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HUMAN RESOURCES DIRECTOR PATRICIA S. MITCHELL

January 24, 2018

Re: CVB and City Negotiations over 2 percent food and beverage tax

To the Editor: (For Publication)

On Monday, January 22 at 3:00 pm, City Attorney Jeff Turnage emailed a proposed interlocal cooperation agreement between the City and the CVB for the CVB Board's approval. He did so with my approval after CVB Board attorney Chris Hemphill asked him to draft it Friday afternoon at about 5:00 pm. Nancy Carpenter and I had discussed the provisions of the agreement last week, and she had told me she was confident the agreement would be approved. Later in a separate phone call she told Jeff Turnage the same thing. Through the grapevine we also heard the County Supervisors would not oppose the interlocal agreement between the City and the CVB. Jeff Turnage worked on the agreement over the weekend and on Monday morning and delivered it to me for review. I approved it at about 2:45 p.m. and Jeff emailed it Chris Hemphill at 2:49 PM and again at 3:01 with a one-word revision. Jeff called Chris to advise of the revision, and Chris said he had already distributed it but would send out the revised version.

The Agreement was based upon a series of discussions with Nancy Carpenter. She had told me and Jeff Turnage in separate conversations that the following three items would likely be approved by the CVB Board:

(1) CVB to remit to the City \$300,000 per year to improve the baseball fields at Propst Park;

(2) CVB to remit to the City \$50,000 per year to improve the Senator Terry Brown Amphitheater; and

(3) CVB to fund 4 specified festivals at \$12,500 each and the City to fund the same 4 Festivals at \$2,500 each.

I authorized Jeff Turnage to draft the agreement for consideration yesterday by the CVB Board. When the CVB Board met yesterday, I learned that Nancy had apparently kept the Board in the dark about the third item of our discussions, that being the festival funding. Dewitt Hicks told WCBI after the meeting that he first learned of this issue five minutes before the meeting. If that was true, Nancy Carpenter should have told Mr. Hicks, the Board Chairman, about it days before the meeting. This is because Nancy was fully aware of it as early as Tuesday of last week.

As well, the CVB had a final version of the interlocal agreement a full hour before the meeting, which is ample time to review and duplicate the six page document. This failure of

communication on Ms. Carpenter's part apparently resulted in the CVB Board feeling blindsided by what they perceived to be a new request. Apparently they directed their frustration at the City, being unaware that Nancy and I had discussed festival funding several times with her claiming she would get her board to approve it. In fact, the CVB Board members should have been angry with Nancy for hiding it from them. Because they thought the City had made a lastsecond new demand, the CVB Board apparently decided to make totally new demands themselves, including the City giving real property to the CVB and turning over its \$3.2 Million Amphitheater to the CVB.

If I have anything to say about it, the City will not agree to the CVB's new requests. A year ago the County Supervisors pulled the plug on City/County recreation. Since then, we have tried to compromise with the Supervisors and the CVB. Apparently "compromise" to the majority of the Supervisors and Nancy Carpenter means "do what we say." Here are examples of how the City has negotiated in good faith. We sought to change the Board composition of the CVB since the vast majority of the revenue of the CVB is generated in the City. The county said "No." We compromised on that and gave in to the county. We said we needed 20 percent of CVB revenue for recreation. Nancy said "That's too much." So, we compromised on that and reduced the sum from \$400,000 to \$300,000 per year. We said we need \$100,000 a year for the Amphitheater, and Nancy said "Oh Mayor, that's too much." So, we compromised on that and lowered the sum to \$50,000 per year. Representative Jeff Smith said if we lowered the floor to zero he would have to vote against it. So we raised the floor back to \$325,000. Nancy said they had to have the floor reduced to zero to be able to afford to pay for the festivals and added that Representative Smith is just one vote. So we compromised on that and lowered the floor to zero. We said the CVB should fund four specified festivals at \$15k per year. Again, the CVB said "That's too much." So, we reduced that to \$12,500 with the City contributing \$2,500.

After numerous calls and discussions between me and the CVB Director, Nancy said we had a deal on the three issues above. Jeff Turnage drew up exactly what Nancy and I (and Nancy and Jeff) had agreed upon. So, imagine my surprise when the CVB Board met yesterday and the Chairman, DeWitt Hicks, said he and the CVB Board were unaware that the City asked that these festivals be funded. Because of Nancy's failure to inform them, we have now gone backwards in our negotiations. Now the CVB has made a new demand that the City give the CVB land that the CVB did not help purchase (after promising to do so) and another demand that the City turn over control of the City's Amphitheater to the CVB. As Mayor, I cannot recommend either request.

Our last offer, written by our attorney at the request of Nancy Carpenter and Chris Hemphill, is the last offer I will recommend to the Council that the City consider. I am exhausted with trying to reason with Nancy Carpenter. The majority of the Supervisors have proven equally unwilling to compromise on any issue of importance to the City. This is unfortunate because the clock is ticking down to the deadline for submission of the local and private legislation. Nonetheless, as Mayor I must take a stand. I will not sell out the City's interest to preserve the status quo. The CVB should accept the interlocal cooperation agreement as we sent it and put this to rest before it's too late.

Sincerely,

Robert E. Smith, Sr.