Council will consider Cajundome agreement

By BRUCE SCHULTZ
Acadiana bureau

LAFAYETTE - An agreement between the city of Lafayette and the University of Southwestern Louisiana for USL to use the Cajundome for 22 days, free of charge, is expected to be considered here Tuesday by the Lafayette City Council.

Work on the civic center, set to open Nov. 10, is on schedule, said Mike Barber, Cajundome director.

The proposed agreement would allow USL to have the $60 million civic center each year for 15 USL basketball games, two commencement exercises, two concert dates, one convocation date and two special events, all at no charge.

USL is co-owner of the dome, but the city of Lafayette is managing the facility and paying for its operation and maintenance.

Included in the university's free use of the dome would be utilities, use of tables, chairs, staging, basketball floor, labor for setup and cleanup.

Other sources such as box-office operations, ushers, stagehands, sound and lights, and security would be provided to USL at its expense.

The agreement would require USL to submit on Feb. 1 a list of confirmed dates for home basketball games for the upcoming season. Updated lists of home games would be provided to Barber by March 15 and June 1. USL also would have the right to schedule the dome for basketball practice.

If the agreement is approved, it also would require the city and university to establish upcoming open dates for use of the dome five years in advance.

Under the agreement, on the 22 days for USL, the university would receive all revenues from ticket sales, television and radio fees, and sale of USL merchandise, with the city receiving proceeds from concession sales and catering.

The reserved dates for USL have been questioned by some members of the Cajundome Management Board as a hindrance to booking major conventions. But Barber said Monday that the reserved dates for USL have presented only a few problems so far in the booking of events.

"If someone asks for a specific date and it's taken by USL, we try to switch them to another date," he said.

Normally, the civic center will rent for $2,500 or 12 percent of the gross receipts, whichever is higher, for a commercial user.

The dome is expected to lose about $350,000 in its first year of operation, but city officials hope that figure will be reduced in future years.

The Cajundome's projected operating costs will be under scrutiny in the coming weeks as the City Council reviews the overall city budget for fiscal year 1986, which begins Nov. 1.

"In general, I intend to take a real close look at the Cajundome budget," said Councilman Bob Bacon, council liaison for the Cajundome.

He said he will meet with Barber and the city administration before approval of the budget to review the civic center's expenses.

But along with the review, Bacon said, he wants a commitment from the administration for a "minimum deficit" in the dome's future.

"How Mike is able to achieve that is basically up to him," Bacon said. "The council is demanding that facility be run as efficiently as possible."

Bacon agreed that Lafayette will benefit from the Cajundome's economic impact in several areas, including hotel occupancy, restaurant sales, advertising and tax dollars.

"Those are numbers you really can't quantify," he said.

But a commitment on the facility's expected expenses and revenues will be a tangible measurement of the dome's success, he said.

Barber stressed that the Cajundome will not make a profit and probably won't break even either.

An effort will be made to minimize expenses and maximize revenues while offering a wide variety of entertainment and cultural opportunities to the area, Barber said.

He said the facility already has a strike against it with a projected electricity bill of $450,000 a year. The structure's design, which includes a center height of 146 feet, will require huge amounts of electricity just for cooling and heating, he said.

Even with the city of Lafayette owning its electrical system, all users of the utility - even the city - must pay for electricity, according to the city charter.

Added to the high electricity bill is the use by large civic and nonprofit groups, which will be given special discounts, but will provide little or no profit. In addition to the 22 free days for USL, Barber said.

"A civic group cannot pay you what's needed to open the doors," he said.

"Operating without a deficit just isn't likely," he said.

"I wouldn't see that as a high expectation," Barber said. "We will strive for that goal, but the important thing is to book programs and remain competitive."

He said the manager of the Summit arena in Washington, D.C., told him that 99 percent of the 1,300 civic centers nationwide lose money.

But Barber said the Cajundome's economic spinoff effect, coupled with a variety of program offerings, will make the facility a success.

"Our measure of success ought to be how successful we are at offering that variety," he said.

Barber said more shows could be drawn to the Cajundome if the 7 percent sales tax could be dropped, just as the Superdome in New Orleans was exempted from the state and local sales tax.

The 7 percent sales tax a promoter would have to pay out of gross receipts could represent a night's profit, Barber said. The Cajundome would become more financially attractive if the tax could be waived, making it easier to lure business to the civic center, he said.

But the tax waiver, passed in the recent legislative session, includes several ambiguities which must be made clear before an effort can be made to exempt the dome from sales taxes, Barber said.

"It's under study right now," he said.