A Future Home for Carolina Basketball

The Charge:

Ensure the future success of Carolina Basketball while maximizing what it provides for Carolina Athletics and the University Community

Key Strategic Priorities/Objectives

- Deliver the Premier Basketball-First Collegiate Arena
- Preserve the Legacy & Tradition of Carolina Basketball
- Provide Best-in-Class Student-Athlete Training Facilities
- Improve Student Seating for Maximum In-Game Impact
- Offer an Elite Fan Experience
- Increase Revenue Opportunities to Ensure Competitive Success & Status as Top-Tier Program

Primary Arena Experts

Tipping Point Sports

Financial planning consultant to numerous NCAA institutions, professional team owners, CEOs, municipalities, and developers

Provided realistic financial modeling and scenario planning to clarify the full funding picture, revenue assumptions, debt capacity, and long-term financial sustainability.

Legends

Founded by the New York Yankees and Dallas Cowboys, Legends provides feasibility consulting to professional franchises and select NCAA universities (including Northwestern, Kansas, Notre Dame, Oklahoma, and others)

Evaluated arena options and feasibility with a focus on premium seating strategy, revenue opportunities, and fan and donor demand analysis.

Populous

One of the world's premier sports venue architects, known for designing high-performing, fan-centric arenas and stadiums

Developed architectural concepts for both a renovated Smith Center and potential new arena and training facilities.

Mortenson

Premier sports and entertainment builder with extensive experience delivering complex arenas and stadiums

Provided construction cost estimating, schedule planning, phasing strategies, and delivery guidance for both renovation and new build scenarios.

Additional Arena Experts

Venue Solutions Group

National leader in facility analysis and lifecycle benchmarking

Assessed the current Dean E. Smith Center's condition and projected the cost to maintain, repair, and operate the facility over the next 5–20 years.

Ayers Saint Gross

Nationally recognized for campus architecture and master planning that integrates new development into established university environments

Analyzed and compared potential sites with attention to space planning, site constraints, adjacency needs, campus context, and long-term development considerations.

HR&A Advisors

Leading urban real estate and economic development advisory firm

Evaluated how each site could create broader value for the University and community through mixed-use and district development opportunities beyond the arena itself.

Kimley-Horn

Respected engineering and planning firm specializing in traffic, parking, civil, and site infrastructure solutions for large venues and campuses

Provided traffic, transportation, parking, and mobility analysis for each site option, including event-day flows and infrastructure impacts.

Clancy & Theys Construction Company

Highly respected regional builder with deep experience across North Carolina campuses and healthcare environments

Supported Mortenson with local market intelligence and on-campus construction expertise.

Possible Paths for an Arena



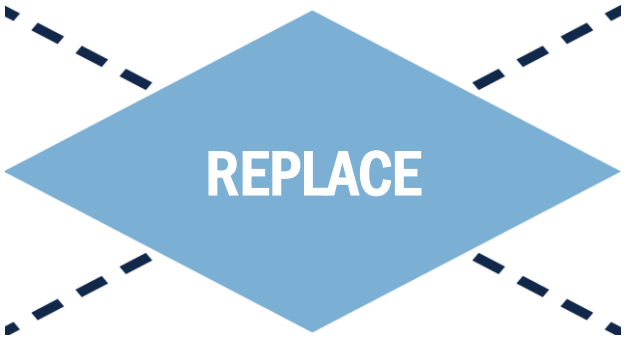
Identify repair and maintenance needs for the Smith Center for it to remain the home of Carolina Basketball for the next 20 years with minimal changes to fan-facing amenities.

Location:
Same location
Repairs within the same footprint



Identify opportunities to fully renovate the Smith Center with a focus on best-in-class training facilities, an elite student and fan experience, and opportunities for increased revenue in support of Tar Heel student-athletes.

Location:
Same location
Renovation of the main bowl and concourse with possible outer wall expansion

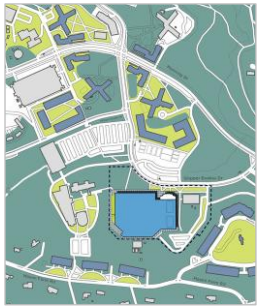
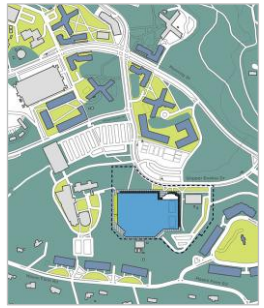
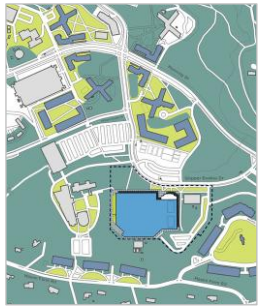
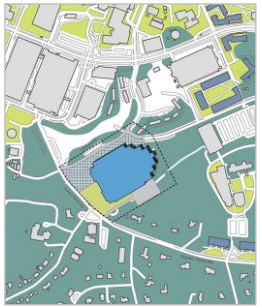


Explore sites for a new arena that will offer best-in-class training facilities, an elite student and fan experience, and opportunities for increased revenue in support of Tar Heel student-athletes.

Locations:

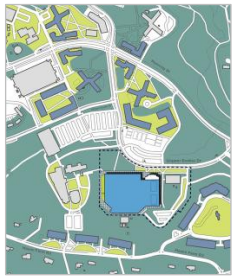
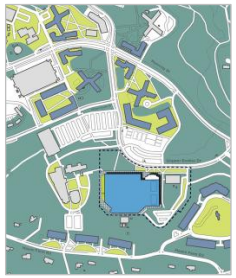
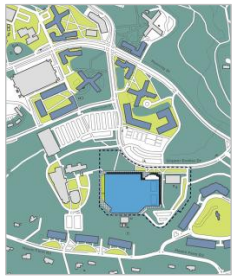
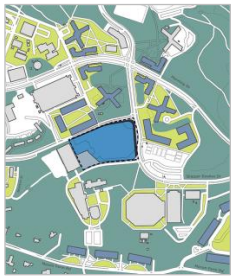
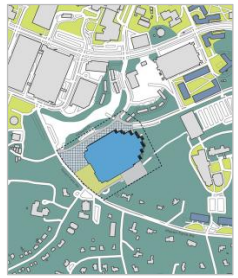
Possible	Dismissed
Smith Center Site	~~Frat Court~~
Bowles Lot	~~Woollen/Fetzer/SRC~~
Odum Village	~~Ramshead Deck~~
Carolina North	~~ACC/EPA~~
Friday Center	

Summary of Features

	Repair	Renovate	New Arena Smith Center	New Arena Bowles Lot	New Arena Odum Village	New Arena Friday Center	New Arena Carolina North
							
Location	Current Site	Current Site	Current Site	Core Campus	Core Campus	Friday Center	Carolina North
Modern Fan Amenities	No	Moderate	Yes	Yes	Yes	Yes	Yes
Training Upgrades	No	Yes	Yes	Limited	Yes	Yes	Yes
Home Games–Construction	Yes	No	No	Yes	Yes	Yes	Yes
Improved Student Seating	No	Limited	Yes	Yes	Yes	Yes	Yes
Revenue Opportunities	No	Low	High	High	High	High	High
Mixed-Use Potential	No	No	Low	Low	Moderate	Moderate	High

Summary of Financials

Notes: - All financials are based on a number of assumptions and estimates and will continue to be refined by new information and projections.

	Repair	Renovate	New Arena Smith Center	New Arena Bowles Lot	New Arena Odum Village	New Arena Friday Center	New Arena Carolina North
							
Total Project Costs	$153,050,000	$591,050,000	$782,280,000	$673,385,000	$703,160,000	$741,630,000	$786,460,000
Capital Gifts & Philanthropy	$0	$257,177,500*	$404,064,000	$404,064,000	$404,064,000	$404,064,000	$404,064,000
Annual Revenue	$18,562,329	$59,795,427	$82,416,955	$79,516,955	$82,416,955	$82,416,955	$82,416,955
Annual Operating Costs	$8,996,957	$18,193,000	$20,355,000	$20,355,000	$20,355,000	$20,355,000	$20,355,000
Annual Net Revenue	$9,565,372	$41,602,427	$62,061,955	$59,161,955	$62,061,955	$62,061,955	$62,061,955
Debt Repayment	$13,409,652	$29,252,624	$33,137,830	$23,596,870	$26,205,640	$29,576,234	$25,259,386
Annual Net Cash Flow	($3,844,280)	$4,136,014	$18,170,335	$24,811,296	$25,102,525	$21,731,932	$26,048,779

* Assumes fully honoring current Permanent Seat Rights

The University is continuing to evaluate what type of State Support may be attainable for each option.

These figures do NOT yet include lost revenue during renovation (reduced capacity, concessions, venue impacts)

These figures do NOT yet include additional revenue that should be generated from an entertainment district and/or mixed-use net revenue (HIGH with Carolina North, MODERATE for Odum Village and Friday Center)

Project Cost Breakdown

	Project (in millions $)						
	Repair	Renovate	New Arena Smith Center	New Arena Bowles Lot	New Arena Odum Village	New Arena Friday Center	New Arena Carolina North
Baseline Arena	141	288	417	403	413	417	417
Sitework & Utilities	-	-	8	8	15	12	26
Site Improvements	-	-	7	1	4	6	67
Practice Facilities	-	46	37	48	42	37	37
Escalation Estimate Baseline	12	27	39	38	39	39	45
Soft Costs	-	108	152	149	154	153	177
Associate Project Costs	-	121	122	27	36	78	18
TOTAL COST	**153 million**	**591 million**	**782 million**	**673 million**	**703 million**	**741 million**	**786 million**

Appendix

Soft Costs Explanation

Arena “soft costs” are the owner-side investments required to design, permit, equip, connect, and deliver a fully operational, revenue-ready venue beyond the hard construction of the building itself. These costs cover the professional services, studies, systems, equipment, fees, and contingencies that make the arena functional, code-compliant, technologically current, and ready to host events at the highest level on day one. While less visible than concrete and steel, soft costs are essential to ensuring the arena performs as intended for fans, student-athletes, broadcasters, and operations.

Professional Services & Planning

- Owner’s Representative fees
- Architectural & engineering design fees
- Traffic impact studies & surveying
- Zoning, permitting & entitlement work
- Legal fees
- Performance bonds

Site, Utility & Municipal Requirements

- Town of Chapel Hill fees
- University electrical distribution charges
- Orange County Water & Sewer Authority fees
- Landscaping & site finish work

Security, Technology & Building Systems

- Security systems (CCTV & access control)
- Arena technology infrastructure
- Video boards, LED displays & lighting systems
- Sound systems
- Wi-Fi & distributed cellular antenna systems

FF&E, Equipment & Operational Readiness

- Furniture, fixtures & equipment (interior & exterior)
- Strength & conditioning equipment
- Sports medicine equipment
- Moving & storage costs
- Graphics, branding & donor recognition elements

Financial, Administrative & Contingency

- University administrative fees
- Project financing “carry costs” during design & construction
- Owner contingencies for unforeseen conditions

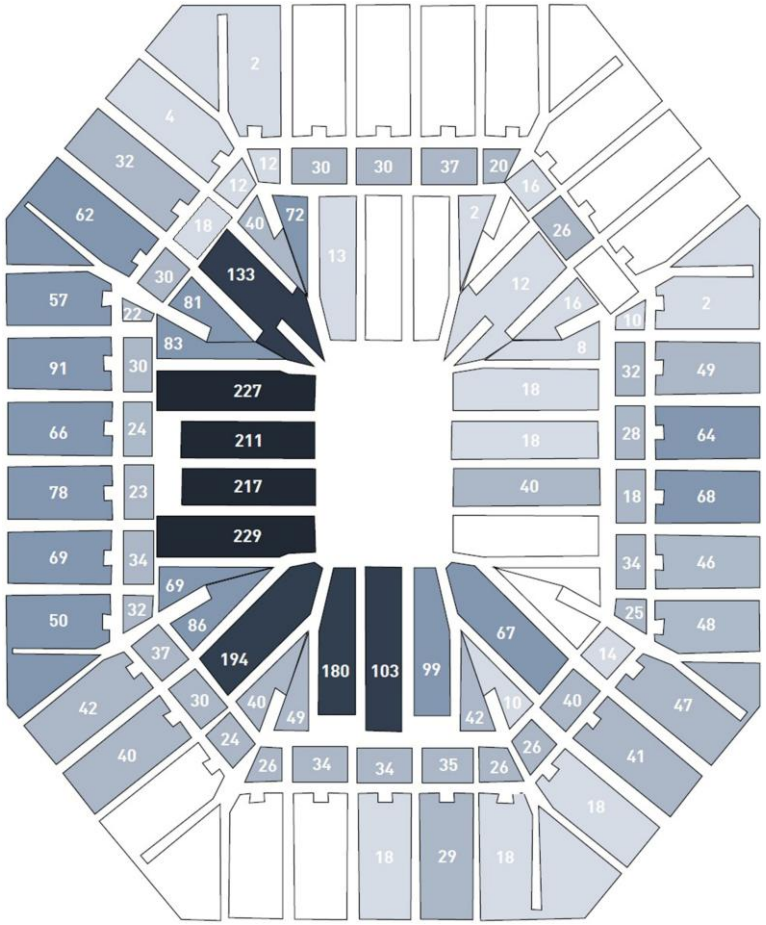
Endowment & Permanent Seats

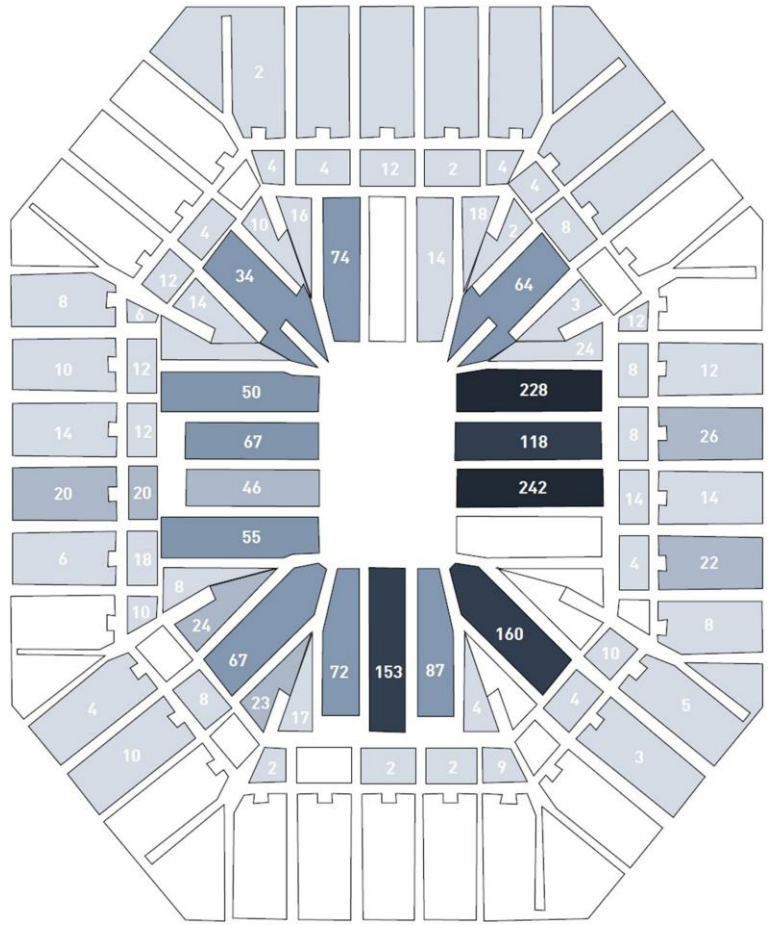
PERMANENT SEATS

- Maintains rights to seats in current building in perpetuity
- Current required annual giving is based on founding capital gift
- May not be required to pay building campaign gift or annual seat donation in a renovated arena

ENDOWMENT SEATS

- Rights to seats in any arena with right to one pass down
- Current required annual giving varies by seat holder
- May not be required to pay building campaign gift or annual seat donation in a new/renovated arena



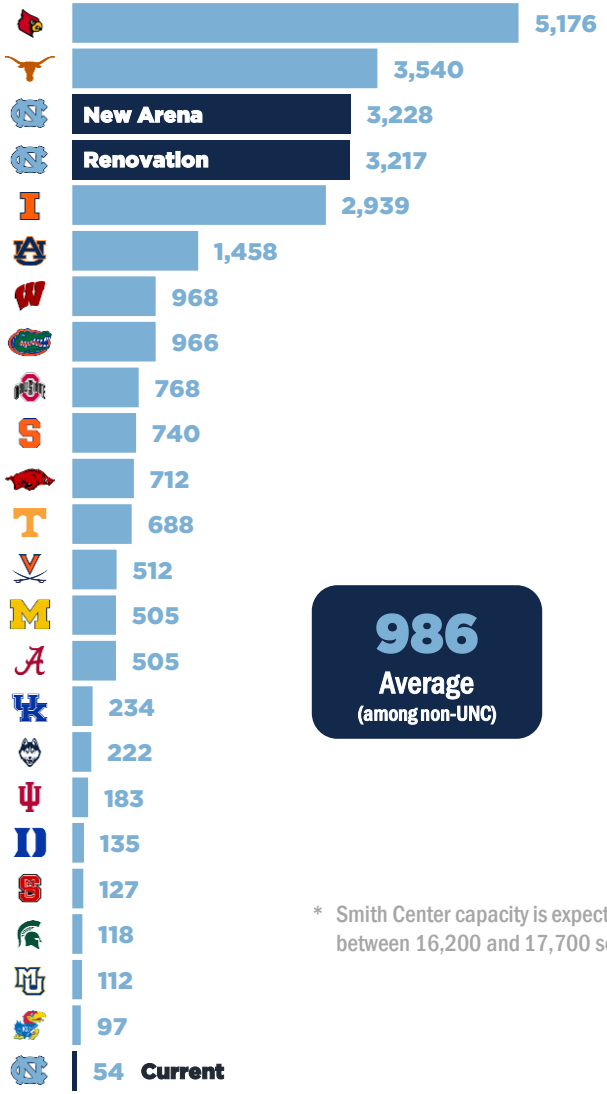


PERMANENT		ENDOWMENT	
4,357 PERMANENT SEATS	**54%** LOCATED IN LOWER BOWL	**2,096** ENDOWMENT SEATS	**82%** LOCATED IN LOWER BOWL

SEATS: 200+ | 100 to 199 | 50 to 99 | 20 to 49 | 1 to 19

Premium Seating

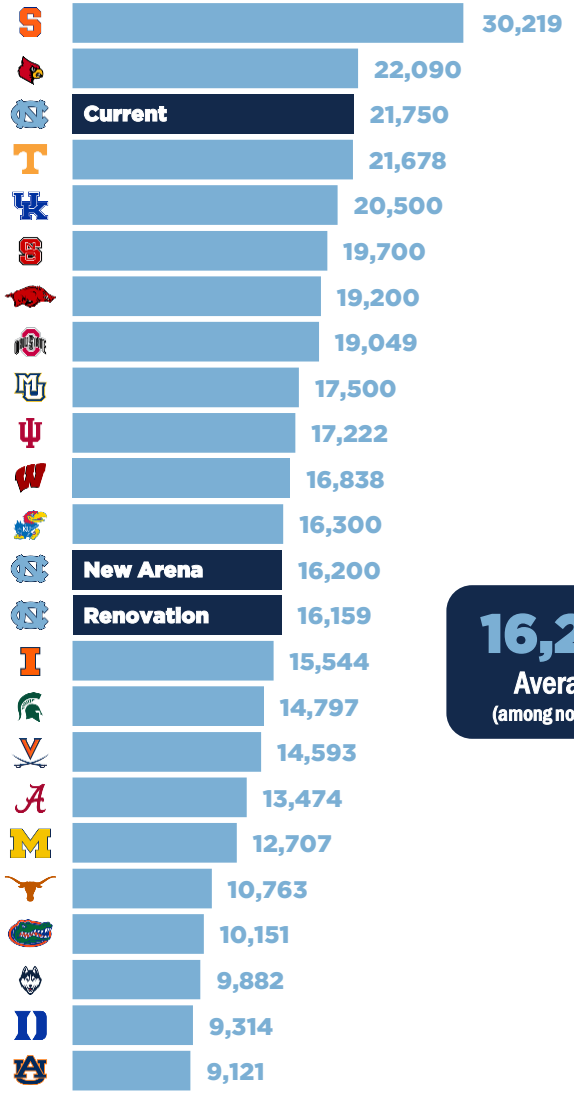
Total Premium Seats



986
Average
(among non-UNC)

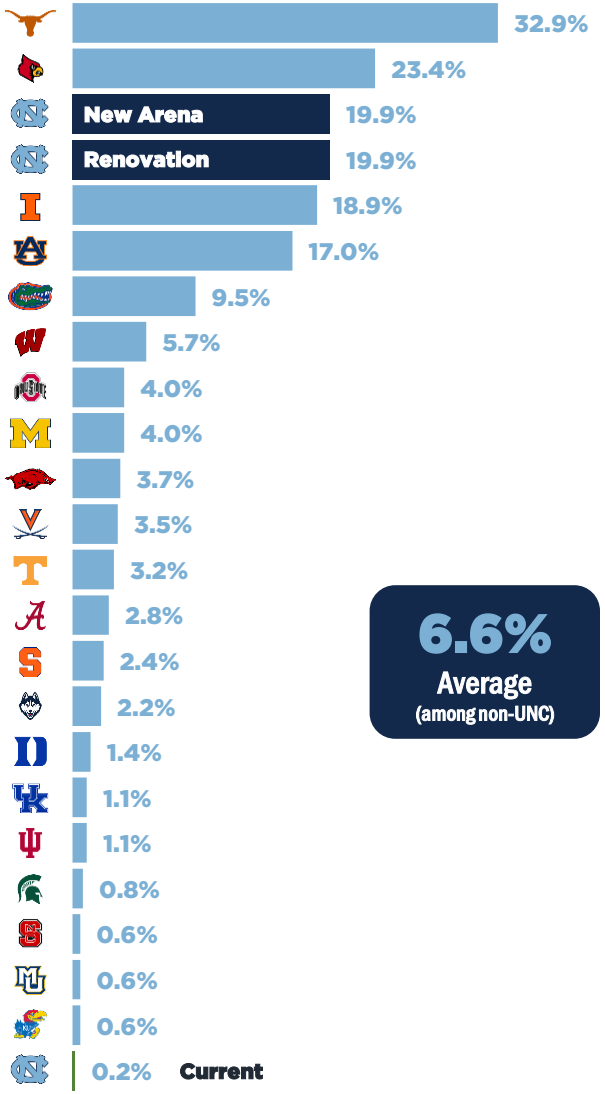
* Smith Center capacity is expected to be between 16,200 and 17,700 seats

Arena Capacity



16,221
Average
(among non-UNC)

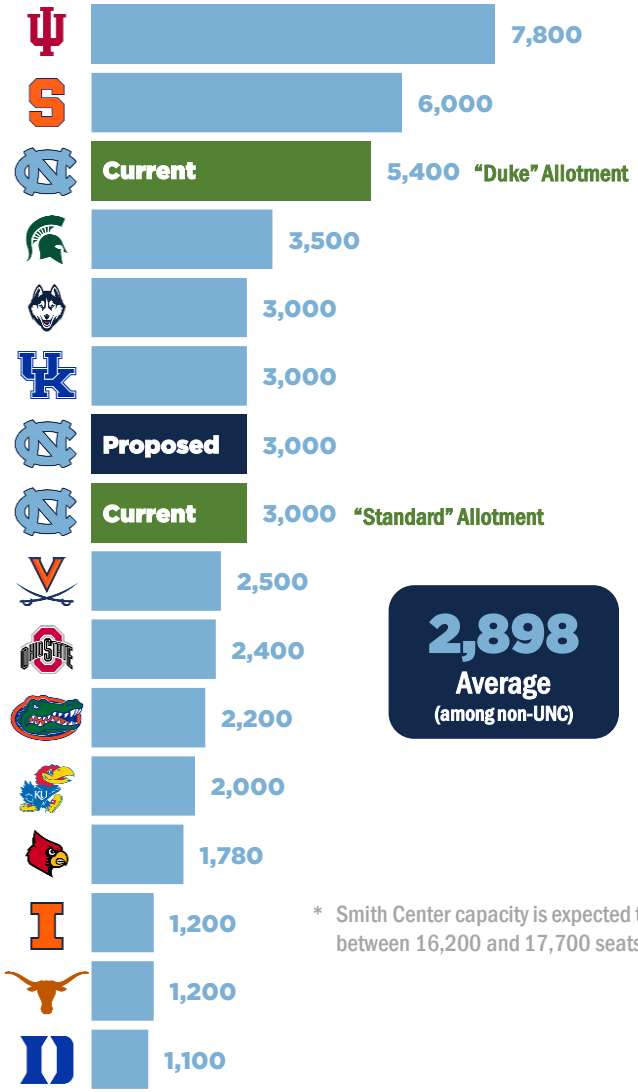
Premium Seating as % of Arena Capacity



6.6%
Average
(among non-UNC)

Student Seating

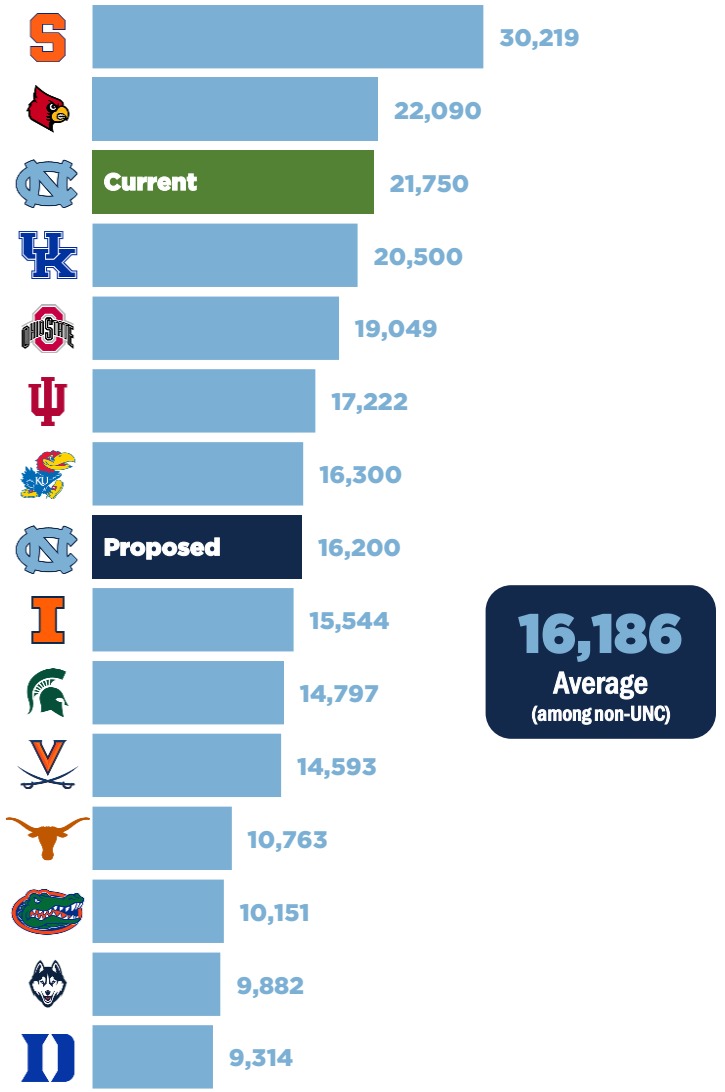
Total Student Seats



2,898
Average
(among non-UNC)

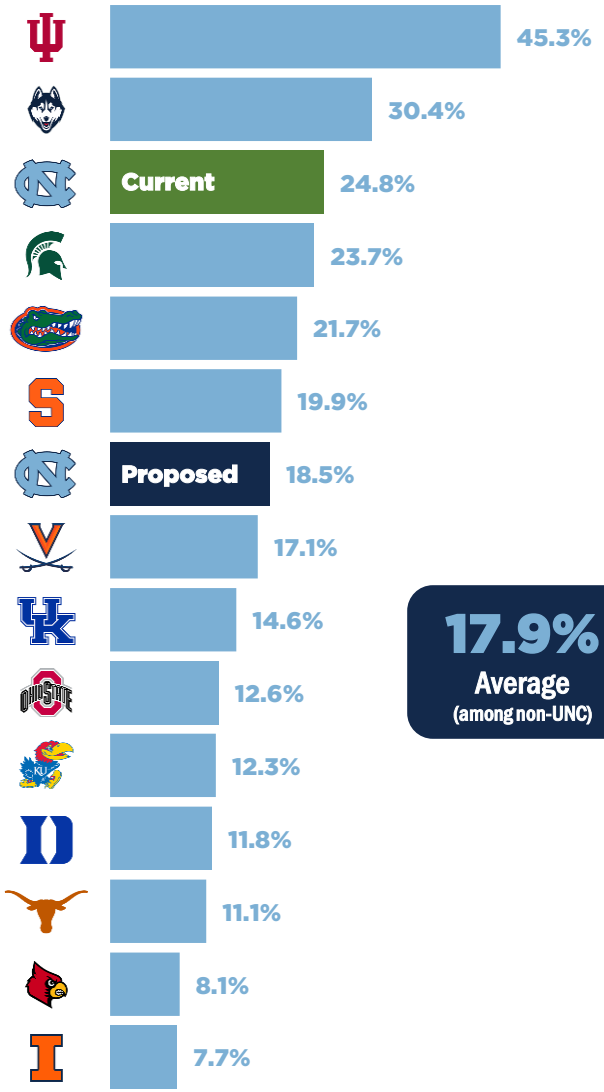
* Smith Center capacity is expected to be between 16,200 and 17,700 seats

Arena Capacity



16,186
Average
(among non-UNC)

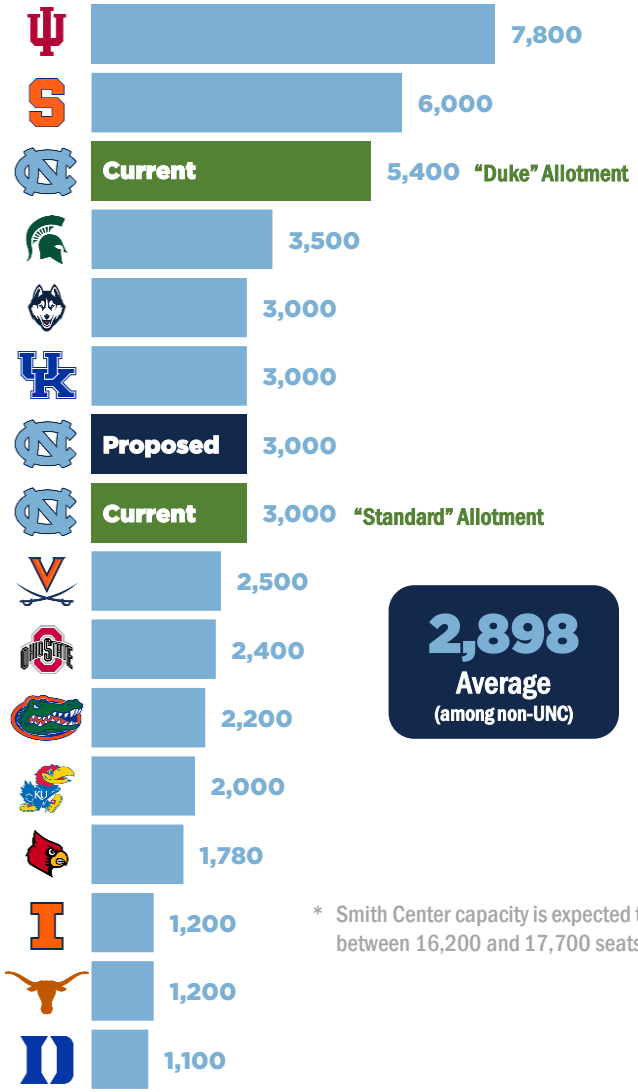
Student Seating as % of Arena Capacity



17.9%
Average
(among non-UNC)

Student Seating

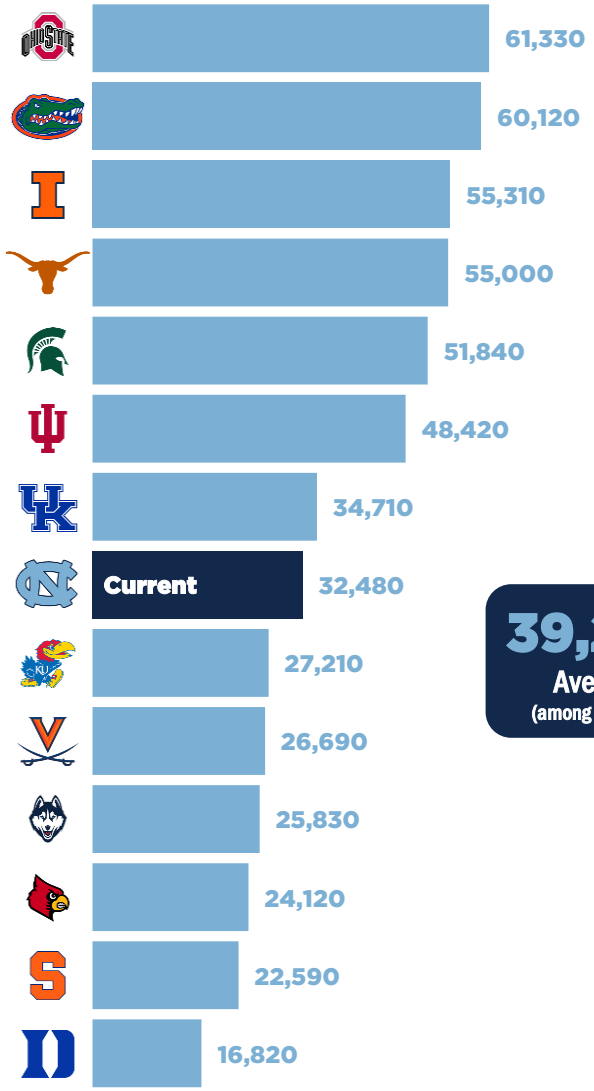
Total Student Seats



2,898
Average
(among non-UNC)

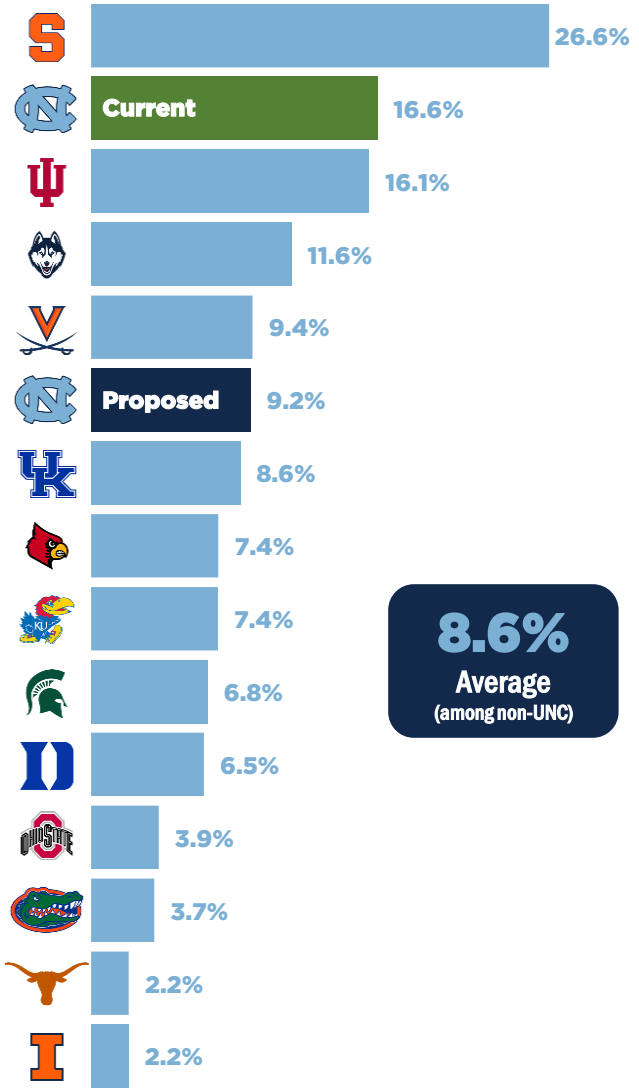
* Smith Center capacity is expected to be between 16,200 and 17,700 seats

Student Enrollment



39,230
Average
(among non-UNC)

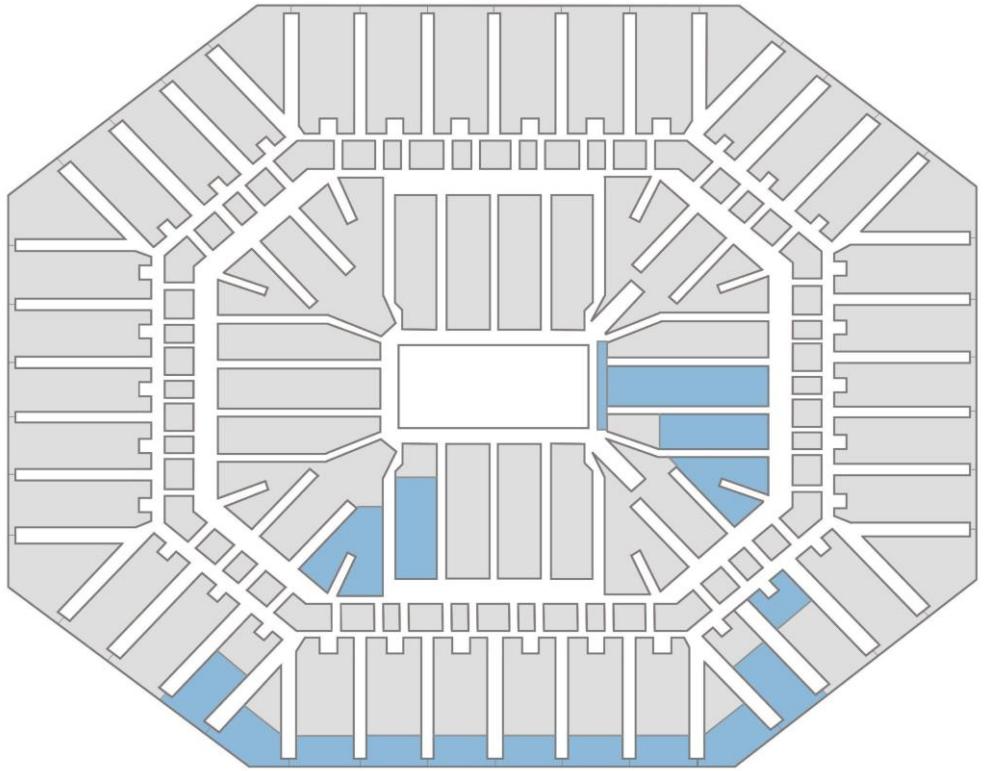
Student Seating as % of Enrollment



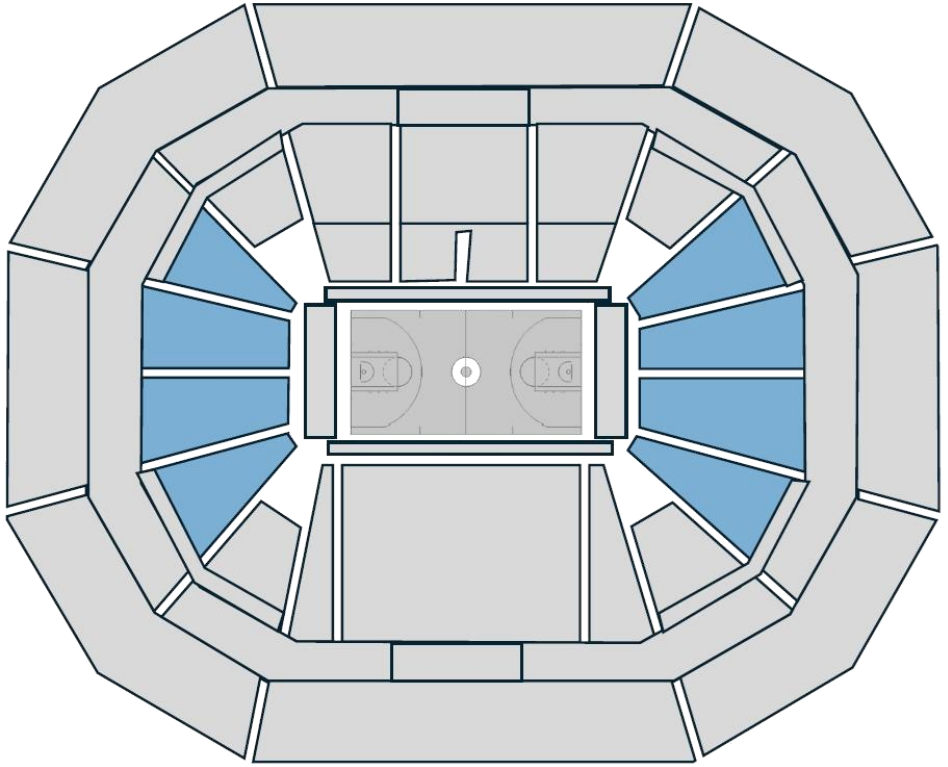
8.6%
Average
(among non-UNC)

Student Seating Maps

Current Arena



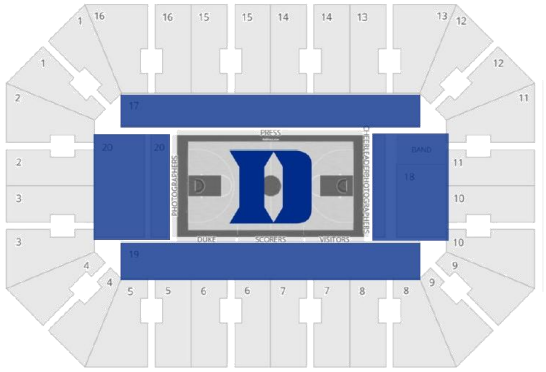
Sample – New*



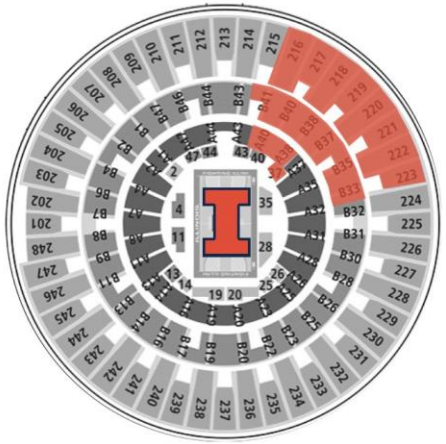
* 'Sample – New' represents one example of how the student experience can be significantly enhanced

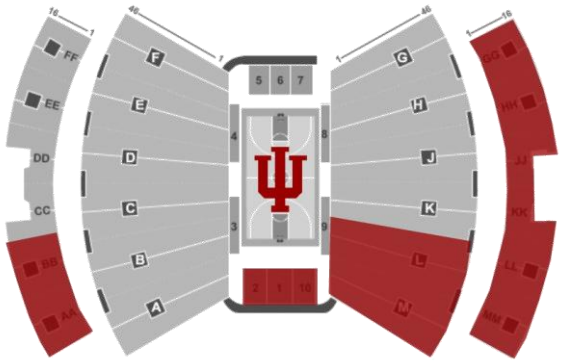
Peer Student Seating Maps



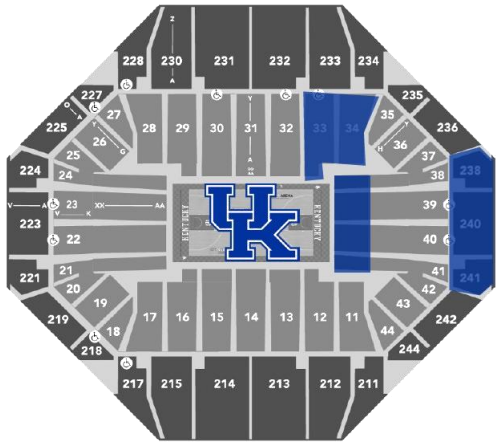












Peer Student Seating Maps

