UT Knoxville
Neyland Stadium
Hotel P3

MARKET SOUNDING
December 2022
Agenda

MARKET SOUNDING

01 University Context
02 Project Goals
03 Market Snapshot & Project Opportunities
04 Site Assessment
05 Risk Transfer & Partnership
06 Preliminary Timeline
07 Discussion
University Context

Flagship UT Campus
Founded in 1794

Applications for enrollment up 78% over 5 years

260,000+
UTK Alumni

University total enrollment up 17% over 5 years

Neyland Stadium
Capacity 101,915
8th largest in the world

6th largest in the USA

$288M Renovation Plan

2021-22 Winner
SEC Overall All-Sports Championship

R&D expenditures increased by 75% from 2016 to 2020
## University Context

### MARKET SOUNDING

<table>
<thead>
<tr>
<th>Category</th>
<th>Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Football Fans</td>
<td>90,000+ attendees per home game (8 games)</td>
</tr>
<tr>
<td>Men’s Basketball Fans</td>
<td>18,000+ attendees per home game (17 games)</td>
</tr>
<tr>
<td>Women’s Basketball</td>
<td>7,000+ attendees per home game (19 games)</td>
</tr>
<tr>
<td>Baseball</td>
<td>4,000+ attendees per home game (44 games)</td>
</tr>
<tr>
<td>Softball</td>
<td>1,500+ attendees per home game (26 games)</td>
</tr>
<tr>
<td>Volleyball</td>
<td>900+ attendees per home game (15 games)</td>
</tr>
<tr>
<td>Soccer</td>
<td>800+ attendees per home game (11 games)</td>
</tr>
<tr>
<td>Arena Events</td>
<td>8,000+ attendees per event (19 events)</td>
</tr>
<tr>
<td>University Conferences</td>
<td>100+ conference center clients</td>
</tr>
</tbody>
</table>

**UTK hosts over 200 events each year that generate hospitality demand.**

*Athletics Data: 2021-2022 Academic Year*

*Arena Events: 2021-2022 Academic Year*
Project Goals

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UTK seeks to develop a multipurpose asset with **hotel, condo, conference, and food service** uses through a public-private partnership. The project must:

› Enable UTK to deepen its connection with important constituencies

› Perform financially and generate return to University

› Enhance the gameday experience

› Elevate UTK’s campus aesthetic and assist in riverfront placemaking
Knoxville Tourism Market
January – September 2022

1,793,000+
Hotel Rooms Sold

33,700+
Bookings

88,600+
Room Nights

68.8%
12-mo Occupancy

The Knoxville metro market was identified by Visit Knoxville as one of the top five booking markets in 2022 alongside Atlanta, Nashville, Washington, D.C., and New York City.

Source: Visit Knoxville
Market Snapshot - Condo

CONDOMINIUM INVENTORY WITHIN THREE MILES OF NEYLAND STADIUM

27 Condominium buildings
1,720 Condominium units
$294K Average condo value

5 Condominium buildings
264 Condominium units
$648K Average condo sales price in the past year

Knoxville’s condo market has been driven by growth in high price point, luxury condo units delivered downtown.

Recent projects range in size from nine condo units to 100+ units.

Currently, there are seven units on the market – zero of which were built within the past ten years.

Source: CoStar & Zillow
Market Snapshot - Restaurant

RESTAURANTS WITHIN ONE MILE OF NEYLAND STADIUM

- **33** Restaurant spaces
- **$30** Asking rent PSF
- **4.4%** Restaurant space vacancy rate
- **23** Casual dining options
- **2** Restaurants within a “walkable” distance of the stadium (defined as ½ of a mile)
- **2** Riverfront restaurants

Source: CoStar, Visit Knoxville

The restaurant clusters closest to Neyland Stadium include Cumberland Avenue, which offers student-oriented quick-service and fast-casual concepts, and Market Square in Downtown Knoxville which offers a greater variety of full-service restaurants. However, there are very few restaurants in the area that are considered walkable from Neyland Stadium.
Site Assessment
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• Project site allows for 16,000 SF floorplate

• At 3rd story and above, optional expansion adds 2,348 SF per floor

• Height of 15 stories (or 210 feet) would allow for rooftop bar or amenity space overlooking the stadium.

• At 15 stories, or up to 240,000 GSF, the site can accommodate identified hotel and condo demand plus generous lobby, retail, food service, and other amenity spaces.
Site Assessment
MARKET SOUNDING

Site Considerations

Existing Conditions: Footprint should be positioned to maintain loading dock and access to loading dock.

Topography: Substantial grade differentials will require grading and possible retaining walls

Existing Utilities: Existing storm line (about 144’) and manholes will need to be relocated outside the building footprint. Underground storm detention will likely be necessary due to increase in impervious area. Tie-ins for existing water, sanitary, electric, and fiber all appear near the site.

Site Opportunities: Site enables project to share use of existing parking garage.
Site Assessment

MARKET SOUNDING

• Project site allows for 164,000 SF floorplate

• Possibility of integration with existing stairwells and elevator of G10

• With soil stabilization, the size of the tabletop would support light vendor activities, foot traffic, and the proposed scoreboard. The tabletop would not be able to integrate with vehicle traffic already present in the G10 deck.
Site Considerations

**Existing Conditions:** Foundations and supports should be positioned to not interfere with parking lot entries or encroach on adjacent rail line.

**Subterranean Conditions:** Soil stabilization will need to be undertaken in the form of micropiles or caisson support along with some removal of debris and replacement with suitable fill.

**Existing Utilities:** The immediate area surrounding G10 is heavily developed with underground utilities. Significant utility locates will need to be undertaken prior to any foundation work commencing.

**Site Opportunities:** Site enables the creation of a riverfront district, immediately adjacent to multiple athletic venues.
Risk Transfer & Partnership
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UTK seeks to partner with best-in-class developers and operators through a customized financial structure.

The Neyland Stadium project is anticipated to be delivered through a long-term ground lease.

UTK desires to transfer appropriate risk in order to protect its balance sheet and credit.
Discussion?