

Here are Jameson's 12 questions for Finance Director Richard Riebeling

1) Does the Resolution language approve even future actions? The last section of the resolution establishing a Convention Center Authority ("CCA") provides:

SECTION 3. All acts and doings of the Metropolitan Mayor, the Director of Finance and any other officer of the Metropolitan Government that are in conformity with the purposes and intent of this Resolution shall be, and the same hereby are in all respects, approved and confirmed as may be necessary or appropriate in order for the Authority to be formed in accordance with the Act.

Doesn't that wording seem excessive? I can't find any provision under the state law that requires such resolution language in order to establish a CCA. The Council would be pre-approving and confirming all future actions to form the Authority. Is that in the best interests of the Council as an institution? Who drafted that provision and why is it included?

2) Would the prior authorized agreements between the Metro Council and MDHA prevent the CCA from conducting business until after a finance package is voted on and sold and construction plans are ready for a convention center to be built?

As I understand it, at this time, all "predevelopment activities" for the convention center are to be undertaken by MDHA. All tourism taxes are to be transferred to MDHA for these activities, and MDHA issued debt obligations for land acquisition (in July for \$64 million). Is Metro Council in a position to "take the convention center away" from MDHA? Or are we required to allow their continued control over the spending until Metro is in a position to issue its own bonds and pay off MDHA's debt obligations?

Looking at RS2009-698 and the attached Intergovernmental Project Agreement, section 1(g) states:

"For so long as any MDHA Debt Obligation or any related refunding obligation issued pursuant to this Agreement are outstanding, the Metropolitan Government will transfer the Convention Center Tax Revenues to MDHA as described herein and will not repeal or amend the ordinances authorizing the collection of the Convention Center Tax Revenues in such a manner as to reduce the amount of Convention Center Tax revenues payable to MDHA pursuant to this Agreement." (emphasis added)

Is Metro Finance and the Council legally obligated to continue to provide CC tax revenues to MDHA to carry out all "predevelopment activities" as defined in the agreement between the city and MDHA?

3) Do we know the status of the State's review of the TDZ application?

Do we know the current status of the State's review of the "qualified public use facility", the "master development plan", and the approval of the Tourism Development Zone

under 7-88-108? (In light of the reported loss of sales tax revenues at the state level of \$60M+, I'm just wondering whether the State relishes the diversion of additional sales and use taxes in a 3 square mile area downtown.)

If we don't know, should the Council approve an Authority before determining whether these approvals are in place at the State level? (i.e., before we know whether financing is in place to understand how an Authority would allocate revenues). If the TDZ has not been approved, are there any "official" revenue streams to deploy?

4) How would the CCA operate, in relation to MDHA and the CVB?

Given MDHA's pre-ordained role, would the CCA have control over MDHA? Or would MDHA have control over the CCA? Or neither?

5) Is Finance in a better position than MDHA to conduct (temporary) pre-development activities?

The press release accompanying the resolution states that the Finance Department will staff the Authority until employees can be hired. Does that defeat the point of having an Authority if the intent is to establish independence and better management? How would the Finance staff manage design and hotel teams better than MDHA? Do they have any experience in those realms, and don't they have an enormous amount of other obligations pressing upon them (city budgets, city finances, etc)?

6) Description of what the CCA can do

As you know, the state legislation on convention center authorities is 30+ pages long. But the proposed Resolution says nothing about what the convention center authority will do, what powers it has, and how this will effect the Council's oversight of the convention center. Is there any way that you could spend some time explaining the state legislation at the Committee meeting tonight (if I get the chance to toss you a question)?

7) Is the CCA immune from local zoning requirements?

Under the state statute, the Authority would have the power to demolish buildings. If a national register eligible property were located in an area where the CCA wanted to build, would the CCA be required to consult with the historic commission and receive their approval prior to demolishing that building? Or are governmental entities like the CCA immune from these local zoning requirements?

8) Could the CCA hire consultants?

The bill gives the CCA the authority to hire professional consultants. So, once the bill is passed, would the CCA have the authority to hire professional lobbyists, public relations firms and other firms to help with the pre-construction activities of the convention center? Would we have any oversight over these hires and the contracts?

9) Can the CCA sell portions of property without consultation?

The state legislation gives the CCA the authority to sell property. Am I correct that the CCA only has to go back to the Council if all or substantially all of the property is sold? In other words, while Metro funds would be used to secure the property and to develop the property, the Metro Council needn't be consulted when a portion of the real or personal property is sold off, right?

10) Could the CCA fund a hotel through the previously approved revenue streams?

My understanding was that we did not know how the hotel would be financed. However, based on my reading of this bill, a hotel, or infrastructure improvements, parking and even parks and retail establishments could constitute a project that receives access to the tax revenue streams that were previously passed to fund the convention center. Is that correct?

11) Lease space question

The bill also allows the municipality to lease space from the CCA and to impose a tax to pay for that structure. Do we know when and how that would occur? How would the tax be imposed? Could this be used by the municipality to impose a tax on the citizens to cover the convention centers budgetary shortfalls?

12) Is there a rush?

Is there a reason why the Resolution must be passed tonight? Do you recommend that the Council vote to form an Authority for a convention center before the Council votes to approve the convention center itself? Do city governments typically form convention center authorities before the legislative branch decides whether to build a convention center?