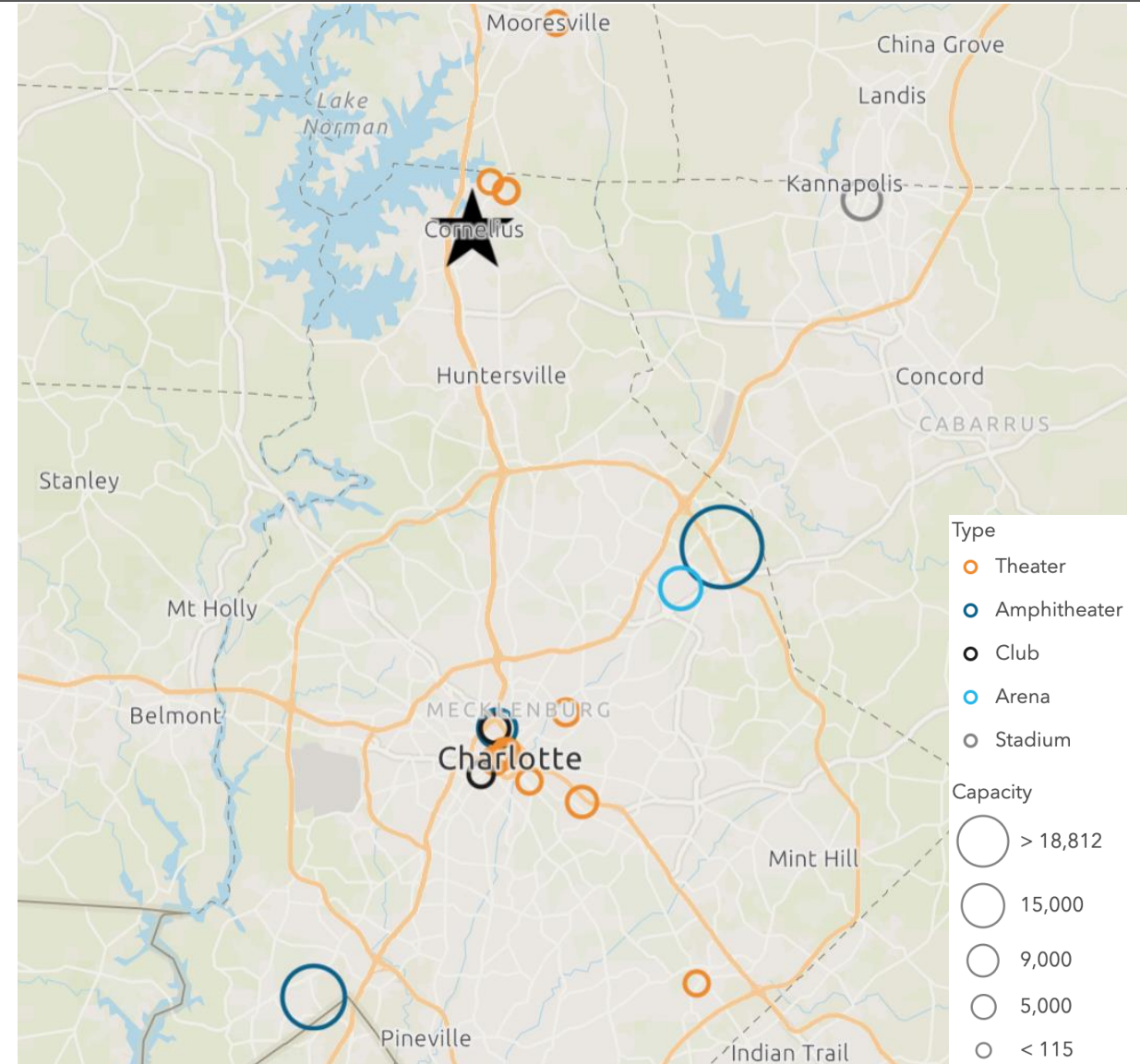
Facility Inventory

Arts & Entertainment Facility Inventory

Facility	Type	Drive Time from Cain Center (minutes)	Capacity
PNC Music Pavillion	Amphitheater	24	18,812
Carowinds Paladium	Amphitheater	35	13,000
Halton Arena	Arena	29	6,000
Intimidators Stadium	Stadium	32	5,000
Charlotte Metro Credit Union Amphitheater	Amphitheater	25	4,983
Blumenthal Performing Arts - Ovens Auditorium	Theater	26	2,403
Blumenthal Performing Arts - Belk Theater	Theater	25	2,118
Fillmore Charlotte	Club	25	2,000
Blumenthal Performing Arts - Knight Theater	Theater	24	1,192
Neighborhood Theater	Theater	27	956
Amos' Southend	Club	26	750
Blumenthal Performing Arts - McGlohon Theater	Theater	23	730
Davidson College - Duke Family Performance Hall	Theater	7	600
The Visulite Theatre	Theater	29	540
Blumenthal Performing Arts - Booth Playhouse	Theater	25	444
Matthews Playhouse	Theater	40	380
Charles Mack Citizen Center - Auditorium	Theater	16	235
Blumenthal Performing Arts - Stage Door Theater	Theater	24	204
Davidson College - Tyler-Tallman Hall	Theater	7	200
Davidson College - Barber Theatre	Theater	7	175
Blumenthal Performing Arts - Duke Energy Theater	Theater	23	168
Armour Street Theater	Theater	7	115
TOTAL			61,005

Includes venues located within a 30-minute drive time radius of the Cain Center site; does not include religious venues.

Source: Johnson Consulting



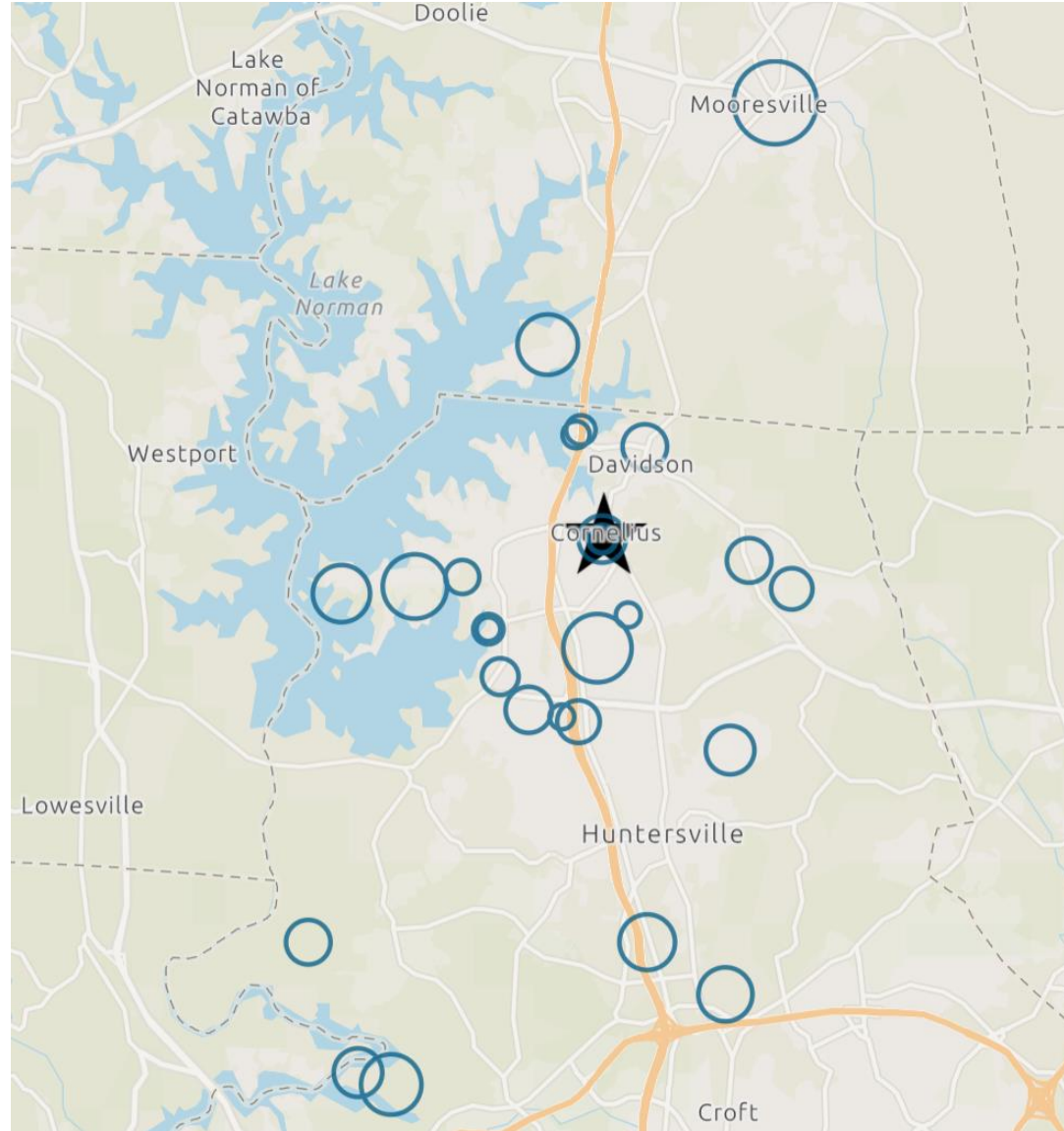
Facility Inventory

Event Facility Inventory			
Facility	Drive Time from Cain Center (minutes)	Capacity	Total Event Space (SF)
Charles Mack Citizen Center	16	300	11,788
Sweet Magnolia Estate	7	250	9,000
The Peninsula Club	11	550	8,250
Langtree Plantation	8	400	7,500
Carolina Raptor Center	25	500	7,500
Peninsula Yacht Club	14	460	6,900
Magnolia Woods	17	440	6,600
Frankie's	18	200	6,300
Historic Latta Plantation	27	350	5,250
NorthStone Country Club	13	350	5,250
Kadi Events	1	325	5,000
Birkdale Golf Club	13	320	4,800
Beaver Dam Historic House	10	300	4,500
Historic Rural Hill Cultural Center	24	300	4,500
Davidson College	5	300	4,500
Spare Time Lake Norman	10	275	4,125
River Run Country Club	14	260	3,900
Waterford Hall	11	200	3,000
Jetton Park	11	120	2,500
Carolina Grace Yacht	9	120	1,800
North Harbor Club	8	110	1,650
Brick Row	1	100	1,500
Aloha Studio	8	80	1,200
Studio 13	1	75	1,125
Out of Time Escape	12	50	750
The Range of Lake Norman	6	50	750
Kings Point	9	100	560
TOTAL		6,885	120,498

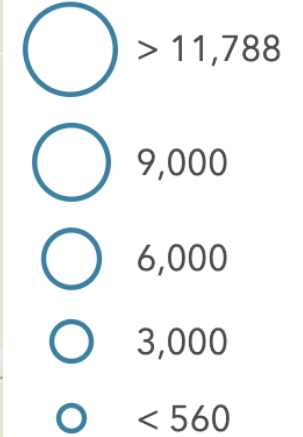
* If exact square footages were not available, assumed at 15 square feet per person at maximum capacity

Includes relevant multipurpose event facilities within a 30-minute drive time radius of the Cain Center site

Source: Johnson Consulting



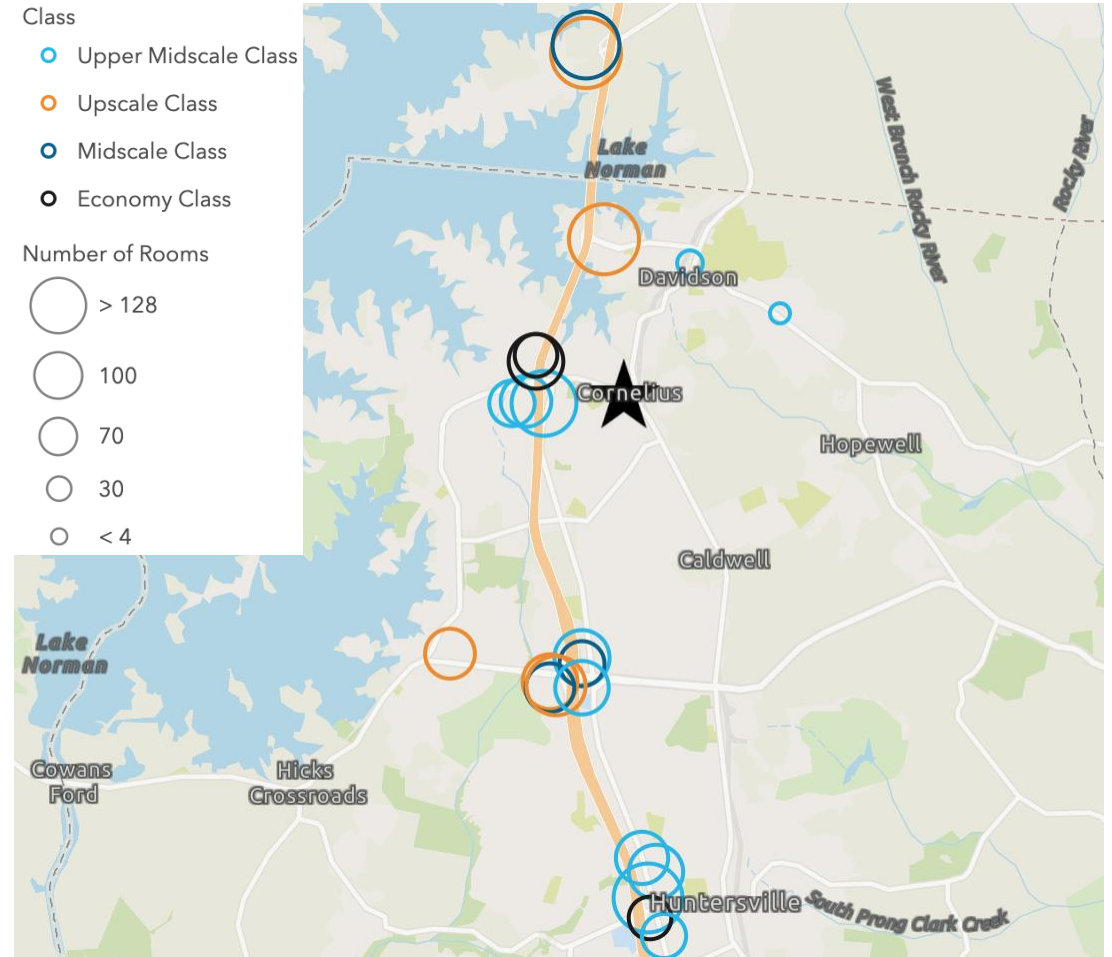
Total Event Space (SF)



Facility Inventory

Hotel Inventory					
Hotel	Location	Drive Time to Cain Center (minutes)	Class	Year Opened	Number of Rooms
Hampton by Hilton Inn Charlotte-North/Lake Norman	Cornelius, NC	5	Upper Midscale Class	1990	115
Clarion Inn & Suites Cornelius	Cornelius, NC	6	Upper Midscale Class	1992	80
Comfort Inn & Suites Lake Norman Cornelius	Cornelius, NC	7	Upper Midscale Class	1999	67
Econo Lodge Inn & Suites Lake Norman Cornelius	Cornelius, NC	7	Economy Class	1988	90
Microtel Inn & Suites by Wyndham Cornelius Lake Norman	Cornelius, NC	7	Economy Class	1996	60
Homewood Suites by Hilton Davidson	Davidson, NC	8	Upscale Class	2008	128
Holiday Inn Express & Suites Huntersville Birkdale	Huntersville, NC	8	Upper Midscale Class	1999	91
Quality Inn Huntersville Near Lake Norman	Huntersville, NC	9	Midscale Class	1999	66
Residence Inn Charlotte Lake Norman	Huntersville, NC	10	Upscale Class	2002	78
Courtyard Charlotte Lake Norman	Huntersville, NC	11	Upscale Class	1998	90
Candlewood Suites Huntersville Lake Norman	Huntersville, NC	11	Midscale Class	2001	75
Four Points by Sheraton Charlotte Lake Norman	Huntersville, NC	12	Upscale Class	2001	101
Country Inn & Suites Lake Norman Huntersville	Huntersville, NC	11	Upper Midscale Class	1999	87
aloft Hotel Mooresville	Mooresville, NC	8	Upscale Class	U/C	128
Tru by Hilton Mooresville	Mooresville, NC	8	Midscale Class	2020	120
My Place Huntersville	Huntersville, NC	12	Upper Midscale Class	2020	84
Comfort Suites Lake Norman Huntersville	Huntersville, NC	13	Upper Midscale Class	2010	89
Hampton by Hilton Inn & Suites Huntersville	Huntersville, NC	12	Upper Midscale Class	2011	125
Super 8 Huntersville/Charlotte Area	Huntersville, NC	13	Economy Class	1994	60
Home2 Suites by Hilton Charlotte Mooresville	Mooresville, NC	11	Upper Midscale Class	2019	96
SpringHill Suites Charlotte Lake Norman/Mooresville	Mooresville, NC	11	Upscale Class	2006	107
Best Western Plus Huntersville Inn & Suites Near Lake Norman	Huntersville, NC	13	Upper Midscale Class	2000	64
TownePlace Suites Charlotte Mooresville	Mooresville, NC	12	Upper Midscale Class	2009	116
Candlewood Suites Mooresville Lake Norman	Mooresville, NC	11	Midscale Class	2012	90
Hilton Garden Inn Charlotte Mooresville	Mooresville, NC	12	Upscale Class	2008	122
TOTAL					2,329

Source: Johnson Consulting



Case Studies



Market Characteristics

Population

Age & Income

Arts & Entertainment Industry Strength

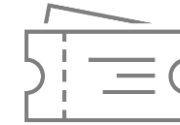


Venue

Ownership & Management Structure

Year Built & Supporting Facilities

Capacity, Footprint, & Development Cost



Demand

Number of Events & Tickets Sold per Year

Average Ticket Prices

Anchor Events & Festivals







Financials

Rental Cost & Management / Promoter Fees

Ticket Revenue

Total Operating Revenue & Expenses

Case Studies

	Cain Center for the Arts	Buckhead Theater	Sandy Springs Performing Arts & Conference Center	Arvada Center for the Arts & Humanities	Parker Arts Culture & Event Center	Lawrence Arts Center
						
Market						
Location	Cornelius, NC	Atlanta, GA	Sandy Springs, GA	Arvada, CO	Parker, CO	Lawrence, KS
30-Minute Drive Time Statistics						
Population	864,730	1,663,471	1,678,513	1,847,730	1,330,886	216,226
Median Household Income	\$65,071	\$71,385	\$81,985	\$75,207	\$85,600	\$60,021
Median Age	36.2	35.1	35.8	36	37	33.8
Arts & Entertainment as % of Total Employment	2.7%	1.8%	1.7%	2.9%	2.4%	3.5%
Arts & Entertainment as % of Total Sales	1.3%	0.8%	0.6%	0.7%	0.5%	2.2%
Facility						
Owner	Cain Center for the Arts	Charles Loudermilk	City of Sandy Springs	Arvada Center	Town of Parker	City of Lawrence
Manager / Operator	Cain Center for the Arts	LiveNation	City of Sandy Springs	Arvada Center	PACE Center	Lawrence Arts Center
Year Built (Renovated)	TBD	1930 (2011)	2018	1976 (2006)	2011	2002
Primary Venue Capacity	400	1,600	1,070	526	542	300
Primary Venue Rental Package	-	\$4,000 - \$8,500 / Day	\$4,480 - \$8,000 / Day (with labor)	Very limited rental availability	\$1,500 - \$2,500 / Day	\$1,350 / Day
Secondary Venue Capacity	-	-	350	226	200	100
Secondary Venue Rental Package	-	-	\$3,600 - \$5,000 / Day (with labor)	Very limited rental availability	\$1,000 / Day	\$900 / Day
Footprint (SF)	30,000	8,000	57,400	90,835	52,000	40,000
Supporting Facilities	Galleries, Classrooms, Outdoor Plaza	Movie Theater, Private Event Space	Studio, Administrative Offices	History Museum, Galleries, Rehearsal Rooms, Classrooms, Conference Center, Amphitheater	Art Gallery, Classrooms, Chapel	Art Galleries, Studios, Classrooms
Demand	-	-	-	-	-	-
Total # of Events per Year	-	-	500	462	239	160
Total # of Visitors per Year	-	-	-	150,275	64,500	13,587 (Ticketed)
Financials	-	-	-	-	-	-
Operating Revenue	-	-	\$918,800	\$5,917,506	\$2,924,377	\$1,625,608
Operating Expenses	-	-	\$3,619,800	\$11,373,419	\$6,248,689	\$2,992,056
Net Operating Income (Deficit)	-	-	(\$2,701,000)	(\$5,455,913)	(\$3,324,312)	(\$1,366,448)
Public Subsidy	-	-	\$2,701,000	\$3,776,546	\$2,110,255	\$1,411,947
Grants	-	-	\$0	\$1,125,429	\$473,858	\$0
Private Contributions	-	-	\$0	\$790,529	\$160,560	\$0
Net Income	-	-	\$0	\$236,591	(\$579,639)	\$45,499

Source: Relevant Facilities, Esri, Johnson Consulting

Demand Projections

Projected Event Demand					
Event Type	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Theater Events					
Community / Non-Profit					
Performances	24	26	28	29	30
Rehearsals	24	26	28	29	30
Other Events	20	22	24	25	26
Subtotal	68	74	80	83	86
Commercial / Touring					
Performances	24	26	28	30	32
Other Events	18	20	22	23	24
Subtotal	42	46	50	53	56
Total Theater Events	110	120	130	136	142
Other Events					
Classroom/Meeting Room Events	515	530	546	557	568
Lobby/Other Events	24	26	28	29	30
Total Other Events	539	556	574	586	598
Total Arts Center Events	649	676	704	722	740

Note: There can be multiple classroom/meeting room events in a day.

Source: Johnson Consulting

Demand Projections

Projected Total Visitors					
Event Type	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Theater Events					
Community / Non-Profit					
Performances	7,080	7,670	8,260	8,555	8,850
Rehearsals	360	390	420	435	450
Other Events	5,700	6,270	6,840	7,125	7,410
Subtotal	13,140	14,330	15,520	16,115	16,710
Commercial / Touring					
Performances	7,080	7,670	8,260	8,850	9,440
Other Events	5,130	5,700	6,270	6,555	6,840
Subtotal	12,210	13,370	14,530	15,405	16,280
Total Theater Events	25,350	27,700	30,050	31,520	32,990
Other Events					
Classroom/Meeting Room Events	7,725	7,957	8,195	8,359	8,527
Lobby/Other Events	3,110	3,369	3,628	3,758	3,887
Total Other Events	10,835	11,326	11,823	12,117	12,414
Total Arts Center Events	36,185	39,026	41,873	43,637	45,404

Includes participants and attendees

Source: Johnson Consulting

Economic & Fiscal Impacts

Economic Impact is defined as incremental new spending in an economy that is the direct result of certain activities, facilities, or events. For the purpose of this analysis, economic and fiscal impact totals are distributed across multiple jurisdictions throughout Mecklenburg County and the State of North Carolina. The levels of impacts are described as follows:

- **Direct Spending** – spending that occurs as a direct result of the Cain Center’s operation (*example: attendee purchases meal at restaurant nearby*)
- **Indirect Spending** – re-spending of the initial direct expenditures on goods and services (*example: restaurant purchases more food from supplier*)
- **Induced Spending** – changes in local consumption due to the personal spending by employees whose incomes are supported by direct and indirect spending. (*example: waiter at the restaurant has more personal income to spend*)
- **Increased Earnings** – measures increased employee and worker compensation related to the Cain Center’s operation
- **Employment** – measures the number of full-time equivalent (FTE) jobs supported in the local economy as a result of the Cain Center’s operation
- **Fiscal Impact** – reflects tax revenues to local and state governments that result from the Cain Center’s operation

Economic & Fiscal Impacts

Annual Impact by Year 5 of operation:



Spending

On-Site Direct Spending: \$889k per Year

Off-Site Direct Spending: \$780k per Year

Indirect & Induced Spending: \$584k per Year



Hotel Room Nights

922 Room Nights per Year



Tax Revenue

Sales & Use Tax: \$163k per Year

Tourism Taxes: \$15k per Year



Jobs

15 Total FTE Jobs Supported Each Year

\$534k in Increased Earnings

Economic & Fiscal Impacts

Projected Economic & Fiscal Impacts (Inflated \$000)						
Activity Volume	Rate/ Assumption	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
1 Total # of Visitors (Excluding CAC)		28,460	31,069	33,678	35,278	36,877
2 Room Nights (Excluding CAC)	2.5% of Visitors	712	777	842	882	922
3 On Site Spending (Excluding CAC)	Provided by CCA	\$961	\$961	\$916	\$889	\$889
4 Spending Off Site	Average Spending					
5 On Lodging	\$129 (a)	\$92	\$103	\$115	\$124	\$134
6 On Food and Incidentals	\$15 (b)	\$427	\$480	\$536	\$578	\$623
7 On Car Rental	\$45 (c)	\$16	\$18	\$20	\$22	\$23
8 Subtotal Spending Off Site		\$535	\$601	\$671	\$724	\$780
9 Total Direct Spending		\$1,496	\$1,562	\$1,587	\$1,613	\$1,668
10 Economic Impact (\$000)		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
11 Direct Spending	<u>Multipliers</u>	\$1,496	\$1,562	\$1,587	\$1,613	\$1,668
12 Indirect and Induced Spending	0.350 of Line 9	\$523	\$547	\$556	\$564	\$584
13 Total Spending		\$2,019	\$2,109	\$2,143	\$2,177	\$2,252
14 Increased Earnings	0.320 of Line 9	\$479	\$500	\$508	\$516	\$534
15 Increased Employment	0.01 of Line 9	15	15	15	15	15
16 Fiscal Impact (\$000)		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
17 Gross Tax Revenues	<u>Tax Rate</u>					
18 Sales and Use Tax						
19 State of North Carolina	4.75% of Line 13	\$96	\$100	\$102	\$103	\$107
20 Mecklenburg County (and other jurisdictions)	2.00% of Line 13	\$40	\$42	\$43	\$44	\$45
21 City of Charlotte (transit tax)	0.50% of Line 13	\$10	\$11	\$11	\$11	\$11
22 Total Sales and Use Tax	7.25% of Line 13	\$146	\$153	\$155	\$158	\$163
23 Lodging Tax (d)	6.00% of Line 5	\$6	\$6	\$7	\$7	\$8
24 Prepared Food & Beverage Tax (d)	1.00% of Line 6	\$4	\$5	\$5	\$6	\$6
25 U-Drive-It Tax (d)	5.00% of Line 7	\$1	\$1	\$1	\$1	\$1
26 Total Gross Tax Revenues		\$157	\$165	\$169	\$172	\$179

Notes:

a) From Per Diem for Mecklenburg County, applied on a per room night bases (Line 2)

b) Assuming an average spend of \$15 per visitor (Line 1) on meals and incidentals ON TOP OF what they may have spent already at the CCA

c) Based on Corporate Travel Index, per Business Travel News, for Charlotte metro area, applied to 50% of total room nights (Line 2)

d) Tourism-related taxes are charged on applicable sales in addition to Sales and Use Tax, these funds are distributed among multiple jurisdictions

Source: Johnson Consulting

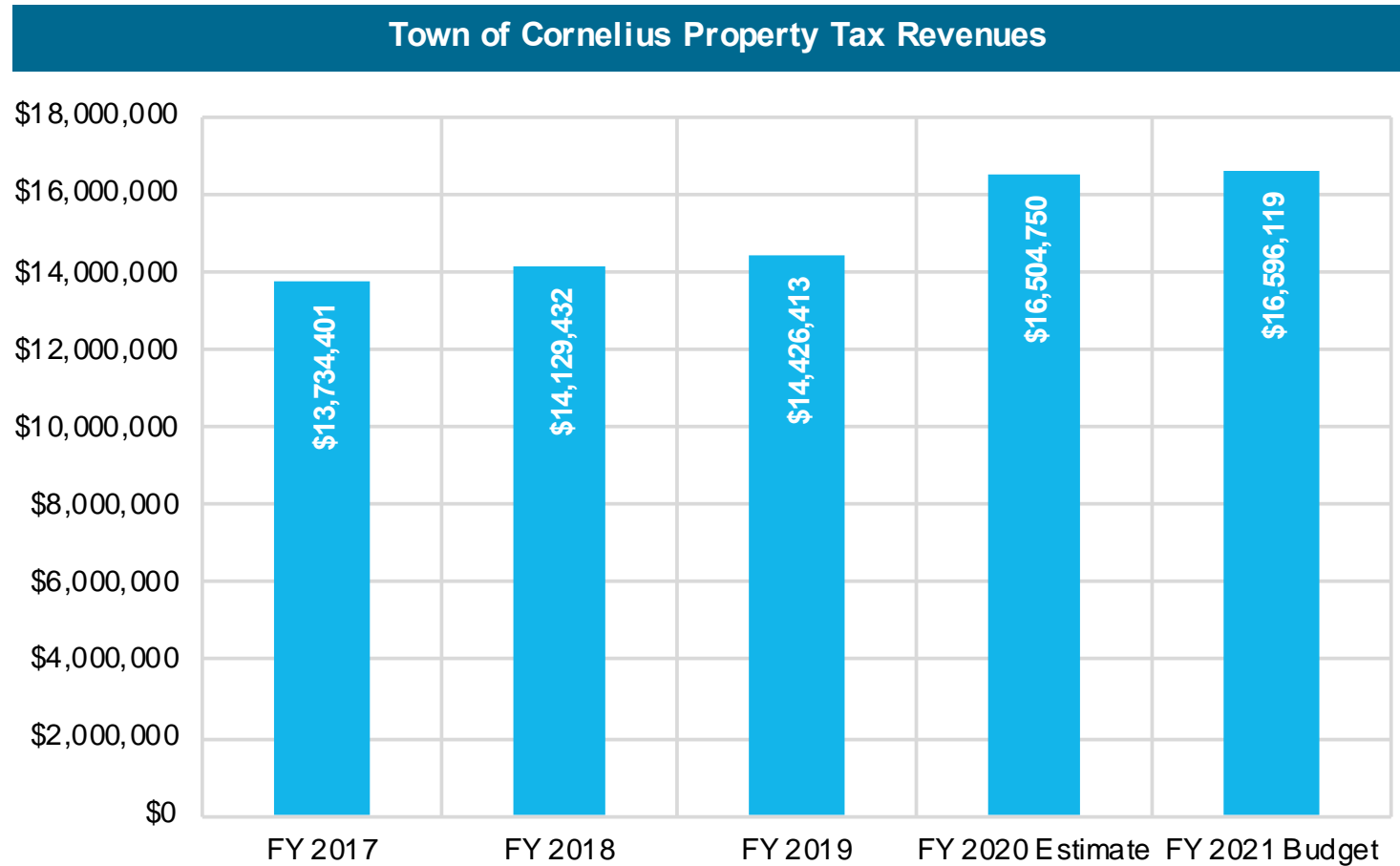
Implementation Strategy

<u>District-Based Strategies</u>			<u>Townwide & Regional Strategies</u>	
	Municipal Service District (MSD)	Project Development Financing (PDF)	Synthetic Project Development Financing	Interlocal Agreement
Common Name	Business Improvement District (BID)	Tax Increment Financing (TIF)	N/A	Intergovernmental Agreement (IGA)
Enabling Legislation	Municipal Service District Act (G.S. 160 A, Article 23)	Project Development Financing Act (G.S. 159, Article 6)	G.S. 160A-20 and G.S. 159, Article 4	Interlocal Cooperation Act (G.S. 160A, Article 20)
Source of Funds	Special Assessment Property Tax Revenue from within MSD	Incremental Property Tax Revenue from within PDF District	- Townwide Ad Valorem Property Tax Revenue - Townwide Tourism-Related Tax Revenue (Hotel Occupancy Tax, U Drive It Tax, Prepared Food & Beverage Tax)	- Townwide Ad Valorem Property Tax Revenue - Townwide Tourism-Related Tax Revenue (Hotel Occupancy Tax, U Drive It Tax, Prepared Food & Beverage Tax)
Tax Burden by Land Use	Primarily Commercial	Primarily Commercial	Commercial & Residential	Commercial & Residential
Tax Burden by Geographic Area	District	District	Townwide	Townwide
Debt Financing Mechanisms	Special Assessment Bonds	Project Development Financing	General Obligation Bonds or Installment Purchase Financing	General Obligation Bonds or Installment Purchase Financing
Project Types*	Urban/Downtown Revitalization Off-Street Parking Infrastructure	Auditoriums Arts Centers Facilities for cultural events, shows, & public gatherings	All	Facility Authorities Revenue & Expenses for Joint Undertakings
Funding Types	Capital and/or Operational	Capital	Capital and/or Operational	Capital and/or Operational
Rules & Regulations	- MSD's incremental tax rate cannot exceed 0.6611% in Cornelius - MSD's incremental tax rate can be adjusted annually - Town of Cornelius can choose not to levy MSD's incremental tax rate for certain fiscal years without abolishing the MSD itself	- Size of project development district cannot exceed 5% of the total land area of the Town of Cornelius, or approximately 0.7535 square miles	Subject to Rules & Regulations of Debt Financing Mechanism: - General Obligation Bonds: Secured by Full Faith & Credit of Town of Cornelius (G.S. Ch. 159, Article 4) - Installment Purchase Financing: Secured by Cain Center Asset Itself (G.S. Ch. 160A-20)	Subject to Rules & Regulations of Project Type: - Revenue & Expenditures for Joint Undertakings: relatively flexible - Facility Authorities: relatively strict
Process for Creation	- Town of Cornelius would need to develop an MSD plan that is subject to public hearing process	- Town of Cornelius would need to develop a project development financing plan that requires public hearing process and approval from Mecklenburg County and Local Government Commission	Subject to Process of Debt Financing Mechanism: - General Obligation Bonds: Requires Voter Referendum - Installment Purchase Financing: Does Not Require Referendum	Subject to Process of Project Type: - Revenue & Expenditures for Joint Undertakings: relatively flexible - Facility Authorities: relatively strict

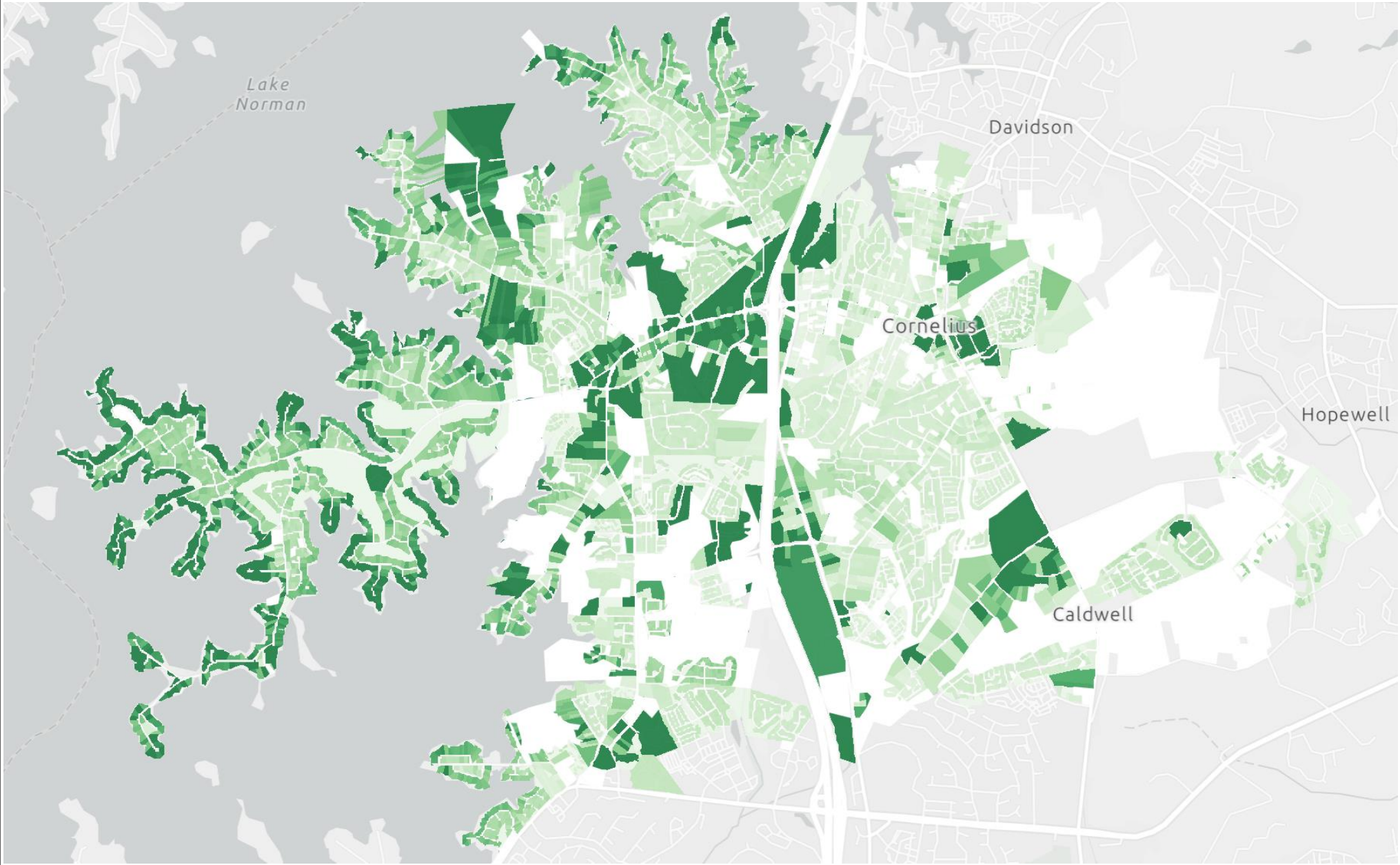
*Implementation strategies can be used for a variety of project types, but this table lists only those that are relevant for the Cain Center project

Source: State of North Carolina, University of North Carolina School of Government, Johnson Consulting

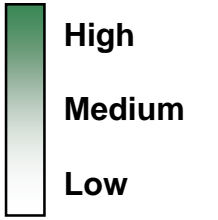
Implementation Strategy



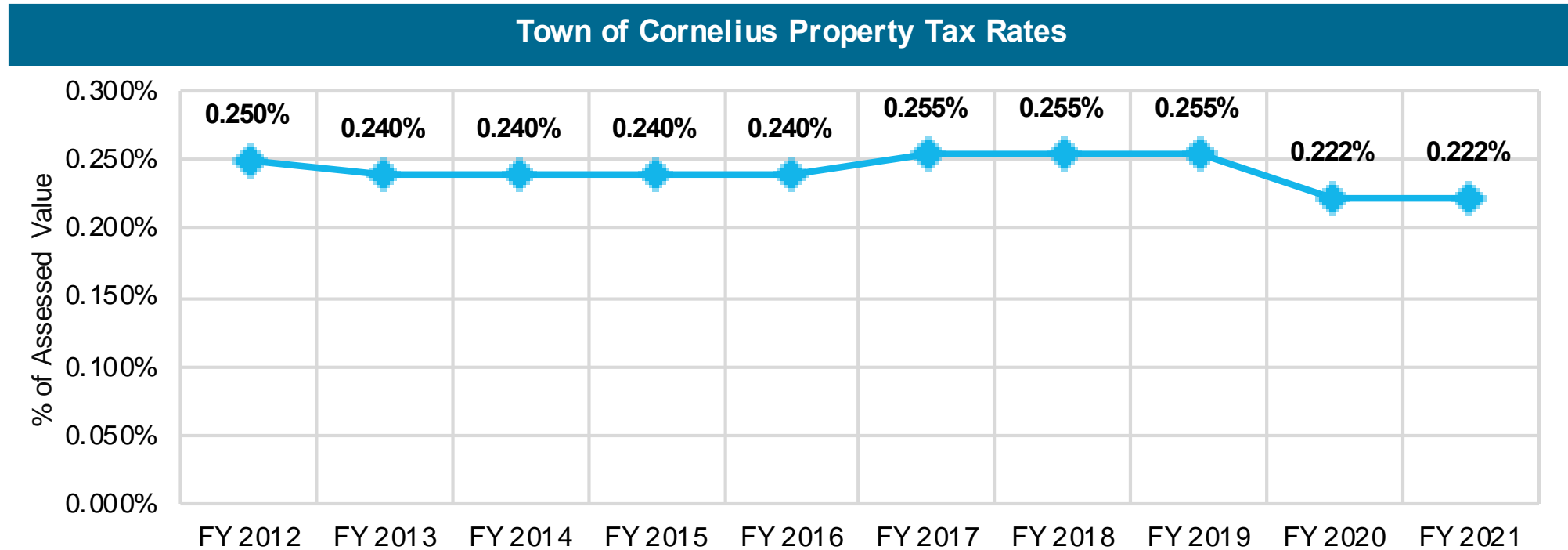
Source: Town of Cornelius, Johnson Consulting



Property Tax Revenue



Implementation Strategy



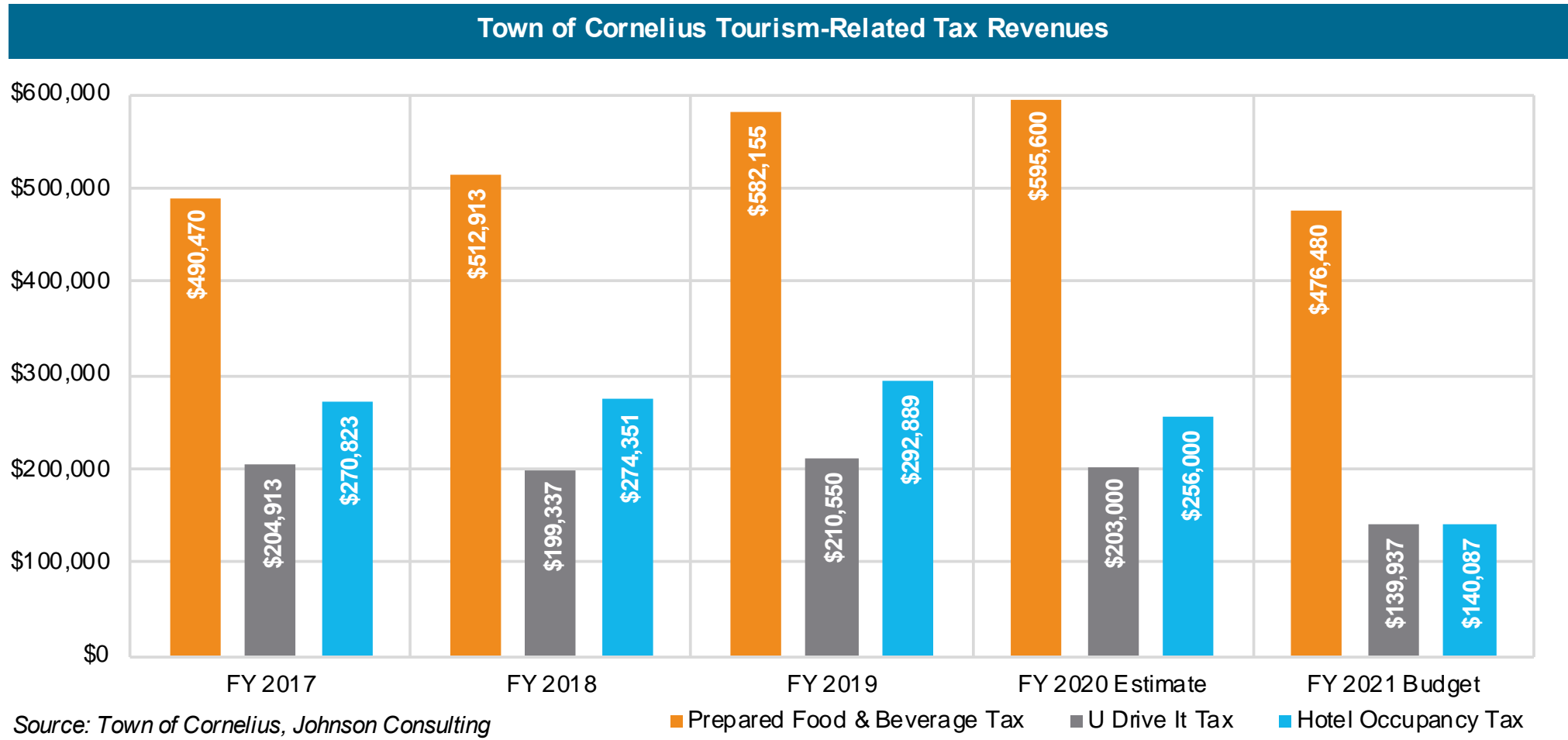
Source: Town of Cornelius, Johnson Consulting

Implementation Strategy

Mecklenburg County Property Tax Rates by Jurisdiction			
Municipality	Municipal Rate	County Rate	Total Rate
City of Charlotte	0.3481%	0.6169%	0.9650%
Town of Pineville	0.3300%	0.6169%	0.9469%
Town of Davidson	0.2900%	0.6169%	0.9069%
Town of Matthews	0.2800%	0.6169%	0.8969%
Town of Mint Hill	0.2550%	0.6169%	0.8719%
Town of Huntersville	0.2400%	0.6169%	0.8569%
Town of Cornelius	0.2220%	0.6169%	0.8389%
Average	0.2807%	0.6169%	0.8976%

Source: Mecklenburg County, Johnson Consulting

Implementation Strategy



Implementation Strategy

Cornelius Arts Center Programs					
Participants by Town	2017	2018	2019	2020	Average
Cornelius	44%	49%	55%	51%	50%
Huntersville	27%	26%	21%	25%	25%
Davidson	15%	11%	12%	13%	13%
Mooresville	4%	7%	5%	7%	6%
Other	3%	3%	2%	2%	3%
Charlotte	3%	2%	2%	1%	2%
Concord	1%	2%	1%	1%	1%
Denver	1%	1%	1%	0%	1%
TOTAL	1,653	1,727	1,610	896	1,472

Source: Town of Cornelius, Johnson Consulting