

CENTURY CENTER BOARD OF MANAGERS
WEDNESDAY, MAY 13, 2015
8:00 A.M. – SUITE #15

MEMBERS PRESENT

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

MEMBERS ABSENT

Dennis Andres, Jr.
Valerie Schey

STAFF

Leanna Belew
Scott Herczeg
Chris Kinnard
Crista Tompson
Jesse Vogel
Pris Phillips

OTHERS

Adalean DeRose, City Legal
Steve Ellison, Tax Board
Bill Lamie, Alliance Architects
Therese Dorau, City of SB

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

CONSENT AGENDA

Downes entertained a motion to approve the Consent Agenda: a) Minutes of February 11, 2015; b) Claims of January–March 2015; c) Financial Report March 2015. Roemer moved to approve; seconded by Neises, the motion carried.

LETTER OF SUPPORT – SOLAR ENERGY GRANT

Downes provided the board with the letter of support submitted to the City for the application for a matching grant to install solar panels on the roof.

GENERAL MANAGER'S REPORT

Leanna Belew reviewed highlights of her report:

- Current Sightlines project with the SB Art Museum ended in May. Selections of new art work was made from 140 new submissions from regionally, nationally and internationally. Some pieces will be removed but replaced with new items.
- SB150 Celebration: the Center is hosting the reception for the opening on June 22; main concert to be set on the parking lot. The Island will be the host for several events including the wine and canvas and jazz brunch. SMG contributed \$25,000 to the event plus \$5,000 to assist with the electric installation on the Island for the River Lights project; both were paid from the SMG contribution given with the signing of their contract.
- Highlights of the history of the Center's energy savings efforts over the last several years and anticipated savings from the Ameresco project.
- Financials notes: April financials are forthcoming; due to the timing of the meeting, we were unable to complete but will be distributed as soon as the month is closed out. NOL compared to last year is \$312,000 vs. \$469,000. Total AGI is up \$27,000 however, down to budget. Expenses are being monitored closely with a YTD positive result - \$130,000 better than last year and \$68,000 better to budget.
- YTD hotel rooms on peak is 12 compared to 9 last year. Net promoter score to date is 77% compared to 71%.

Building & Grounds Capital & Maintenance Updates: financing for the Ameresco project to be signed on Friday. Expenditures from the Tax Board allocation include 10 new bars and a new dishwasher. Jesse Vogel was instrumental in securing pricing below GSA rates for the bars from a local company - \$12,000 vs. \$40,000 budgeted; we anticipate securing the dishwasher at the same discounted rate. For the front entrance project, the Dept. of Public Works will be helping us with

overseeing all capital projects of this nature and will provide a schedule for the work. The Building & Grounds committee approved the staff to immediately purchase the floor scrubber from the list to be covered by the SMG funds; spending from the funds must go through a City Council process that will take several weeks.

Sales & Marketing: booking pace slightly above last year. Room nights vs. last year is up; events are up; social media is up. Conventions are up compared to last year. The FAM event is June 15-17; the board will be invited to the opening reception on June 15th. Neises noted the tracking and trend of room nights is very positive.

Food & Beverage: Vogel coordinated a very beneficial pouring rights agreement with Pepsi-Cola; 5 year plan with a \$30,000 fee (\$6000 per year) pay out to the Center for promotions, marketing, etc.; also includes yearly rebates of at least \$2,000; other perks such as use of the concession trailers for the SB150. Varner recommended the Center spotlight the Pepsi corporation in positive ways. Belew stated the new Pepsi machines will be visible in the public areas in addition to having their tubs, coolers, banners for concession set ups for events. Belew stated it will be stated that Pepsi is our preferred product; however, in special instances, other brands may be used. Downes suggested using the social media outlets to further recognize the company with photos and thank you's.

Perri noted the great cooperation and assistance they are receiving from the Center's staff and SMG corporate on the SB150 celebration.

Kinnard responded to a question on the status of April financials: overall, all appears to be in line with the budget although sales are slightly down. Downes asked if June would be on budget with the AGI? Belew stated the hope is that the budget will be on target; however, rooms including the Great Hall are being taken out of inventory for several weeks with the Ameresco project which will have an impact on the AGI.

Perri reported the Building & Grounds Committee met and discussed extending the Island Park hours with the River Lights; the Island will be accessible to the public for 24 hours on a trial basis for 90 days. Belew stated the Center will have to implement 24 hour security coverage. The committee also supported the use of SMG contribution funds for the SB150 event and to complete the electrical work for the lights on the Island. Downes stated with approval of these funds, the capital account balance will be less than \$815,000; the goal would be to rebuild the account back to over \$1 million.

Varner asked if the fundraising for the River Lights project will be adequate to cover ongoing maintenance and operations costs. Perri noted the fundraising includes an endowment fund to address those needs; there is a 7 year guarantee on the lighting elements. Also, to continue to fundraise, the brick plaza will be dedicated with the ongoing sale of brick pavers; an additional option to raise funds will be for the Center's staff to promote changing the river colors in conjunction with clients' events by charging a corporate rate that would be shared by both. Note: the City of South Bend owns the lights and the DTSB will manage the operations.

Belew recommended starting the 24 hour open access for the Island after the SB150 event and Memorial weekend. Downes advised the staff to develop a security budget associated with the extended hours as part of the fundraising effort. With no further discussion, Downes entertained a motion to appropriate \$30,000 from the capital account of SMG funds to contribute to the River Lights project and electric work. Neises moved to approve; seconded by Roemer, the motion carried.

Marketing: Michael Neises thanked Thompson and Belew for continuing to report on the positive trend with the room nights and booking pace. The SB Alliance group continues to meet and work well with the support of its partners. Thompson noted in conjunction with the SB150, costumes from the Casidy Collection are on display in the Sales Room; the costumes will be worn during the event.

Belew reported on the upcoming Fam Trip of June 15-17; coordinated by VSB, the attendees will be coming with RFP's; the board will be invited to the opening reception on June 15.

PRESIDENT'S REPORT

Downes initiated discussion of the hotel proposed on the site of the former College Football Hall of Fame. A letter from the hotel developers outlining preliminary plans was distributed to the board. There is a request for 50 parking spaces at the Center's lot. He and Belew have discussed and are confident it can be accomplished with the exception of 10-12 days a year; more discussion is forthcoming on the details and some type of lease arrangement. This is the most financial obligations anticipated for the Center with the project. Downes noted Community Investment consulted with Aecom (that conducted a study for the downtown/Center several years ago) to give an analysis of the impact a hotel across the street would have: the hotel is expected to increase our economic impact by 25-40% in addition to increasing room tax revenues; impact could be \$4-5 million. Important to note: the hotel developer stated their interest was directly related to the Smart Street project with St. Joseph becoming a two-way street. The board is not required to take any formal action at this point; he will keep the board apprised as plans progress.

Downes noted parts of the plan for the HOF building: it would house the hotel lobby/front desk, their corporate offices, some retail, a high-end restaurant; the Gridiron Plaza would remain as public space. Unknown factors include the underground areas and the tunnel; the City will determine how to address. The Gridiron would be maintained by the hotel. Belew noted that once the financing is complete, the groundbreaking could be as early as August with the completion in 2017.

Belew addressed questions on when the Center can begin promoting the hotel in our sales efforts. The hotel sales team is usually assembled before groundbreaking; once established, the Center can begin working with them. Regarding the brand, three or four are being considered; a Hyatt would be desirable; however, if a Holiday Inn brand, it would be preferred with a different name. Perri stated the decision making process will involve the input of other hotels in the area. Regarding additional support from the board, Downes would recommend the hotel become a member of the SB Alliance group.

Vogel noted other properties of the developers – Holiday Inn Express, Candlewood Suites in South Bend, Hilton Garden Inn and two other properties in Elkhart, Hampton in Middlebury. Belew noted the hotel proposed would be their flagship. Roemer asked about the parking accommodations: could it become an issue for the Center if more days are not good for the arrangements. Downes stated he believes the parking spaces would be for their staff; hotel guests would park at the Leighton garage. Belew noted for some events, the Center's staff are required to park elsewhere mostly at Crowe Horwath; the hotel parkers would be required to do the same and informed in advance.

Downes commented on the possibility of another hotel in the Chase building that would add more parking. Thompson noted that there are 2000 parking spaces within a two block radius of the Center which is a helpful selling point; DTSB provides maps. Neises noted the Indianapolis Convention Center has no parking spaces; only public parking at garages or hotels. Doshi noted the traffic congestion with the parking booth. The committee discussed future possibilities such as an

automated parking system. Belew noted there has been discussion of moving the parking booth back farther as part of the Smart Street plans; the south entrance project in progress will only address changes up to the drive; any funds left would go towards addressing the back dock area.

SMG 2014 Incentive

Downes reviewed the results of the calculations based upon the criteria: criteria 1 will not be met with NOL; criteria 2 – 20 room nights on peak - the goal has been met 100% - \$20,250; criteria 3 – NPS achieved at 70% -\$9,450. Total incentive is \$29,700. Included for the board's review is the Year-to-date report on the 2015 criteria; it reflects a change in the benchmark for criteria 2. With no questions or discussions, Downes entertained a motion to approve the SMG 2014 incentive. Varner moved; seconded by Roemer, the motion carried.

OLD BUSINESS

None.

NEW BUSINESS

Neises commented on the positive changes made by Belew with A/V charges: with taking less commission, Markey's is able to offer their services at a reduced cost for the Center's clients. The result helps to control cost but with improved service quality.

Kinnard reported the City will be holding it's budget kick-off meeting on May 28 and she will learn of the 2016 budget deadlines. Roemer stated the Finance Committee will need to meet in order to present the budget to the full board hopefully at the August meeting. Downes asked DeRose if its possible to accomplish approving the budget through emails as opposed to calling another meeting if the deadlines do not coincide with the August meeting. DeRose advised that due to the nature of the board as a public agency, board actions must be held at in a public forum. Varner concurred. Downes stated for next year, a change of the meeting dates will be considered to accommodate the budget deadlines.

Perri informed the board they will be receiving invitations to the SB150 VIP Reception on May 22. Downes noted the importance of also inviting members of the Hotel-Motel Tax Board.

ADJOURNMENT

With no further business, Downes called for adjournment. It was moved and seconded, and the motion carried.

GD:pp