

**CIVIC CENTER BOARD OF MANAGERS  
THURSDAY, AUGUST 5, 2021  
CENTURY CENTER – BENDIX ARENA  
8:30 A.M.**

**Members Present**

Dennis Andres, Jr.  
Linda Doshi  
Greg Downes  
Randy Kelly  
Michael Neises  
Aaron Perri

**Members Absent**

A. J. Patel  
Jill Scicchitano

The meeting was called to order at 8:30 a.m. by President Perri.

**CONSENT AGENDA**

Perri entertained a motion to approve the consent agenda, including the 1) Minutes of the May 13, 2021, meeting; 2) Claims January –May 1 to July 31, 2021 and (3) Financial Report June 30, 2021. Greg Downes motioned to approve; Michael Neises seconded and motion carried.

**PRESIDENT’S REPORT**

Perri highlighted Best. Week. Ever. events to be held at Century Center with Meet Me on the Island and fireworks 8/6/21 and Brunch on the Bend 8/7/21. He thanked Jeff Jarnecke, Scott Herczeg and Century Center team for the work on the Bendix Arena. The Convention of the Military Vehicle Preservation Association is expected to bring over 10,000 people to South Bend starting 8/12/21 and will fill up hotels. The Morris received \$661,442 from the federal Shuttered Venues Operators Grant (SVOG) to recoup losses. Century Center was not eligible for the grant.

Perri reported that the State enacted legislation that could increase the St. Joseph County Hotel-Motel Tax from 6% to 8%. The Morris will receive 0.5% of the 2% increase. The St. Joseph County Council will consider an ordinance at the meeting on 8/10/21 to enact the increase. Perri and St. Joseph County Chamber staff will be attending to speak in favor of the increase. Perri requested members to advocate for the increase to County Council members. Once the ordinance is passed, the money will then be available to fund some of the Morris 100 projects including new seats and energy savings projects.

The City of South Bend applied for \$2.5 million in grants for the Morris 100 project and \$5 million in state grants for the river development area grants for the area along the Century Center, Press Ganey and Post Office parking lots. These will be tracked with the South Bend/Elkhart partnership of the Regional Economic Acceleration Development Initiative (READI.)

**VENUES REPORT**

**Morris Performing Arts Center**

Jeff Jarnecke reported that the Morris is a busy venue again with events booked and holding dates for Q3, Q4 and 2022. However, with the ongoing pandemic, promoters and event organizers are anxious about the ability to sell tickets, The Morris received \$661,442 from the Small Business Association SVOG grant program. Staff returned 2/1/21 and a few events were held in Spring – The Color Purple and the South Bend Symphony Orchestra concerts. Pulse FM held outdoor summer concerts in the Jon R. Hunt Plaza in June, July with 1800-2000 people and an upcoming concert 8/13/21. The rescheduled Brit Floyd concert is 8/10/21 with 1,600 tickets sold to date. Children’s performances of Peppa the Pig and Blippi are selling well.

Jarnecke thanked Greg and Mary Downes for their leadership on the Morris 100 Committee. June 28 to September 30, 2022, the Morris will be dark as some of the upgrades will be made. The City will go to bid for the concrete floor work in September to get that scheduled. Irwin Seating in Indianapolis will be installing the new seating thereafter. Ameresco will be proposing \$5.3 million new HVAC, lighting fixtures, fire suppression and other improvements which need to be approved by the City Common Council.

Interviews will be conducted 8/13/21 with Ratio Design, architects from Indianapolis, to interview two firms to serve as the executive architect of the building expansion. The process will take ten to eleven months to be ready to go to construction. With the work being done fundraising, hopefully the project would be ready to bid in 2022 as soon as the funding is in place. More information on the Morris 100 celebration and how we will celebrate with our partners at the South Bend Symphony and American Theatre Guild will be announced at the next meeting.

### **Palais Royale**

The Palais Royale revenue includes the long-term lease agreement with Fatbird. They received a loan through a City of South Bend program and are ready to expand into an additional 2,500 sq. feet in the basement. The Palais Royale is in year two of the three year contract with Navarre Hospitality. They retain all revenue from sales and assume expenses including utilities. With fewer events earlier this year, Navarre Hospitality consolidated operations and are now using the kitchen at the Armory to prepare food. Weekend events are returning at the Palais Royale as well as shows and concessions at the Morris. The contract with Navarre expires 12/31/22. Within twelve months the food and beverage service will be evaluated, going out to bid, or an extension will be offered on the base agreement with Navarre Hospitality.

### **Century Center**

Jarnecke reported that the \$812,232 revenue reported up to 6/30/21 includes one installment of \$300,000 from the Hotel-Motel Tax Board. The second installment of \$300,000 from the Hotel-Motel Tax Board is expected soon. An additional allocation of \$400,000 (subject to approval by the Hotel-Motel Tax Board at the meeting on 8/13/21) is expected due to increased hotel occupancy, bringing the total allocation to \$1 million for FY21. An additional \$100,000 capital funding from the Hotel-Motel Tax Board is anticipated for the Bendix Arena and some building upgrades.

Staffing challenges are a concern for both hourly and salaried positions. Jarnecke commended the team including City and ASM Global employees who are working extra hard. Within 60 days the key positions should be filled. Food costs have increased 8% to 11%. Some menus have changed because some items are impossible to get currently.

The first national level collegiate esports event will be held in August at the Bendix Arena. The Discovery Ballroom will also be used for exhibitors. The event organizes of a collegiate and high school regional event in October recently came for a site visit and requested that Century Center submit a bid for their national event in 2022. A high school recruiting showcase is scheduled for November, a conference and tournament in December, and Purdue University has an event scheduled in January. Three different event organizers are hosting local esports events.

## **Parking Operations**

Jarnecke reported that significant capital project work was done in 2020. Significant capital work will be done in the parking garages every other year. ASM Global continues to run the parking operation at Century Center. With dedicated staff working solely in the three parking garages, improvements are being made with cleanliness, presentation and signage. A rate increase will be reviewed in the near future.

## **NEW BUSINESS**

### **FY 2022 Budget Presentation**

Perri stated that the state legislature requires the Civic Center Board to pass a budget prior to the budget going to the governing bodies to approve (South Bend Common Council and St. Joseph County Council and County Commissioners.)

Jarnecke stated that the estimated Morris 2022 revenue of \$1,920,313 is an increase from the estimated 2021 revenue of \$811,746. The Morris 2022 numbers are different from previous years because it was recommended and supported by the City of South Bend Controller and Mayor to move the Morris to a non-reverting enterprise fund. Morris Funds 101, 273 and 274 would be merged into one fund and be funded with \$600,000. The net profit each year would remain with the Morris instead of reverting back to the City General Fund. The 2022 budget includes \$175,000 for events to celebrate the 100<sup>th</sup> anniversary.

Jarnecke reviewed the Palais Royale 2022 budget of \$136,190 revenue and expenses of \$208,931 which includes building maintenance. The revenue does not include the \$25,000 license fee which Navarre Hospitality pays to a joint marketing fund which is utilized to market the space.

Jarnecke gave an overview of the Century Center 2022 budget of \$4,125,935 revenue and expenses of \$4,081,891 with a net profit of \$44,044. The allocation committee of the Hotel-Motel Tax Board has given conditional approval of the \$1.275 million operating subsidy, subject to board approval. Some consolidation of staff creates some savings.

Jarnecke reviewed the parking garage 2022 budget of \$965,781 revenue and expenses of \$1,093,721 with a net loss of \$127,940. All three parking garages are below 100% occupancy. The Wayne Street garage is the highest performing garage with 90% occupancy and the other two parking garages are at 80% currently. Parking will remain sluggish because of companies leaving downtown and employees working remote and hybrid. In the future this could be offset by rate increases or flexibility in pricing for special events. Capital improvement projects are planned for 2022 the amount of \$350,000 and every other year after so that the garages are safe and welcoming to the parkers. This is a non-reverting fund with the goal being to have \$300,000 to \$400,000 cash reserve and to continue to invest the rest of the proceeds back into the operation. Discussion followed on the two different parking budgets – Century Center parking lot and the three City of South Bend owned parking garages. Perri stated that at the Civic Center Board meeting on 5/13/21 the board approved support of the legislative statute to transfer oversight of the parking garages from the Board of Park Commissioners to the Civic Center Board.

Discussion followed on the Ameresco contract for HVAC at the Morris Center and that the Palais Royale will be included. The Morris, Palais Royale, and Fatbird each have their own controls. The new building would have separate controls.

Perri commented on the optimistic 2022 budget and that staff have met with the Mayor regarding the budget. Perri entertained a motion to approve the seven funds associated with the Morris, Palais Royale, Century Center and parking garages. It was moved by Randy Kelly, seconded by Greg Downes and the motion carried.

### **OLD BUSINESS**

Perri thanked Greg and Mary Downes for all the work and meeting coordination of the Morris 100 Committee and subcommittees. Greg and Mary Downes along with Bipin and Linda Doshi have become members of the 2022 Society by pledging to donate \$100,000 or more.

Greg Downes thanked Perri, Jarnecke, Annie Smith and the creative Venues Parks and Arts staff for their assistance on the Morris 100 campaign. In addition to the City of South Bend's commitment of \$10 million and Ernestine Raclin, Carmi and Chris Murphy and the Carmichael Foundation commitment of \$5 million to the Morris 100 campaign, other pledges are approaching \$1.4 million for a total of \$16.4 million. The Center Stage at the Morris event is planned for 8/16/21 possible donors with 175 RSVPs. The Celebration Committee has started planning a series of events throughout 2022.

### **ADJOURNMENT**

With no further business, Mr. Perri entertained a motion to adjourn. It was moved by Downes, seconded by Randy Kelly and the motion carried. The meeting adjourned at 9:25 a.m.

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