

The Work Session of the Finance/Executive Committee of the Atlanta City Council regarding a New Stadium was held Wednesday, February 20, 2013, at 11:30 a.m. in Council Chambers, City Hall South, 2nd Floor.

Present: Councilmember Felicia A. Moore, Chair Jim Beard, CFO
 Councilmember C.T. Martin Departmental Staff
 Councilmember Yolanda Adrean
 Councilmember Ivory Lee Young, Jr.
 Councilmember Michael Julian Bond
 Councilmember Keisha Lance Bottoms
 Councilmember Carla Smith
 Councilmember Kwanza Hall
 Councilmember Howard Shook
 Councilmember Joyce Sheperd
 Council President Caesar C. Mitchell
 Councilmember Clea Winslow

Chairperson Moore stated that we would address questions from the previous Finance/Executive Committee meeting. First we will address the Codes.

Mr. Reggie Grant: Research and Policy Analyst gave the Georgia Code for the Hotel/Motel Tax, the City of Atlanta Legislation regarding the Hotel/Motel Tax, Georgia World Congress Center Agreement and Amendments, City of Atlanta Legislation regarding the Georgia Dome and the Funding Agreement for the Georgia Dome.

Councilmember Adrean asked if it is economically to be at one footprint.

Mr. Frank Poe: Executive Director of the Georgia World Congress Center (GWCC) stated that it is a key component. Councilmember Bottoms asked about the impact it had on Cities who choose not to build Domes. Councilmember Young stated that in 1990 the neighborhood was called Lightening. The Census Tract showed that it had 26% homeowners. The goal was to build 150 houses. The owner occupancy in Vine City is now at 10% homeownership. It is going to take more than a Trust Fund for Housing. Are we successful with the goals that were set for the Trust Fund for Housing with the first Dome?

Ms. Ernestine Gary: of Invest Atlanta stated that the goals were achieved for the ones that were set. Yes, the program was successful, but we could not address the specific needs. Councilmember Young stated that there were issues besides housing. It only addressed the neighborhood of Vine City. Most of the units came from two large housing developments. The 99% of Census Tract 26 no longer have that tract base. Was there return on investments on Westside for housing or if it could have been more? Mr. Poe responded that if the facilities were not there, the outcome would be less. Councilmember Young stated that clearly there is no commitment, or will there be one for the 35% of minority contractors. Councilmember Martin asked about page #22, the overall cost. Mr. Poe responded that the document is a phase #3 analysis. It was under consideration at the time for the Falcons position. Through negotiation we understand what the costs will be retaining the Georgia Dome. In 2011, we decided that it is not feasible to have two stadiums. The current tract is for a single stadium with a retractable roof with replacing the current Georgia Dome. The analysis is retaining the Georgia Dome while doing a new stadium. Page #24 shows under two stadiums, we were deciding on the travel instances. Councilmember Martin asked where is there a document where everybody gets what they want? Mr. Poe responded that there is not a document or image on what we presented last week. Councilmember Martin asked how much more space are you going to use. He then asked about the infrastructure. Who is going to pay for that?

Ms. Duriya Farooqui: Mayor's Office Chief Operating Officer stated that has not been finalized yet and the cost would be less than 5%. Councilmember Martin asked if there is extra cost on the box seat. Mr. Poe responded that we use it to offset our investment. Councilmember Martin asked if there are other items of that nature. The overall impact of the new facility will probably be a whole lot of growth for downtown. Mr. Poe responded that there was a public contribution from the City of Arlington of \$35 million dollars from car rental and hotel and motel tax into their facility. It was done as a referendum to increase their taxes. Chairperson Moore stated that we answered question #7 as to if the current Dome is fully operational. She is trying to find the difference in wanting a new facility and needing one.

Mr. Richard McKay: President and CEO of the Atlanta Falcons stated that we are trying to create a long term solution before our lease term is up. The problem is that your lease is ending and costs are increasing for an older building. We were trying to get a short term solution. The Georgia World Congress Center did their due diligence. This is a need because of our lease. You as the Council would have to determine if it is a want or a need. Councilmember Adrean stated that you feel obligated because of the lease ending. Mr. McKay responded yes, that is correct. Councilmember Bottoms asked about the sale taxes. CFO Beard responded that we would discuss that in detail. Councilmember Bottoms asked about the licensing fees. Mr. McKay responded that our program will not be like others contemplated. Councilmember Bottoms asked if there has been an analysis done if we choose to do renovations. Mr. McKay responded that our current 12 month revenues are about \$41.1 million dollars. Mr. Poe responded that this would displace us for two seasons and will cost an additional \$50 million dollars to play somewhere else. Councilmember Bottoms asked what does that translate to the City's budget. CFO Beard responded that we have not done an analysis. If the Hotel/Motel Tax is depleted it would take a \$12 million dollars hit to the general fund. There is an alternate plan that Mr. Doug Silva can share. Councilmember Adrean stated that all of the Hotel/Motel Tax does not go to the Dome. Ms. Farooqui responded it would be about \$12 million dollars from the general fund if we did not accept the Tax, the authorization would have to come from the State. Mr. McKay responded that Council would have to agree with the 8% or propose a tax at a different level. Councilmember Bottoms stated that worst case scenario is that we would have a 12 million dollars hit to the budget. Mr. McKay responded that it would require a separate action from Council. Councilmember Willis compared other Cities getting a new Dome. If you want to know if the funds were spent on infrastructure in Arlington, see page #4. He has heard different numbers thrown out there. Mr. McKay responded that the private side will end up paying \$800 million dollars. There is an element from Falcons and the NFL. He does not know how that will break out. Councilmember Willis asked if there is a ceiling and is it \$200 million dollars. Mr. Poe responded that we are using the public contributions of the Hotel/Motel Tax. We are taking all of the risks off of the public, which is stated in **HB 93**. Councilmember Willis asked about the Falcons being displaced for about 24 months. Where would that relocation be? How does it reflect our two year lost? What is the projection and how is the Hotel/Motel Tax affected. Mr. Poe responded that we are looking at other teams projections. Councilmember Willis stated that he thought \$410 million dollars was the cost. Mr. Poe responded that the range is \$420 million dollars to \$850 million dollars. We spent funds for upgrades, etc. at the existing facility. Councilmember Willis stated that there seems to be a net savings of \$200 million dollars. To spend more in repairs versus building a new facility, is significant. The benefit comes with building a new building. One reason to do it is that it is fiscal responsibility and will make the franchise more valuable. Councilmember Adrean asked if we have a slide that compares the costs of renovations versus a new facility. Councilmember Young reiterated again about minority participation.

Mr. Hans Utz: Mayor's Office Deputy Chief Operating Officer stated that you have our commitment that each person hired will have minority participation. We are trying to find a

deal that works for us and the City. Councilmember Young stated that we adopted a program which percentages are up to 50%. It would be good to incorporate that in the term sheet. Councilmember Martin asked how soon can we receive the first draft of the deal? Mr. McKay responded that we outlined a term sheet in November. Invest Atlanta can issue the Bonds. We can go back and reconstitute that. We are trying to resolve the site issue, which means it could take a little longer. Councilmember Martin asked if you are negotiating who will be at the table. Mr. McKay responded that it would include Invest Atlanta, Attorneys and many more. All will not be at the table for the operations and site. Councilmember Martin asked what is your projection of the maintenance down size of the roof? Mr. McKay responded that the oldest is 11 years old. We anticipate the capital improvement is higher than a retractable roof. Ms. Farooqui added that the Mayor's Office and Invest Atlanta will negotiate a deal for the site. Councilmember Martin asked who would manage the Bonds. Mr. Poe responded Invest Atlanta. Ms. Farooqui added that Invest Atlanta would support the issuance of the Bonds. The revenue from the Bonds would go to the World Congress Center. Mr. McKay stated that the revenue Bonds would not affect Invest Atlanta credit rating. Councilmember Martin asked about the television rights money. Mr. McKay responded that it is shared between the two teams and players. The risk taking would be a pay off. Our net value will be lower at the beginning of the transaction. Councilmember Hall stated that we all are partners. Having minority participation is critical. All Councilmembers should look at the MOU. His District has serious concerns. There should be talk of one way street becoming a two way street on MLK. An independent insurance is needed. These dollars could be spent on tourism. We are elected to have the public trust. Councilmember Adrean asked if the State would pay for demolition. Mr. Poe responded that the cost is allocation into the total project costs. There are some provisions in the term sheet. A portion would be redeveloped into another purpose. It is \$9 million dollars for demolition should the decision be made to go north with the facility. Councilmember Adrean asked who would own it. Mr. Poe responded the World Congress Center. Councilmember Adrean asked how do we bridge from State language to Invest Atlanta language. Mr. McKay responded that it is in the State authority. It is a requirement in the statute. Councilmember Winslow stated that we need to make sure that people in the neighborhood get jobs. Castleberry Hills feel that it would bring more traffic and tailgating to their community. How much parking is available or tailgating around the Stadium? Mr. Poe responded that Georgia Dome would hold 1500 parking spaces. We have a traffic management plan and projections are being looked at. There is no design available yet for the stadium. It will be service parking where the Dome is now located, which is the area right in front of the WCC. We did an analysis and found that WCC has a lot of parking space we can use. MARTA is the biggest advantage. Councilmember Winslow asked how the Hotel/Motel tax of 39.9% would work. Mr. Poe responded that is something that has been fixed for about 25 years. One reason the TSPLOT did not pass is because of the bad information that went out early. The 39.9% is used for debt on the Georgia Dome. It is not increasing the tax. The balance of the 7% goes to the City of Atlanta, WCC and Georgia Convention, which is through 2050. Councilmember Young stated that the Vine City MARTA Station did not contemplate the large number of traffic. GDOT needs to be included in the discussions. There needs to be commitment from the State as well. Councilmember Shepherd stated that she needs to know that there is a commitment. A stadium should enhance the neighborhoods. She asked how do you make that happen? Councilmember Bond stated that we need to focus on what is more achievable. He went door to door to recruit people when the first Dome was built and many people were not qualified for the jobs because of prior convictions, drugs, etc. We need to discuss the impact of making this a real economic deal. He recommends getting deck parking. You should make sure that Castleberry Hills is included as well. Chairperson Moore asked what the outstanding amount on the Dome is and who will pay it off? Mr. Poe responded \$79 million dollars and the Hotel/Motel Tax will pay for it. Chairperson Moore asked where the site will be? Ms. Farooqui responded that we will have something in three weeks. Chairperson Moore asked what the Dome current revenue stream is. What is built in for contingency? Mr.

Poe responded that we will look at the square footage. We will hire a general contractor. Chairperson Moore asked about the budget overruns. Mr. Poe responded by the Falcons. Chairperson Moore asked what percentage of sales tax revenue comes to the City, such as from the Super Bowl. Mr. Poe responded that the breakdown in costs is related to the breakdown. Chairperson Moore asked about page #39. Mr. Poe responded that it is part of the package. Chairperson Moore asked about the bookings. Mr. Poe responded that it is also in the same package. Chairperson Moore asked how many stadiums are funded by teams 100%. Mr. McKay responded two, but not applicable to what we have. The types of events the City competes for have smaller facilities in the north. Chairperson Moore asked about #10-C, different phases. Mr. Hans responded that he does not have the specific answer. We commit that each phase will have an equal opportunity commitment. Chairperson Moore asked about #10-D. Mr. McKay responded that we have jobs that will go through AWDA. We want to get people trained, etc. Chairperson Moore asked about #10-D. Mr. McKay responded that there are two sides to community benefits, 1st the community impact and 2nd the community enhancements. It is going to take a lot of work and a lot of people. Councilmember Martin stated that area is on top of a rock and that changes the costs. Mr. McKay responded that we have had some discussions, but will have more in the near future. Chairperson Moore stated that we can have a meeting on March 1st to call the Council together to find out the next steps and a public input session on Wednesday February 27th at 6:00 p.m. We are waiting on legislation to react to.

State Representative Able Mable Thomas: stated that this is an issue the taxpayers are talking about. It has an economic impact. She is in support of the transparency.

Ms. Bonnie Stenston: asked how do we make sure that we would benefit from this and it should be from an outside person.

Mr. Jeremiah Jackson, Jr.: stated that he lives in DeKalb County and his water bill from last month was \$9.46. We did not use any of the money from the Hotel/Motel Tax for the Decrees that came down. The Falcons should build a stormwater system for water. What will the people do that currently have jobs at the Dome while they are closed for two years. If we use all of the funds from the Hotel/Motel Tax will we go up on water bills?

Mr. Brad Hubbard: stated that it seems that the City has already made the decision to build a new stadium. We should let Arthur Blank build his own stadium. Our public facilities needs are being cut. If we are going to use the Hotel/Motel Tax there are many more needs we could address. He also had issues about minority participation. If we don't get it in writing, it will not happen.

Ms. Ernestine Faircloth: stated that she is concerned with the workforce program. If we don't give training, etc., there are a lot of people who will not get jobs. It is important to instill in the young people that they can have jobs even without college education. There are some older people who need training as well.

Mr. Will Lance: stated that we are wasting time and money to build a new stadium. We should not be held hostage by a sports team. Money never makes it to things that are a priority.

Ms. Victoria Anderson: asked why would the City Council convince the public to agree to a new stadium? Arthur Blank is a billionaire and he does not have the interest of taxpayers. People of Vine City are still hopeless. You should not have the audacity to ask us to build a new stadium. Councilmember Winslow stated that no one is in Mr. Blank's pocket. It is offensive to call the Councilmembers names. We were asked by the Governor to help work on

this project. We first heard anything about it last week. If this moves forward, everybody is not against the stadium.

Mr. David Jaffer: stated that Council should be applauded because you are the ones dealing with this. He was concerned with visitors paying this money for Hotel/Motel Tax and it not used for community improvement. There is ten legislative days left to attempt to make a change in the State Law. A Referendum should be held. He has heard a lot of scare tactics. He heard that someone received a call saying that the City of Atlanta needs to approve this. Councilmember Young asked Mr. Jaffer when was the last time he stayed in a hotel downtown? Mr. Jaffer responded last year.

Mr. Chioke Perry: stated that he owns a market in the area. As businesses come to the City, they should employ people in the neighborhoods. Why only use revenues from Hotel/Motel Taxes. He stated that he is a lifelong Atlantan. His organization has not addressed if they are in support of a new stadium or not. We have a history of building stadium and destroying neighborhoods. Herdon Homes was the most impacted when the last Dome was built. He hopes that this need is not for greed.

Mr. Tilmon Ward: stated that he thanked Council for their passion and is a lifelong stakeholder of Vine City. He agrees that commitments should be put in writing. He went to the first event at the Dome with Hosea Williams, which his car was towed because of lack of parking. The document should be simple. Heritage is what we need and Legacy is what we have.

Chairperson Moore stated that we will have a public input session on Wednesday, February 27th at 6:00 p.m. We will accept questions, but will not answer them right then. Councilmember Bond stated that Herndon Homes was demolished because it was on a toxic site. The Dome sits on where the lumber yard was.

ADJOURNMENT

Having no further business before the Committee, the meeting was adjourned at 3:30 p.m.

Respectfully submitted,

Jim Beard, CFO
Secretary

Charlene Parker
Recording Secretary

“The Department of Finance... because customer service is important to us.”