

**ST. JOSEPH COUNTY HOTEL MOTEL TAX BOARD
TUESDAY, FEBRUARY 27, 2024
CENTURY CENTER – BENDIX ARENA
8:30 A.M.**

Members Present

John Anthony	Jenny McNeil
Rob DeCleene	Paul Phair
Becky Fletcher	Gary West
Mark McDonnell	Kyle Willis

Members Absent

Carmen Piasecki
Ron Zeltwanger

Member Present Via Internet

Micki Kidder

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

APPROVAL OF MINUTES

President John Anthony entertained a motion to approve the minutes of the 10/26/23 meeting. Mark McDonnell moved to accept; Jenny McNeil seconded; and motion carried.

TREASURER’S REPORT

Rob DeCleene reviewed the Financial Report ending 12/31/23 on behalf of Ron Zeltwanger. The Mishawaka Sports Complex/Fund 4926 had a cash balance of \$1,963,703.37. The Potawatomi Zoo Capital/Fund 9427 - \$\$1,235,069.01; Morris PAC Capital/Fund 7403 - \$780,074.41; Tourism Capital Investment/Fund 7404 - \$1,687,891.1. The Hotel-Motel Tax/Fund 7304 started 2023 with a cash balance \$6,242,204.65 plus receipts of \$6,363,677.96 minus 2023 expenditures of \$5,999,436.73 which leaves a net balance of \$6,606,445.88. The Hotel-Motel tax 2023 tax receipts of \$6,363,677.96 was a record compared to 2022 - \$5,510,020; 2021 - \$5,510,020; 2020 - \$3,016,446; 2019 - \$5,046,539; and 2018 - \$5,679,728. The 2024 Q4 tax receipts were the highest quarter on record - \$1,992,356. It was just reported in the news that Elkhart County is pursuing an increase in its Hotel-Motel Tax from 5% to 8% for downtown projects.

PRESIDENT’S REPORT

President Anthony reported that according to Smith Travel Research, the travel data across the country is in line with this area. The quarterly average daily room rate was up throughout the country. The top 25 markets outperformed all others in aggregate. The upscale chains have led the industry in performance. The health of the tourism industry is in the big markets.

Engineering work is progressing on the trail connecting Notre Dame to downtown South Bend. Project bids are expected to be open at the Board of Public Works 3/12/24 meeting and would be awarded at the 3/26/24 meeting. The City will meet with property owners 3/7/24. The trail is expected to start in Spring 2024 and be completed in Fall 2024. The trail has not been officially named. It will run from Notre Dame Avenue to South Bend Avenue to Hill Street to LaSalle Street.

AGENCY REPORTS

MORRIS PERFORMING ARTS CENTER

Andrew Schreiber reported that the Morris, Century Center and the parking garages had a very busy year in 2023. The Morris was voted the 2023 “Best Live Music/Concert Venue: and the “Best Live Theater” in the South Bend Tribune’s “Community Choice Awards. The Palais Royale was voted “Best Wedding Venue.” The Morris had its busiest year with 103 events compared to 96 events in 2022. There are 86 events to date booked in 2024. There were 74,193 tickets sold in 2023 with \$3,770,059

in revenue and 5 sold out shows – Nate Bargatze, Shane Gillis, John Mellencamp (2 shows), and South Bend Symphony with Yo-Yo Ma. Ticket count was down a little bit; however, ticket revenue was up. The new technology Placer A.I Heat Map shows that the Morris has a reach out to Goshen. The Morris, Palais Royale and Fatbird rental revenue was \$1,811,826 with expenses of \$1,596,824 and net profit of \$215,001. There was \$40,000 in expenses for the space rented by Fatbird to replace 0-year-old heating elements. This year the Morris is looking to recoup some of the show marketing expenses that is The Morris does for each promoter. Morris 2024 Capital Projects include the Palais floor (\$88,000) and ceiling (\$46,000) refinish which were completed in January; a new projector and screen (\$118,000) for the free community Movies at the Morris; restroom fixtures and repairs (\$40,000); front awning replacement (\$25,000); and external wall digital screens (\$100,000.) The Raclin Murphy Encore Center groundbreaking has been adjusted to Spring 2025. The Ratio designs are complete and the bid process is ready to begin once everything is in place.

CENTURY CENTER

Schreiber reported that revenue was \$4,462,846 with expenses of \$4,128,822 and net profit of \$334,023. Hotel Room nights in 2023 increased to 16,897 compared to 14,865 in 2022. Capital projects completed in 2023 included the “Skyway/Art Museum” restroom upgrade (\$167,046); catering and kitchen equipment (\$72,442); water softener and filtration system replacements (\$69,000); parking lot seal and stripe (\$49,124); bridge decking (30,000) and Island Park pavers repaired (6,000.) The event tables and chairs (\$50,000) and parking lot entrance gate automation (\$19,000) were deferred until 2024. Other Capital Projects in 2024 include Convention Hall floor refinish (\$100,000); AV equipment replacements (\$50,000); Great Hall lighting (\$31,000); ice machines (\$32,000); Bendix peripherals (\$5,000); and cameras at all entrances and exits and parking lot on the City Real Time Crime Network as well as license plate readers (\$100,000. The HVS survey being done as part of the larger Ratio downtown design (including Century Center, 1st Source Bank and Football Hall of Fame building) is currently factfinding. The Discovery Ballroom new carpet (\$100,000) and back entrance gate are being delayed until that survey is complete.

A discussion followed on esports events currently being steady. Schreiber recently talked with Craig Liston at ASM Global regarding esports at a national scale. The Bethel University team competes there and work continues to host regional and national tournaments. The space is difficult to use for theater as the back side of the Bendix Arena wall is the South Bend Museum of Art kiln area so there is less staging that can be done.

POTAWATOMI ZOO

Josh Sisk reported that the zoo is working on a strategic plan. A printed report was distributed highlighting the new bear habitat and lodge café to be completed in 2/2024. Ribbon cutting is 3/28/24. Attendance in 2023 was 350,055 compared to 316,000 in 2022; 274,563 in 2021; 188,000 in 2020. Membership revenue has increased 65% over the last 3 years. Current attendance trends project the zoo could reach over 450,00 visitors over the next several years. The newest \$5 million capital campaign, Big Cat Tracks, will break ground in 2024. Over \$35 million in additional projects are included in the future – The Tropics rainforest (\$25 million); The Americas will bring a bald eagle and American wolf (\$4 million); and new corporate picnic pavilion (\$1.5 million.)

MISHAWAKA SPORTS FIELDHOUSE

Brandon Lafferman, Chief Operating Officer at Card & Associates, gave an update on the Mishawaka Fieldhouse. Construction is going well and on pace for Q3 completion and opening late Summer or early Fall. Currently the interior concrete is being poured. Board members will be invited to the invitation only grand opening ceremony. The General Manager and staff are being hired in sports specific roles

as well as food services. These will be formalized early in April. Once staff are hired, hotels will be able to connect regarding room nights. A lot of progress is being made in volleyball, soccer, softball, basketball, pickleball and flag football and homegrown leagues. Late 2024 events will start with a big push for events in 2025. The facility is being marketed to outside groups. Currently volleyball planning takes place for the next season in Winter/Spring. Flooring is being tested to go on top of the turf field to expand to an additional 6 volleyball courts in addition to the 19 available courts to bring in larger events. The website and all social media will go live in April to promote the Fieldhouse to the public.

VISIT SOUTH BEND MISHAWAKA

Jeff Jarnecke reported that 2023 was a record high with the average daily rate of \$128.92 which led to record revenue. There were 91 youth sports events in 2023 with 42,000+ room nights. Leisure marketing had 68,000+ room nights. Demand was down 7% with 911,000 total room nights in 2023 compared to 976,000+ room nights in 2022. The entire state was down 1%. The STR report predicted that January would be slow. The past weekend the girls youth hockey tournament that included 59 teams that played 125 games and came from 13 states and Canada. Hockey continues to be a priority. Discussion followed on the drop in leisure hotel room nights and whether restaurants, parks and other attractions are being impacted. Jarnecke said the VSBM strategy is to go deeper into the top markets of Chicago and Indianapolis with the "Bend the Rules" campaign.

The Tourism Capitalism Investment proposals/applications are due 3/1/24. The committee will review them and bring recommendations to this board at the May meeting. At least 5 proposals are expected and there may be some additional proposals. Seed has gone in at the Indiana Invaders 5 additional fields which will be playable this Spring. The new Indiana Dinosaur Museum has hosted a Chamber of Commerce meeting and other meetings.

The CSL Tourism Master Plan for St. Joseph County is on track. The Steering Committee of 11 individuals is chaired by John Anthony. CSL's second visit to St. Joseph County will meet with 150 different people this week over 3 days to interview and conduct focus group sessions to talk about the current state of affairs in St. Joseph County and to start thinking about future possibilities.

Richard Cutting-Miller, Vice President of Tourism Strategy, reported that CSL International has been engaged by VSBM to produce a Tourism Master Plan for St. Joseph County. It is a long term plan of 10+ years and issues that need to be addressed and opportunities to enhance the visitor experience as well as the quality of life by residents who live here. There is a considerable amount of research that goes into the project the first 3-4 months. The first visit a month ago was a familiarization tour looking at venues that visitors frequent when they come. Surveys will be done with visitors, residents and stakeholders to understand the issues and opportunities. After all the research is compiled visioning workshops will be held to discuss, debate and decide who are the visitors to attract in the future and to develop a series of recommendations and strategies, action plans, timetables, roles, responsibilities and performance metrics. This is a 6-8 month process engaged with the community helping to build a consensus of the future of South Bend, Mishawaka and St. Joseph County as a destination. He encouraged board members to participate in the project. John Anthony commented that having a 10-year plan is extremely valuable to the community.

OLD BUSINESS

None

NEW BUSINESS

TOURISM CAPITAL INVESTMENT FUND COMMITTEE

John Anthony reported that everyone who served on the 2023 Tourism Capital Investment Fund Committee has agreed to serve on the 2024 committee – Joe Thomas of the St. Joseph County Council; Wesley Clark of Embassy Suites; Board members Ron Zeltwanger, Micki Kidder, Paul Phair and John Anthony. Applications are due 3/1/24. The committee will review the applications and make recommendations to the board at the May meeting.

BOARD PRESENTATION

John Anthony recognized John “Jack” Swarbrick, retiring Notre Dame Vice President and Director of Athletics and spoke on the impact he and Notre Dame have on the community with the Compton Family Ice Arena, youth hockey, concerts such as Billy Joel and Garth Brooks, the vision of a trail from Notre Dame to downtown South Bend is becoming a reality, future Notre Dame sports expansion will be placed at major corridors and much more. He has had a great impact on the community and will have for many years to come. Anthony noted that Notre Dame President Father John Jenkins and Notre Dame colleagues were in attendance. South Bend Mayor James Mueller presented Swarbrick with the key to the city to thank him for his service to the community.

ADJOURNMENT

With no further business President Anthony entertained a motion to adjourn the meeting. Jenny McNeil moved to adjourn the meeting; Gary West seconded; and the meeting adjourned at 9:20 a.m.

JA:mes