

**ST. JOSEPH COUNTY HOTEL MOTEL TAX BOARD**  
**THURSDAY, OCTOBER 26, 2023**  
**CENTURY CENTER – RECITAL HALL**  
**8:30 A.M.**

**Members Present**

John Anthony	Jenny McNeil
Rob DeCleene	Paul Phair
Becky Fletcher	Carmen Piasecki
Micki Kidder	Kyle Willis
Mark McDonnell	Ron Zeltwanger

**Members Absent**

Gary West

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 8/3/23 meeting. Jenny McNeil moved to accept; Becky Fletcher seconded; and motion carried.

**TREASURER’S REPORT**

Ron Zeltwanger reviewed the 2023 Financial Report ending 9/30/2023. The Mishawaka Sports Complex/Fund 4926 had a cash balance of \$1,565,232.09; the Potawatomi Zoo Capital/Fund 4927 - \$1,035,833.34; Morris PAC Capital/Fund 7403 - \$769,163.74; Tourism Capital Investment/Fund 7404 – \$1,289,419.82 and \$1 Million was disbursed in July to Visit South Bend Mishawaka to disburse. The Hotel-Motel Tax/Fund 7304 started 2023 with a cash balance of \$6,242,204.65 plus Q1-Q2 receipts of \$4,371,321.51 minus Q1-Q3 expenditures of \$5,060,040.09 leaves a Q3 balance of \$5,553,486.07. There is \$4,414,089 yet to be disbursed in 2023 plus projected Q4 receipts of \$1,700,000.00 which leaves a projected year-end balance of \$6,114,089.00. The 2024 budget that has been approved by all parties is \$6,539,437.

The last four quarters of receipts 2022 Q4 to 2023 Q3 was \$6,116,877 which was the highest of four quarters going back to 2018. Receipts in 2023 Q3 were the second largest since 2018 Q4.

Discussion followed on the debt service of Century Center bonds which was amended to \$200,000 higher than the original budget due to a carryover from 2022 which was not paid. The City of South Bend did not request the funds in 2022 so the “obligation” was carried over to 2023. If the City of South Bend does not request this to be paid in 2023, it will be dropped in 2024 and not carried over any further. Zeltwanger will confirm this with John Murphy, St. Joseph County Auditor.

**PRESIDENT REPORT**

John Anthony thanked Zeltwanger Jeff Jarnecke of Visit South Bend Mishawaka for getting the 2024 budget approved by the St. Joseph County Council in October.

**AGENCY REPORTS**

**MORRIS PERFORMING ARTS CENTER**

Andrew Schreiber reported that the Morris co-promoted Shane Gillis on 9/22/23 was sold out. Other self-promoted shows include Ben Harper & The Innocent Criminals 10/13/23; Rocky Horror Picture Show with Barry Bostwick 10/27/23; Hip Hop Nutcracker 11/27/23; and comedian Michael Palascak 12/29/23 at the Palais Royale. Other shows of note include Dia de los Muertos 10/29/23 (free community show in partnership with the South Bend Symphony Orchestra through the Diversity, Equity and Inclusion fund; South Bend Latin Dance at the Palais Royale 10/25/23; Straight No

Chaser returns 11/24/23; and Disney's Aladdin March 19-24, 2024 (with rent received for set up the week prior.) There are 105 events planned in 2023 which is more than the previous high of 102 events in 2018. There are already 63 events planned in 2024. The Morris is hosting 6 free community movies in 2024 as part of the community engagement initiative. YTD 2023 attendance for 54 events is 50,251 guests and \$2,641,182 Box Office revenue compared to YTD 2022 attendance for 55 events of 48,294 guests and \$2,213,071 revenue.

YTD 2023 revenue of \$1,193,354 minus expenses of \$1,189,957 left a net profit of \$3,397. The Box Office revenue is higher than the Morris revenue because the majority of the Box Office revenue from is transferred to the promoters of shows. Additional expenses were incurred for camera security systems. The Morris will be working with the City of South Bend IT to include the Morris on the City network for monitoring and recording. Safety and security is a priority at the Morris Center as well as for Century Center. Budgeted 2024 revenue of \$1,535,803 minus budgeted expenses of \$1,435,803 leaves a net profit of \$100,000. This was budgeted lower than 2023 due to the Palais Royale being closed for floor and ceiling work in January.

Capital projects in 2024 include a new projector and screen for community movies - \$118,000; Box Office renovation - \$40,000; front awning replacement - \$25,000; external digital screens replacement - \$100,000; Palais Royale floor refinish - \$88,000; and Palais Royale ceiling - \$100,000.

#### CENTURY CENTER

Schreiber reported that revenue to 8/31/23 of \$3,037,754 minus expenses of \$2,961,186 leaves a net profit of \$76,568. The RV show currently taking place will be \$215,000 in revenue. Hotel room nights for 2023 are estimated at 16,300 compared to 14,865 in 2023.

Upcoming Q4 events include Indiana Latino Institute Education Summit; Jurassic Quest Dinosaur Show; Notre Dame Tax & Estate Planning Institute; Ramencon 2023; Indiana Criminal Justice Association; Notre Dame Orthopedic Society Annual Symposium; Christian Educators Association; Grand Design RV University; MCDA Cheer & Dance Competition; Star Spirit Cheer & Dance Competition; Barletta Boats University; AmeriCheer Indiana Championship. Events in 2024 Q1 include 39<sup>th</sup> Annual Bridal Spectacular; Valley RV & Camping Show; Martin Luther King, Jr., Breakfast and Celebration; 2024 Brewfest; Michiana Boat & Sports Show; PopiCon 2024; Maple Hill Golf Show; 2024 Heartland Travel Showcase; Michiana Home Show; and SouthBend Auto Show.

Additional funding is needed for the Reuse Study to be completed in 2024. The study will provide proposals for long-term utilization of Century Center. The Professional Sports and Convention District funding is being researched to possibly pay the \$88,000 - \$190,000 study cost by Ratio. Schreiber will have an update at the 2/27/24 meeting.

Capital projects finishing in 2023 include the Skyway/Art Museum restroom upgrade - \$167,046; catering and kitchen equipment - \$72,442; event tables and chairs - \$100,000; chiller systems - \$112,153; repair of Island Park pavers - \$15,000; bridge decking - \$30,000; water softener and filtration system replacements - \$100,000; parking lot seal and stripe - \$49,124; entrance gate automation - \$15,000; and Great Hall lighting - \$40,000. Capital projects in 2024 include purchasing installation/monitoring of security cameras on the City of South Bend network - \$100,000; Discovery Ballroom carpet - \$100,000; Convention Hall floor refinish - \$100,000; back entrance gate - \$150,000; cleaning equipment - \$25,000; A/V equipment replacements - \$50,000; event furnishings - \$50,000; Great Hall lighting - \$31,000; ice machines - \$15,000; and Bendix peripherals - \$5,000.

### POTAWATOMI ZOO

Josh Sisk reported that the Zoological Registrars Association Conference was held 10/2-7/2023 and had over 70 attendees (350 room stays) including from the San Diego Zoo and Bronx Zoo. The new Bear Café equipment is coming in and should be open in mid-December. The new \$4.5-\$5 million state-of-the art tiger habitat is planned to break ground Fall 2024 and open Fall 2025. The Zoo Boo event this past weekend had over 14,000 people attend over 3 days despite the rain. YTD attendance is over 300,000. Sisk will report on the 2023 zoo attendance at the 2/27/24 meeting.

### VISIT SOUTH BEND MISHAWAKA

Jeff Jarnecke reported that the STR data YTD through September showed that hotels in St. Joseph County had a 5.7% drop in Occupancy (53% vs. 56%.) Demand was down 8% (707,209 vs. 766,167.) Average daily rate was up 6% (\$125 vs. \$118.) The LaPorte and Elkhart neighbor counties are down 15% in Occupancy. VRBO/AirBnB Occupancy was down 11%.

There were 87 sports events 2023 YTD with 140,453 attendees; 31,619 room nights and an economic impact of \$20,534,968 vs. 86 events in 2022 with 142,498 attendees; 35,983 room nights and an economic impact of \$23,755,911. There were 18 conferences/meetings in 2023 YTD with 3,863 attendees and 3,552 room nights vs. 15 events in 2022 with 9,978 attendees and 5,117 room nights.

Leisure marketing 1/1/23 – 9/30/23 had 2,773,012 hotel searches (+35% YOY); 26,892 bookings (+38% YOY); 46,760 room nights (+68% YOY); \$7.1 million hotel revenue generated; and spend \$143,671 (-1.5%)

New and improved venue 2024 planning includes the Mishawaka Fieldhouse, Indiana Dinosaur Museum, Byers Softball Complex, and South Bend to Notre Dame Urban Trail. Relationships have been expanded for new sales efforts with Cvent (a platform to identify leads); Helms Briscoe (a management company that handles meetings for associations across the country); and Digideck (platform to create content to audiences coming here.) A new marketing campaign will roll out at the 11/9/23 Industry Partners luncheon.

Discussion followed about America's Youth on Parade (AYOP) and having the event continue to come to Notre Dame in future years. Jarnecke and Nick Kleva have bet with Don Santell, long-time organizer and founder of the event. He is not ready to fully delegate his authority to the rest of his team. Within the next 30 days the 2024 event dates should be solidified. Not having succession in place could be a potential risk to continuing to have the event in this community after 53 years. VSBM will continue to work with Don Santell and AYOP to continue to have the event at Notre Dame. There is a model to hire a freelance operations person to run the event if needed to continue the event in this community.

The Hoosier Hospitality Award Winner Viridiana Amaya who was nominated by the Inn at St. Mary's will be presented an award by the Indiana Lieutenant Governor. The award is presented to front line hospitality workers.

A Tourism Master Plan would benchmark the VSBM current position within St. Joseph County with respect to facilities, demand and events being hosted; and will look at improvements. Secondly, it will create a unifying vision of the hospitality product in St. Joseph County and with partner cities/towns of South Bend, Mishawaka, New Carlisle, North Liberty, Osceola, and Walkerton. Thirdly, it will further

amplify the importance of the work by the University of Notre Dame in St. Joseph County. Ten different firms that prepare master plans for cities, counties and states were researched and meetings were held with 3 of the companies. Conventions, Sports & Leisure International (CSL) was chosen as it was involved with the esports initiative at Century Center and are familiar with the City of South Bend and the University of Notre Dame. The company is experienced with similar size Midwest markets with a university presence. It is the VSBM recommendation that CSL complete the Tourism Master Plan based on its proposal and experience with similar studies. This would be organized in 2023, with site visits and interviews in January 2024 and be completed in Summer of 2024. It is the VSBM request to fund the \$151,000 expense from the special projects line item within the current 2024 budget. Discussion followed that CSL was light on the financial side of other completed master plans and the suggestion was made to have CSL include that in the master plan even if that increases the cost. Proposals by CSL on projects to drive room nights and tourism spends would be important. Treasurer Ron Zeltwanger stated that the expense would be paid from an already approved 2024 budget line item and would not be additional money. Anthony entertained a motion to approve having CSL complete a Tourism Master Plan. Ron Zeltwanger motioned to approve a Tourism Master Plan with no dollar amount expense cap to be completed by Conventions, Sports & Leisure International (CSL) with the additional request to have a stronger financial study; Mikki Kidder seconded; and motion carried.

#### MISHAWAKA SPORTS COMPLEX

Billy Bunkowfst, Vice President of Development at Card & Associates, gave an update on the Mishawaka Sports Complex. The basketball courts are 75% constructed. The \$38 million budgeted project remains on schedule to open late July 2024. There have been no raw material or supply chain issues, and the steel came in 30 days ahead of schedule. Conversations have started with groups about scheduling tournaments. Board members will be invited to a beam signing ceremony. The suggestion was made to use the relationship with the University of Notre Dame.

#### **NEW BUSINESS**

None

#### **OLD BUSINESS**

None

#### **ADJOURNMENT**

With no further business President Anthony entertained a motion to adjourn the meeting. Ron Zeltwanger moved to adjourn the meeting; Carmen Piasecki seconded; and the meeting adjourned at 9:30 a.m.

JA:mes