

THE COMMUNITY COUNCIL

for Nash, Edgecombe & Rocky Mount

Things to Consider with the City of Rocky Mount Proposed Event Center

- All revenues in the AECOM report are based on: (Page 8)
 - o Average # of events: 2.4 per week; 10.6 per month; 127 events per year
 - o Average attendance: 2,000 per event; 4,800 per week; 20,800 per month; 250,000 per year
- \$4.3 Million projected 10 year Operating Loss (Page 84)
- Operating loss does not include incentive fees to attract tournaments to the facility (Page 77)
- Revenue projections include for 10 years: (Page 84)
 - o \$1.2 Million for Naming Rights
 - o \$2.2 Million for Premium Seating
 - o \$4.1 Million for Food & Beverage
 - o \$2.4 Million for Parking (Does this require a Parking Garage and is it Calculated in the Expense?)
- Event Center Average Yearly Wage with Benefits \$63,345 (Page 84 & 88)
- \$54.7 Million 20 Year Debt Service; aka Mortgage (Page 91)
- **Potential Funding** (Page 10 & 92)
 - o *Occupancy Tax* - Hotel/motel tax rate
 - Can only be spent in Generating County
 - Currently Nash County has a 5% Occupancy Tax and None in Edgecombe County
 - NC Legislative approval for this tax increase (Doubtful)
 - o *Sales Tax Revenue* - Impacts all sales in the City of Rocky Mount (Doubtful)
 - .25% for Edgecombe County already obligated to Edgecombe Community College
 - Nash County Commissioners attempt in 2008 for .25% designated for school construction was soundly defeated leaving little hope it would be approved for an event center
 - Nash County Commissioners would first have to approve; then subject to public referendum. (not likely)
 - Sales Tax Distribution -
 - Currently Distributed based on per capita population
 - Proposed change to the point of sale would negatively affect smaller towns, including **Nash**: Bailey, Castalia, Dortches, Middlesex, Momery, Nashville, Red Oak, Spring Hope, Whitakers
Edgecombe: Conetoe, Leggett, Macclesfield, Pinetops, Princeville, Sharpsburg, Speed, Whitakers.

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- o *Prepared Food and Beverage Tax* - Proposed at 1%.
 - The popularity of this tax is very poor at best.
 - Every citizen will have an increase in their prepared food bill.
 - NC Legislative approval for this tax is required (Doubtful)
 - o *New Market Tax Credits* - Sell in \$10Mil Increments and reduces development cost by \$2.5Mil
 - o *EB-5 Immigration Investor Program* - Potential Source of Equity.
- In the next property revaluation, 3 years away, it is anticipated the total assessed value for the City of Rocky Mount could decrease by up to 20%. To maintain the same level of services the tax rates will have to be adjusted.
 - o *Tax Rates per \$100 in Valuation to Maintain Current Operations:*
 - Tax Rate with NO Event Center: \$0.58 to \$0.725
 - Tax Rate with NO Event Center but Operational Loss: \$0.58 to \$0.75
 - Tax Rate with Debt Service/Mortgage and Operational Loss: \$0.58 to \$0.831
 - o This will place additional stress on the current City of Rocky Mount operation budget.
 - o Added debt limits the city's future options to fund current obligations without any new initiatives.
- The City of Rocky Mount FAQ, found at www.RockyMountNC.gov/documents/EventCenterFAQs.pdf , the operating loss will be funded out of the general fund and expecting growth in our tax base which will offset the operating subsidy.
- Will this debt preclude Rocky Mount from investing in other areas because of this debt? Talks of additional phases on the Douglas Block, Capital Needs such as improvements. What happens if the tax base declines?
- Economic Impacts from Construction (Page 113) Interesting they state 70% of construction workers are from the area and 20% materials from the area.
- 89 Jobs will be Created; Direct and Indirect (Page 111)
 - o Huge Outlay of Funds for such few jobs
- 199 Construction Jobs will be Created (Page 113)
 - o Contractor will go to the Lowest Bidder
 - Out-of-Town Contractors Built: Rocky Mount High School, Nash Health Care Systems,
 - What will the Impact be if a Local Contractor and/or Sub-Contractor does not receive the Bid?

Rocky Mount Downtown Event Center Market Feasibility Study

<http://www.scribd.com/doc/201477118/Rocky-Mount-Event-Center-Market-Feasibility-Study>

info@TheCommunityCouncil.org

PO BOX 4115
ROCKY MOUNT, NC 27803

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- Current area event centers: Imperial Centre, Dunn Center, Brown Auditorium & Industry Center, Keihin Auditorium, Local Hotels, Sports Complex (page 27)

Facility	City	Miles from RM	Seating Capacity / Event SF	Comments
Arenas/Event Centers				
Williams Arena at Minges Coliseum	Greenville, NC	38	8,000	Home of ECU basketball and volleyball
Sen. B. Martin Eastern Ag. Center	Williamston, NC	46	2,286	Primarily horse shows and agricultural use
Dorton Arena	Raleigh, NC	59	7,610	Little non-State Fair entertainment use
Crown Arena	Fayetteville, NC	92	4,500	
Special Events Center, East Wing	Greensboro, NC	135	5,100	Home of Greensboro College basketball
Joel Coliseum Theatre/LJVMC	Winston-Salem, NC	161	5,839 / 14,407	Home of Wake Forest basketball
Cabarrus Arena & Events Center	Concord, NC	177	5,000	
Salem Civic Center	Salem, VA	214	6,820	
Meetings/Flat-Floor Event Facilities				
Greenville Convention Center	Greenville, NC	38	42,000 sq ft	
Crown Coliseum Expo Center & Ballroom	Fayetteville, NC	68,000	7,800/68,000	
Source: AECOM, individual facilities				

- Crown Center loses approximately \$3M/year, Cabarrus Arena lost \$280K in 2010 but received \$1.7M in subsidies (starting on Page 32)

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