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2012 **REPUBLICAN NATIONAL CONVENTION** TAMPA, FLA.

'WE DESERVE BETTER'

Romney says Obama has disappointed and now is the time to make a change



CHIP SOMODEVILLA - GETTY

Republican presidential candidate Mitt Romney speaks for a sound check Thursday during the final day of the Republican National Convention at the Tampa Bay Times Forum in Tampa, Fla. Romney said in his speech that President Barack Obama's promises "gave way to disappointment and division."

By **DAVID LIGHTMAN**
McClatchy Newspapers

TAMPA, Fla. — Mitt Romney on Thursday presented the first crucial chapter of his bid to become the country's 45th president, accepting the Republican nomination and urging the nation to look closely at his resume, his vision and his remedies for the ailing economy.

"I wish President Obama had succeeded because I want America to succeed. But his promises gave way to disappointment and division," Romney said in remarks prepared for delivery. "This isn't something we have to accept. Now is the moment when we can do something. With your help we will do something."

He appealed to the nation's enduring sense of optimism.

"Now is the moment when we can stand up and say, 'I'm an American. I make my destiny. And we deserve better. My children deserve better. My family deserves better. My country deserves better,'" he said.

The 2012 election will offer a stark choice between two kinds of leaders with two distinct views of America's future.

Romney said he understands many are disappointed with President Barack Obama, whose job approval numbers in key national polls have been under 50 percent.

"Hope and change had a powerful appeal," Romney said, recalling Obama's 2008 mantra. "But tonight I'd ask a simple question: If you felt that excitement when you voted for Barack Obama, shouldn't you feel that way now that he's President Obama?"

"You know there's something wrong with the kind of job he's done as president when the best feeling you had was the day you voted for him," the 65-year-old former Massachusetts governor and business executive told the Republican National Convention and a nationwide audience estimated at as many as 40 million people.

To make that choice, Romney said, SEE ROMNEY, 9A

More on the conventions

DNC EYES GOP CONVENTION

Charlotte host committee head Dan Murray encouraged after look at Tampa, Fla. **2A**

RNC FACT CHECK

Some speakers stray from reality. **8A**

TAMPA PROTESTERS

Surprise: No big clash at RNC. **9A**

AT THE AIRPORT

Prepare for possible snags, airport says. **1B**

WELCOMING THE DNC

Charlotte residents of all ages pitch in to bake cookies, muffins for bloggers. **1B**

UPTOWN MUSEUMS

Cultural centers adjust hours for DNC. **3B**

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UNC PROMISES ACADEMIC REFORMS

UNC Chapel Hill leaders say they'll change how the school does business to prevent academic misconduct. **1B**

Federal court blocks voter ID law

Ruling says Texas law could suppress minority turnout. **6A**

Belk, other retailers see big gains

Belk's second-quarter sales rose 4.3 percent. **Business, 2B**

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CRVA to alter how it tracks visitor dollars

New group to gather, vet stats after Observer discovers inflated data

By **STEVE HARRISON**
sharrison@charlotteobserver.com

The Charlotte Regional Visitors Authority plans to overhaul how it tracks visitor spending for conventions and other events in response to an Observer investigation about its past practices of inflating claims of economic impact.

The CRVA will move its research department from human resources — where it was seen as a marketing tool — and into accounting. And for the first time, the tourism authority plans to do follow-up work and see how many people actually attended conventions and how many hotel rooms were used.

In the past, the CRVA has inflated attendance by tens of thousands of people, which in turn led to claims of tens of millions of dollars of economic impact. Much of that money likely never materialized.

In other instances, the CRVA added millions of dollars of visitor spending for no apparent reason, as was the case with the 2010 National Rifle Association Convention.

For that convention, the CRVA increased its SEE CRVA, 12A



MARIO TAMA - GETTY

HURRICANE RESCUE

Joshua Barbot, back, rescues family members, left to right, Christie, Ethan and Larry Trumbaturi from their flooded home, caused by Hurricane Isaac, in his boat on Thursday in Slidell, La. More on Isaac on **4A**.

EpiCentre developer finally gives up ownership

By **KERRY HALL SINGE**
ksinge@charlotteobserver.com

The messy divorce between the EpiCentre's new owners and the developers who created the uptown entertainment project has been finalized, despite a fight by one developer to delay the split.

A federal judge on Thursday ordered developer Afshin Ghazi to immediately sign documents giving up all ownership interests in the complex, which will be a focal point during next week's Democratic National Convention.

Ghazi and developer George Cornelison III signed a settlement agreement in February with Blue Air 2010 LLC, a group of investors who bought the EpiCentre's loan while it was in Chapter 11 bankruptcy protection.

Under the agreement, which is under court seal, Cornelison and Ghazi were to relinquish all ownership and ties to the SEE EPICENTRE, 12A



Ghazi



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CRVA

■ from 1A

estimate of spending by 600 percent.

The CRVA already has made some changes. Last fall, it began using a new formula for calculating visitor spending. That formula is more conservative and has reduced – sometimes by as much as half – the amount of money visitors are projected to spend.

The CRVA is also seeking a new director of its research department. The previous director, Mike Applegate, left the CRVA in August for a sales position with the Cabarrus Convention and Visitors Bureau.

The Charlotte City Council is ultimately responsible for the Charlotte Convention Center and funds the CRVA.

Mayor Anthony Foxx said he believes new chief executive Tom Murray will make necessary changes. Murray came to the CRVA in December after Foxx and the City Council urged the CRVA board to remove Tim Newman.

"We have pushed for change at the CRVA in a very public way," Foxx said in a statement. "The new leadership team has had less than a year to get established, and I have confidence that we'll see good results and better accountability from them. After the Convention, I will ask them to update us on their efforts to date."

Council member David Howard, however, isn't too concerned about the economic impact numbers the CRVA is on. He has been reporting to the public for years. "You do your best, and occasionally you overdo it, and occasionally you under-do it," Howard said.

There is no clear opinion as to whether the city should take a different approach in its strategy of trying to bring conventions to Charlotte.

The facts

The Observer detailed how the Convention Center has fallen fall short of its projections for economic impact and booking business.

Estimated to produce 528,800 hotel room nights a year, the center last year was responsible for about 140,000 hotel room nights from conventions and meetings. The city has failed to come close to meeting its goals, even after a number of expansions, including the Westin hotel, a new ballroom and the NASCAR Hall of Fame, which was built in part to lure conventions.

The Charlotte Convention Center is occupied 35 percent of the time. The average for similar-sized convention centers is 57 percent.

Most of the convention center's funding comes from a 1 percent tax on prepared food and beverages in Mecklenburg County. That tax is mostly paid by Charlotte-area residents.

Murray speaks out

In response to the Observer stories, Murray released a statement that said: "We acknowledge the performance of our business has room to improve, and we are working to make it a reality. As the article points out, every major city invests heavily in this highly competitive business. Like us, those cities clearly view their convention center as a key component to their tourism success and the success of their communities."

Murray also said that the Observer failed to account for the size of Mecklenburg County's hospitality industry, which includes more than 43,000 jobs, with a payroll of about \$1.3 billion.

Jobs supported by Convention Center events make up about 3 percent of that payroll.

Murray declined this week to comment on how the CRVA might attract more conventions and meetings.

In previous interviews with the Observer, Murray has said a new 1,000-room hotel – which would likely be publicly subsidized if it were built – would bring seven new conventions to the city a year.

The executive committee of the CRVA Board declined to speak to the Observer. Two members of the committee – Larry Huelsman and Chuck Allen – said through a CRVA spokesperson that Murray's response to the Observer speaks for them.

Board member Geoff Durboraw said he didn't know the Convention Center was only used 35 percent of the time.

"That got my attention," Durboraw said. "Anything we can do to measure ourselves with other markets, that's what businesses do."

Durboraw said he's wary of

using public money to build a hotel, which was done with the Westin a decade ago. "I'm a believer in trying to keep government and private business separate," Durboraw said.

The Charlotte Area Hotel Association has said it wouldn't support a taxpayer subsidized 1,000-room hotel.

"If someone wants to build a 1,000-room with private dollars, we would be for it," said the association's executive director, Sid Smith.

Charlotte City Council member Michael Barnes said he supports using hospitality tax dollars to help build a streetcar line through central Charlotte. He said he's even more inclined to try and use hotel/motel tax dollars or prepared food and beverage tax dollars in light of the CRVA's struggles to book conventions.

Barnes is against using property tax dollars to build the streetcar, and said using tourism tax dollars could give the city more bang for its buck.

Council member John Autry, who represents east Charlotte and is a firm streetcar supporter, said he would consider using hospitality taxes to build the streetcar. "I think there is room for growth at the convention center," Autry said. "I would be interested in understanding what the CRVA is doing to help that growth."

City staff doesn't appear to be concerned about the convention center's struggled.

Deputy City Manager Ron Kimble, who oversees economic development efforts, said he believes the CRVA is on the right track with a new formula to calculate visitor spending. He said he believes the Observer underestimated the convention center's value to the city, and that it accounts for more jobs than the CRVA or the Observer had counted.

Harrison: 704-358-5160

EPICENTRE

■ from 1A

complex at Trade and College streets. Ghazi, however, retained ownership in Epicentre Theater Partners, a limited liability company that owns the movie theater, Mez Restaurant and Kazba nightclub.

Blue Air last month asked U.S. Bankruptcy Judge George Hodges to force Ghazi to sign documents transferring his control. Despite hours of negotiations, Ghazi didn't sign the papers.

The ownership in Epicentre Theater Partners is even more valuable now, as an estimated 35,000 people are expected to descend upon uptown for the convention, which officially starts Tuesday.

The Epicentre, with its more than 300,000 square feet of restaurants, bars, offices and retail, sits on the site of the old convention center and has been viewed as a key to uptown's redevelopment. The Democratic convention will place it in the spotlight: MSNBC has signed a deal to broadcast from the first floor, and it will be an entertainment and party hub.

Located on the Lynx light-rail line, the Epicentre is diagonally across from Time Warner Cable Arena, where the convention is being held, and near the Charlotte Convention Center, which will be used by media.

'Like a shell game'

Thursday's hearing climaxed two years of legal wrangling that began when the original lender, RegionsBank, started foreclosure proceedings in 2010. Soon after, Ghazi put the two development companies that owned the Epicentre into Chapter 11 bankruptcy protection. Blue Air bought the project's \$94 million construction loan in fall 2010.

The two groups had been close to making a deal where Ghazi could retain an ownership stake, but that fell apart in fall 2011 when Blue Air filed court documents saying Ghazi falsified financial records.

At one point Thursday morning, the judge left the courtroom telling the two sides they had half an hour to reach an agreement. The attorneys on each side chatted mostly among themselves.

Ghazi signed the documents later in the hearing on the judge's orders.

"We have finally gotten the benefit of our bargaining. That is Afshin Ghazi out



JASON E. MICZEK

Developer Afshin Ghazi has agreed to give up ownership of the Epicentre complex to a group of investors who bought the complex while it was in Chapter 11.

of the Epicentre," Blue Air attorney Brad Pearce told the Observer when the hearing was over.

Ghazi and his attorney declined to comment.

During the hearing, Ghazi's attorney, Rich Fennell, said Ghazi has been "always willing to do what the settlement agreement says." Ghazi's attorneys have argued that Ghazi couldn't sign because there were other parties, such as those with minority interests, involved.

Complicating the case, since the Epicentre's inception Ghazi set up nearly 100 limited liability companies that were involved in some way with the Epicentre's ownership and management, according to court documents and people familiar with the project.

These companies' members included Ghazi, his relatives and other insiders, and some bore names inspired by the Monopoly board game, including Marvin Gardens and Baltic Avenue. The court-appointed trustee who has been overseeing the Epicentre's operations is still unraveling the relationships.

Pearce also talked to the court about \$1 million Ghazi is to pay the Epicentre trustee, who will use the money to pay unsecured creditors. The settlement agreement calls for Ghazi to sign over deeds of trust on his SouthPark-area home and The Ghazi Cos. SouthPark of

fice as collateral. But Ghazi has transferred the deed of trust on his home to his wife, which the recently wed Ghazi told the court was part of a prenuptial agreement. Ghazi transferred another piece of property to his mother, preventing Blue Air from placing a lien on either real estate, Pearce said.

In ruling that Ghazi must sign the settlement-related documents, the judge said: "There's too much property moving around like a shell game."

Theater's rent at issue

The papers signed Thursday don't address one remaining issue: Potential rent payments by the movie theater and how the theater spent some of its money after the settlement agreement was signed.

Pearce argued Thursday that Ghazi and the movie theater earned profits they shouldn't have, because the theater hasn't been paying rent. Such rent could run about \$50,000 monthly, filings show. Blue Air has said in court that Ghazi retained control of the company's checkbook and made "fraudulent" distributions to himself and others of around \$160,000 roughly one week after the settlement agreement was signed.

Blue Air has filed a separate lawsuit to deal with the movie theater's rent.

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