

**ST. JOSEPH COUNTY BOARD OF MANAGERS  
FOR HOTEL-MOTEL TAX  
WEDNESDAY, JANUARY 22, 2020  
8:00 A.M. CENTURY CENTER SUITE 15**

**Members Present**

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

**Members Absent**

Thomas Walz

**Others**

Aaron Perri, Venues Parks & Arts  
Rob DeCleene & Staff, VSBM  
Jacob Hamman & Century Center Staff  
Jeff Jarnecke, Venues Parks & Arts  
Josh Sisk, Potawatomi Zoo  
Aladean DeRose, City of South Bend

The meeting was called to order by President Anthony at 8:00 a.m.

**ROLL CALL**

Roll call was taken with the following member absent: Thomas Walz

**APPROVAL OF MINUTES**

Anthony entertained a motion to approve the minutes of November 1, 2019. Downes moved to accept; seconded by Piasecki, the motion carried.

**TREASURER'S REPORT**

Zeltwanger gave the financial report for the period ending December 31, 2019. Cash Balance January 1, 2019, was \$6,124,258.59. Total Hotel-Motel Tax Receipts were \$5,046,538.64. Disbursements were \$5,886,788.99. Cash Balance was \$5,284,008.24. Zeltwanger reviewed the 2020 budget with projected tax receipts of \$6,000,000 and disbursements of \$6,277,937 and Cash Reserves of \$4,271,324. Anthony noted the dip into the Reserves is as discussed and budgeted with two new allocations.

**PRESIDENT'S REPORT**

Anthony stated that four agencies would now give reports at meetings.

**Agency Reports**

**Century Center**

Jeff Jarnecke reviewed FY 19 -- \$11.1 million economic impact, 526 events, 165,133 guests, 82 net promoter score. There were a record number of 15,021 room nights (increase of 6% year over year.) There are already 14,019 room nights booked for 2020 with a goal of 18,000 room nights.

Jarnecke reported on 2019 performance of \$4,543,033 in Revenue, Expenses of \$4,351,200, Profit of \$191,832 and Net Operating Loss of \$1.08 million with the Hotel-Motel Tax \$1.275 million operating subsidy.

Jarnecke reported that the chairs and carpeting were removed from the Bendix Theatre. The renovation of the space into the Bendix Arena is on schedule and on budget. New carpeting is being installed January/February, new chairs installed March 9, and IT build-out is scheduled for May/June. A meeting is scheduled with Simply New, the company that designed Arlington, TX,

e-sports facility to lay out the IT infrastructure. The work will go to bid in February and contract in March. The Bendix

Arena is scheduled to launch in July. The recommendation from the consultant was to have the Bendix Arena with 530 seats and turn Suites 12-15 into a LAN gaming Center and LAN Café for a day-to-day operation with 40 gaming stations for Bethel University as the primary tenant or for tournament use with the Bendix Arena. There will be space for board games, augmented reality, and virtual reality.

Jarnecke gave updates on remaining projects. The parking lot construction work for the entrance off of Dr. Martin Luther King Jr. Boulevard is done except the parking attendant booth to be installed. This main entrance will open again on January 31. There has been discussion of continuing to use the temporary entrance to the East side of the parking lot from Jefferson Boulevard. If there is no acceptable bid on the North restroom project, those dollars may be shifted to create an East side parking lot secondary entrance. The two bids received for the North restrooms were a greater number than the allocated budget. No bids were received on the North elevator project.

Discussion followed on how to generate traffic for the Bendix Arena. Jarnecke explained that the local marketing firm Vala Marketing (with avid gamers) has been retained to create a logo, website and social media to penetrate the local gaming community. When the decision is made on the operating model and whether to have a third party run the day-to-day operation, then the marketing campaign can be developed. The new updated space should enhance existing business and will not result in any loss of current business. The long-term strategy is that if gaming does not exist in the future, then the room could be turned back into meeting space. The space is designed to be module so that it could be used for a convention or break-out room.

A second college is not actively being pursued as an additional resident e-sports tenant in addition to Bethel University. Bethel has announced a e-sports coach, is getting their team organized and is planning to run high school camps this summer as a recruitment tool. The Student Affairs group is going to have campus days as well. The conversation is still ongoing with the University of Notre Dame Idea Center. There have been conversations with Trine University, Valparaiso University and the High School Association.

The expense to renovate Suites 12-15 for a LAN Café is included in the \$2 million renovation cost. The plan is to have a one-person operation for broadcasting. E-sports will be entered into by phases. Naming rights and sponsorships are currently being discussed, although sponsorships cannot always be counted on to pay the bills. Marquette University just announced that e-sports has not launched an e-sports team until it has a sponsorship. Blizzard is one of the largest groups involved with e-sports that builds games, is being more selective in the number of tournaments they run. The team is diligently working to create the business plan for the Bendix Arena. Anthony commented that although there are unknowns for the new space for e-sports, it feels good for South Bend to be at the leading edge of e-sports instead of watching the events go somewhere else.

### **Potawatomi Zoo**

Josh Sisk, Executive Director, presented the zoo's first report to the board. The zoo is honored to be one of 216 zoos across the country accredited by the Association of Zoos and Aquariums (AZA) for the past 25 years. Every five years the AZA reviews in a thorough process the zoo's finances, relationship to the City, the conservation and education impact. There was \$22.5 billion generated in 2018 by accredited zoos. There were 183 million visitors to U.S. zoos (which is more than the NFL, NBA, NHL and MLB annual attendance combined) and 200 million visitors worldwide. The

Potawatomi Zoo has 220,000 visitors, 80 employees in the busy season, 2800 volunteer hours, and is the second most popular attraction in South Bend. The zoo started in 1902 as a duck pond in Leeper Park and is the oldest zoo in Indiana.

The zoo went private in 2014 and is currently under a 15-year private/public partnership with the City. The City subsidized the zoo's general operating budget; however, in three years the total amount goes down and continues to go down.

AZA accreditation is becoming more difficult. The zoo barely received accreditation at the last review in 2014. The standards of animal welfare, modern zoological exhibits and enclosures are changing. The City provided some money for upgrades to get through the accreditation in 2014. Progress is being made and the accreditors noticed the changes during the 2019 accreditation process. The zoo received a write-up that the lion and tiger exhibits did not meet the requirements for modern zoo enclosures. Assurance was given to the accreditation team that new lions and tigers would not be brought into the current cages. In 10-15 years if the zoo is not modernized, the zoo will not be accredited. There is Indiana legislation currently to regulate who can own exotic animals and Indiana zoos are trying to have accredited zoos exempt.

The Master Plan was created to modernize the zoo, increase visitors, grow revenue and become a self-sustaining facility. The \$37 million investment may seem aggressive, but when compared to the fact that Chicago spent \$42 million on one polar bear exhibit and LA spent \$60 million on one elephant exhibit, \$37 million for our entire zoo seems minimal. Over the last four years, it has been shown that the number can be reduced. One \$15 million project was reduced to a \$5 million cost. The new front entrance project actually cost much less than the planned expense in the Master Plan.

The goal is to be a regional destination with major exhibits and 350,000 visitors. The Akron Zoo, Utah's Hogle Zoo, and Fresno Chaffee Zoo increased visitors by receiving a Zoo/Arts sales tax. The Fort Wayne Zoo, Columbus Zoo and Cincinnati Zoo are all a staple part of their communities. The Fort Wayne Zoo has 640,000 visitors annually and the Toledo Zoo has over one million visitors and 53 weddings in 2019. A great zoo turns a one night business trip into a multiple night family trip with more hotel nights.

The AZA Conference in April 2019 at the Living Desert in Palm Springs contracted 3767 rooms. As an accredited modern zoo, the AZA conferences and workshops could be hosted in South Bend.

The new Point of Sale (POS) system will be installed at the new front entrance that will track zip codes when tickets are purchased. A new rhino came in November. New fencing, trash cans, exhibit windows have been installed. The Red Barn is being renovated with classroom space and administration offices upstairs. The largest project in the history of the zoo is a \$5 million capital campaign taking off in two months for a new Africa exhibit with giraffes opening in Spring 2021. A private donor stepped up with a \$1.5 million largest donation in the history of the zoo. A second private donor gave a \$200,000 donation and people are recognizing the work being done. The zoo is working with the City for approvals and site planning for a giraffe feeding platform and barn for visitors to go in bad weather to feed the giraffes. The chimpanzee exhibit will become a new lion exhibit. Event space and additional parking are planned.

Discussion and suggestions followed to partner with the University of Notre Dame and hotels to market the zoo to visitors. The zoo has developed a relationship with Notre Dame and students on sustainability and conservation. Soccer and hockey tournaments are sports markets with down time between games. The zoo marketing budget has been increased \$40,000 in 2020 to track data on

visitors. Adding "South Bend" (similar to other successful zoos) to the name would help the zoo become more of a destination.

### **Visit South Bend Mishawaka**

Rob DeCleene reviewed the Smith Travel Research (STR) report for the month of December and 2019 year. December Occupancy is down 3% from the previous year as a result of the NHL Winter Classic in 2018. The 2019 Occupancy is down 3.5% to 53.9% because of all of the new hotel room inventory. This compares to Fort Wayne Occupancy which was down 4% and Bloomington Occupancy which was down 3.2%. The Residence Inn on Niles Avenue (80 rooms) just closed which will bring down the downtown South Bend inventory. When the SpringHill Suites in Roseland opens, the hotel inventory will be at 5,050 for St. Joseph County which is the same number as Fort Wayne.

Meeting Sales had three conversions with 145 room nights for 2020 – Great Lakes Home Medical Services Association Conference, Pilgrim Rest Missionary Baptist Church Christian Women's Retreat, and Trailways Travel Bus Group. Site visits included Pilgrim Rest MBO Christian Association, Alcoholics Anonymous, and Midwest Gang Investigators Association.

Meeting efforts included: six trips to Indianapolis, one trip to Chicago, DI Sales Summit; Holiday Showcase exhibited to Chicago Association Executives in conjunction with Green Bay CVB. Pizza scissors and custom notes were sent to the top 200 list. The ISAE Star Award for Individual Supplier of the Year was awarded to Patrick Dirksen. In 2019 there were 15 events resulting in 4,009 room nights, 11803 attendees and \$3,532,092 economic impact.

Sports sales had nine conversions with 12,550 room nights -- 2020 First Robotics Competition, 2020 AYPO, 2020 Tim Welsh Invitational (Irish Aquatics), 2020 Jr. Irish MDI, 2020 Sunburst, 2020 Redbud National. The 2022 IN State USBC Senior Championship (bowling) and January 2021 Synchronized Skating Sectional Championship are first time events in South Bend (largest event ever booked with 6,495 room nights in 35 hotels in collaboration with the Compton Ice Arena.)

Sports sales efforts included IPRA Trail Workshop, announcement of South Bend Lions in November and Meet & Greet 1-21-20, hosted Meetingmax Training, Meeting for Turf project focus group, attended Sports IN Meeting, and meetings with groups for TCDF and THMG. There were four site visits – Esports Entry Advisory; Don Sartell in Janesville, WI; Andrew Hill with Sports Travel Tours; and Tony Peterson with USBC Senior Championship. In Q4 there were 10 hockey tournaments with 8,369 room nights, 15,900 attendees and \$4 million in economic impact. In 2019 there were 78 sports events, 52,624 room nights, 365,267 attendees, and \$44.8 million economic impact.

VSBM is very involved with helping the new South Bend Lions United Soccer League (USL) professional soccer team. The team chose South Bend over other cities including Wilmington, NC, and Huntsville, AL. The league will include teams from Louisville, Cincinnati, Dayton, Grand Rapids, Ann Arbor, Flint and Oakland County.

The VSBM 2020 Visitor Guide with 100 pages total was distributed to all hotels and attractions. The Visitor Guide features 16 pages dedicated to the local foodie scene. There were 80,000 guides printed with 30,000 maps.

The Basement digital campaign continues with partners Hilton Garden Inn, Inn at Saint Mary's and Gillespie Conference Center. April 26 – May 31 and August 1 – October 31 there were 6.2 million impressions and 25,800 clicks. Planners were targeted in Michigan, Illinois, northern Indiana, and southern Wisconsin.

Digital continues to be a huge resource. Website Q4 had 42,034 visits and 34,512 unique visitors. Top Q4 referral sites were Google, Facebook, Bing, Und.com and Yahoo. Top Q4 referral cities were South Bend, Chicago, Granger, Mishawaka, and New York. Top Q4 content pieces were "Tis the Season in South Bend/Mishawaka", "Make the Oliver Inn Your Bed + Breakfast Experience", "10 Iconic Landmarks at Notre Dame", "New Years Eve Events in The Bend", and "Free Things to Do in The Bend". Top Q4 External Links were downtownsouthbend.com/downtown-holidays, Google Maps, visithowardpark.com/ice-skating, simon.com/mall/university-park-mall, and Downtown South Bend Map.

Website 2019 had 452,327 visits (up 12.1%) and 359,429 unique visitors (up 12.1%). Top 2019 referral sites were Google, Facebook, Bing, Yahoo, and Basic DSP. Top referral cities were Chicago, South Bend, Granger, Mishawaka and Indianapolis. Top 2019 content pieces were "Weddings at Notre Dame", "Five Things You Must Do While Visiting the Bend", "Mondays Can Way Midwest Living", "Meet at Gillespie", and "Plan an Unforgettable Road Trip to the Bend". Top 2019 External Links were East Race Waterway, Best Week Ever, Google Maps, South Bend Cubs Pitbull Concert, and 4H Fair.

There were a record 76 Golden Roamer event days, 25 Notre Dame campus tours with 1,328 estimated participants. 12 group bus tours with 495 participants, 2,668 welcome bags distributed, 27,358 Visitor Guides distributed by request and 16,875 distributed to hotels. The South Bend Airport Visitor Center had 6 volunteers who worked 363.5 hours.

Melissa Miller of The Beer Darling covered 6 breweries – Barehands Brewery, Evil Czech Brewery, South Bend Brew Works, Studebaker Brewing Co., Notre Dame Hockey Game and Crooked Ewe Brewery. Leisure newsletters were sent to 20,321 subscribers October 16, November 20, and December 18. Meeting Newsletters were sent to 789 subscribers October 2, November 13, and December 11. Sports Newsletters were sent to 541 subscribers October 16, November 20, and December 19. IP Newsletter were sent to 509 subscribers October 9, November 13, and December 11.

The Quality of Place initiatives include the \$500,000 Tourism Capital Development Fund which is more because of \$100,000 encumbered from 1 event which did not take place in 2019. There are 14 applications which has increased from 9 applications the previous year. The \$129,000 Tourism Marketing and Hosting Grant which is more because of \$4,000 encumbered from 2 events which did not take place in 2019. Piasecki is on the committee which meets in February to review 33 applications and designate the funds.

The \$100,000 that was awarded in 2019 to the River Ramble natural playscape that will open in 2020 was initially a \$225,000 project. The Capital Development Fund Grant was the lead gift in that effort which turned into \$450,000 and now over \$600,000 has been raised, the scope of the project has changed, and there is a maintenance reserve for several years. Evie Kirkwood, Director, St. Joseph County Parks was quoted: "Having VSBM's support held weight with donors and local foundations. It enabled us to leverage the grant and successfully double the fundraising goal. The result is that the 1.5-acre River Ramble will incorporate more features and amenities, strengthening its position as a destination for visiting families and providing an even greater outdoor experience for children."

DeCleene concluded by announcing the VSBM Year in Review/Year in Preview Luncheon to be held February 25 at the DoubleTree by Hilton in South Bend.

**City of Mishawaka – Sports Complex**

In the absence of Ken Prince, City Planner with the City of Mishawaka, Rob DeCleene reported that a facility and site specific feasibility and economic impact study was signed in late November. It is anticipated that a full report on the site adjacent to Judy Creek Golf Course can be given at the next meeting.

**ADJOURNMENT**

With no further business, Anthony called for a motion to adjourn. It was moved, seconded, and the motion carried.

JA:mes