

**CIVIC CENTER BOARD OF MANAGERS  
THURSDAY, FEBRUARY 11, 2021  
CENTURY CENTER – BENDIX ESPORTS GAMING CENTER  
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 11, 2021, at 8:30 a.m. by both in-person and 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**

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

The meeting was called to order at 8:35 a.m. by President Perri.

**CONSENT AGENDA**

Perri entertained a motion to approve the consent agenda, 1) Minutes of the October 21, 2020, meeting; and 2) Financial Report – December 2020. Kelly motioned to approve; Andres seconded and motion carried.

**PRESIDENT'S REPORT**

Perri welcomed everyone to the meeting and conducted roll call. Perri announced that Gil Michel had resigned from the board and thanked him for his service. Perri welcomed new board members Jill Scicchitano, Director of Industry Growth at South Bend/Elkhart Regional Partnership and AJ Patel with JSK Hospitality. Both are appointees of the Mayor of the City of South Bend. Aaron Perri and Linda Doshi are appointed by the Mayor. Perri spoke with South Bend Common Council Member Karen White regarding reappointment of Randy Kelly, Michael Neises, and Dennis Andres who have all agreed to continue to serve.

Perri thanked the Century Center team for their work on the Bendix Arena and Gaming Center. Perri reported a loss of over \$34.29 million economic impact from Century Center, the Morris and Palais Royale being closed during the pandemic in 2020. He welcomed staff back who were furloughed.

Perri spoke on the State of Indiana Legislation Bill 384 PSCDA/Professional Sports Convention Development Area which is a group of buildings that serve to benefit the professional sports and convention industry. South Bend had this for 20 years from 1998 to 2018 and it expired. South Bend is advocating to have the PSCDA reinstated because it captures state sales tax and state income tax from those areas with a \$2 million cap and retains the funds locally. Perri wrote a letter of support on behalf of the Venues Parks & Arts Department. In previous years recipients of the funds were the Century Center, the College Football Hall of Fame and the Four Winds Field. There was a strong committee recommendation and it is anticipated that Bill 384 will pass in April 2021.

Perri reported on the State of Indiana Legislation Bill 164 to increase the St. Joseph County Innkeepers Tax from its current 6% to 8%. St. Joseph County would then be at the same level as Fort Wayne, Bloomington and Evansville, but below the Indianapolis rate. The extra 2% would be distributed to a

1% Tourism Capital Improvement Fund which would be allocated by the local Hotel-Motel Tax Board to be used for projects that would increase the quality of place and attract more visitors to St. Joseph County; Morris Performing Arts Center 0.5%; Potawatomi Zoo 0.1%; and Mishawaka Sports Complex 0.4%.

## **VENUES REPORT**

### **Century Center**

Jeff Jarnecke noted that Bendix Esports Gaming Center had a successful opening on February 5 with 36 gaming PCs, 2 PlayStation 5's, 2 Xbox Series X, and board game tables. The first parties were booked and event organizers will be touring the space for events. Staff are actively engaged with 4 national events including a collegiate championship to bring those events to South Bend in November or December 2021. The Indiana High School Esports Network is interested in hosting a multi-state event October 8-10. Hours are Wednesday, Thursday, and Sunday 2:00 -10:00 p.m.; Friday and Saturday 2:00 p.m. – 12:00 a.m./midnight. Four to five part-timers (ASM Global positions) will be managing the space and working with partners South Bend Lions and Bethel University. There are more than 3,000 games available for people with 10 games that dominate 98% of the play. Vala Marketing in Elkhart has developed promotional pieces and reports 66,654 online post impressions. The Bendix Arena is utilizing Discord, LinkedIn, Instagram, Facebook and Twitter online programs.

Jarnecke reported that Century Center had a loss of \$638,292 in 2020 due to the pandemic. Staff were furloughed to save \$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. The deficit includes \$170,000 in City allocation and \$170,000 in 2019 profit transferred to savings. Revenue will continue to be a challenge in 2021 as events are rebooked later in the year or are cancelled. Weddings are being booked as they are able to social distance as compared to other area venues. Expenses are being reduced with staff reduction. The Hotel-Motel Tax Board allocated \$600,000 to Century Center for FY2021 as compared to almost \$1 million in FY2020. Century Center cash balance on 1-31-21 was \$2,272,993.88. The likely FY2021 deficit will decrease the cash balance.

Craig Liston, who oversees 12 ASM Global accounts, stated that Century Center was the only account that did not request additional funding from its municipality in 2020. Quick and decisive action was taken at Century Center to mitigate the expenses of the building. The accumulated cash saved from previous years could be utilized. Liston thanked ASM Global staff for taking on additional responsibilities that were outside of their normal job functions. Liston responded to a question about the overall health of ASM Global by stating that by Q3 of 2021 events should start to increase. Recovery will depend on what part of the country event centers are located. For example, his account in Branson, MO, held a recent event for 1500 people and has an upcoming event for 3600 people. There is a huge pent up demand for face-to-face meetings, entertainment, sports and educational events. Staff from one ASM Global facility may work events at other regional facilities as venues start to increase the number of events held and people become more comfortable going to mass gatherings.

Jarnecke responded to a question regarding State of Indiana and St. Joseph County guidelines for gathering sizes. He explained that Century Center has a good working relationship with the St. Joseph County Health Department. Staff there are familiar with the Century Center operation and the department has been amenable to events held such as weddings with 100-200 people with some restrictions. The department is less familiar with the Morris and restricted events held there to 300 people. A meeting is scheduled to discuss the ability to social distance at the Morris. Staff are being

candid with event organizers that there could be some limitations to their desired event operation in order to have the event approved by the Health Department.

Jarnecke stated that staff worked with City Attorney Aladean DeRose to add specific language into standard event leases relative to Covid and pandemics. The lease agreement with Fatbird at the Morris Center also includes language relative to pandemics. Staff are actively pursuing Global Biorisk Advisory Council (GBAC) designation to standardize and publish the cleaning, disinfection, maintenance and building safety protocols in addition to facility operations and how to handle guests. Event organizers, conference planners and promoters at both Century Center and the Morris are starting to require the GBAC designation or something similar prior to booking their events. Venues Parks & Arts is also looking at certification of golf club houses and community centers.

Jarnecke reported that building operations are being updated for higher efficiency. A new website will be completed in April. VenueOps event management software (used by Morris staff) will now be used by Century Staff. Many ASM Global venues already use VenueOps. Staff are reviewing Homebase scheduling software that ties in with ASM Global payroll processing to use for esports staff. Twelve positions were eliminated 12-31-20 at Century Center and the Morris for a cost savings; however, some positions may be reinstated when business returns. The number of staff are currently down by 50% due to this and some people leaving for other jobs after being furloughed.

The Hotel-Motel Tax Board allocated \$500,000 of capital for continued investment into esports for this year. Earlier this week the Board of Public Works awarded the bid by a Texas company for lighting, sound, trusswork, chain motors, projection screens, broadcast studio, gaming pods, cameras for PCs, and other equipment that will tie the Bendix Gaming Center to the Bendix Arena.

Jarnecke noted that an Indiana Tourism grant application for \$250,000 was completed with the State of Indiana for esports destination marketing. That grant money would be used for additional upgrades and enhancements for broadcast capability.

Jarnecke reported that ASM Global will expand its role in the City of South Bend as current Block by Block parking garage and Century Center parking lot staff will become ASM Global employees. New technology is being reviewed which would allow parkers to renew their parking pass, pay online, and reserve a parking spot in advance.

### **Morris Performing Arts Center**

Jarnecke reviewed the Morris 2021 event schedule with first concerts by the South Bend Symphony Orchestra scheduled 4-10-21 and 4-24-21 and an Indianapolis production of The Color Purple scheduled 4-17/18-21. Staff are working on health protocols with the St. Joseph County Health Department. Dates are being held for shows and there are ongoing conversations with promoters from around the country who are ready to book shows as soon as it is possible.

Jarnecke reported that the Morris had a FY2020 net loss of \$584,806. There was \$175,000 for FY2019 profit that was transferred out. The Morris had \$70,000 savings in repairs/maintenance, \$25,000 savings in utilities, and \$300,000 savings in employee salary and benefits by furloughs and reduced hours. IN FY2021 there is a reduction in force with a couple of positions eliminated, furloughed staff returned 2-1-21, and all staff work reduced 32 hours per week. An SBA grant application will be submitted for 45% of 2019 revenue of \$1,266,632. A final decision is being made by the insurance provider on the business interruption claim that was made.

Jarnecke noted that a Diversity Program is being developed with respect to genre, promoters, and audiences that come to shows at the Morris. Diversity programs of other venues across the country are being researched, as well as possible grants for groups to present shows with rent waived or marketing assistance. The Diversity Program when finalized will be brought to the Board for review.

Jarnecke reported that Ratio Architects has been retained to study the Morris mega block from LaSalle Avenue to Colfax Avenue/Michigan Street to Main Street for future development, expansion and parking structure opportunities. Renderings are expected early March.

Jarnecke stated that for American Theatre Guild in Kansas City shows there are now significant tech/medical riders for Broadway shows. It is likely that other shows will have health safety requirements in the future that will require building improvements such as stronger HVAC filters, infrared lighting to kill viruses moving through the system as well as equipment to disinfect rooms, hand sanitization units, and plexiglass barriers. Such building improvements are being reviewed for the Morris, Palais Royale and Century Center to keep staff and guests safe; also, it will be likely be required by event planners and performances going forward.

### **Palais Royale**

Jarnecke reported that the FY2020 loss of \$127,605 was less than the FY2018 loss of \$145,502 and FY2019 loss of \$142,130. This is due in part because of the new business operating model with Navarre Hospitality which now retains all revenues and is responsible for all expenses of the operation. For FY2020 there were \$44,000 savings in allocations, \$50,000 savings in repairs and maintenance, and \$63,000 savings in salary and benefits. The Palais Royale is expected to have a lower deficit in FY2021 with the reduction in force and new operating model with Navarre.

### **OLD BUSINESS**

Jarnecke introduced Greg Downes as co-chair of the Morris 100 Committee. Downes updated the board that the Mayor Mueller of South Bend had asked him and his wife Mary to co-chair and establish the committee to celebrate the 100<sup>th</sup> anniversary of the Morris in 2022. The committee currently has over 50 people with diverse gender, age, and race. Seven subcommittees have been formed. The Equity in the Arts Committee has a goal to establish a permanent endowment of \$1-\$2 million so that all children in the community can participate in the arts at an early age and can attend events at the Morris. The Next Gen Committee utilizes social media and will have a series of events to reach out to people in their 20s and 30s to engage more in the arts. The Morris 100 Celebration Subcommittee will look at how to celebrate the Morris 100<sup>th</sup> anniversary in 2022 with a series of events as opposed to a giant gala. Four fundraising subcommittees are looking at raising \$30 million or more for Morris improvements and expansion including upgrades in the Morris. The entire original concrete floor and all seating will be replaced. HVAC and mechanical upgrades need to be addressed. An expansion is planned on the North side of the Morris between Michigan Street and Main Street which will provide additional restrooms, elevators, event space and a parking garage for 200-250 vehicles. The Jon R. Hunt Plaza in front of the Morris will be redesigned to utilize the space more effectively. The Big Idea Company has been contracted for fundraising promotion and has produced electronic videos with the theme "Never Ending Encore." The City of South Bend Common Council issued a resolution in support of the project. The hope is that the City will fund at least one-third of the project. One big donation has been requested and he and Mary Downes will make several more large donation requests in the next 30 days. The Community Foundation of St. Joseph County and the Leighton Foundation have been contacted. VPA has a grant writer on staff that will assist with applying for local, state and federal grants as well as

foundations across the country. After renderings are supplied by Ratio Architects in March, the next step will be a public roll out of the project including a press conference. The funding already in place at that time will be stated and an outreach will then be made to the entire community. The immediate plan is to expand the committees to include all surrounding counties including southwestern Michigan and make this a regional event. Perri thanked Downes and Mary Downes for co-chairing the Morris 100 Committee.

Downes added to Perri's report on State of Indiana Legislation Bill 164 to increase the St. Joseph County Innkeepers Tax from its current 6% to 8%. Downes credited John Anthony, President of the Hotel-Motel Tax Board who drove this project. Both Mayor Mueller of South Bend and Mayor Wood of Mishawaka were very supportive of the tax increase. Senator David Niezgodski from South Bend and Senator Ryan Mishler from Bremen sponsored the bill and drove the process to accomplish the tax increase. Jeff Rea, President and CEO of the South Bend Regional Chamber of Commerce, and Rob DeCleene, Executive Director of Visit South Bend Mishawaka, worked hard for many months on this project. Perri thanked Downes for going to Indianapolis to testify on behalf of the Hotel-Motel Tax Board.

#### **NEW BUSINESS**

There was no new business.

#### **ADJOURNMENT**

With no further business, Perri entertained a motion to adjourn. It was moved by Linda Doshi, seconded by Greg Downes and the motion carried. The meeting adjourned at 9:45 a.m.

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