



Janet R. Cone
Asheville Buncombe Regional Sports Commission
PO Box 1010
Asheville, NC 28802

March 25, 2011

Sam Powers
City of Asheville
PO Box 7148
Asheville, NC 28802

Dear Sam:

This past year has been an exciting time for the Asheville Buncombe Regional Sports Commission. The previous support from Buncombe County, the City of Asheville and the Buncombe County Tourism Development Authority has provided us the resources needed to formally launch this organization. This organization started from a small handful of civic minded leaders who had a vision to bring more sports revenue opportunities into the greater Asheville/Buncombe area. Today, this organization has over 40 members representing government, media, local sports affiliations and community volunteers.

During the past year, the Sports Commission has been established as a corporation, filed a 501c3 non-profit application, adopted by-laws, and formed a Board of Directors. In November, the leadership added a Senior Advisor contract position to serve as the organization's staff. This advisor has been hard at work providing leadership to several new sporting events in our community. These events are expected to bring over 15,000 people into our community over the next 12 months, having a multi-million dollar economic impact.

The Sports Commission Board of Directors has prepared a preliminary budget for the 2011/2012 fiscal year and is requesting \$45,000 in support from the City of Asheville. This funding will provide the Sports Commission the resources it needs to hire a full time Executive Director that will continue the work of creating, recruiting, and supporting sporting events in our community.

As a Board we are grateful for not only the financial support from the City of Asheville, but also the leadership from Councilmember Davis. His involvement has been critical to the success of the organization and the impact it is having on Western North Carolina.

Sincerely,

A handwritten signature in blue ink, appearing to read "Janet R. Cone", is written over the typed name.

Janet R. Cone
2011 Board Chair
Asheville Buncombe Regional Sports Commission

cc: Ben VanCamp, Senior Advisor
2011 Board of Directors
Councilmen Jan Davis

Proposed WNCCMC/URTV Budget

FISCAL YEAR 2012 BUDGET

Salaries & Wages

Two FTEs, two PTEs	\$110,000		
Health insurance (FTEs)	11,000		
Workman's Comp	800		
Payroll Tax	9,000		
Contract	2,000		132,800

Contractual

Audit services	\$5,200		
Bank Charges	200		
Equipment Maintenance	5,000		
Insurance	4,700		
Postage	250		
Printing	400		
Telephone	2,400		
Internet/cable	7,900	25,950	

Commodities

Office supplies	2,000		
DVDs	2,500	4,500	

Other Expenses

Building Rental	40,000		
Consultants	2,000		
Delivery & Freight	500		
Building maintenance	1,000		
Security	1,000	70,450	98,850

\$100,900 **\$231,650**

Request for City funding of \$115,825

**City of Asheville
Public Access Funding History**

The City history with PEG fee collection and payments to URTV can be broken into 3 time periods:

February 1999 – June 2006

- Between February 1999 and August 2001, the City received \$340,000 in initial PEG fee revenue from Charter per the franchise agreement.
- In November 2001, the City began receiving quarterly PEG fee revenue from Charter based on the number of subscribers. This revenue totaled about \$50,000 per year.
- In total between the initial PEG allocation and the quarterly payments, the City received about \$587,000 in PEG fee revenue between February 1999 and the end of FY 2005-06.
- During this time period, the City provided URTV with \$425,000 to purchase equipment for their studio.
- The remaining \$161,000 in PEG funds were allocated toward operation of the City's government channel.

February 99 - June 06

PEG Fees from Charter	\$586,903
Payments to URTV	(\$425,000)
City Government Channel	(\$161,903)

July 2006 – June 30, 2008

- As a part of the FY 2006-07 and FY 2007-08 budgets, City Council approved \$25,000 allocations to URTV as a part of the Outside Agency process.
- During the 2006 session, the General Assembly passed the Video Service Competition Act which designated the North Carolina Secretary of State as the exclusive franchising authority in the state for cable service provided over a cable system. The Act eliminated county and city authority to award or renew a franchise for cable service as of January 1, 2007. As a part of this Act, the state imposed a 7% video sales tax on both cable and satellite providers.
- From the revenue generated by the 7% tax, the State began providing the City with \$50,000 annually in PEG funding. During this time period, Charter also continued to pay the City approximately \$50,000 annually in PEG fee revenue.
- Also as a part of the Act, the State began providing Supplemental PEG Channel funding based on the number of channels certified by a local government entity. The City of Asheville initially certified 3 channels – our Government Channel, URTV and the local education channel.

July 06 - June 08

PEG Fees from Charter	\$100,527
PEG Fees from the State	\$62,500
Supplemental PEG Funding	\$34,856
Payments to URTV	(\$50,000)
City Government Channel	(\$147,883)

July 2009 – Current

- As a part of the FY 2008-09 budget process, staff proposed and City Council agreed that URTV would no longer be required to request PEG funding via the Outside Agency process, and instead they would receive an annual allocation equal to 60% of the PEG revenue collected over the prior year from both Charter and the State.
- Beginning with the December 2008 Supplemental PEG allocation, the education channel was no longer a certified channel by the City. The City paid the education channel \$7,976 in FY 2008-09 based on its share of the Supplemental PEG allocation that was collected in the prior fiscal year.
- In 2010, Charter terminated its local franchise agreement with the City. As a result, the City stopped receiving PEG funding directly from Charter in FY 2009-10.
- The State modified the Act that authorized the Supplemental PEG allocation so that a PEG channel could not be certified by more than one local government. As a result, URTV is now certified only by Buncombe County, not by both the County and the City of Asheville. The City therefore no longer receives a Supplemental PEG allocation for URTV.
- The City's Government Channel no longer meets the broadcasting requirements under the modified Act, so the City is not currently receiving Supplemental PEG funding for the Government Channel.

July 09 - current

PEG Fees from Charter	\$73,229
PEG Fees from the State	\$150,000
Supplemental PEG Funding	\$84,075
Payments to URTV	(\$158,021)
Payments to Education Channel	(\$7,976)
City Government Channel	(\$141,307)