

Bull Street / Multi-Use Entertainment Venue and Surrounding Development: Overview of Changes

April 8, 2014



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The Blueprint for a World Class City

Other Venues Examined

* South Carolina

- * Charleston (2012)
- * Myrtle Beach (1998)
- * Greenville N/A (Private)

* Georgia

- * Floyd County (2002)
- * Savannah (2012)
- * Gwinnett County (2009)

* Other regions

- * Springdale, AK (2006)
- * Stockton, CA (2004)
- * Missoula, MT (2003)
- * Ft. Wayne, IN (2007)
- * Warren County, KT (2007)
- * Pasco, WA (2008)
- * Dayton, OH (2009)
- * Corpus Christi, TX (2013)
- * Newark, NJ (1999)



Questions Received & Changes Made Between First and Second Reading



Overview of Questions Received

- * Questions/comments/issues fell into 6 categories:
 - * Misunderstanding of contract terms
 - * Issue was negotiated prior to 1st reading version
 - * Pointed out unclear language
 - * New suggestions
 - * Suggestions that conflict with existing Bull Street Development Agreement
 - * Requesting additional information

Changes Made Between First and Second Reading

- * Changed name of City Maintenance and Improvement Fund to City Capital Fund to better reflect that fund is for capital improvements, not routine maintenance
- * Added definitions of terms not previously defined but used in Agreement
- * Changed due dates of benchmark events to reflect later License Agreement execution date
- * Removed example of Hardball Initial Contribution as it caused confusion
- * Changed Hardball Development Contribution language to better reflect that Hardball's contribution is determined by taxable investment in Bull Street development
- * Clarified language of Shortfall Funding to better define when Hardball's shortfall funding is due
- * Removed language from Venue Parking Garage Operation section that caused confusion

Changes Made Between First and Second Reading (cont.)

- * Added language that Hardball pays for any necessary Fire Marshal services
- * Changed language to allow food, drink and novelty vendors within 1,000 feet of the Venue when no Hardball events are taking place
- * Changed language to reflect agreement that Hardball will provide “best available” tickets for City use when possible
- * Changed language to reflect Hardball pays all utilities at Venue, even reasonable and ordinary use of utilities during City events
- * Clarified language regarding Hardball’s obligations to pay Development Contribution in the event of the destruction of the Venue
- * Added members to Advisory Board – 1 from Columbia Council of Neighborhoods, 1 appointed by Naming Rights Partner
- * Added language to reflect that City payment obligations can be paid only from available funds and that they do not pledge City’s full faith and credit

Economic Impact



Cost/Benefit RFQ

- * Firms asked to submit their qualifications to:
 - * Perform a thorough analysis of the Bull Street project
 - * Include total development and operations costs
 - * Include long term economic impact of the project
- * Focus Areas
 - * Provide a comprehensive cost analysis
 - * Provide Phasing of the Development
 - * Provide an Economic Benefit Analysis
 - * Implications of Using Hospitality Taxes

Cost/Benefit RFQ (cont.)

- * Ready to release by April 9, 2014 with an estimated budget of up to \$50,000
- * Potential funding sources
 - * Proposal to fund via private resources
 - * City staff to recommend internal resources
- * Analysis
 - * To cover total of 30 years
 - * 20 years to project completion
 - * 10 years of operation at full capacity

Cost/Benefit RFQ (cont.)

- * Costs Considered

- * Police, Fire, 911/ Emergency Services, Public Works, Parks & Recreation, Utilities & Engineering, Parking Services, Etc.

- * Revenues Considered

- * Real property tax, Business and personal property tax, Hospitality tax, Admissions tax, Accommodations tax, Sales tax, Water sales, Sewer sales, Sewer expansion fees, Business license fees, Parking revenues, Etc.

Proposed RFQ Timeline

Step	Date
Proposal Issue Date	April 9, 2014
Last Day for Questions	April 17, 2014
RFQ Due Date	April 25, 2014
Review & Negotiations	April 28 - May 9, 2014
Council Approval / Intent to Award Date	May 20, 2014
Draft CBA Due Date	Based on Proposals
Final CBA Report Due	Based on Proposals

Financing



Estimated Annual Revenues: Multi-use Entertainment Venue

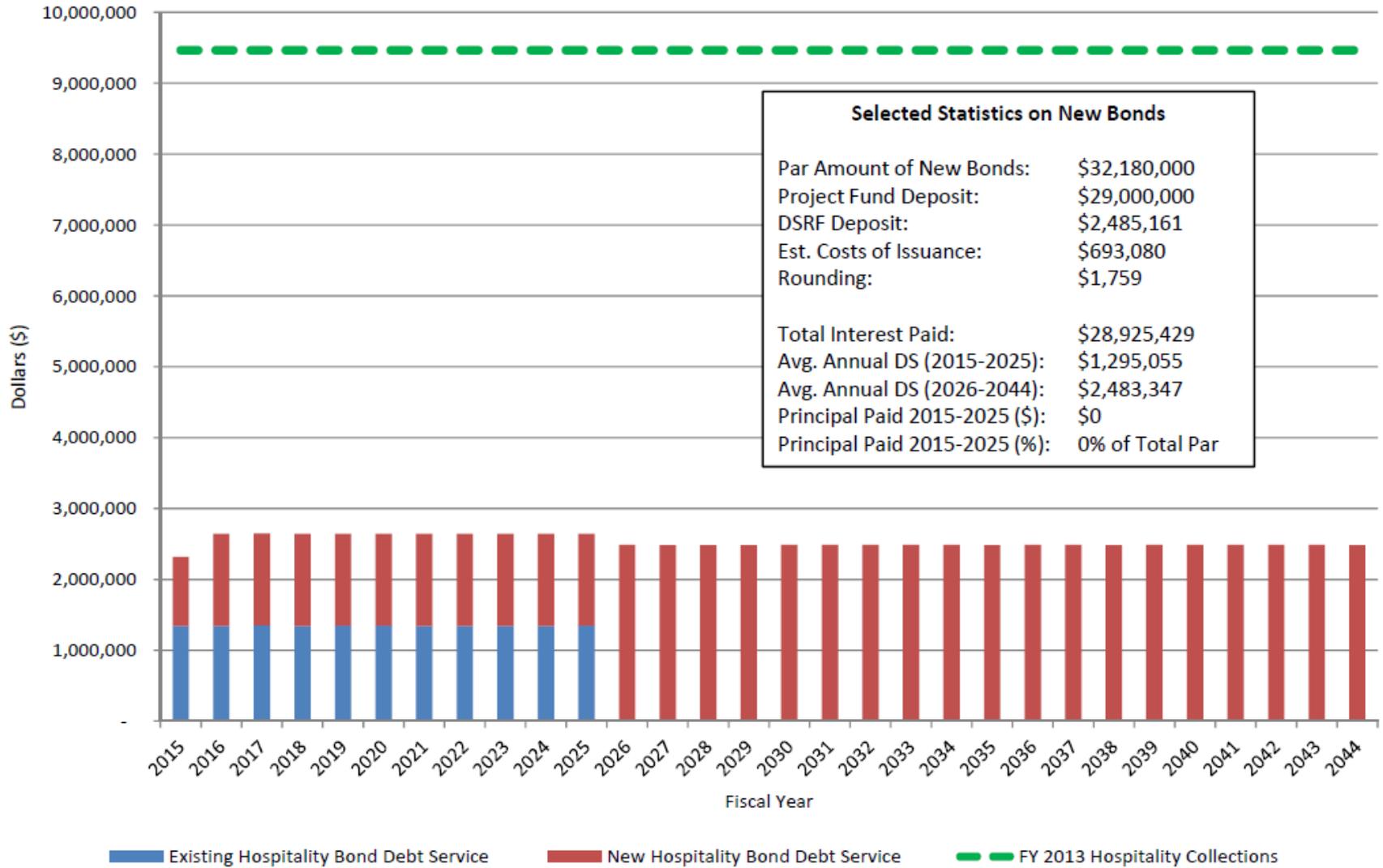
Type	Amount
Annual City Revenue	
Hospitality Tax	\$70,000 - \$80,000
Business License Fee	\$6,000 - \$9,000
Admissions Tax	\$65,000 - \$85,000
Local Option Sales Tax	\$40,000 - \$50,000
Storm Water Fee	\$20,000 - \$30,000
Water & Sewer Sales	\$140,000 - \$160,000
Annual City Revenue Total (average):	\$377,500
Other Annual Revenue	
Sales Tax	\$290,000 - \$340,000
Real Property Tax - Venue	\$0
Real Property Tax - Vertical Development	TBD
Personal Property Tax - Venue	TBD
Personal Property Tax - Vertical Development	TBD
City Capital Fund	\$250,000 + / YR
HB Development Contribution	\$0 - \$516,000 / YR

Hospitality Bond: Outstanding & New Debt Service

	New Bond	Outstanding Bond (2012 Refunding)	Combined Debt Service
Par Amount of Bonds	\$32,180,000	\$12,820,000	
Project Fund Deposit	\$29,000,000		
Debt Service Reserve Fund	\$2,485,161		
Estimated COI & Rounding	\$694,839		
Total Interest Paid:	\$28,925,429	\$2,002,630	
Avg Ann Debt Service (2015-2025)	\$1,295,055	\$1,347,512	\$2,642,567
Avg Ann Debt Service (2026-2044)	\$2,483,347		\$2,483,347
Principal Paid (2015-2025)	\$0	\$12,820,000	
Principal Paid (2026-2044)	\$32,180,000		

Columbia, SC Hospitality Fee

Existing Debt Service, Debt Service on New Bonds (\$29M for Projects), and FY 2013 Collections (No Growth Assumed)
 Solution Structure: Wrap New Bonds Around Existing Bonds



Estimated Expenses

Type	Covered by
Venue Operation & Maintenance	Hardball to cover all costs
Parking	Hardball will provide attendants unless otherwise instructed by City
Utilities	Hardball to cover all utility costs
Security & Public Safety	Hardball to contract with private provider for Venue security City to provide public safety as for other similar venues
Event Traffic Control	City to provide service Hardball to cover costs
Solid Waste	Hardball to contract with private provider
Fire Marshal Services	Hardball to cover costs for events
Noise & Lighting Study	Hardball to cover costs of studies

Next Steps



Future Council Actions

- * Second Reading of Venue License Agreement - **tonight**
- * Second Reading of Amendment to Bull Street Development Agreement - **tonight**
- * Reimbursement Resolution - **tonight**
- * Move Forward with Noise & Lighting Studies
- * Securing Services for Owner's Representative
- * First and Second Reading for Venue Development Agreement
 - * Between City, Hardball and Hughes
- * First and Second Reading of Hospitality Bond Ordinance
- * Approval of Procurement Actions for Design and Construction

Questions / Next Steps



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