

**CIVIC CENTER BOARD OF MANAGERS
WEDNESDAY, AUGUST 10, 2022
CENTURY CENTER – RECITAL HALL
8:30 A.M.**

MEMBERS PRESENT

Greg Downes
Michael Neises
Aaron Perri
Jill Scicchitano

MEMBERS ABSENT

Linda Doshi
Randy Kelly
A.J. Patel

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

CONSENT AGENDA

Perri stated that the board is short two appointees and there was not a quorum of members at this meeting. The Minutes of the 5/5/22 meeting and approval of financial reports would be approved at the next meeting.

PRESIDENT'S REPORT

Perri reported that Jeff Jarnecke has resigned from the Executive Director – Venues position and has accepted the position of Executive Director at Visit South Bend Mishawaka. Staff had a roast and toast for him. He hopes to have the position filled soon. Marika Anderson, Director of Financial Services at the Morris, with over 21 years of service, will be retiring. Her last day is 8/12 and a retirement celebration will be held 8/11.

VENUES REPORT

Century Center

Perri highlighted upcoming events at Century Center: Barletta Boats Dealer Show 8/15-18 with 400 guests and 1,200 room nights; Indiana Judicial Conference 2022 Annual Meeting 9/6-9 with 650 guests and 1,500 room nights; IN Association for Floodplain & Stormwater Management, Inc., 9/13-16 with 200 guests and 300 room nights; and the Association of Indiana Counties 202 Annual Conference with 600 guests and 1,100 room nights.

The Bendix Arena powered by Xfinity and the Xfinity Gaming Center will be the brand for the gaming areas going forward after dedicated Xfinity broadband was installed both at Century Center and the Morris. The HVAC chillers were repairs and are now working. New cameras were installed. Window Washing was completed. Craig Kapson is the Interim Executive Director of the South Bend Museum of Art.

Perri gave a budget overview and reported that the pre-pandemic three-year average for revenue was \$3,130,062 less expenses of \$4,314,986, operational subsidy of \$1,275,000 left a net of \$90,077. Capital was \$952,064. There were 800 event days, attendance of 175,726 with 11,894 room nights, and economic impact of \$16.05 M. The projected 2022 revenue is \$2,864,656 less expenses of 4,124,958, operational subsidy of \$1,275,000 will leave a net of \$14,698. There are projected 648 event days, attendance of 129,702, with 12,718 room nights and economic impact of \$16.52M. The projected 2023 revenue is \$3,355,842 less expenses of \$4,628,272, operational subsidy of \$1,275,000 will leave a net of \$2,570. There are projected 726 event days, attendance of 149,200 with 13,000 hotel nights.

Perri reviewed the 2023 capital plan which totals \$743,000 and includes \$100,000 for safety and security/upgrade to add cameras and access controls; \$75,000 to reconstruct chiller systems; \$50,000 for water softener and filtration system replacements; \$75,000 to replace all restroom fixtures; \$50,000 for skyway/Art Museum restroom upgrades; \$45,000 to repair island pavers and bridge decking; \$85,000 for catering and kitchen; \$130,000 for event tables and chairs; \$85,000 for suite audio visual upgrades; \$18,000 for parking lot lights; and \$30,000 for hardscaping/landscaping.

Confirmed 2023 highlight events include Star Spirit 3/4-5 with expected attendance of 4,500 and 3,500 room nights; Spring Ring 2023 Area 5 (Handbell Ringers) 3/17-18 with attendance of 700 and 200 room nights; International Jugglers' Association 7/17-23 with attendance of 2,500 and 485 room nights; 2023 Region V VPPPA Safety Conference 6/12-15 with attendance of 300 and 430 room nights; American Advertising Federation District 6 4/12-14 with attendance of 950 and 300 room nights; Indiana geographic Information Council 5/15-17 with attendance of 500 and 160 room nights; International Association of Water Rescue Professionals 6/18-24 with attendance of 475 and 300 room nights; 2023 Indiana State AA Convention 6/23-25 with attendance of 1,000 and 400 room nights; One Church Ministries Conference 7/113-16 with attendance of 2,200 and 470 room nights; Patel Wedding Weekend 8/4-6 with attendance of 3,000 and 1,000 room nights; Barletta Dealer Show 8/16-24 with attendance of 1,400 and 300 room nights; Ramencon 9/28 – 10/1 with attendance of 1,750 and 500 room nights; Indiana Criminal Justice Association 10/3-6 with attendance of 500 and 280 room nights; and Christian Educators Association Regional Conference 10/18-20 with attendance of 1,300 and 500 room nights.

Perri reported on the Ratio Design expansion study which highlights a 16,850 sq. ft. Ballroom (vs 12K); an additional 10,592 sq. ft. Exhibit Hall (35K total); an additional 8,704 sq. ft. pre-function space; new service corridors and new restrooms. Jefferson would be reconnected to the grid. The parking lot would be across the street with two ways to go in/out. The Mayor is putting together a major bond package in the 2023 budget at \$20M cost.

Parking Operations

Perri reported on the new automatization at the parking garages.

Morris Performing Arts Center

Perri reported that the pre-pandemic three-year average of 89 events was revenue of \$1,336,264 less expenses of \$1,128,559 with a net of \$207,705. The \$600,000 SVO transfer in 2021 was a one time "Shuttered Venues" transfer. The City of South Bend transferred \$1,100,000 to the Morris in 2022 as money to start the revenue fund. Utility and labor expenses are trending higher. The Amaresco energy savings are expected in 2023. The Morris has been moved from a general fund to a revenue fund. The projected 2022 revenue is \$1,302,256 less expenses of \$1,665,060, operational transfer of \$1,100,000 leaving a net of \$737,197. The Morris is projecting 86 events in 2022.

The Morris celebrated the ushers at the Howard Park Event Center 8/6 with a luncheon and awards presented for the number of shows worked.

Photos of the renovation inside the Morris were shown along with a rendering of the new royal blue seats. The new equipment for the HVAC system was lifted to the roof with a crane. The new carpet will be here late Fall due to supply chain issues.

The upcoming Morris 100 Fest on 9/30 – 10/1 at the Jon Hunt Plaza will be a free community celebration of 100 years of the Morris. There will be three stages with regional bands, ferris wheel, street performers, food trucks, games and fireworks. The ticketed Barenaked Ladies concert inside the theater will be the headliner event 10/1 with The Bergamot opening.

Palais Royale

Perri reported that the pre-pandemic three-year average revenue was \$393,100 less expenses of \$460,010 leaving a loss of \$66,910. The projected 2022 revenue is \$147,000 less expenses of \$196,403 will leave a net loss of \$49,403 with 68 events projected in 2022. This does not include the rent from the Fat Bird restaurant. There is a permanent drop in expenses since the new agreement with Navarre Hospitality.

OLD BUSINESS

Morris 100 Campaign Update

Greg Downes reported that Annie Smith resigned from the Chief Development Officer position. Emily Sims, previously at the Center for the Homeless, has been hired to fill the position. Downes gave an update on the Morris 100 campaign. It is expected to have \$21M of \$26-\$27M by this Fall and construction of the expansion could move forward. The original cost estimate for Phase Two of the project (addition of a building to the north of the Morris and parking garage) is over two years old. There has been a 60%/\$10M increase in cost. Developers are thinking long term and want to expand the project for residential living along Main Street going up five or six stories. There would be access to the new addition from the West. Maybe an RFP could be issued by the end of the year, and the project would go to bid next year with groundbreaking in 2024-2025.

Perri presented structural designs of the building between the Morris and the LaSalle Hotel building to the north. There would be 20% more restrooms, a tasting kitchen, VIP lounge on the second floor and a balcony. Shakespeare Lighting Design has a concept of interactive lighting that can change depending on the event at the Morris. The Burkhart (now Lamar) billboard on Main Street needs to be negotiated. Discussion followed on cost increases and that the City owns the parking lot at the Hoffman Hotel and the South Bend Water Works.

ADJOURNMENT

With no further business, President Perri adjourned the meeting at 9:10 a.m.

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