

CENTURY CENTER BOARD OF MANAGERS

WEDNESDAY, MAY 21, 2014

8:00 A.M. – SUITES #4-5

"Adopted August 20, 2014"

MEMBERS PRESENT

Linda Doshi
Greg Downes
Aaron Perri
Carmen Piasecki
Michael Neises
Cathy Roemer
Valerie Schey
David Varner

MEMBERS ABSENT

Dennis Andres, Jr.

STAFF

Leanna Belew
Scott Herczeg
Chris Kinnard
Crista Tompson
Kim Appel
Pris Phillips

OTHERS

Aladean DeRose, City Legal
Rob DeCleene, VSBM
Steve Ellison, Tax Board
Bill Lamie, Alliance Architects
Steve Luecke, Jim Kapsa,
& Tim Baker, SB Alumni Assoc.
Tom Panciza, Panciza Architects

The meeting was called to order by President Downes at 8:00 a.m. Downes expressed his appreciation to the City & Mark Neal, the Center's staff, DTSB, Fire and Police departments, and I&M in keeping the Center in operations during the power outage; also social media efforts by the DTSB & CVB. Downes announced the normal order of the agenda had been revised to accommodate several presentations.

APPROVAL OF MINUTES

Downes entertained a motion to approve the minutes of February 19, 2014. With no changes, Schey moved for approval; seconded by Varner, the motion carried.

APPROVAL OF CLAIMS

The claims for March-April were circulated for review and approval. With no questions, Varner moved to approve; seconded by Neises, the motion carried.

Proposal – Culinary Center Coalition/Ivy Tech

Aaron Perri introduced Tom Panciza. Panciza noted Donna Pfeil (the creator of the idea) was unable to be present. A Powerpoint presentation was given on the overall concept for use of the College Football Hall of Fame. Culinary Arts & Food Education organization – CAFÉ - developed the idea of a culinary school and center to house Ivy Tech's Hospitality Administration program. Four areas involved – preparation, consumption, recycling, and cultivation of food. kitchens, classrooms, aquaculture tanks, and dome/greenhouse on the plaza; an additional consideration would be an outdoor food court for restaurants in downtown. The project would promote local food production and services and showcase a unique educational center for this region with its rich history in agriculture, fishing, and farming; it would be a catalyst for other downtown activities as well as assist the Center with attracting a new business market. The current enrollment in their culinary program of 250 is anticipated to increase to 450 on a daily basis. Perri noted the CAFÉ/ Ivy Tech proposal is a result of the City issuing an RFP; 3 were received with this one selected to produce an analysis/feasibility study over the next 6 months before a determination is made.

Panciza discussed the financing plans: Ivy Tech is conducting a fund raising study to see if all the funds can be raised in order to commit to the project long term. The Century Center Board or City of South Bend will not be requested to contribute to renovation project. The project renovation and startup costs are estimated to be \$10 million; in addition, there would be ongoing funding for long term operations – maintenance and care of the facility. Downes asked if a study on parking is part of the analysis and are there examples of similar centers and their success? Panciza stated shuttling students from campus to the location has been discussed; general parking is a consideration and will need to be further addressed. There is a similar facility in San Antonio, TX which is now the center

and focus of a culinary district. Ivy Tech has a culinary center in Indianapolis that is successful but without aquaculture or dome. Scott Ford could be a source for information on the Texas center.

Proposal – SB Alumni Association Wall of Fame Renovation

Tim Baker chairman discussed the Association's mission and programs; the Wall of Fame is a major program and the current display is in need of upgrading to address ongoing expansion. Bill Lamie of Alliance architects explained the proposed design that includes new plaques with expansion capabilities, interactive technology with touch screens, internal lighting, a directory, and space for association information and its sponsors. Burkhart Advertising is developing the display mock up and new plaque plates. Schey asked if the plaques could be duplicated to be used in the City Cemetery which holds some of the historical honorees. Lamie stated the plaques would need to have a specific design to withstand the elements of outdoors; however, he will check with Burkhart on how it could be accomplished. Finished photographs of the City will also be included.

Steve Luecke further discussed the enhancement of the display to the Center's main entrance and the importance to the community with the honoring of residents. The new display would coincide with the City's 150th anniversary this Fall. Total cost of the project is estimated at \$40-50,000. The SBAA is proposing a partnership with the Center to share in the cost. The install and any major repairs would be borne by the SBAA; the Center would assist or perform minor maintenance when needed. The Centers promotional media could be uploaded to the display which can be remotely controlled. There would need to be a tie into the Center's Wi-Fi system and electric usage; hopeful completion before their annual dinner in November. The SBAA would cover the cost to get the project started. Perri stated the Building & Grounds was presented the project and is in favor of it proceeding. Schey asked if Burkhart would be willing to sponsor some of the cost with their company name displayed. Luecke stated the SBAA is in discussion with Burkhart on the subject as well as other potential sponsors.

Downes expressed support of the project and noted the challenge of the board identifying funding sources whether it's from the Center's capital fund 671 or requests made to Redevelopment for TIF funds, or the Hotel-Motel Tax Board for inclusion in the 2015 budget allocations (although the payout will be in 2014). With no further discussion, Downes entertained a motion to approve the new display and the Center partnering with the SBAA on funding up to \$25,000 subject to the Finance Committee determining the source of the funding. Schey moved for approval; seconded by Roemer, the motion carried. Schey encouraged the SBAA to continue to pursue corporate sponsorships.

Jeff Gibney Memorial – Island

Perri introduced the proposal to recognize Jeff Gibney with an install of a plaque/rock on the Island. Doshi expressed her support of recognizing Gibney for his support of the Center and his vision of the pavilion. Board members agreed the recognition would be appropriate to be placed by the pavilion. Some discussion took place on the possible cost. Perri noted the plaque should not be costly. Downes noted the Building and Grounds Committee could oversee the project. Schey moved for approval; seconded by Roemer, the motion carried.

Amendment to South Bend Museum of Art Lease Agreement

Perri reported an issue arose regarding the Indiana Alcohol & Tobacco Commission/Excise and the sculpture corridor between the Center and Art Museum. Excise advised the common space was not covered by the Center's liquor license and Art Museum patrons could not enter the space without the space being under their temporary liquor permits. The Center's staff, Greg Downes and City Legal met with Art Museum officials and their attorney to address. The best resolve is to add the hallway to the Art Museum's occupancy lease and remove from the Center's floor plans; there would be no additional lease payment with the hallway. DeRose stated the amendment to the lease is contingent upon the approval from the IATC/Excise agency. The Center will still have access to maintain and it would remain the egress from the skywalk/hotel. Belew stated the staff learned earlier from Excise that the Art Museum is not considered part of the Center and must apply for their own liquor permits. Downes entertained a motion to amend the Art Museum lease to include the sculpture corridor at no cost contingent upon approval from the Alcohol & Tobacco Commission. SMG must also further approve. Schey asked if the Art Museum would cover the liability insurance on the space. DeRose stated the Art Museum carries its own insurance and the space would fall under their umbrella. Schey moved for approval; seconded by Piasecki, the motion carried.

COMMITTEE REPORTS

Building & Grounds: Perri expressed appreciation to Scott Herczeg for his hard work during the power outage. Herczeg gave capital and maintenance updates:

- Convention Hall floor project – carpet will be removed at the end of the week by staff; low bid was won by Blakley Corporation/F.E.Gates Division out of Indianapolis - and the bid came in significantly under the estimated cost
- Passenger elevator modernization – bids to be advertised next week – due back on June 21
- Skywalk support columns and sidewalk repairs – City is preparing bid documents
- New carpeting for suites & public corridors – carpet selection made and specs are being developed
- Parking lot repaving/restriping – City to assist with repairs; plans to do project in June/July
- Purchasing 100 66" round tables with carts with discounted price from preferred vendor
- Energy Performance Contract – Ameresco on site doing energy audit; work should start in the Fall
- Island Canopy repairs are completed; work covered under warranty but still waiting to hear if the warranty will be extended

Schey asked about the status of the Green Roof project as it relates to the roof replacements. Herczeg stated the roofs would need to be a part of the energy project for the Green Roof to proceed; however, the roofs have no "payback." All the roofs are over the 20 year life expectancy and must be redone in the next five years; the roof replacement is in the 2015 capital budget.

TREASURER'S REPORT

Cathy Roemer commented on the budget challenges: revenues are down; net income/loss is double that of last year for the same period. Operational expenses are up and included the freight elevator repairs. It will be an important issue for the Finance Committee to review the 2015 budget with capital expenditures and realistic revenue projections. Kinnard noted the rolling forecast does not have complete data. Belew stated the history of short term bookings is being sorted out and would be added; improvements to the budget are anticipated over the next 8 months. Roemer advised the staff the importance of informing the board if the forecast will not improve before too late in the year; measures such as expense controls and other actions can be determined in advance to offset the deficits.

Downes noted the long term business is encouraging; however, it is most likely the budget will not be met as anticipated.

Marketing Committee: Michael Neises, Chair reported the committee met and will plan to meet quarterly going forward. With the positive efforts in progress with the work of the staff, the South Bend Alliance and development of the Marketing Plan, the committee's role can be more of advisement. Downes encouraged board members to review the Executive Summary and plan for their input and feedback.

GENERAL MANAGER'S REPORT

Belew expressed thanks to Perri for his efforts with the power outage. The Center was up and running Friday evening. The estimated cost of lost revenue is \$12,000; a Stanz meeting was relocated; MFL fight night was held but their numbers were significantly down; all other events went on as scheduled.. The kitchen reported no food loss. The generator (delivered from Indianapolis) rental cost was \$20,000. Perri reported I&M is announcing the claim process for the downtown businesses which will be coordinated through the City. Follow-up meetings are planned over the next several days.

Customer survey ratings: return rate of 50%; average for all categories 91.6%. NPS score – 67%; negative scores and comments mostly relate to carpeting in Convention Hall.
Room night goals: 5 events have been held with 20+ peak room nights; 9 of 26 goal booked to date.
Booking pace reflects a 59% increase for future business over last year same period.

Downes encouraged board members to attend one of the SB Alliance meetings; there is a good partnership between the Center, CVB, and other agencies. Their main goal is to pursue new business as a coordinated community. Belew reported to enhance the SBA efforts, the Center and VSBM jointly purchased the MDI (Meetings Data Institute) leads database at \$1300 and together will review 841 leads and determine which ones qualify to be pursued. A report will be generated of potential business (with room nights 200 and under); business that the downtown hotels cannot accommodate and lost bid proposals due to inadequate number of downtown hotel rooms.

The FAM trip is on target for June 2-5; the community partners have been excellent in the planning such as the East Race will open just for the group before season; various restaurants will be providing meal experiences. Some of the new leads from the MDI will be invited. MDI offers more in depth services that would assist in the sale effort; however, there would be additional cost. Varner recommended Belew reach out to all the leads initially by email as an introduction to the community. Belew agreed and stated a video is being considered to make the contact, also. Downes stated the reports generated will be useful information to the Chase property and City for other potential hotel development.

Schey expressed appreciation to Belew for doing a great job as GM through the energy she brings, commitment to the Center, and developing strong community relationships. Board members concurred.

OLD BUSINESS

None.

NEW BUSINESS

SMG Recording Contract: DeRose presented the contract stating it is the first time the Center has developed one; it is standard for SMG buildings and policies. The contract was modified for the Center's use: purpose is to provide protection of reproduction or use of the Center's data and media properties (photographs, videos, recording, and filming); it grants the Center right to review, authorize use and file claims against unauthorized uses. The contract will go back to SMG for final approval. The request to the board is to approve pending SMG's approval. Perri moved to approve the contract contingent on the approval of SMG; seconded by Schey, the motion carried. Neises noted he has reviewed the contract and believes it is in good order with the modifications.

PRESIDENT'S REPORT

Downes recognized Steve Ellison, President of the Hotel-Motel Tax Board. Ellison commented he is pleased with the board's work and commitments relative to the Tax Board allocations; the efforts put forth provide their board with confidence in the board and staff's capabilities.

ADJOURNMENT

Downes noted the next scheduled meeting is in August; however, a meeting may be necessary in July to satisfy the City's 2015 budget deadlines.

With no further business, it was moved and seconded to adjourn; the motion carried.

GD:pp