

ST. JOSEPH COUNTY HOTEL MOTEL TAX BOARD
FRIDAY, AUGUST 13, 2021
PALAIS ROYALE
8:30 A.M.

Members Present

John Anthony
Kurt Janowsky
Mark McDonnell
Jenny McNeil
Dan Parker
Carmen Piasecki
Gary West
Ron Zeltwanger

Members Absent

Greg Downes
Scott Rieth

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

Anthony entertained a motion to approve the minutes of the May 28, 2021, meeting with one correction that Gary West was present. Jenny McNeil moved to accept; Dan Parker seconded, and motion carried.

TREASURER'S REPORT

Ron Zeltwanger referenced the distributed 2021 Revised and 2022 Proposed Hotel-Motel Tax Fund Budget report. The committee, including Ron Zeltwanger, John Anthony, Paul Phair and Carmen Piasecki, met recently to revise the 2021 operating budget of \$2,941,937 with the addition of \$850,000 (\$400,000 for Century Center operations; \$100,000 for Century Center building and structures; \$50,000 for CVB; and \$300,000 for CVB Special Projects) for a revised total of \$3,791,937. The projected cash reserves for 12/31/21 are \$3,468,806. Anthony entertained a motion to approve the revised 2021 budget. Gary West moved to accept, Dan Parker seconded, and motion carried.

Zeltwanger thanked Century Center and Visit South Bend Mishawaka staff for cutting expenses such as staffing during the pandemic. The proposed 2022 budget includes \$400,000 for Century Center debt service; \$221,437 for Century Center lease; \$1,275,000 for Century Center Operations; \$100,000 for Century Center building and structures; \$1,350,000 for CVB; \$350,000 for CVB Special Projects; and \$125,000 for CVB Tourism Grants for a total of \$3,821,437.

PRESIDENT'S REPORT

John Anthony welcomed Kurt Janowsky to the board. He noted that June, July and August have been strong for the hotel industry and that Notre Dame Welcome weekend begins 8-20-21. The St. Joseph County Hotel-Motel Tax increase from 6% to 8% has been approved. The Tourism Investment Fund will receive 1% of the increase for projects to increase hotel room nights. The Revenue Enhancement Committee has broad representation from the community and is exploring ways to increase hotel room nights and revenue to invest in tourism in the county.

AGENCY REPORTS

VISIT SOUTH BEND MISHAWAKA

Rob DeCleene reported there are currently 5,026 total rooms in St. Joseph County. The new Four Winds Hotel is scheduled to open in 2023 Q1. The economic impact of Tourism in 2019 includes \$708.5 million in annual expenditures, 8,357 total jobs and 5.3 million annual visitors. May 2021 hotels were at 56.6% occupancy compared to 54.6% in 2019. Notable recent events include the One Church Ministries Bi-Annual Convention – 420 room nights July 8-11, Association of Public Treasurers of the US and Canada – 4980 room nights July 18-21, International Association of Water Rescue Professionals 300 room nights June 7-10 and the Military Vehicle Preservation Association 1,415 room nights August 12-14.

Sports continues to be a strong market with 51 events, 16,591 room nights, 73,294 attendees and \$10.7 million economic impact year to date. The first of 23 hockey tournaments will be hosted in September. There were 50,000 visitor guides featuring parks printed for 2021 which was down from the 80,000 printed for 2020; however, 20,000 more will be printed. There were 623 signups with 576 check-ins for the #OnlyinTheBend Parks Pass. From 5/20 to 8/4 169,383 unique visitors visited the website (+14.1% compared with 2019.) Top referral cities include Chicago, South Bend and Indianapolis. The top 3 content pieces were Whitewater Rafting in DTSB, 7 Signs of Summer in The Bend, and Top Pizza Places. The new website will be launched in late August. Jake Brown was nominated and received the 2021 eTourism Summit Emerging Tourism Star award.

The camera crew and host of John McGivern's Main Streets Out of Wisconsin filmed a 2022 TV show. Cortney Fries was on assignment for Chicago Parent and Metro Parent magazine. The South Bend Tribune and others covered women's Olympic wrestling team training.

SB164 was passed and go into effective 10/1/21 to increase the Innkeeper's Tax from 6% to 8%. VSBM is already receiving calls about the Capital Tourism Development Fund which will receive 1%. Other recipients include Century Center and VSBM – 5%; Mishawaka Sports Complex – 1%; Potawatomi Zoo - .5%; and Morris Performing Arts Center - .5%. The 8% tax rate compares to the 10% rate of Marion County (Indianapolis); 8% rate of Allen County (Fort Wayne), Vanderburgh County (Evansville), Vigo County (Terre Haute) and Howard County (Kokomo); and 5% rate of Elkhart County, Lake County (Hammond/Gary), Hamilton County (Carmel), Tippecanoe County (Lafayette) and Porter County (Valparaiso).

CENTURY CENTER

Jeff Jarnecke reported that the Military Vehicle Preservation Association is expected to bring over 10,000 people into South Bend and fill hotels this weekend. Tanks and vehicles are parked inside and outside the building. Every space is being utilized for a swap meet in the Discovery Ballroom, meetings, and an awards presentation.

Jarnecke reviewed the Century Center financial performance dated 6/30/21 with revenue of \$812,232; expenses of \$1,256,746 resulting in a \$444,514 net loss. The additional allocation from the Hotel-Motel Tax Board of \$400,00 is not included, which brings 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 and there are some new ASM Global employees.

Jarnecke reviewed the budgeted Century Center 2022 revenue of \$4,125,935; expenses of \$4,081,891 resulting in a profit of \$44,044. The revenue includes a \$1.275 million operating subsidy from the Hotel-Motel Tax Board.

The first national level collegiate esports event will be held in August at the Bendix Arena. The organizers are bringing additional computers for a total of over 100 computers at the event. The Discovery Ballroom will also be used for exhibitors. 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. A title sponsor will be announced soon. In July the Bendix Arena was named No. 2 on the Top 10 fan favorite esports facilities across the country by readers of SportsEvents magazine.

MORRIS PERFORMING ARTS CENTER

The Newsboys United concert is tonight outside the Morris on the Jon R. Hunt Plaza. The Brit Floyd concert 8/10/21 had 1,553 tickets issued with actual attendance of 1,341 people. The venue is busy again with events booked and holding dates for Q3 and Q4 but 2021 could be a financially challenging year. Promoters and event organizers are ready to go; however, are anxious about the ability to sell tickets because of the Covid-19 Delta variant.

Jarnecke reviewed the Morris financial performance dated 6/30/21 with revenue of \$212,312; expenses of \$513,482 resulting in a \$301,170 net loss. The Morris received \$661,442 from the Small Business Association SVOG grant program. The budgeted Morris 2022 revenue of \$1,920,313 is an increase from the 2021 estimated 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 merge Morris Funds 101, 273 and 274 to create a non-reverting enterprise fund which includes \$600,000 funding from the City. 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 100th anniversary.

From June 28 to September 30, 2022, the Morris will be dark for building improvements including new concrete floor, seating, HVAC, lighting, and fixtures by Ameresco, Tango Design, Frost Engineering and Irwin Seating. Over \$10 million will be invested. Two firms will be interviewed today 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.

The Palais Royale revenue of \$62,464 up to 6/30/21 includes the long-term lease agreement with Fatbird, LLC. The expenses of \$79,417 resulted in a \$16,953 net loss; however, the venue provides over \$3 million in economic impact. 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.

MISHAWAKA SPORTS COMPLEX

Gary West provided an update on the Mishawaka Sports Complex and planning of funding on behalf of Ken Prince. The groundbreaking has been pushed back to Spring 2022. The City of Mishawaka is studying the potential of adding two ice rinks to the complex. Meetings with the University of Notre Dame and the Ice Box are necessary before officially planning to add two sheets of ice. The Regional Economic Acceleration Development Initiative (READI) may be a source of funding. READI dedicates \$500 million in state money to promote strategic investments for economic growth with a maximum of \$50 million to a region. Discussion followed on READI, City matching funds and private donations.

POTAWATOMI ZOO

Josh Sisk thanked members for the increase of Hotel-Motel Tax money to the zoo. The zoo has had record attendance numbers. The parking lot expansion will break ground in late 2021. The \$4.6 million has been raised for the giraffe exhibit. He is hopeful to start work in 2022 on new concession stands with a lodge theme that will be located near the bear exhibit.

OLD BUSINESS

MORRIS 100 CAMPAIGN

Jeff Jarnecke gave an update on the Morris 100 campaign on behalf of co-chair Greg Downes. The 8-16-21 Center Stage at the Morris event for possible donors has been postponed to late October. 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 2022 Society has 12 members who have pledged to donate \$100,000 or more. He concluded by thanking co-chairs Greg and Mary Downes for all their work.

REVENUE ENHANCEMENT COMMITTEE

Ron Zeltwanger gave a brief update on the Revenue Enhancement Committee. Discussion followed.

ADJOURNMENT

With no further business, John Anthony adjourned the meeting at 9:30 a.m.

JA:mes