

Tuesday – October 4, 2005 - 3:00 p.m.

Special Worksession

Present: Mayor Charles R. Worley, Presiding; Vice-Mayor R. Carl Mumpower; Councilwoman Terry M. Bellamy; Councilman Jan B. Davis; Councilman Joseph C. Dunn; Councilwoman Diana Hollis Jones; Councilman Brownie W. Newman; Assistant City Manager Jeffrey B. Richardson; City Attorney Robert W. Oast Jr.; and City Clerk Magdalen Burleson

Absent: None

City Manager Gary Jackson gave Council an overview of the programs held at the Asheville Civic Center. He said that the Civic Center is a multi-purpose, regional facility serving the cultural and entertainment needs of Asheville and Western North Carolina; it has distinct areas – arena, auditorium, exhibit hall and banquet hall; the arena produces most of the revenues; and the auditorium provides event diversity.

The event overview consists of: (1) 9-10 Arena concerts per year; (2) 12-18 Auditorium concerts per year; (3) 6 Major trade shows per year; (4) The Asheville Symphony and Bravo concerts; (5) Public skating and youth hockey; (6) Broadway productions; (7) Family shows; and (8) Many exhibit hall and local events.

A Partial Event Listing includes: (1) Recent concerts by Toby Keith, Trey Anastasio, Willie Nelson, B.B. King, Alison Krauss and numerous others; (2) Trade shows including Home Show, Boat Show, Gun & Knife Show, Gem & Jewelry Show, Log Home Expo, etc.; (3) Warren Haynes Christmas Jam; (4) Asheville Symphony; (5) Asheville Bravo; (6) Craft Fair of the Southern Highlands; (7) High School Graduations; (8) Disney on Ice; (9) Harlem Globetrotters; (10) Sesame Street Live; (11) Public Skating and Youth Hockey; and (12) Asheville Antique Fair.

He reviewed the sources of revenue as follows: the Banquet Hall produces approximately \$8,500 (1%), Exhibit Hall produces approximately \$98,000 (9%); the Auditorium produces approximately \$441,000 (38%); and the Arena produces approximately \$604,000 (62%).

He reviewed significant dates from 1901 when the privately-owned City Auditorium opened to 2005 with the Civic Center Commission's white paper.

Many facility alternatives have been presented and summarized as follows: (1) Renovate with conference component (Hunter); (2) Renovate, add ballroom and construct adjacent performance hall (Heery); (3) Renovate only - \$10 M, 2001 (Heery alternative); (4) Construct performance hall downtown; (5) Modify to house state of the art performance hall (Asheville Area Center for Performing Arts); (6) Relocate the arena to the river area (AACPA alternative); and (7) Relocate performance hall within mixed use development (new concept).

Potential Funding Sources include: General – property /sales tax; Debt financing; Hotel occupancy tax; Food and beverage tax; Federal and state grants; Foundations; Private sector/Non-profits investment; Tax Increment Financing; and Other including alcohol, rental car, etc.

The Civic Center ties in with three of City Council's Strategic Goals: (1) Sense of Place, Heritage & Arts – Goal #1A: A renovated CC that is the premier entertainment destination (regional entertainment and event hub) - Tasks: establish and secure funding and schedule phasing for renovation; (2) Sense of Place, Heritage & Arts - Goal #1B: Generate community support by developing partnerships to advocate and fund-raise - Task: Create a non-profit structure to develop social capital and supplement funding; and (3) Partnerships to Improve Critical Services & Infrastructure Goal #2A: Research and develop strategies for securing significant new, recurring revenue sources - Task: Attain local legislation to provide revenue source.

City Manager Jackson said that the Fiscal Year 2005-06 budget allocates \$1.0 million for roof repairs. Mr. John Cort, the original architect, was contacted for consultation and has submitted City Council with a letter dated October 3, 2005, with a total construction cost (only for the roof membrane) of \$775,700 for a new roof system over the concourse and arena. He pointed out other issues, which may result in additional costs.

He suggested the following steps moving forward: City Council policy discussion; Form a Council task force; Research recent models of success in NC; Prepare updated cost analysis of preferred model(s); Schedule a follow-up work session to review successful models, updated cost estimates, and hear from community resources; Conduct informal meetings with potential partners: NC Legislators and County Commissioners, Tourism Development Authority, and AACPA and other major stakeholders; Conduct public hearings/community meetings for public input; and Form a community coalition.

He suggested Council consider the following policy questions: (1) Does Asheville need to host a multi-purpose, regional

facility? If so, should it be a "state of the art" facility?; (2) What is the preferred location for each component? (a) Downtown in one shared location?; (b) Multiple downtown locations?; or (c) Outside downtown? (Riverfront, Airport Road area, etc.); (3) Total budget?; (4) Phases?; (5) Sources of funding?; (6) Desired partners/coalition?; (7) What trade-offs are acceptable to secure support?; and (8) Location? Design? Management?

Upon inquiry of Council, City Manager Jackson said that he will provide Council with the types of activities that take place in the Civic Center, as well as the expenses for those activities and details regarding the net revenue for each of the four areas in the Civic Center. In addition, he would provide Council with information on the indirect and direct activity downtown and how the Civic Center supports the revitalization of downtown.

Considerable discussion was held regarding policy direction.

Mr. John Cort, architect, and Mr. Richard Fort, architect, responded to various questions/comments from Council, some being, but are not limited to: is it possible to upgrade the Civic Center into a sophisticated capable facility that will carry us into the future; what are the problems associated with the Thomas Wolfe Auditorium, in particular with regard to the Americans with Disabilities Act; is it possible for the Auditorium to be kept open for events while the Arena is being renovated and vice versa; and could the area behind the Civic Center be for future development.

Civic Center David Pisha responded to various questions/comments from Council, some being, but are not limited to: over the past 3-4 years, how many events brought in more than 6,000 people; out of the concerts this past year, how many brought in more than 5,000 people; when building a Civic Center, do you build for maximum utilization or averages; how many people can stand in the Arena; do performers like to do two shows in one night; what are the pros and cons of moving the arena to a different location, e.g., box office personnel, event staff, maintenance staff, supplies, equipment, etc.; and what is our budget deficit and the deficits of other civic centers.

In summary, each Council member voiced their opinion on how to proceed.

Councilman Newman wanted to look at all the options, not just the renovation of the existing Civic Center.

Vice-Mayor Mumpower wanted to learn about the possibilities of fixing up what we have in the most cost effective way. He felt the issue of multi-purpose facility downtown more or less resolves itself because one area supports the other; we have one staff, it's in our downtown, which encourages others to come downtown; and we will have a parking garage across the street which will improve accessibility.

Councilwoman Bellamy felt we should renovate what we have and keep it a multi-purpose facility, using the land we have around the Civic Center.

Councilwoman Jones was not interested in the City taking the lead in another facility initiative in Asheville. She would be willing to partner, but not to lead. She felt she needed more data to decide on a multi-purpose facility or a performing arts center. She said the point is where the profit centers and how much subsidy do the City taxpayers have to put into this. She also wanted to know how many patrons of the Civic Center are City residents. She felt we needed to sit down with the community first and see what they want and then meet with the legislators for their support.

Mayor Worley felt there was a desire on the part of Council to move forward in some fashion and that Council needs more specific information (technical and usage) on the questions raised today. That would involve input from stakeholders and potential partners. The discussions that will follow will mold exactly what that fashion is. He supported moving forward with a multi-purpose or mixed-use facility, depending on the cost.

Councilman Dunn felt we need a multi-purpose facility downtown with legislative support, but stressed the need for a cost figure.

Councilman Davis felt Council needed to have a vision on the Civic Center, but that we can safely rule out that the Thomas Wolfe Auditorium renovation will be affordable. He said that the Civic Center Commission will provide the City Manager with the results of a survey from a recently held public forum.

Discussion then surrounded the make-up of a task force. In summary, it was the consensus of Council for the following Task Force make-up: Mayor Worley, Councilwoman Bellamy, Councilman Davis, the Chair of the Civic Center Commission, a Buncombe County Commissioner, a representative from the Asheville Area Performing Arts Center, and a representative from the Buncombe County Tourism Development Authority. Once that group meets, they can discuss whether there needs to be other complimentary people brought to the table. The charge of that group, along with the resources and people in the community, will

be to go forward and assess possibilities and come back to Council with an action plan in five months consisting of 1-2 specific alternatives along with the pros and cons for each and costs associated with said alternatives, after public comment. Said Task Force is to report back to Council monthly on their progress giving the Council the opportunity to narrow their focus.

City Attorney Oast said that he would prepare a resolution and bring that forward to City Council for consideration at their next meeting.

Mayor Worley adjourned the meeting at 5:17 p.m.

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CITY CLERK

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MAYOR