

EIGHTEENTH AMENDMENT  
TO THE REVISED INTERLOCAL AGREEMENT  
BETWEEN  
WAKE COUNTY AND THE CITY OF RALEIGH  
RELATING TO ROOM OCCUPANCY AND PREPARED  
FOOD AND BEVERAGE TAX REVENUES

This Amendment is entered into this the 31st day of May, 2012 by and between the County of Wake, North Carolina, hereinafter referred to as County, and the City of Raleigh, North Carolina, hereinafter referred to as City, pursuant to the provisions of Article 20 of Chapter 160A of the North Carolina General Statutes, and in accordance with the requirements of Chapter 594 of the Session Laws of North Carolina and Chapter 458 of the 1995 Session Laws of North Carolina (the Enabling Acts).

WITNESSETH:

WHEREAS, the County has levied room occupancy and prepared food and beverage taxes as allowed by law; and

WHEREAS, the County and the City entered into an agreement entitled “Revised Interlocal Agreement Between Wake County and the City of Raleigh Regarding use of Countywide Room Occupancy and Prepared Food and Beverage Taxes” dated September 5, 1995 (“Revised Agreement”) setting out the projects to receive funding from these taxes; and

WHEREAS, the County and the City have amended the Revised Interlocal Agreement from time to time for the purposes, among others, of authorizing funding for construction of the City of Raleigh Convention Center, to create the Greater Raleigh Convention and Visitor’s Bureau Business Development Fund, to provide the Centennial Authority a continuing revenue source for capital improvements to the PNC Arena (formerly RBC Center), and to establish a process for the monitoring, review and update of all projects funded in whole or in part through the “Revised Agreement” as amended from time to time; and

WHEREAS, the Wake County Board of County Commissioners voted on May 31, 2012 and the Raleigh City Council voted on May 31, 2012 to amend certain terms of the Revised Interlocal Agreement (1) to approve an updated version of the Raleigh Convention Center Financing Plan (Attachment A) (the “Financing Plan”), (2) to fund a Capital Maintenance Plan for the Raleigh Convention Center as shown on the Financing Plan, (3) to provide for a “two-for-one” transfer to Wake County in the Financing Plan pursuant to the Eighth Amendment to the Revised Interlocal Agreement, (4) to extend the annual contribution of the Greater Raleigh Convention and Visitors Bureau Business Development Fund through FY2022 at a funding level of \$450,000 per year, (5) to commit to periodic public review of the Financing Plan along with the financing needs of all other projects that rely upon Room Occupancy and Prepared Food and Beverage Tax revenues, and (6) to establish priorities for funding in future years whenever the audited year end fund balance total exceeds the amount shown on Attachment A while covering at least one hundred percent (100%) of the annual Raleigh Convention Center debt service.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, the County and the City agree to this Eighteenth Amendment to the Revised Interlocal Agreement Between Wake County and the City of Raleigh regarding use of Countywide Room Occupancy and Prepared Food and Beverage Taxes as follows:

1. Attached hereto as Attachment A is a document entitled “City of Raleigh, North Carolina Convention Center Project with No Expansion Financing Plan (\$000) updated as of January 13, 2012” which now supersedes and replaces the “City of Raleigh, North Carolina Convention Center Project with Expansion Financing Plan (\$ 000) updated as of November 21, 2010”.
2. The Financing Plan (Attachment A) is projected to provide funds to pay for the Raleigh Convention Center annual debt service (Column G), a fixed annual amount for operating expenses (Column J), and a fund balance sufficient to cover one year Raleigh Convention Center debt service (Column S) in all years. The Financing Plan also provides an additional \$1 Million for operating expenses to be withdrawn at the discretion of the City of Raleigh (Column P) beginning in FY2013. The fund balance number will be increased by \$2,378,000 to reflect actual FY2011 year-end results (Column R – True-up From Debt Service Fund).
3. Revenue Projections in the Financing Plan (Attachment A) illustrate Occupancy Tax revenue increasing from 3.0% to 6.0% in FY2012. Revenue projections for FY2013 to FY2021 remain the same at 3.0%. Prepared Food and Beverage Tax revenue projections have been increased from 3.5% to 4.5% in 2012. Revenue projections for FY2013 to FY2021 remain the same and range from 4.0% to 5.0%.
4. Changes to the Financing Plan (Attachment A) from previous plans include removal of annual debt service payments beginning in FY 2017 (Column K) to fund a \$121 Million issue and previously referred to as “the Raleigh Convention Center expansion.” The funds are transferred to the fund balance column (Column S) for years FY2017 through FY2034. (The move to the fund balance column is not intended to infer or communicate any intention to protect funding for a future convention center expansion.)
5. A Raleigh Convention Center Capital Maintenance Plan (Column N) is funded at 95% of the annual amounts illustrated in the “Heery Study” and included as Attachment B. The planned amounts for FY2012 and FY2013 are offset by the available Convention Center construction project close-out amount of \$2,602,350.
6. A “two-for-one” transfer to Wake County: \$5,475,000 (Column Q) will be provided as part of the “two-for-one” language in the Eighth Amendment. Based on previous discretionary withdrawals by the City of Raleigh, the total due Wake County is \$6,000,000 as of 6/30/2012. The fund balance total in the Convention Center Financing Plan will be reduced as a result of the transfer. Wake County shall use the funds in accordance with the Enabling Acts.
7. The Business Development Fund (Column M) for the Raleigh Convention Center, administered by the Greater Raleigh Convention and Visitor’s Bureau, has been extended through FY2022 at a funding level of \$450,000 per year.
8. Based on actual and audited year-end results, whenever the actual fund balance total exceeds the amount shown on the Financing Plan (Attachment A) and a 100% annual debt

service coverage is maintained, the excess amount will be available for the following in the priority order below:

- a. To fulfill any remaining (or new) “two-for-one” obligation to Wake County.
- b. To meet any other previous commitment of funds made pursuant to the Revised Agreement, including satisfaction of any deferred payment to the Centennial Authority and others.
- c. Any remaining balance which may accrue shall be reserved for future Convention Center and PNC Arena (formerly RBC Center) Capital requirements.

9. The next review of the Convention Center Financing Plan, the Convention Center Capital Facilities Plan, and the PNC Arena Capital Improvements Plan will occur by January 1, 2015, to be a public process involving all parties led by the Raleigh City Manager and the Wake County Manager.

10. All other terms of the September 5, 1995 Revised Interlocal Agreement, as amended from time to time, shall remain in the same force and effect.

IN WITNESS WHEREOF, this Eighteenth Amendment is executed the day and year first above written pursuant to resolutions adopted by the government boards of the County and the City.

[SIGNATURE PAGE FOLLOWS]

CITY OF RALEIGH

COUNTY OF WAKE

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Nancy McFarlane  
Mayor

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Paul Y. Coble  
Chairman

Attest:

Attest:

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Clerk

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Clerk

Approved as to Form:

Approved as to Form:

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City Attorney

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County Attorney

City of Raleigh, North Carolina  
 Convention Center Project with No Expansion  
 Financing Plan (\$ 000) - FY2011 Update (as of 1/13/2012) - Balance per Model

Scenario 4 - Capital Maintenance Reduced by 5%, Debt Service True-Up, GRCVB Request to \$450k, No FY12 Withdrawal and \$5.475M Transfer to County

Fiscal Year	100% of Uncommitted Funds	85% of Uncommitted Funds	Funds NOT put into the Convention Center	\$55M Variable Series 2004A Net Debt Service	\$190M Fixed Forward Swap Net Debt Service	Net Debt Service	Annual Revenues	Annual Surplus/Deficit	Other Expenses to be Paid	Debt Service from S121M Issue in 2017	Additional Capital Expend.	Business Development Fund	Capital Plan	Interest Income 3%	COR Discretionary Withdrawals	Transfer To County Major Facilities Model	True-Up From Debt Service Fund	Fund Balance	Fiscal Year
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P	Column Q	Column R	Column S	Column T
6/30/2005																		19,001	6/30/2005
6/30/2006	11,628	9,884	1,744	46	123	170	9,884	9,714	2,181	-	-	-	-	788	-	-	-	27,323	6/30/2006
6/30/2007	13,709	11,650	2,058	285	228	513	11,650	11,138	2,246	-	-	-	-	1,649	-	-	-	37,863	6/30/2007
6/30/2008	15,606	13,117	2,489	1,776	114	1,890	13,117	11,227	2,314	-	16,400	-	-	2,002	-	-	-	32,379	6/30/2008
6/30/2009	15,266	13,153	2,113	1,882	6,252	8,133	13,153	5,020	2,383	-	-	350	-	998	1,000	-	-	34,663	6/30/2009
6/30/2010	14,662	12,433	2,230	1,099	9,165	10,263	12,433	2,169	2,454	-	-	350	-	661	1,000	-	-	33,689	6/30/2010
6/30/2011	16,640	14,144	2,496	776	9,192	9,967	14,144	4,177	2,528	-	-	816	-	370	1,000	-	-	33,891	6/30/2011
6/30/2012	18,045	15,338	2,707	1,878	9,275	11,153	15,338	4,186	2,604	-	-	500	-	1,017	-	5,475	2,378	32,892	6/30/2012
6/30/2013	19,031	16,176	2,855	1,880	9,273	11,153	16,176	5,023	2,682	-	-	450	1,252	987	1,000	-	-	33,519	6/30/2013
6/30/2014	20,141	17,120	3,021	1,870	9,319	11,189	17,120	5,931	2,762	-	-	450	1,980	1,006	1,000	-	-	34,263	6/30/2014
6/30/2015	21,393	18,184	3,209	1,870	16,606	18,476	18,184	(291)	2,845	-	-	450	2,446	1,028	1,000	-	-	28,259	6/30/2015
6/30/2016	23,611	20,069	3,542	1,878	16,599	18,477	20,069	1,592	2,931	-	-	450	1,152	848	1,000	-	-	25,165	6/30/2016
6/30/2017	25,053	21,295	3,758	1,871	16,605	18,476	21,295	2,820	3,019	-	-	450	2,709	755	1,000	-	-	21,563	6/30/2017
6/30/2018	26,480	22,508	3,972	1,874	16,599	18,473	22,508	4,034	3,109	-	-	450	2,709	647	1,000	-	-	18,976	6/30/2018
6/30/2019	27,972	23,776	4,196	1,884	16,591	18,475	23,776	5,302	3,202	-	-	450	2,709	569	-	-	-	18,486	6/30/2019
6/30/2020	33,872	28,791	5,081	1,869	16,607	18,476	28,791	10,315	3,298	-	-	450	2,709	555	-	-	-	22,898	6/30/2020
6/30/2021	36,369	30,914	5,455	1,871	16,602	18,473	30,914	12,441	3,397	-	-	450	2,709	687	-	-	-	29,470	6/30/2021
6/30/2022	37,712	32,055	5,657	1,874	16,598	18,472	32,055	13,583	3,499	-	-	450	2,948	884	-	-	-	37,040	6/30/2022
6/30/2023	39,110	33,243	5,866	1,874	16,601	18,475	33,243	14,768	3,604	-	-	-	2,948	1,111	-	-	-	46,367	6/30/2023
6/30/2024	40,566	34,481	6,085	1,887	16,588	18,475	34,481	16,006	3,712	-	-	-	2,948	1,391	-	-	-	57,104	6/30/2024
6/30/2025	42,069	35,758	6,310	1,867	16,604	18,471	35,758	17,288	3,824	-	-	-	2,948	1,713	-	-	-	69,334	6/30/2025
6/30/2026	43,610	37,068	6,541	1,870	16,605	18,475	37,068	18,594	3,939	-	-	-	2,948	2,080	-	-	-	83,121	6/30/2026
6/30/2027	45,179	38,402	6,777	1,874	16,599	18,473	38,402	19,929	4,057	-	-	-	2,948	2,494	-	-	-	98,539	6/30/2027
6/30/2028	46,773	39,757	7,016	1,878	16,595	18,473	39,757	21,284	4,178	-	-	-	2,948	2,956	-	-	-	115,653	6/30/2028
6/30/2029	48,389	41,131	7,258	1,871	16,604	18,475	41,131	22,656	4,304	-	-	-	2,948	3,470	-	-	-	134,527	6/30/2029
6/30/2030	50,023	42,520	7,503	1,884	16,594	18,478	42,520	24,042	4,433	-	-	-	2,948	4,036	-	-	-	155,225	6/30/2030
6/30/2031	51,670	43,920	7,751	14,970	5,906	20,875	43,920	23,045	4,566	-	-	-	2,948	4,657	-	-	-	175,413	6/30/2031
6/30/2032	53,325	45,327	7,999	14,952	5,908	20,860	45,327	24,467	4,703	-	-	-	2,948	5,262	-	-	-	197,491	6/30/2032
6/30/2033	54,985	46,737	8,248	14,939	5,906	20,846	46,737	25,891	4,844	-	-	-	2,948	5,925	-	-	-	221,516	6/30/2033
6/30/2034	56,678	48,176	8,502	14,919	5,905	20,824	48,176	27,352	4,989	-	-	-	2,948	6,645	-	-	-	247,577	6/30/2034
Total	\$ 949,567	\$ 807,129	\$ 142,438	\$ 101,268	\$ 342,161	\$ 443,428	\$ 807,129	\$ 363,700	\$ 98,608	\$ -	\$ 16,400	\$ 6,516	\$ 58,692	\$ 57,189	\$ 9,000	\$ 5,475	\$ 2,378		

6/30/09 - For 85% Uncommitted actuals - \$147k payment due to the City for FY08 is included for FY09  
 Column F for FY 11-34 calculated \$190M ( 4.88%) ~4.36% fixed swap rate + .42 bps liquidity + .10 remarketing.  
 Column K - removed the Expansion debt service  
 Column M - 9/21/10 Council Meeting - Increase annual BDF funding by \$150k for FY11 & FY12, additional funding years (FY16 - FY18) at \$150k/yr. Council to revisit as part of FY12 interlocal review to determine if continuing increase through 2018. Added one-time amount of \$316k for NHL All-Star Game in FY2011. Per January 2012 GRCVB request - added additional funding only to \$450k/yr (instead of requested \$500k) for FY13-FY22.  
 Column N - Reduced Capital Plan by 5% in all years. FY12 capital maintenance of \$1,838,103 and \$764,247 of \$2,015,747 FY13 capital maintenance funded by \$2,602,350 of excess RCC Construction Fund balance.  
 Column P - FY12 assumed the \$1M discretionary withdrawal was not taken.  
 Column Q - Reflects a return of \$5.475M back to the County Major Facilities Model.  
 Column R - Moved \$2.4M from Debt Service Fund back to Financing Fund - related to a true-up of actual debt service paid versus budgeted debt service transfers.