

ST. JOSEPH COUNTY HOTEL MOTEL TAX BOARD
FRIDAY, FEBRUARY 26, 2021
ONLINE MEETING
8:30 A.M.

Pursuant to Executive Order 20-09, Section 4 (A), issued by Indiana Governor Eric Holcomb and continued by Executive Order 21-03, by which strict compliance with Indiana's Open Door Law is currently suspended due to the COVID-19 health emergency, the City of South Bend Civic Center Board met on February 26, 2021, at 8:30 a.m. by video/telephone conferencing in which a quorum of members participated. This meeting was made available to members of the public and the media as provided by the Open Door Law.

Members Present

John Anthony
Greg Downes
Mark McDonnell
Jenny McNeil
Dan Parker
Paul Phair
Carmen Piasecki
Ron Zeltwanger

Members Absent

Joseph Kurth
Gary West

The meeting was called to order at 8:30 a.m. by President Anthony. Jeff Jarnecke conducted roll call of board members.

APPROVAL OF MINUTES

Anthony entertained a motion to approve the minutes of the November 6, 2020, meeting. McDonnell moved to accept; seconded, and motion carried.

TREASURER'S REPORT

Zeltwanger reviewed the Hotel-Motel Tax Fund Statement of Receipts and Disbursements for the period ending 12-31-20. The cash balance was \$4,194,159.67 plus \$344,193.77 from 2020 which was carried over for a total of \$3,849,965.90 which was higher than the mid-year 2020 projection of \$3,645,160. Receipts were better than projected; however, were 54% of 2019. The Mishawaka Sports Complex balance was \$694,496 and the Potawatomi Zoo balance was \$348,015.

Anthony noted that 2020 mid-year adjustments were estimated at half the revenue of 2019. More money was spent than was received in 2020. The 2021 budget was conservative and can be adjusted depending on revenue. No other discussion ensued.

PRESIDENT'S REPORT

Anthony provided an update on the Revenue Enhancement Committee which was created to explore ways to increase hotel room nights and hotel tax revenue to invest in tourism in the county. Discussions occurred with local state officials and the State of Indiana General Assembly is considering Bill 164 to increase the St. Joseph County Innkeepers Tax from its current 6% to 8%. If Bill 164 is approved by the Indiana General Assembly, the Hotel-Motel Tax increase would then need to be approved by the St. Joseph County Council. Century Center and Visit South Bend Mishawaka would receive the same allocation of 5%. The Mishawaka Sports Complex would increase from 0.6% to 1%. The Potawatomi Zoo would increase from 0.4% to 0.5%. A fund for the Morris Performing Arts Center would be added with an allocation of 0.5%. The Bill is written so that the allocations for the Mishawaka Sports Complex and the Potawatomi Zoo sunset in 2046 and would allow both to have 20 year bonds for their current projects. After 2046, those funds would go to the Tourism Investment Fund

as additional funding for the Hotel-Motel Tax Board to allocate. The Tourism Investment fund would be added with an allocation of 1% which would be used for projects that would increase hotel room nights. The board or a subcommittee would review proposals on an annual basis. Projects would be required to provide matching funds. A sliding scale would be used to measure a project's ability to increase hotel room nights. Applicants will be required to be St. Joseph County nonprofit organizations.

Phair commented that JSK Hospitality wanted to remain neutral on the tax increase. He suggested that the tax increase be paused until 2022 when hotel occupancy returns back to close to a normal level after the Covid-19 pandemic.

Anthony welcomed South Bend Mayor James Mueller who spoke on Bill 164 and thanked board members and others for their work on the project. Mayor Mueller stated that the new Morris fund would be used for planned new renovations and improvements. The new Tourism Investment fund would unlock private dollars for tourism projects in South Bend, Mishawaka, and St. Joseph County to move the community forward.

AGENCY REPORTS

CENTURY CENTER

Jeff Jarnecke reported that the Bendix Arena was dedicated 2-4-21 and went live on 2-5-21. Partners include the South Bend Lions and Bethel University and interest continues to grow locally, regionally and nationally. Staff are engaged with national events including a collegiate championship. The Indiana High School Esports Network is interested in hosting a multi-state event October 8-10, 2021. Vala Marketing has developed promotional pieces and reports 66,654 online post impressions.

Due to the Covid-19 pandemic, staff were furloughed in 2020 which saved \$800,000 in salaries and benefits. Other cost savings included \$75,000 in utilities, \$50,000 in repairs/maintenance and ASM Global agreed to forego its \$65,000 annual bonus. There are some consumer shows in March-April, 2021. Wedding business has picked up substantially. The deficit in 2021 could look similar to 2020. The cash balance on 1-31-21 was \$2,272,993.88.

Building operations are being updated for higher efficiency. A new website will be completed in April. VenueOps event management software will be used by staff. Through the additional \$500,000 that the Hotel-Motel Tax Board awarded for the Bendix Arena, the process has started to obtain bids through the Board of Public Works for new lights, sound, truss work, broadcast studio, and integration between the Bendix Arena and the Bendix Gaming Center. This work is planned to be done by the end of April 2021. HVAC adjustments are being made to ensure safety of staff, and guests.

Jarnecke reviewed the Morris Performing Arts Center 2021 event schedule and stated that more event dates are being held. The first South Bend Symphony Orchestra concerts are scheduled 4-10-21 and 4-24-21, and an Indianapolis production of The Color Purple is scheduled 4-17/18-21. Furloughed staff returned 2-1-21, and all staff worked reduced hours. An SBA grant application will be submitted for 45% of 2019 revenue of \$1,266,632. The Morris and the Palais Royale have a \$10 million economic impact on downtown South Bend. A business interruption claim has been made with the insurance provider. Building improvements are being reviewed for the Morris to keep staff and guests safe. A Diversity Program is being developed with respect to genre, promoters, and audiences.

MISHAWAKA SPORTS COMPLEX

Ken Prince reported that the scope of the project is being finalized and depends on if Bill 164 is approved by the Indiana legislature to increase the Hotel-Motel Tax from .6% to 1% which could then have ice added to the project. Current plans include 8 courts, 2 turf fields, 2 ice rinks and tenant space. Four of the baseball fields could be converted into 2 soccer fields. Visit South Bend Mishawaka has executed a contract for a feasibility study of adding ice is expected back soon. Mishawaka Mayor Dave Wood wants to break ground in Fall 2021.

POTAWATOMI ZOO

Josh Sisk thanked board members, Rob DeCleene/Visit South Bend Mishawaka, and Jeff Ray from the South Bend Regional Chamber of Commerce who went down to Indianapolis to present to state legislators regarding Bill 164. Tax funds will be used for the concession area, picnic area, and upgrades to the zoo to make it a regional destination and will not be used for a large event space that compete with local hotels. A new 10,000 sq. ft. facility is being built for giraffes and new lion exhibits. Over \$4 million has been raised in primarily private donations of the \$6.3 million "Big & Loud" project total. This is one of the largest financial campaigns in the zoo's history. The South Bend Tribune is coming to report and 14,000 brochures were sent to households. The big fundraiser event was just held virtually and in person with more than double the money raised compared to the event held in 2019. The zoo opens 4-2-21 for the upcoming season.

VISIT SOUTH BEND MISHAWAKA

Rob DeCleene reported that 2020 hotel occupancy was at 38.5% which was down -28.4% from 2019 and January 2021 hotel occupancy was at 38.0% which was down -9.9% from the previous year Covid-19 pre-pandemic. The February 2021 to date hotel occupancy is down -6.6%. Hotel inventory is 5,032 rooms. The Four Winds Hotel restarted construction of the new 317 room hotel which will be the largest hotel in St. Joseph County. Work continues on the LaQuinta Inn & Suites at State Road 933 in Roseland with 74 rooms. In the near future there will be 5,423 rooms in St. Joseph County.

Only two meeting events with 55 room nights were held in 2020 and 5 events cancelled due to the Covid-19 pandemic. Meeting Sales had conversions of One Church Ministries Bi-Annual Conference to be held July 2021 with 614 room nights and INAFSM Annual Conference in September 2022 with 446 room nights. January 1-February 12, 2021 pending leads include the Military Vehicle Preservation Association (MVPA) Annual Convention June 6-12, 2022 with 1,370 room nights. This national event is coming in August 2021 in conjunction with the 75th anniversary of AM General. Other pending meeting leads include the AIM Summit October 2-7, 2022, with 1,511 Room Nights and the ICBDA Annual Convention July 7-13, 2025, with 807 room nights.

There were 54 sports events held with 20,093 room nights in 2020, 8 events relocated with 2,121 room nights, 41 events cancelled and 6 events postponed. From January 1 – February 12, 2021, there were 7 booked events with 1,379 room nights and 8 leads with 4,625 room nights.

Meeting efforts in 2021 include South Bend 50 popcorn bucket gift and South Bend Chocolate Company caramel corn, virtual networking with MPA Indiana Group every Thursday, MPI Indiana Coffee hats, ISAE Star Awards (virtual), Sponsorship Request Program roll-out, Heartland Travel Showcase, 21 one-on-one appointments with tour operators, meeting newsletters distribution of 783 with an open rate of 18.2%.

Sports sales efforts in 2021 include South Bend 50 popcorn bucket gift and South Bend Chocolate caramel corn, switched housing services to site search, Team Indiana monthly involvement, Mask Madness Campaign, Esports initiatives with Esports Trade Association membership and webinars, and sports newsletter distribution of 511 with an open rate of 48.8%.

Top 2020 web content pieces were the white water rafting in DTSSB, Best Pizza Places, and The Bend's Best Patios. The top outbound links were DTSSB Restaurant Weeks, East Race Waterway and Mishawaka Parks Concert Series. Top January 1 – February 12, 2021 web content pieces were Heated Outdoor Dining in The Bend, 10 Ways to Spend Valentine's Day Weekend, and Why Fly South Bend International Airport. The top outbound links were St. Joseph County Parks, DTSSB First Friday-February, and Four Winds Casinos.

Marketing in 2020 included SVBMU: Digital Dive which was a 5-week webinar series on digital marketing; digital marketing campaign with The Basement on Google search, Facebook, Instagram and Pinterest from June 9 – November 30; local restaurants promoted on WVPE June – August; and promoted Statecation with 360 spots on 92.3 WTTS Radio in the Indianapolis area October – November. Marketing January 1 – February 12, 2021, included digital marketing campaign with The Basement; print ad in the Indiana State Travel Guide debuting in March with 350,000 printed; and a how-to video was created with Oh Mamma's which can be viewed on the VSBM Youtube Channel.

Notable advertising in 2020 included a 2-page spread on the digital Notre Dame Gameday Program; a 2-page spread on the digital Men's Basketball Program; local restaurants promoted in AAA Living May/June Magazine; and the Indiana State Travel Guide.

Travel media top 2020 coverage included Hotwire: "America's Best Cities for a Quickie" Index by Hotwire in which South Bend was ranked #4; Trip Advisor: "Top 25 Hotels for Service – World" with the Morris Inn featured; Summer 2020 ND Magazine; Small Market Meetings Magazine "Only in South Bend"; and the St. Louis Post-Dispatch: "South Bend: Indiana city offers art, museums, adventure and of course Notre Dame – even in a pandemic."

The new VSBM website will launch in June. The 2021-2022 Visitors Guide features Howard Park on the cover and will have a brand-new concept to debut in early May. Distribution has been reduced to 50,000 from 80,000 because of the unknown of the Covid-19 pandemic recovery. All 2020 advertisers were comped their ads for 2021-2022.

The Tourism Marketing and Hosting Grant has evolved into the 2021 Sponsorship Program with \$50,000 available for the application-based process. A Destination Development Consulting study will take place 2021 Q1 and Q2 for feedback on the future of the Tourism Capital Improvement Fund.

DeCleene was in Indianapolis 2-9-21 to testify before the Senate committee where SB164 passed 13-0. Bill 164 passed the Indiana State Senate and moves to the Indiana House next. The Mishawaka City Council passed a supporting resolution 9-0 on 2-15-21. The South Bend City Council passed supporting resolution 9-0 on 2-22-21. Bill 164 was presented to the St. Joseph County Council committee meeting 2-23-21.

NEW BUSINESS

Greg Downes gave a brief overview of the Morris 100 Campaign and planned significant upgrades including replacing the entire floor and seating, a building addition to the north between the Morris and the LaSalle Hotel which will include additional restrooms, elevator and a parking garage for 300-400

vehicles. The plaza in front of the Morris will be updated. An Equity for the Arts endowment and a maintenance endowment will be established. He and his wife, Mary Downes, have been working on this for about six months and a very diverse committee of more than 50 people in St. Joseph County has been formed. The hope is to expand the committee to include people from all the surrounding counties. Six subcommittees have been created including three for fundraising, one to plan the celebrations during the 2022 centennial year, one to plan and engage with the Equity in the Arts, and one for the Next Generation to target people in their 20s and 30s. Meetings have been held with the South Bend Elkhart Regional Partnership and a number of organizations to get support. Significant financial commitments have been made by the City of South Bend and one lead donor gift with more major donor gifts to come soon. Renderings from the architects should be received soon. The Big Idea Company and Venues Parks & Arts marketing staff have produced three 90-second videos and five electronic documents, and a website will be live soon. Morris tours are being given to committee members. The Morris and Palais Royale have 5,000 - 6,000 hotel rooms per year and the upgrades should increase room nights by 50% or more. Discussion followed on the Morris major renovation in 2000 and the need to replace the original 1922 concrete floor because some seats will no longer attach to the floor because the floor is disintegrating. Seats will be upgraded and new restrooms, elevators will be added. The entire block will be developed and the front of the parking garage will be attractive with the entrance planned on Main Street.

OLD BUSINESS

There was no old business.

ADJOURNMENT

Anthony thanked everyone who contributed to the online meeting. The next in-person meeting is scheduled May 28, 2021.

With no further business, Anthony adjourned the meeting at 9:35 a.m.

JA: mes