

Tuesday – May 29, 2001 – 2:30 p.m.

Asheville Civic Center

Special Meeting

Asheville City Council Members Present: Mayor Leni Sitnick, Presiding; Vice-Mayor M. Charles Cloninger; Councilwoman Terry Bellamy; Councilwoman Barbara Field; Councilman Edward C. Hay Jr.; Councilman Brian L. Peterson; City Attorney Robert W. Oast Jr.; City Manager James L. Westbrook Jr.; and City Clerk Magdalen Burleson. Councilman Charles R. Worley was out of the country.

Buncombe County Commissioners Present: Chairman Nathan Ramsey, Presiding; Vice-Chair David Gantt; Commissioner Patsy Keever; Commissioner Bill Stanley; Commissioner David Young; County Attorney Joe Connolly; County Manager Wanda Greene; and County Clerk Kathy Hughes.

At 2:30 p.m., the City Council and the County Commissioners took a brief tour of the Asheville Civic Center.

Mayor Sitnick and Chairman Ramsey each called their respective meetings to order at 3:17 p.m. and said the meeting would focus on the issue of the Asheville Civic Center.

Civic Center David Pisha explained the six important factors to the Civic Center's success: Civic Center staff, event diversity, comparisons to other facilities, family show activity, capital improvements and public participation.

He explained that the Civic Center staff consists of four full-time administrative staff, five full-time maintenance personnel and hundreds of part-time event staff.

With regard to event diversity, there have been over 200 event days annually for the past four years. During that time, the Civic Center has hosted Bob Dylan, Elton John, the New York City Opera, the Miami City Ballet, and a wide variety of sporting events. Over 85% of the major events at the Civic Center have used the facility before.

He did a comparison to other facilities. Savannah, Georgia - \$1.3 million deficit if rental car tax was not allocated to budget – that tax brings over \$1 million per year. Macon Georgia - \$1 million deficit last year. Buildings 1/3 smaller than Asheville Civic Center experience similar deficits. He said the Asheville Civic Center cash deficit last year was \$675,000.

Mr. Pisha then reviewed statistics regarding the family show activity.

Capital improvements are vital to reducing the deficit at the Civic Center. For example, the bleacher project. Before investment, it took 10 men 10 man hours to set-up or remove bleachers from the arena. It now takes 4 men 3 hours to complete. This is an average savings of nearly \$1,000 each time the job is done for an annual savings of \$15,000 - \$20,000.

Mr. Pisha then reviewed statistics regarding the public participation in performing arts, concerts and sports. He said the public participation totals for 4 years is \$1.4 million visitors.

Mr. Pisha then reviewed some interesting facts: Western North Carolinians voted the Thomas Wolfe Auditorium the Best Concert Venue in Western North Carolina, SFX sold out two events in the Civic Center this year (one of these concerts sold out all 2,400 tickets in just 15 minutes and all but 200 of these tickets were sold over the internet), and the Chamber of Commerce statistics indicate that Western North Carolina grew by nearly 100,000 people in the last decade. If this trend continues over the next 10 years, there will be

over 600,000 people living in this market.

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Challenges include (1) how do we continue to be successful as the Civic Center ages and more capital improvements are needed; and (2) how do we capture a bigger portion of our market?

Solutions include a new/renovated facility which would create two types of new revenue streams. The first is created from the enhancement of existing services. The second is from areas not possible today, given the functional capabilities of the building. Experts report that we need 40% more points of sale in our food and beverage operation to service our existing number of seats – this alone would boost revenues \$150,000 - \$200,000. Also, naming rights, luxury suites, etc., are examples of revenue not possible in the current building. That one program could bring in an additional \$400,000.

The direct economic impact is seen by (1) Southern Conference Tournament: 20,000 – 25,000 visited Asheville = \$13 million; and (2) N. C. League of Municipalities: 2,000 in attendance = \$1.2 million.

The formula for success is (1) over 200 event days per year; (2) events ranging from wedding receptions to concerts, from dance recitals to hockey, from the symphony to high school graduations; (3) in the last two months, 61,000 have used the facility; and (4) in April 2001, revenues were in excess of \$200,000.

Councilman Hay, Chair of the Future of the Civic Center Task Force, brought City Council and the Commissioners up-to-date on the history of what has taken place to date with regard to the Civic Center architectural study. Councilman Hay used excerpts from the Heery International Civic Center Feasibility Study to outline the different ideas, which he stressed were presented as not possible solutions, only dialogue creators: (1) Renovate Auditorium, and Arena and Eliminate Exhibition Space; (2) Renovate Arena, New Performing Arts Center; (3) Renovate Auditorium, Demolish Arena; (4) Renovate Arena, Auditorium and Exhibit Hall; (5) Convert Arena and Auditorium into new Convention Center; and (6) Renovate Arena.

Vice-Chair Gantt, member on the Future of the Civic Center Task Force, said that Asheville was unique in that it has the Arena, Convention Center, Performing Arts Center and Exhibition Hall all in one place. He did think we're on the right track and was glad that all options are being explored.

Mayor Sitnick noted that 80% of the people who use the Civic Center are from outside the City and there has been a necessity for years to subsidize the operations. It's her understanding that facilities that have been built outside of a downtown area are failing and explained how nice it is to have someone attend an event at the Civic Center and perhaps dinner before the event and then dessert after the event in a downtown restaurant. She praised the Task Force in working to determine what is the best course of action to take in order to provide our constituents what they deserve and what they want.

Upon inquiry of Commissioner Keever, Mr. Pisha explained what would be required to try to bring the Southern Conference back to Asheville.

Upon inquiry of Chairman Ramsey, Councilman Hay said that the report from Heery International is due back near the end of June and then it will take some time to take those recommendations and turn them into a plan.

Councilwoman Field felt that if you split the facilities, then you will double the operating costs – two sets of staff to run the facilities. She felt it makes sense to do everything in one place and that we should try and recycle and reuse the existing facility.

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There was a brief discussion of funding options to renovate the Civic Center. It was the consensus of City Council and the County Commissioners that the only option no one will consider is paying for it out of property taxes.

At 4:20 p.m., Commissioner Stanley moved to adjourn the meeting. This motion was seconded by Vice-Chair Gantt and carried unanimously.

At 4:20 p.m. Vice-Mayor Cloninger moved to adjourn the meeting. This motion was seconded by Councilwoman Bellamy and carried unanimously.

CITY CLERK MAYOR
