
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:

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 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

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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.
- 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.

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

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.

Upon inquiry of Councilman Peterson, Mr. Pisha said the dashers will stay in place during indoor football and trade shows have been able to work around them.

Councilwoman Field noted that in the pro forma there is no mention of any benefit to the City for parking or the 2% ticket fee. Mr. Pisha said that what he has presented here is just a simple financial statement

highlighting items in the contract.

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Councilwoman Bellamy asked if we would get any revenue from arena advertising? Mr. Pisha said DMC hold's the temporary advertising, just as hockey and basketball teams.

Councilwoman Bellamy noted that the budget only shows the revenues from concession stands and from ticket sales and does not take into any parking revenue, possible facilities fee and a 2% ticket fee, which will also be added to the hockey and basketball tickets. She thanked the local investors for considering the Civic Center for this venture.

Councilman Worley said that roughly calculating at 2,500 attendees, we are looking at an additional \$50,000 in revenue to the City. Even though the parking revenues go straight to the Parking Fund and not to the Civic Center Fund, they all ultimately go to the City's bottom line.

Mayor Sitnick said that members of Council have been previously furnished with a copy of the resolution and it would not be read.

Councilwoman Bellamy moved for the adoption of Resolution No. 01-122. This motion was seconded by Councilman Peterson and carried unanimously.

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VI. OTHER BUSINESS:

A. CLAIMS

The following claims were received by the City of Asheville during the period of July 6-19, 2001: Jessica Folston (Parks & Recreation), Dan Bradshaw (Parks & Recreation), Rae Stoll (Water), Wanda Winslow (Sanitation), Sybil Jones (Water) and Ronnie Whitmire (Sanitation). These claims have been referred to Asheville Claims Corporation for investigation.

B. LAWSUIT

The City was served with the following Complaint on July 10, 2001, filed by James E. Martin, Jeffrey A. Martin, Susanne A. Zuerner, Donald E. William, Paul E. Fruits and B. Youce MacFadyen Bulluck. The nature of proceeding is a complaint for a declaratory judgment, preliminary and permanent injunction relative to the City exercising its extraterritorial jurisdiction. This matter will be handled in-house.

VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

CLOSED SESSION

At 6:31 p.m., Councilwoman Bellamy moved to go into closed session in order 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, involving the following parties: Henderson County, Buncombe County, City of Asheville, and Regional Water Authority - G.S. 143-318.11(a)(3). This motion was seconded by Councilman Worley and carried unanimously.

At 7:55 p.m., Councilman Worley moved to come out of closed session. This motion was seconded by Councilwoman Bellamy and carried unanimously.

VIII. ADJOURNMENT:

Mayor Sitnick adjourned the meeting at 7:55 p.m.

CITY CLERK MAYOR
