

Civic Center Task Force Report to City Council



**Asheville, North Carolina
May 2006**

Introduction

The Asheville Civic Center was built in 1974. Since then few major repairs and no updates have been done to the building. As a result, the Civic Center is an aging building with substantial problems. The Heery Report, completed in 2001, attempted to provide a solution to these problems, but it was not implemented, because of the projected costs.

In the spring of 2005, the Civic Center Commission released a White Paper on the Civic Center, which presented a study of the immediate needs of the Civic Center building, to ensure that it would not deteriorate further. Then, in late summer, the Commission held a public forum about the Civic Center, asking the community what should be done with the facility. This was followed with a survey and the results were printed in the Mountain Xpress.

Following the public forum, the Asheville Area Center for the Performing Arts came forward to City Council in September, 2005, and proposed a plan for a new performing arts center inside the current arena. City Council took the proposal under advisement and formed the Civic Center Task Force to develop recommendations with the goals of: (1) developing the Asheville Civic Center as a multipurpose facility that serves as a regional hub for events, entertainment and community gatherings; and (2) generating community support to advocate and fund-raise for Civic Center enhancements. City Council also felt strongly that the Civic Center facilities should remain downtown. The Task Force has members from City Council, the County Commission, Tourism Development Authority, Civic Center Commission and the Performing Arts Center organization.

Over the past six months, the Task Force has met to develop recommendations for City Council. The Task Force determined that the Civic Center is an integral part of our community. It provides a space for numerous events and serves many sectors of our community. Moreover, there was strong agreement that facilities must be available to serve the entire community and that improvements must enable events currently at the Civic Center to continue.

The Task Force is well aware that City Council is under tremendous pressure to achieve many goals in the community, and that additionally, there is enormous fiscal pressure on the City. Despite this context, the Civic Center is vital to our community. Our Civic Center is one of the busiest and well-managed civic centers in the Southeast. There are 200 event days at the Civic Center and approximately 250,000-300,000 ticketed visitors every year. Our community is known nationally as a top arts destination, a reputation that we cannot afford to lose or damage. An economic impact study of the Civic Center is currently being conducted by Western Carolina University Professor of Economics Steve Ha. This study should be available by the end of May and will show the economic impact that these events have on our local economy.

There has been a strong recognition that although the Civic Center is owned and managed by the City of Asheville at this time, it serves the larger community, and the burden of updating our facilities should not fall to the City alone.

Civic Center Task Force

Jan Davis, Asheville City Council, Task Force Chair

Mayor Terry Bellamy

Max Alexander, Chair, Asheville Civic Center Commission

Sidney Powell, Asheville Area Center for the Performing Arts

Bill Stanley, Buncombe County Commission

Ron Storto, Tourism Development Authority

Charles Worley, former Mayor

Task Force Process

The Civic Center Task Force had a series of nine meetings. In general the Task Force sought to understand the current Civic Center operation and the facility's shortcomings, look at similar facilities in other communities, explore options, and receive community comments and concerns. In fact, public comment was heard at each meeting.

Meeting Date	Purpose
October 26, 2005	Organizational Meeting
November 21, 2005	Civic Center Operations Overview Panel Discussion of Event Producers
December 5, 2005	Benchmark Facilities Information
January 4, 2006	Management Information on Comparable Cities Use of Hotel Occupancy and Food and Beverage Taxes in NC Cities Presentations on Alternative Scenarios: Ed Hay: Heery Report Peggy Berg: Highland Group Report on Convention Space Richard Fort & Irvin Peace: PBCL Study of the Thomas Wolfe
January 18, 2006	Presentations on Alternative Scenarios: Mack Pearsall, HUB Project, Creativity Cluster Paul Westlake, Westlake Reed Leskosky Public Input Session (more extensive than regular public comment)
January 23, 2006	Task Force Discussion - Review of Information and consensus building
February 1, 2006	Task Force Discussion – Review of Options and preliminary voting on options.
March 15, 2006	Presentation of Arena Site Options Preliminary Cost Estimate
April 19, 2006	Presentation of Parkside Option Task Force Discussion and Conclusions

Summary of Data Gathered by the Task Force

Civic Center Operations

The Civic Center Director, David Pisha, gave the Task Force an overview of the Civic Center operations. He discussed the wide variety of events happening at the Civic Center, and how these events are enjoyed and supported by different demographic groups in the community. Revenue and profit streams were presented by venue and event type. Most notably, sixty percent (60%) of the Civic Center's revenue comes from the arena.

Event Producers Panel

A panel of event producers spoke to the Civic Center Task Force. The panel represented the variety of events held at the Civic Center. There was wide agreement about difficulties with loading, both for Thomas Wolfe Auditorium and the arena and exhibit hall. There was also agreement that events are coming to Asheville despite the difficulties (loading, stage space, acoustics), but that this situation cannot continue indefinitely. Panel members seemed to agree that it is highly unlikely that a favorable solution for all groups could be formulated with the Civic Center building as it stands today, and it may be that two facilities are needed to meet the requirements. (Appendix B)

Benchmark Facilities

A survey of facilities in the Southeast both new and aging was conducted. It was found that there is a trend in many cities to build new convention space as well as performing arts centers. Renovations and new facilities are being funded by multiple sources. (Appendix C)

Management, Oversight and Operational Health

A survey was conducted to determine the structures for management and oversight being used in a variety of facilities, both private and public. Generally there were three types of oversight: advisory or policy making public boards or commissions (Asheville, Fayetteville, Raleigh); public boards or authorities with fiscal responsibility (Spartanburg, Bi-Lo Center, Hickory); and private boards of non-profits that have oversight of a facility (Peace Center, Carson Center, RiverCenter). (Appendix D)

Civic Center staff also conducted a survey of facilities, and presented information of those that were willing to share sufficient information. As a result, it was found that Asheville receives the smallest subsidy of all the facilities. (Appendix D)

Hotel Occupancy Taxes and Food & Beverage Taxes

Staff examined the larger municipalities/counties in North Carolina and how they are using their hotel occupancy taxes. Eight of the twelve jurisdictions used all or some portion of their revenue from hotel occupancy taxes towards a public assembly facility. (Appendix E)

In addition, staff looked at which North Carolina municipalities and counties are collecting food and beverage taxes and how they are using those monies. Five jurisdictions collect these taxes, and three of them use either all or some portion towards public assembly facilities (Cumberland, Wake, and Mecklenburg Counties). (Appendix F)

Alternative Scenarios

The Civic Center Task Force heard presentations on alternative scenarios for the Civic Center including the Heery Report, the Highland Group report on convention space and the PBCL study of the Thomas Wolfe Theater.

Conclusions from Information Gathering Stage

At the end of the information gathering stage of the Task Force process, the Task Force discussed the information and reached conclusions: 1) The Thomas Wolfe Auditorium cannot be renovated into a quality performing arts hall. The building is too narrow, and there is not enough room on the property to improve the acoustics, which are substandard today. Moreover, it was built in 1939 and it would not make sense to put such a huge investment in the building. Transforming the Auditorium into a flat floor facility is much less expensive than a performing arts hall, and it would perform many needed functions.

2) Something significant has to be done. The Civic Center Commission produced a White Paper in 2005 that estimated it would cost \$5 million dollars just to do emergency repair work, but it would neither prevent the future loss of events from the facility nor make the facility ADA compliant.

3) The Task Force reached a general consensus that space for all types of events (performing arts, large concerts, trade shows, etc) needs to be provided. **Therefore, the Task Force would like to stress to City Council that doing nothing is not an option for the Civic Center building.**

Options Considered for the Asheville Civic Center

Because the Thomas Wolfe Auditorium was determined to be unsuitable as a performing arts hall, the Task Force narrowed the options to two: (1) Build a new performing arts center inside the arena, and build a new arena in a new location; or (2) Build a new performing arts center and renovate the arena. Both options include turning Thomas Wolfe Auditorium into a flat-floor facility, expanding its ability to host a greater range of events and also making the area available to events already happening in the rest of the facility. This is true for both options presented below. Staff believes that the flat-floored space will produce a good revenue stream for the facility

Option 1: Build a new arena and then build a new performing arts center and media center inside the current arena. Renovate the Thomas Wolfe Auditorium to a flat-floor facility.

The Asheville Area Center for the Performing Arts (AACPA), a non-profit organization, consulted the firm of Westlake Reed Leskosky to develop a concept for a new performing arts center. Westlake presented this concept for a Performing Arts Center and Media Center to the Task Force on January 18. AACPA has proposed to build a new performing arts hall inside the current arena. In addition to the performance hall, improved rehearsal halls, bathrooms, a

catering kitchen, green rooms, education classrooms, a black box theater and a chamber music space would be a part of the complex.

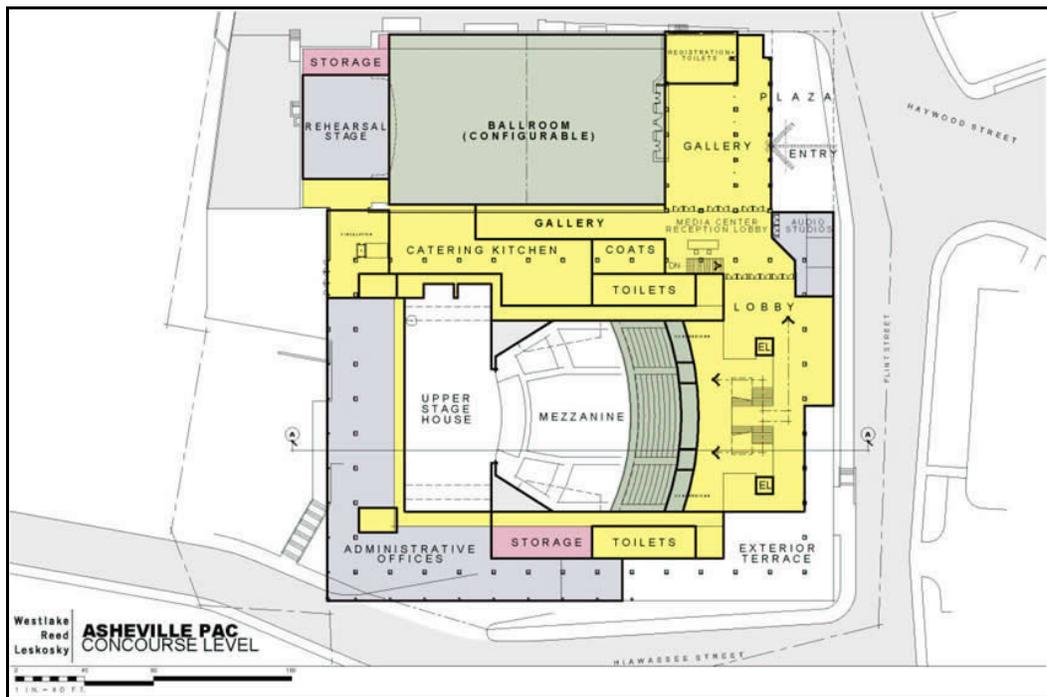
AACPA is part of the HUB project and is also proposing that as a part of the Center for Performing Arts, a Media Center would be housed. The Media Center would be approximately 55,000 square feet and would provide a home for such organizations like URTV, Media Arts Project (MAP) as well as space for UNC-A and AB-Tech's media and performing arts programs.

Alternative Arena Sites

Under the scenario proposed by the Asheville Area Center for the Performing Arts, a new arena would need to be constructed. A study of alternative arena sites was performed by the Planning Department. Staff determined that for a new arena, approximate 25 acres of land would be needed to accommodate the building and parking areas if the arena was not in downtown. Staff found approximately 26 sites that had enough land to accommodate such a use (including downtown sites). A set of criteria was determined to measure whether a site would be viable. Most of the sites were eliminated once these criteria were applied (Appendix E). The sites that best fit the criteria were as follows:

- Patton Avenue Gateway Area
- Parkside
- Biltmore Square Mall
- Brevard Road/240/40 (Mosley Farm/Ingle Property)
- Innsbruck Mall

The public input given at this meeting and others weighed heavily on keeping an arena in the downtown area.



Concourse Level of the Asheville Area Center for Performing Arts Plan.

Preliminary Cost Estimates for Option 1

Item	2006 Estimate
Construct New Arena	\$54,500,000 - \$74,800,000
Adapt current arena for a performing arts center and media center	\$46,300,000 ¹
Thomas Wolfe –flat floor facility	\$6,900,000 ¹
Total	\$107,700,000 - \$128,000,000

¹ Estimates developed by Westlake Reed Leskosky

Option 2: Refurbish the current Arena and build a new performing arts center next to City Hall (Parkside). Renovate the Thomas Wolfe Auditorium into a flat floor facility.

Task Force members Mayor Bellamy and Councilman Davis proposed a second option: to build a new performing arts center on the parking lot next to city hall (Parkside). The Parkside site is 2.43 acres and should accommodate the same amenities as envisioned in Option 1 (not all on one level). To support the performing arts center, a parking deck would be needed, which could also serve as city employee parking and public parking for the city and county buildings, Eagle/Market Streets and Biltmore Avenue. This option envisions that along with the performing arts center and parking deck, housing units, offices and commercial space could be developed on this site, and could be developed by a private partner in the project, possibly helping fund the performing arts center.

Parkside Property



Option 2 requires further investigation and professional assistance to determine exactly what amounts of development are appropriate for the site, and how a public-private partnership could be structured to achieve the goals of building a performing arts center and a public parking deck.

Preliminary Cost Estimates for Option 2

Item	2003 Dollars	2006 Estimate	2006 Estimate with Media Center⁵
Renovate Arena	\$27,200,000 ³	\$38,080,000 ²	\$38,080,000 ²
Thomas Wolfe –flat floor facility (Great Hall Renovation)	\$6,500,000 ³	\$6,900,000 ¹	\$6,900,000 ¹
New Performing Arts Center	\$34,700,000 ³ (\$300/sf)	\$86,400,000 ^{1,4} (\$450/sf)	\$95,750,000
Total	\$66,200,000	\$131,380,000	\$140,730,000

¹ Estimates developed by Westlake Reed Leskosky

² Cost escalated by 40% to 2006 dollars

³ Cost estimate from the Heery Report in 2003 dollars

⁴ Includes \$5 million for site development and \$5 million for land acquisition

⁵ A Media Center has not been adopted as a policy goal by City Council or the Civic Center Task Force as a part of the Civic Center.

The cost above for renovating the arena was taken from the Heery Report and includes a full scale refurbishment and major construction. This is the high end of what could be done to the arena. One of the members of the Heery team has reported that there are other options so that the arena could be refurbished to a lesser degree, and the improvements would be adequate for continuing operations. Thus the total cost of Option 2 could be less than shown.

Lastly, the AACPA is interested in the feasibility of Option 2 and has offered \$10,000 to further explore the feasibility of this site. Professional assistance could be retained to further develop this concept.

Staging

The staging of both Option 1 and 2 were discussed, and both are feasible. For option 1, a new arena would be built first, and once it opened, the current arena could be closed and construction of the performing arts center could begin. Performances would continue in the Thomas Wolfe during this construction period. The second option, which calls for renovation of the arena, work would take place mainly during the “down months” of the summertime. The Heery report examined this issue and determined that there may be some interruptions, or seating closures, but the arena could continue operation during renovations.

Rehabilitation Option:

The Task Force also discussed the possibilities if Council is not able or not willing to approve option 1 or 2 which call for a larger community investment. As a part of the Heery Report, it was estimated that for 10 million dollars, the Civic Center could be repaired (maintenance that has been deferred over the years). It has been estimated that today, this would cost between 15 million and 17 million dollars. The Task Force opposes this option; however, it is an option for City Council.

Task Force Recommendations

At its last meeting, each member of the Task Force weighed in on the options. The votes were split between the two options. Two of the Task Force members endorsed Option 1. County Commissioner Stanley and Sidney Powell, President of the AACPA, both favor this option. Mr. Stanley raised concerns that Option 2 is too complicated, and the most important thing is to get a solution and get it done. Ms. Powell raised concerns that the performing arts center and the media center would not fit on the Parkside property. She also raised concerns about staging the renovation of the arena and disrupting events in the building.

Three member of the Task Force endorsed Option 2. The Mayor, Chairman Davis and former Mayor Charles Worley all favored building a new performing arts center on the Parkside property. Mr. Worley said this option keeps the arena in the current location, which is important to downtown, and continues the symbiotic relationship between the arena and downtown businesses. The option also gives the city the opportunity at Parkside to enhance the park with a first class performing arts facility through a public-private partnership. He stated that he thinks the cost would be lower than a freestanding facility. Lastly, this option would help create an arts district with the proximate location to Pack Place.

The remaining two Task Force members, Ron Storto and Max Alexander stated that either option 1 or 2 is a good solution, and urged that the net be cast widely for funding sources. Mr. Alexander stated that City Council should look at both options with an eye for meeting certain criteria. Mr. Storto noted that Option 1 has been developed more, and the second option needs to be explored further.

Kelly Miller, who served as an alternate on the Task Force as a representative of the Tourism Development Authority, stated that both options are workable. He stated that if City Council found that the Parkside option would not work, that serious consideration be given to constructing a new arena at the Patton Avenue Gateway to downtown. He said that such a building could help improve the image of downtown as visitors come into the downtown area and anchor development as it moves westward from the core of downtown.

In discussion of a fallback option – one by which City Council funded only repairing the current assets to keep them going for another five to ten years – many of the Task Force members thought that this would be throwing money away, and would not give the community what it wants, needs or deserves. Public input throughout the process echoed this sentiment.

As stated earlier in this report, there is an offer by the AACPA to fund up to \$10,000 of expenses toward exploring locating a new performing arts center at Parkside. Although the Task Force did not discuss this at its last meeting, it is certainly an option for City Council to make use of these funds to further its information and its deliberations.

Finally, it is the understanding of the Task Force that Council has asked for recommendations for the “big picture” of the Civic Center and performing arts center in our community and to bring forward several options. The Task Force is not making recommendations in regard to the management of these facilities. Different management structures were discussed, and operational health is a critical part of any facility, but the Task Force is not prepared to make any particular recommendation. If there are discreet topics within these recommendations that Council would like the Task Force to pursue further, the Task Force is willing to reconvene. At this point, however, the larger questions need to be decided by City Council.

Appendix

- A. Civic Center Operations
- B. Event Producers Panel Summary
- C. Data from Other Cities
- D. Management, Oversight and Operational Health
- E. Hotel Occupancy and Food and Beverage Taxes in North Carolina
- F. Potential Funding Sources
- G. Potential Sites for a New Arena
- H. Preliminary Cost Estimates
- I. AACPA Letter to Task Force