

ECONOMIC DEVELOPMENT COMMITTEE

May 30, 2000

4:45 P.M.

The meeting of the Economic Development Committee was called to order by Councilman Lively, Chairman, with Councilmen Hakeem, Franklin, Taylor, and Rutherford present. Councilman Eaves joined the meeting later. City Attorney Randall Nelson and Shirley Crownover, Assistant Clerk to the Council, were also present.

Others present included Mayor Kinsey, Adm. Marcellis, Phillip Lynn, Karen Hundt, Candace McRae, Karen Rhodes, Chief Coppinger, Adm. Mitchell, and Daisy Madison.

TOURISM ZONE

Chairman Lively turned the meeting over to Mayor Kinsey. Mayor Kinsey stated that he was trying to continue to make sure everyone was up to speed on what is happening in regards to financing for the Tourism Zone. He stated that in August we submitted the first application for \$1.17 million for the Convention Center Expansion and the Development Resource Center. We negotiated with the Department of Finance and Administration and received approval from the State for a Tourism Zone, and the boundaries were laid out. This was approved subject to approval of the sign-off on the Amortization Schedule. We have come to terms on the guidelines and no action will be taken until we are ready to issue bonds. Mayor Kinsey stated that we had received six responses to do the financing, and the selection would be made in the near future and bonds would be issued in the next three months; however it may not be the entire amount. Mayor Kinsey stated that things were moving along good at the Convention Center and the Development Resource Center was coming out of the ground.

Mayor Kinsey explained that the Tourism Zone covers part of the entire downtown area and the BellSouth Stadium; that when the Burkes and the Lookouts announced the BellSouth Stadium, it was indicated that this would be part of the Zone, and we would utilize the Stadium Financing Act; the sales tax generated at the Stadium goes for public improvements at the Stadium such as elevators, etc. We would utilize the sales tax to pay for these improvements.

Mayor Kinsey suggested the City issuing debt to pay for the sales tax and then paying it back; BellSouth is in the Tourism Zone and the money would be spent one time rather than dollars earned for these improvements. He suggested stopping the efforts to get BellSouth in the Stadium Financing mechanism and rather keeping it in the Tourism Development Zone and paying out of the Economic Development Fund and the Sales Tax would go into the entire project. He indicated that we could look at a Resolution next week to this effect.

Chairman Lively asked if this was for ten years. Mayor Kinsey responded that it would be paid for in 20 years. Chairman Lively asked about additional taxes inside the Zone. Mayor Kinsey stated that anything that opens up in the Zone will go to pay back the debt we will be issuing.

Councilwoman Rutherford inquired about the \$85,000. Mayor Kinsey stated that the \$85,000 was back when the Stadium was proposed, and this was initially the amount we thought would be generated; that he believed it would be more. Councilwoman Rutherford asked what expenses we would have. Adm. Mitchell responded that we were not maintaining it now; that we had agreed to clean up cups; that the plaza area gets blown off and the grass will be cut at \$3,000 per year. Councilwoman Rutherford asked if we were responsible for the escalator. Mayor Kinsey responded that they would maintain that. Councilwoman Rutherford asked about our responsibility for mowing the grass. Adm. Mitchell responded that we would keep the outside Plaza area clean.

On motion of Councilman Hakeem, seconded by Councilman Franklin, the Resolution that will be presented next week will be recommended to the full Council.