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## The Civic Center has considered the interest shown by DMC in placing a minor league football team in the facility. There are advantages to the City in pursuing this opportunity. These advantages along with highlights of the contract are as follows:

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**Premises:** The areas of use will include the arena, concourse around the arena, locker rooms A, B, C and D, meeting rooms and Banquet Hall on game days. The team, DMC, may practice in the arena for up to one hour on the field. They will not be supplied air conditioning during practice. No office space will be provided for the team or administration offices. If office space within the Center becomes available, they have the option to sign a second lease for it.

**Rent:** Rent is \$6,500.00 per game. They intend to play eight (8) home games during a regular season. They have agreed to pay the entire rental amount due, \$52,500.00, by September 1 of each year prior to the start of the season. The season would start in April of the following calendar year.

**Staffing:** The City has agreed to supply event staffing out of rental proceeds. This staff includes an event coordinator, ticket takers, ushers, door guards, police and emergency medical

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personnel. Stagehands are excluded from the above definition of staffing. If they are used, there will be an additional charge. If the usage of such personnel exceeds \$2,000.00 for any game, DMC will pay the excess over this cutoff. It is not anticipated that staffing costs will exceed the cutoff.

No staffing will be provided by the City to present the game itself. This staffing will be the responsibility of DMC. This type of staff includes scorekeepers, referees, football officials, cheerleaders and personnel necessary to secure their locker rooms on game days. No security will be provided for any season ticket holder lounge nor will medical personnel be provided to the teams. This staffing will also be the responsibility of DMC.

**Equipment:** The City has agreed to provide limited equipment. This includes spotlights, use of the forklift, tables and electrical service. If the charges for provided equipment exceed \$750.00 as stated in the Center's fee document, DMC will pay the amount in excess of that cutoff. It is not anticipated that usage will exceed the cutoff.

**Other Expenses:** DMC will still be responsible to pay any TicketMaster charges, credit card fees, taxes or surcharges in addition to the rental payment shown above. Any staffing costs to install or remove temporary advertising will be at their cost as well.

**Term:** The term is for three years. It begins July 1, 2001, and ends with the last home game of the 2004

season or September 1, 2004, whichever comes first.

**Storage:** The City has agreed to provide the team with 250 square feet of storage space during their season.

**PA System & Scoreboard:** The City has agreed to make the existing PA and scoreboard available to the team. The City is responsible for maintaining the equipment. DMC is responsible for any equipment conversion of the scoreboard for use for their games. The City has agreed to pay the labor for any such installation.

**Arena Advertising:** DMC has the right to sell temporary advertising during their season. If their season overlaps with hockey, hockey advertising will have priority until the hockey season is completed.

**Ticket Sales:** All ticket sales must be handled under the existing TicketMaster contract the City currently uses.

**Concession Sales:** The City keeps 100% of all such sales.

**Merchandise Sales:** The team keeps 100% of all such sales up to an agreed upon cutoff. DMC will pay the City 10% of any net sales beyond \$500,000 per year.

**Locker Room:** The team will share locker room space with other tenants in the building. No improvements were requested by them or anticipated by the City.

**Termination by City:** The City may terminate the contract for good cause.

**Other Facts/Advantages:**

- Indoor football uses a "dasher" system just like hockey. Since the City already owns this equipment, no extraordinary start-up costs are necessary.
- DMC will provide, at it's own cost, the playing surface needed for their event.

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- Labor costs to re-install or remove this playing surface should be minor. It can be handled in several hours.
- DMC will provide, at it's own cost, covers to protect arena lighting from any possible damage that may occur at the games.
- Staffing and other expenses are projected to be reasonable in relation to rental income.
- Indoor football games are conducted from April through July. This is a time of low event activity at the Civic Center. Furthermore the games would not conflict with the other two sports tenants in the building, nor would the games reduce the opportunity to book other events into the arena.

Mr. Pisha then reviewed with Council the following indoor football pro forma for three attendance scenarios (all figures being based on eight home games): 2,500 - \$73,000; 3,000 - \$79,400; and 3,500 - \$85,600.

City staff recommends that City Council approve the lease and direct the City Manager to sign the contract.

Mr. Pisha responded to a question from Councilwoman Bellamy regarding the Assistant Director position being shared with the NBDL and hockey and why those figures were not included in the pro forma.

Upon inquiry of Mayor Sitnick, Mr. Cedric Scott said that DMC has no relationship to XFL. He said that they have 18 teams across the County and are moving toward 24 next season.

When Councilwoman Bellamy asked about local participation, Mr. John Barisa said that they plan to involve hometown talent.

Councilwoman Bellamy said that what makes this so appealing is that the owners are local and they are doing business with people in our community.

Mayor Sitnick asked that the record show that City Council has received this information and instructs the City Manager to place this item on the next formal City Council agenda.

**RESOLUTION NO. 01-116 - RESOLUTION ADOPTING HEERY INTERNATIONAL INC.'S ARCHITECTURAL FEASIBILITY STUDY AS THE CITY'S CONCEPTUAL PLAN FOR THE ASHEVILLE CIVIC CENTER**

Councilman Hay, Chair of the Future of the Civic Center Task Force, reviewed with Council the Task Force's report given in detail at the July 10, 2001, formal meeting of City Council. A motion was made, seconded and carried unanimously on July 10 to take formal action on the Heery Report at this worksession.

Councilman Worley emphasized that if the Report is approved, that it is not a commitment to spend the money. It is, in fact, a plan to take out to the public to try to find the resources of build it. Adoption will direct the Task Force to identify steps necessary to implement the Plan and report back to City Council with its recommended next actions.

Councilwoman Bellamy spoke in support of the concept, however, her concerns surrounded if it can be built and can that amount of money be raised.

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The following individual spoke in support of adoption of the Heery Report, all pledging their time, energy and support to raise necessary funds:

Mr. Robert Hart Baker, Music Director of the Asheville Symphony Orchestra

Mr. David Craig Starkey, Founder and General Director of the Asheville Lyric Opera

Ms. Linda Alford, President of Asheville Bravo Concerts Board of Directors

Mr. Peter Carver, Executive Director of the Asheville Community Theatre

Mr. Alan Levy, resident and merchant of Asheville

Mr. Joseph Egger, Conductor/Music Director of the Symphony for United Nations in New York and Florida

Ms. Jan Millen, Executive Director of Asheville Bravo Concerts

Mr. Steve Steinert, President of Asheville Arts Council

Mr. Dan Henry, Technical Director of Diana Wortham Theatre

Dr. R. Carl Mumpower, Chair of Civic Center Commission

The following individuals spoke in opposition to Council adopting the Heery Report for several reasons, some being, but are not limited to: the plan doesn't have financial backing or support of all City residents; UNC-Asheville would have been a better location for a new arena; and City Council seems in too much of a rush to adopt the plan; and seating capacity for hockey games is not adequate:

Mr. Jerry Rice, Buncombe County resident

Dr. Joe Dunn

Mr. Dennis Justice, representing Asheville Smoke Booster Club

Councilman Peterson asked about how the renovation would coincide with the indoor football schedule. Councilman Hay said that when the Heery Report was being prepared, the indoor football proposal was not before City Council. However, he said that the City basically asked Heery if they felt the renovations could be performed without interfering with the sports teams schedules, and they felt it could.

Upon inquiry of Councilman Peterson about naming rights for a new arena vs. a renovated arena, Councilman Worley said that there was no discussion about that. He said this is more of a re-build within an existing shell rather than a renovation.

Vice-Mayor Cloninger spoke in support of this concept in that it will be one of the most challenging projects our community has ever had. He felt the only way is to get different groups together, i.e., business, arts, tourism, sports community, etc. in order to work together to get the support that is needed. Since the City will not use property taxes to fund this, they will be looking at other sources. City Council will look locally in the community from private sources and hope to go to the legislature to get some help there as well. But before we go to the legislature, we need to build that support locally in order to convince our legislators that this is a project Asheville wants and then they will have the confidence to help us with what we need.

Mayor Sitnick noted that Asheville is an arts destination and this kind of facility will help promote that image. She explained how the civic cultural centers and arts are part of economic development. She said from a quality of life point of view, you can't beat having a cultural civic arts center. She said that since 80% of the people who use the Civic Center are from outside the City of Asheville, we need to explore all the sources of funding this facility, e.g., naming rights, private funding, state funding, some local government funding by way of a local option sales tax, and most importantly some of the room tax ear-marked for this project.

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Councilman Worley said that the present Civic Center has been a fine facility over the years, but has lost its functionality. He realized that we have a challenge to come up with the funding but if we don't have a vision, we will never reach that challenge.

Councilwoman Bellamy said that in order for this concept to be accepted by the full community, City Council needs to have a unified front. Her concern over how we are going to pay for this is real, however, the concept is good and she will vote in favor of the plan. She agreed with the rest of Council that property taxes will not be used on this project.

Councilman Peterson believed that a better approach for the arena is to build something new either at that location or at another location, possibly in cooperation with UNC-Asheville near the campus. He said that even with the renovations there are a lot of problems, e.g., site lines from the balcony. He felt the performing arts center is a good long-term goal, but the immediate need is the arena and that is what the City should be focusing on. He wished there had been more information about constructing something different.

Councilman Hay moved to waive the rules and take formal action at this meeting. This motion was seconded by Councilman Worley and carried unanimously.

Councilman Worley and Councilman Hay both moved to adopt the Heery International Inc. Architectural Feasibility Study as the City's Conceptual Plan for the Asheville Civic Center and direct the Task Force to identify steps necessary to implement the Plan and report to the City with its recommended next actions. This motion was seconded by Vice-Mayor Cloninger and carried on a 6-1 vote, with Councilman Peterson voting "no".

## **RESOLUTION BOOK NO. 26 – PAGE 420**

At 5:20 p.m., Mayor Sitnick announced a ten minute recess.

### **SALE OF LAND AND AWARD OF GRANT FOR DEVELOPMENT OF EAST END PLACE SUBDIVISION**

Community Development Director Charlotte Caplan said that this is the consideration of the sale of land and award of subsidies for development of East End Place Subdivision.

On September 12, 2000, the City Council authorized a request for proposals (RFP) for development of a six-unit subdivision off Martin Luther King, Jr. Drive, called East End Place Subdivision. After amending the original site design from seven units to six, the RFP was advertised on April 24, 2001. Proposals had to include the developer's bid for purchase of the land and details of the design and cost of the homes. The City offered a Community Development Block Grant (CDBG) subsidy of \$78,000 towards infrastructure costs and \$42,000 in secondary financing for the homebuyers.

Responses were received from Asheville Area Habitat for Humanity, Inc. and Ron Moser Homes, Inc. A panel comprising the neighborhood association president, an architect, and staff evaluated the proposals using criteria set out in the RFP. The panel recommended the proposal from Habitat.

The Housing and Community Development Committee has reviewed and supported the panel's recommendation.

Staff recommends approval of the resolution authorizing the sale of the property to Asheville Area Habitat for Humanity, Inc. for \$77,000 and award of the CDBG subsidies.

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Councilwoman Field and Councilman Hay, both members on the Housing & Community Development Committee, explained that the Committee is going to review the process of how non-profits and for-profits can both be involved in creating affordable housing.

Mayor Sitnick asked that the record show that City Council has received this information and instructs the City Manager to place this item on the next formal City Council agenda.

### **OTHER BUSINESS**

Upon a request by Mayor Sitnick to adopt a resolution that requests a consolidated environmental assessment of the N. C. Dept. of Transportation Project I-4400, it was the consensus of City Council to instruct the City Manager to arrange for a worksession to update City Council on the N.C. Dept. of Transportation I-26 widening project.

Mayor Sitnick asked City Council members for ways in which the City can honor the memory of Ben Slosman.

## **CLOSED SESSION**

At 5:55 p.m., Councilman Hay moved to go into closed session for the following reasons (1) to discuss matters relating to the location or expansion of industries or other businesses in the area served by the City Council, including agreement on a tentative list of economic development incentives that may be offered in negotiations, provided that any action authorizing the payment of economic development incentives will occur in open session - G.S. 143-318.11(a)(4); (2) to consult with an attorney employed by the City about matters with respect to which the attorney-client privilege between the City and its attorney must be preserved, including lawsuits involving the following parties: James E. Martin, Jeffrey A. Martin, Susanne A. Zuerner, Donald E. Williams, Paul E. Fruits, B. Joy MacFadyen Bulluck, Buncombe County, and City of Asheville - G.S. 143-318.11(a)(3); (3) to consider the qualifications, competence, performance, character, or fitness of an individual public officer or employee - G.S. 143-318.11(a)(3); and (4) to prevent the disclosure of information that is confidential pursuant to G.S. 160A-168, the Personnel Privacy Act - G.S. 143-318.11(a)(2). This motion was seconded by Councilman Worley and carried unanimously.

At 6:32 p.m., Councilwoman Bellamy moved to come out of closed session. This motion was seconded by Councilman Worley and carried unanimously.

## **ADJOURNMENT:**

Mayor Sitnick adjourned the meeting at 6:32 p.m.

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CITY CLERK MAYOR

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