AGENDA

Meeting Type:	S
Date	04-15-1991
SUBJECT	Blue Ribbon Committee Report Convention Center

City of Charlotte, City Clerk's Office

Chamber of Commerce — Chuck Grace

SVP - First Union — Scott ~~Bamford~~ Perper

EVP - Duke Power — Bill Grigg

Managing Partner - Ernst & Young — Jon ~~Metley~~ ~~Metcley~~ Meckley

First Charlotte Corp. — Seith ~~Burchert~~ Brunnermer, Jr.

KPMG Peat Marwick - Charlie — ~~Charley~~ Johnson

" " " — Jeff ~~Saith~~ Saks

Doug Carter - Alex. Brown

with Alex Brown

JIM THORSEN — ALEX BROWN + SONS.

City Council/Convention Ctr. Blue Ribbon
Oversight Committee - 4/15/91

Mayor	✓	Wendell White	✓
Campbell	✓	Del Burgedorf	✓
Clodfelter	✓	Henry Underhill	✓
Hammond	✓ 5:18	C.D. Reading	✓
McCrory	✓ 5:23	David Garner	✓
Mangum	✓ 5:22	Richard Martin	✓
Martin	✓	Carey Odom	✓
Matthews	✓	Boyd	
Patterson	✓		
Scarborough	✓		
Vinroot	✓ 5:25		
Wheeler	✓		

5:15 p.m.

Myrick ✓
Grace ✓
White ✓
Myrick ✓
Hammond ✓
Charley Johnson ✓ 10% TO 15% TO CONV. CTR.
Jeff Sakes SAKS

Hammond
Johnson
Hammond
Johnson
Patterson
Johnson
Myrick
Martin
Johnson
Martin
Johnson
Myrick
Matthews
Jeff Sapp
Johnson
Matthews
Martin
Johnson
Matthews
Patterson
Matthews
Johnson
Borgsdorf
Johnson
Matthews

Johnson
Matthews - 30,000 attendees per consumer show

Johnson
Matthews
Johnson
Megrich
✓ Matthews - $387.00 average to $479
✓ Johnson
Saks
Matthews
Saks
Johnson
Matthews
Johnson Sales TAX $ 2.1 mil p. 5
✓ Patterson
Matthews
✓ Johnson
✓ Saks
Patterson
Matthews
Johnson
Saks
Clodfelter

Sales p. 8 Marwick Report

Johnson

Matthews

Johnson

Matthews

Johnson

Patterson p19 - 3.7mil - gross of all from Hotel/Motel/Food?

Johnson No. New tax is basically half

Patterson

Johnson

Patterson

Myrick

Martin p. 7 -

Johnson - net square feet

Myrick

McCrory 20% decrease of attendance at conventions nationwide

Johnson

McCrory

Johnson

McCrory

Johnson - $109,000 to $201,000 OPER DEFICIT - RESPECTABLE

McCrory
Johnson
Campbell
Grace
Campbell
Keith Brennerman, Jr.
Campbell
Brennerman
Campbell
Brennerman
Campbell
Brennerman
Campbell 30 yr. G.O. VERSUS
Brennerman
Campbell
Brennerman Max. for G.O. - 30 YRS.
Campbell
Patterson
Campbell
Brennerman
Campbell 6.7% for G.O.'s.
Brennerman
Doug Carter
Campbell

Carter ✓

Campbell ✓

Clodfelter —

Carter - If years decreased, Bill could not be paid by revenues

Patterson ✓

Carter ✓

Campbell ✓

Carter ✓

Campbell - State pold at 5.874% ✓

Carter - 6.8% past 20TH year ✓

Campbell - ✓

Patterson ✓

Campbell ✓

Scott Perper - P. 23 in binder - financing Exhibit B - P. 1 ✓

Campbell ✓

Perper - interest rate - 6.1% 10 YEARS OUT

6.75% 20 YEARS OUT

NET COST 6.75%

Campbell - 2011 - 6.30%

Perper ✓

Campbell ✓

Perper ✓

Campbell ✓

✓ Brunnermer - 10 basis points bet State + Cler
✓ Patterson
✓ Campbell
✓ Patterson
✓ Campbell
✓ Brunnermer
✓ Campbell
✓ Carter
✓ Brunnermer
✓ Campbell
✓ Brunnermer
✓ Campbell
✓ Brunnermer
✓ Patterson
✓ Campbell
✓ Brunnermer
✓ Patterson
✓ Carter
✓ Campbell 6.70% - State
✓ Carter
✓ ?
✓ Patterson
✓ Vinrot
✓ Carter

✓ Vinroot - what are the assumptions.
✓ Carter
✓ Vinroot
✓ Carter
✓ Vinroot
✓ Campbell
✓ Nynich
✓ Hammond - $85,000,000 to revamp
old conv. ctr. - Little + assoc.
Ask for 30 day hiatus on
new conv. ctr. -
Marly Carroll, Murray Whisnant,
☆ [Motion - delay further decisions
[on new Conv. Ctr. for 30 days,
Hammond / Martin

Campbell ✓
Hammond ✓
Campbell ✓
Grace ✓
McCrory ✓
Hammond ✓
Campbell ✓
Patterson ✓
Campbell ✓

Hammond ✓
Wheeler ✓
Scarborough ✓
Hammond ✓
Scarborough ✓
Hammond ✓
Clodfelter ✓
Hammond ✓
Clodfelter ✓
McCrory ✓
Clodfelter ✓
McCrory ✓
Clodfelter ✓
Mypick ✓
Hammond ✓
Wheeler ✓
Martin ✓
Vinroot ✓
Hammond ✓
Campbell ✓
Hammond ✓
Hammond / Martin

WITHDREW OTHER MOTION
put on agenda
for 4/22

Patterson ✓
White ✓

Patterson ✓
White ✓
Myrick ✓
Grace ✓ - If you do this you will be
Hammond - starting over. Going on
Grace ✓ 6 years.
Campbell - ✓
Grace ✓
Campbell ✓
Grace ✓
Myrick ✓
Clodfelter ✓
White ✓
Myrick ✓
Matthews ✓
Myrick ✓
VOTE - Scarborough - No - All other yes.
McCrory ✓
Patterson ✓
Mc Crory ✓
Grace ✓
Myrick ✓
Mc Crory ✓
Myrick

Grace ✓
McCory ✓
Grace ✓
Johnson P. 2-1 ✓
Myrick ✓

6:45 pm

ALEX. BROWN & SONS
INCORPORATED
ESTABLISHED 1800 • AMERICAS OLDEST NAME IN INVESTMENT BANKING
MEMBERS NEW YORK STOCK EXCHANGE INC AND OTHER LEADING EXCHANGES

REPLY TO SUITE 325
NC FEDERAL BUILDING
6201 FAIRVIEW ROAD
CHARLOTTE NORTH CAROLINA 28210
704 552 6240

CONVENTION CENTER
BLUE RIBBON COMMITTEE

MEMORANDUM

TO Richard Martin
Carey Odom

FROM Doug Carter
Jim Thorsen

DATE April 15, 1991

In response to a question revised by Council Member Patterson in the April 7th session, we have attached a cashflow scenario which integrates the operating losses of the Convention Center into the Base Case. While the fund balances remain substantial, their size at the end of ten years is reduced by $11 7 million in the G O Scenario and by $10.1 million under the COPs Scenario Coverage of less than one times (1x) occurs in fiscal 1992, 1995, and 1996 under the G O Scenario, and only in fiscal 1997 under the COPs Scenario

THE CITY OF CHARLOTTE
NEW CONVENTION CENTER FUND - GENERAL OBLIGATION BONDS VS. COPS
PROFORMA CASHFLOW STATEMENT -- BASE CASE
FOR FISCAL YEARS 1991-2022
(DOLLARS IN THOUSANDS)

G.O. Scenario	Projected Net Tax Revenues (1)	Interest Income (2)	Promotion Expense (3)	Projected Operating Loss (*)	Available for D/S (4)	Net G.O. D/S (5)	D/S Coverage (6)	D/S Coverage Ratio (7)	Ending Fund Balance (8)
1991	3,225	94	0	(376)	2,943	0	2,943	n/a	2,943
1992	6,624	185	(1,500)	(331)	4,978	5,077	(99)	0.98	2,843
1993	10,595	307	(1,500)	(403)	8,999	5,077	3,922	1.77	6,765
1994	11,226	445	(1,500)	(479)	9,692	9,321	371	1.04	7,136
1995	12,080	425	(1,500)	(1,533)	9,472	10,478	(1,006)	0.90	6,130
1996	12,922	373	(1,500)	(1,450)	10,345	10,953	(608)	0.94	5,523
1997	13,841	361	(1,500)	(1,195)	11,507	11,258	249	1 02	5,772
1998	14,788	412	(1,500)	(1,156)	12,544	11,220	1,323	1.12	7,095
1999	15,727	539	(1,500)	(1,023)	13,743	11,078	2,665	1.24	9,760
2000	16,734	756	(1,500)	(847)	15,143	11,030	4,113	1.37	13,872

COPs Scenario	Projected Net Tax Revenues (1)	Interest Income (2)	Promotion Expense (3)	Projected Operating Loss (*)	Available for D/S (4)	Net COPs D/S (5)	D/S Coverage (6)	D/S Coverage Ratio (7)	Ending Fund Balance (8)
1991	3,225	95	0	(376)	2,943	0	2,943	n/a	2,943
1992	6,624	365	(1,500)	(331)	5,158	0	5,158	n/a	8,101
1993	10,595	733	(1,500)	(403)	9,425	3,504	5,921	n/a	14,021
1994	11,226	1,044	(1,500)	(479)	10,292	7,009	3,283	1 47	17,304
1995	12,080	1,208	(1,500)	(1,533)	10,255	10,007	248	1.02	17,552
1996	12,922	1,284	(1,500)	(1,450)	11,257	10,669	587	1 06	18,139
1997	13,841	1,338	(1,500)	(1,195)	12,483	12,762	(279)	0.98	17,860
1998	14,788	1,395	(1,500)	(1,156)	13,526	12,820	706	1.06	18,566
1999	15,727	1,519	(1,500)	(1,023)	14,722	12,821	1,901	1.15	20,467
2000	16,734	1,721	(1,500)	(847)	16,107	12,821	3,286	1.26	23,753

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ONE THIRTY FIVE EAST BALTIMORE STREET BALTIMORE MARYLAND 21202 • TELEPHONE 301 727 1700
TELEX 1981860 • CABLE ADDRESS BROWNS BALTIMORE

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Auditorium • Coliseum • Convention Center Authority

Post-it™ brand fax transmittal memo 7671	# of pages ▸ 2
To Steve Carnp	From Bill Covington
Co	Co
Dept	Phone #
Fax # 357-4757	Fax # 386-1270

April 15, 1991

Ms. Cyndee Patterson
Mayor Pro-Tem
1137 Queens Road West
Charlotte, NC 28207

Dear Cyndee:

At a recent Council meeting you asked the Authority for comments in connection with the operating expenses of the proposed Convention Center. As I understand it, the City may wish to contribute revenues from the hotel/restaurant tax to pay in whole or in part any deficit in the operating expenses of the proposed Convention Center thereby relieving the Authority of these expenses.

As you know, under the City Charter the City is required to apply to bonded amortization any payments from the Authority. Such payments would obviously reduce amortization that the City would otherwise be required to make.

As you are aware, many of the amenities and some necessities in the present Convention Center, Auditorium and new Coliseum have been paid for with Authority funds. About $2 million was spent during construction of the new Coliseum for items that had been omitted from the original budget and which have contributed substantially to the usefulness and attractiveness of the new Coliseum. It was good for the City that these funds were available, when City funds were not available. There are apt to be other needs for substantial upgrading of Authority facilities. For instance, the new Coliseum will have been subjected to hard operation for seven years when the Final Four comes to Charlotte in 1994. The Coliseum will need a substantial renovation to be in proper condition.

Nevertheless, I will be pleased to recommend to the Authority at our next meeting that we will turn over to the City funds equivalent to the operating deficits experienced at the new Convention Center, with the provision that in no year will the amount to be rendered to the City exceed $1.5 million. Obviously, I cannot commit the Authority on this situation without approval from its members.

It is the responsibility of the Authority to operate its facilities "to effectively serve the public needs for which they were established at the least cost and expense to the City of Charlotte." In this the Authority is acting as an agent of the City Council and certainly wishes to be responsive to the concerns of the Council.

Sincerely,

Bill

William C. Covington, Jr.
Chairman