



Agenda Date: 9/25/2017

Agenda #: 18.File #: 15-6260 Type: Business Item

Charlotte Convention Center Phase I Improvement Project

Action:

- A. Approve an interlocal agreement to reimburse the Charlotte Regional Visitors Authority for an amount up to \$8.5 million for Convention Center design/development phase costs, and**
- B. Approve an allocation of \$110 million of Convention Center Tax Fund debt capacity for the Charlotte Convention Center Expansion project.**

Staff Resource(s):

Mike Davis, Engineering and Property Management
Randy Harrington, Management and Financial Services
William Haas, Engineering and Property Management
Tom Murray, Charlotte Regional Visitors Authority

Explanation

- On September 16, 2016, The Charlotte Regional Visitors Authority (CRVA) briefed City Council on need to plan for improvements to the Charlotte Convention Center.
- Objectives of the improvements to the 22-year-old Convention Center include:
 - Enhance the meeting experience,
 - Increase breakout space,
 - Create new pedestrian-friendly connections between the Convention Center and Center City,
 - Upgrade technology, and
 - Support continued Convention Center improvements.
- On December 14, 2016, representatives from the City and CRVA selected TVS North Carolina, P.C. using the Council-approved selection process to develop schematic designs for the proposed improvements to the Convention Center.
- On January 9, 2017, City Council approved \$1,600,000 to develop a schematic design of the Convention Center Improvements.
- The estimate for Phase I of the total project cost of improvements to the Convention Center is \$110 million. These estimates will be further refined as the design progresses.
- On March 24, 2017, the City issued a Request for Qualifications for construction management at risk services. Five proposals were submitted from interested service providers.
- On May 25, 2017, representatives from the City and CRVA selected Holder-Edison Foard-Leeper using the Council-approved selection process to perform cost estimating, develop procurement and construction schedules, and review the plans.
- Council received a presentation on this project at the September 11, 2017 dinner briefing meeting.

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- This action will allow the CRVA to contract with multiple firms including TVS North Carolina, P.C. for the design development phase, Holder-Edison Foard-Leeper for pre-construction services, a geotechnical consultant, and a commissioning firm.
- As part of this action, staff will assign \$110 million of Convention Center tax fund debt capacity to this project, with an anticipated issuance during FY 2019.
- The City intends to issue up to \$110 million in Certificates of Participation (COPS) in FY 2019, and to reimburse the CRVA for up to \$8.5 million in development and design costs from the proceeds of the COPS or from Convention Center fund balance. The COPS will be repaid from the Convention Center Tax Fund, which is supported by Hospitality Tax revenues, including one percent Prepared Food Tax and three percent (of eight percent) Occupancy Tax. Eligible uses of these funds include Convention Center capital, operating and promotions as well as amateur sports and Bank of America stadium capital investments.
- The revised Convention Center Tax Fund capacity is approximately \$123 million.
- Final design and construction administration, construction, and materials testing contracts related to improvements will come to the City Council for consideration beginning in summer 2018.
- In a typical year, Convention Center events include 227,078 visitors, 159,970 hotel room nights, and provide an estimated impact to the local economy of \$135.7 million.

Charlotte Business INclusion

TVS Design has committed 25% of the total contract amount to the following MWSBEs:

- Neighboring Concepts (MBE) (architectural support)
- Wescott Structures (SBE, WBE) (structural engineering)
- Hartanft Lighting (SBE) (architectural lighting design)
- McCracken & Lopez (SBE) (mechanical, electrical, plumbing)
- Superior Mechanical Systems (MBE) (mechanical)
- Richa Graphics (SBE, MBE) (reprographics)

Holder-Edison has committed 17.6% of the total contract amount to the following MSBEs:

- RJ Leeper Construction (MBE/SBE) (preconstruction services)
- TRS&I Group, Inc. (MBE) (small business outreach)

The City will work with the CRVA to monitor compliance with the committed goals. Prior to City Council awarding the construction contract in the fall of 2018, the CBI Office will establish MWSBE subcontracting goals.

Fiscal Note

Funding: Convention Center Tax Fund

Attachment(s)

Interlocal Agreement

Dinner Presentation September 2017