

## STAFF REPORT

To: Mayor and Council Members                      Date: May 17, 2016  
From: Sam Powers, Community &                      Prepared by: Chris Corl, U.S. Cellular  
            Economic Development Director                      Center General Manager  
Via: Gary Jackson, City Manager  
Subject: Tourism Product Development Fund Pre-Application

Summary Statement: The consideration of a resolution authorizing the City Manager to submit a preliminary application and final application, and accept if awarded, a grant from the Buncombe County Tourism Development Authority (TDA) through the Tourism Product Development Fund (TDPF) for funding to support improvements at the U.S. Cellular Center.

Review: The Buncombe County TDA's 2016 grant cycle for the TDPF opens in June of this year. TDPF grants support construction of brick and mortar projects that will add new or increase existing room nights in Buncombe County. The City of Asheville (City) contemplates submitting a preliminary application on June 1, 2016. The TDA will review preliminary applications to determine eligibility, short list and invite potential grantees to submit a more extensive final application. Preliminary applicants will receive notification of eligibility on June 29, 2016. If the City receives an invitation to continue with the grant process, a more extensive final application is due on August 31, 2016. The Buncombe County TDA will announce grant awardees and amounts on or before October 26, 2016.

Staff recommends applying for \$1,975,000 in TPDF grant funds that will support TPDF guidelines and City Capital Improvement Project construction costs of \$3.3 Million. The City's project will, if funded, construct a comprehensive set of improvements and enhancements to the facility which will increase the venue's ability to host larger conferences and additional concert/performance events. The project will create a new venue within the facility by developing a theater system inside the ExploreAsheville.com arena with a flexible attendee capacity between 2,500 and 4,500 as needed. The project elements are:

- **Arena Theater System and Sound & Light Package:** Purchase & installation of equipment and materials to create a flexible capacity theater within the ExploreAsheville.com Arena. This theater system will come equipped with the necessary curtaining, trussing, sound and light equipment necessary for a basic concert or performance event. Sound and light components are mobile equipment which will have the ability for use in both the Thomas Wolfe Auditorium and the ExploreAsheville.com Arena, allowing for more frequent use and ability to generate additional event dates.
- **Meeting room renovation:** Conversion of a current storage area to a permanent meeting room equal in capacity to the facility's second largest room, complete with all necessary audio/visual and internet needs. As the USCC has added additional meeting/conference events, meeting planners have identified additional meeting room space as essential for larger meetings.
- **Required Related Infrastructure:** Converting storage space into meeting space & creating the theater curtain wall system will require additional infrastructure updates to

the facility in order for all components to function. This includes expanding current storage areas in the facility exhibit level, Internet infrastructure enhancements and significant improvements to the facility's HVAC system to successfully accommodate the curtaining system and additional conditioned meeting space, as well as conditioned storage space.

This proposed preliminary application was presented to and unanimously supported by the Civic Center Commission at the May 3<sup>rd</sup> monthly meeting. The City Council Planning & Economic Development Committee will review the proposal prior to the full City Council meeting on May 17, 2016, and the PED recommendation will be provided at the Council meeting.

This application aligns with City Council's 2036 Vision as follows: (1) Smart City: Leveraging funding for necessary improvements to city property and infrastructure through external TDA sources allows for the City to maintain and improve the City's infrastructure in a fiscally responsible manner. These improvements also allow the facility to more flexibility to clients and therefore enhances the facility's revenue base; (2) A Clean & Healthy Environment: Related Infrastructure associated with the project will include improvements to the facility's HVAC systems. These improvements were highlighted items of priority in the 'Building Energy Analysis Report' conducted in 2015 by Griffith Engineering, commissioned by the city's sustainability department; and (3) Transportation & Accessibility: Improvements to this facility extends the usable life of the facility and increases the amount of public leisure and entertainment activities within downtown which is the most accessible area of the City through all means of transportation.

Pros:

- Maintain and improve the City's infrastructure.
- The TDPF is a significant funding opportunity that would be the keystone to allowing these improvements to take place.
- The potential improvements will allow the facility to operate one step closer to revenue neutral.

Con:

- None

Fiscal Impact: The Buncombe County TDA may choose to not award, partially award or fully award the grant request of \$1,975,000. If any award is offered the City would experience a positive impact to the budget. Any award is contingent upon the availability of matching funds. These funds have been identified by staff as the U.S. Cellular Center capital fund, General Fund, In Kind contributions & potentially the Green CIP.

An announcement of an award would begin the process of the city developing a grant agreement with Buncombe County TDA that further defines the specific funding amounts and project elements included in the partnership effort. Through proposed partnerships like these, staff continues to develop diverse funding sources for future opportunities and improvements that will increase the City's fiscal sustainability.

Recommendation: Staff recommends City Council adopt a resolution authorizing the City Manager to submit and accept if awarded, a preliminary and final grant application to the Buncombe County Tourism Development Authority (TDA) for the Tourism Product Development Funding (TDPF) to support renovations and improvements at the U.S. Cellular Center.

Attachment:  
(1) Resolution

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION AUTHORIZING THE CITY MANAGER TO SUBMIT A PRELIMINARY AND FINAL GRANT APPLICATION TO THE BUNCOMBE COUNTY TOURISM DEVELOPMENT AUTHORITY FOR THE 2016 TOURISM PRODUCT DEVELOPMENT FUND CYCLE**

WHEREAS, the Buncombe County TDA opens their 2016 grant funding cycle in June 2016; and

WHEREAS, the City of Asheville has identified a U.S. Cellular Center renovation project that will add new and incremental room nights and meets the goals and requirements iterated by the grant guidelines; and

WHEREAS, City Council has identified the need to maintain and improve the City's infrastructure in a fiscally responsible manner;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The City Manager is hereby authorized to submit a preliminary and final grant application to the Buncombe County Tourism Development Authority for the 2016 Tourism Product Development Fund cycle, and accept if awarded.

Read, approved and adopted this the 17<sup>th</sup> day of May, 2016.

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

Approved as to form:

\_\_\_\_\_  
City Attorney