

Visitors Promotion Committee
August 21, 2019
MINUTES

In Attendance: Becky Perrett, Jeff Cunningham, Tara Knuth, Aaron Stitt, Susan Madsen, Roland Morgan, Tammy Ward, Nicole Fleck-Tooze, Roma Amundson, Michelle Waite, Dennis Meyer and Kerry Eagan

Absent: Amy Dickerson

Staff Attending: Jeff Maul, Derek Feyerherm, Ron Kalkwarf, Todd Wiltgen and Diane Pryor

Guests Attending: John Chapo, Dan Lesoing, Jim Bovaird, Diana Hutchison and Matt Theiman

Call to Order and Introductions:

Becky Perrett called the meeting to order at 1:33 p.m. and introductions were made.

Prior to hearing the grant requests, Jeff Maul asked Dennis Meyer to update everyone on the current status of the VPC Improvement Fund. Meyer reviewed the funds and how they are projected to perform through FY26-27. In FY19-20 and FY20-21, the estimated revenues minus committed funds will be a negative number, mostly due to large grants recently promised, and lodging tax revenues not coming in as he originally projected. Meyer said even though the month of July is \$20K higher than projected and off to a good start, the Committee will need to be diligent in how much they give out. Aaron Stitt said that after seeing these numbers everyone needs to keep them in mind when hearing the grants and making decisions on granting the funds. Jeff Maul agreed and suggested to ask each grant requester what their schedule is and if the money could be given over multiple fiscal years. Kerry Eagan said we should do that and be more detailed with the payment schedule for the County Board. Maul wondered if we should put a cap on future major grant requests until we rebuild the Fund. Perrett asked if those needing the money in FY19-20 & 20-21, be encouraged not to apply at this time. Meyer agreed making payments will be tough and some will be penalized if more grants are given in the next two years. He thought we should try not to give money out until after June 30, 2021. Roland Morgan asked if we can give out a grant to someone that has previously received one. Maul and Eagan said the guidelines say no, we shouldn't do that; however, it has happened before.

Being no further questions or comments, Perrett welcomed the first presenter.

Lincoln Children's Zoo Grant Request:

John Chapo began his request by thanking everyone for this opportunity and passed around a map of the zoo. He went through it with everyone and pointed out the different exhibits. John said the mission of the zoo is to enrich lives through firsthand interaction with living things. Learning is very important to them at the zoo, he said. In 2016 the County Board approved a \$2.1M grant to them and in the three years since the zoo has had over 636K visitors and their operating budget has grown 37%. Some Lincoln Zoo highlights include one of the highest attended zoos in the nation per acre, featured on NBC's Today, ABC News, the Tonight Show and many more outlets. They also are one of the top 20 fastest growing zoos in the country in attendance. Chapo said they are many reasons to love your Zoo – an estimated \$39M annual economic impact in Lincoln, they are funded through earned revenue and private donations, they're home to Lincoln Public School Science Focus Program, and have donated over \$250K of tickets, train rides and memberships annually. Since opening the new giraffe barn, 79,000 pieces of lettuce have been fed to the

giraffes, 31.5% of Google searches for the Zoo have originated from outside Lincoln and 53% of traffic on our website came from outside Lincoln; 23% from out of state. Attendance is up, Chapo said, and people are coming from central and western Nebraska and stopping at the Lincoln Zoo and not going on to Omaha. We're in the news, he said, and are committed to the endangered animals and for every \$1 given in a grant, the Zoo is giving back \$9 to Lincoln. People are coming from all over Nebraska and the surrounding states. John said the request is for the continuation phase of the Zoo expansion including exhibits for cheetahs, anteaters, an outdoor playground and event greenspace. Next, Chapo asked if there were any questions. Perrett asked how much of the phase 2 expansion will the \$600,000 being requested support. Chapo said it would mostly cover the new elephant playground equipment. Maul noted to Chapo that there had been talk of the zoo taking two years off of receiving the remainder of their \$2.1 million grant payout instead of one year noted on the application. Chapo said that he would work with the committee but would like to have all payments made by 2024. Chapo said yes. Chapo was excused and the committee discussed the grant request.

Perrett asked when does their current grant end. Eagan referred to the fund balance handout and said that FY23/24 was the current final payout. Meyer added that the county has made two of the seven payouts on the zoo contract. Todd Wiltgen asked if the new request would raise the new payouts to \$425,000 annually and Eagan replied it would be \$525,000. Perrett noted that Chapo seemed okay to do larger payouts toward the end. Maul stated that Commission Flowerday and Chapo had spoken about taking the next two fiscal years off to help the fund if this grant extension is approved. Stitt commented that this would still make FY21-22 thin. Meyer acknowledged this but said it would give time to help build up the fund balance. Nicole Fleck-Tooze asked if it would help to do less in the beginning and more than \$600,000 annually toward the end. Meyer said it would not help much. Jeff Cunningham asked if this would hut the fund balance down the road. Meyer said if we could hold off spending \$600K in next two years it might buy us time and help with cash flow. That may allow us to open up to smaller projects in those two years. Maul said the fund will be lean in FY22 to FY25. Wiltgen stated he spoke with Chapo and can finance the project, allowing for a later payout. Stitt asked if we should listen to all the grant requests before voting. Perrett said that would be a good idea.

Lincoln Sports Foundation Grant Request:

Dan Lesoing along with Jim Bovaird spoke next to the group requesting a grant of \$87,240 to restore several of the outdoor playing fields to competition level. This would be including, but not limited to, work on over-seeding, aerating and watering systems. CSA Soccer and FC Lincoln are interested in using the soccer fields for practices, games and tournaments. Lincoln Rampage Lacrosse also uses a few of the fields for their practices and competitions. They have a \$250K grant to get a design of the indoor plan and a soft donor to help with the work. The complex has used the previous grant money to improve the signage and the streets; things are looking great out there, he said, and invited everyone to drive out and see the progress. Lesoing said the fields are working great for practice fields and the people are coming back, but improvements are still needed to get the fields to withstand the hours of use and be ready for tournaments. Maul asked him if his vision remains the same or if there have been any changes. Lesoing said they are ahead of schedule with their initial plan because of the \$250K gift. They still need HVAC, lights, etc., and that will cost a lot. Derek Feyerherm asked Dan when they would be at good level and Dan said they would like to be by Spring so they could host the soccer tournament for CSA. Meyer asked if they are tied to CSA. Bovaird said no, they also host Extreme, Dreamers and others. He said they just need to get the fields good enough for 4-5 hours of use at a time. Lesoing wants the complex to be an asset for the whole community, not just one or two tenants. Maul asked where teams are going if not there – Spirit, Wright and Speedway was mentioned, plus some LPS sites. He noted that there are rumors of changes at those

facilities which may decrease the number of playable fields in Lincoln. Lesoing said they can keep the rates low if they can just fill the fields. Jim said they would be competitive with Des Moines and Tranquility Park in Omaha. Stitt asked if we granted the funds, when would they reseed and how would they irrigate? Bovaird said they would begin with the dirt work and that irrigating is 50% functional. Rent from these improved fields will yield income to make necessary irrigation improvements but stated that all fields do have access to water. Fleck-Tooze asked if they would be able to get the work done for spring use. Bovaird said they are already doing some of the work so he thinks they would be finished this fall if they get the funds to complete the projects. He noted that all of the fields are usable in their current state, just not elevated to the condition teams want. Lesoing added that he is meeting with Bison to buy new goals/stands to make it a quality facility. Madsen asked if teams are using the indoor spaces outside of the restrooms. Lesoing said they have some turf that could be used for indoors but that teams can use the restrooms and can open up the championship field restrooms as needed along with the old tennis center. The championship field and indoor restrooms also need improvements, however. Roland Morgan asked if there were designated practice fields. Bovaird said the best fields are reserved for tournaments; the four with lights. Perrett asked if they need the funds right away and Lesoing said they could be flexible. They could take it in increments, he said. Morgan asked if the championship football field could be used for soccer to which Lesoing commented it could. Bovaird said the championship field is currently being used for 9v9 soccer and lacrosse. Lesoing told the group Wesleyan has talked about fixing up the outside tennis courts and would pay for that. Wesleyan would allow high schools to use them when they aren't. Morgan asked if the stands on the championship field were okay and suggested to give them a look-over to make sure they are safe since they haven't been used in a while. Maul closed the request by telling Lesoing they've been doing a great job with the funds they received, and Lesoing said they would keep working on getting money from others, too. Lesoing said they have raised \$300,000 this year and said he would never expect the VPC to fund an entire project. Lesoing and Bovaird were excused and the Committee discussed.

Michelle Waite said he was more prepared this time and what he has been doing out there is impressive. Perrett said she was surprised by how many fields they were using already. She said that they were not asking for much financially when you break down the ask by how many fields they have. Meyer said those fields were used a ton in their prime years ago and this would be an opportunity to get them back in good condition. Maul said he appreciates Lesoing's vision and thinks he is doing a great job. He also stated there is always a need for additional youth sports facilities. Stitt agreed with Maul and is happy they are making fast improvements. Maul said the money they are making on admissions and rent is all going back into the complex. Morgan pointed out they are estimating about \$7K per field for improvements and upkeep. He questioned whether the committee should focus on providing funds for a certain number of fields and not the whole request. Cunningham suggested they focus on the six fields that can be watered and maintained easily.

Malcolm Youth Sports Association Grant Request

Diana Hutchison and Matt Theiman spoke to the committee requesting \$500,000 to assist with the construction of the Malcolm Youth Ball Field Complex. Costs to build the complex are estimated at \$1.67M. They have \$204K in cash donations, \$215K in grants and \$163K committed in materials and labor. Hutchison said the project started about 3-4 years ago. The field now is overused and uneven. In addition to fixing it, they will be adding two softball fields and adding a large parking lot, to keep people from parking illegally along the adjacent streets. The project also contains a concession stand with a crow's nest. They have raised \$200K already. They also are getting materials and labor donated. Theiman said they have worked with local contractors and local equipment dealers who are donating the use of their

equipment. Local people are helping with the manual labor. They are trying to get 10 tournaments committed, which they think would bring in 2,500 hotel rooms and \$612K in revenue. They have big equipment lined up to do the grading and geotech support for completion by December 31, 2019. They may need to wait until 2020 to install the lighting. When opened to questions, Perrett asked if two softball fields are enough to hold a tournament. Hutchinson said, yes, they would use the baseball field, too, and could host 16 teams. Maul questioned the depth of the fences. She said one was 200', one 235-250' and the baseball field at 295'. Maul said town team leagues would play on those, but not competitive teams. They would have a hard time finding teams to play there repeatedly. Meyer asked if Malcolm had high school baseball and softball. Hutchinson said yes, but they need to share fields to do it and softball is the only team in the state that plays on a field with a permanent pitching mound. Waite asked if the school district is going to use it, would they offer to help fund it. Hutchinson said the school district will help with maintenance but not contribute financially. She said the main field is being used so much it is difficult to keep it maintained. Theiman said the field is owned by the village of Malcolm and that between May 1 to October 1, the village does the maintenance but the rest of the year, the school district does it. They share equipment and costs such as parking lot rock and lights are split. Hutchinson encourage feedback on the field design, tournaments to go after etc as they are in a place now to incorporate these comments into the construction process. Stitt asked if the fields could be made deeper, but Matt said there are ditches and trees too close. The guests were excused, and discussion began.

Waite wondered if they could build them that fast because they are taking out corn – wouldn't they need to wait until the corn is picked to begin? Feyerherm said it would be difficult to get competitive team tournaments with the depth of the fences. Perrett questioned if this would generate room nights. Wait stated she wanted to make sure that this was not being built just for the school district. Stitt asked if that was really a good size for what they want to do. Maul said they would have such limitations that likely would limit them to town ball, which wouldn't bring in out-of-town teams for hotel nights. Maul and Stitt discussed the proper depth of fences for baseball.

Michelle Waite excused herself from the meeting.

Voting on Grants:

Perrett said let's circle back and vote on the three grants, beginning with the Lincoln Children's Zoo. They are asking for \$600K. Morgan wondered if they could be paid nothing for two years, then pay the grant over the next three or four years. Discussion began about how to pay them out over time, but not paying them the first two years. Meyer said that the best way would be to do \$525,000 for four fiscal years beginning in FY21-22. Perrett asked what thoughts were on the other two grant requests. Meyer said removing \$300,000 for the next two years if the zoo grant is awarded would allow to pay out the second request from Lincoln Sports Foundation for \$87,240. Maul questioned if the Lincoln Sports Foundation request would be better to pay out in FY19-20 or FY20-21. Meyer said either would be okay. Knuth questioned whether the CVB believed the Lincoln Sports Foundation request would increase the number of tournaments played out there. Feyerherm said he believe it will. Maul said that the Lincoln Sports Foundation is reinvesting the income from rent of these fields back into the facility which will better the complex. Morgan asked that to allow for the Lincoln Sports Foundation grant to be approved, doesn't the zoo grant also need to be approved. Perrett noted that if the zoo request is not granted, the \$300,000 the zoo previously was awarded would still be paid out for the upcoming fiscal years making the fund balance tight. Knuth commented the zoo project maybe could've had more wow factor to bring in people and that playground equipment doesn't necessarily do this. Morgan commented that it would be better for the funds to maybe go to the cheetah run. Stitt replied that it's another thing to add to the already big draw that

brings people into Lincoln and that the previous improvements have been fantastic at the zoo. However, Morgan wondered if these improvements will make the zoo more exciting and draw in more people. Perrett made a motion to grant the Zoo's request of \$600K with payouts of \$525K each of the four years from FY21-22 through FY24-25, removing the payouts currently scheduled in FY19-20 and FY20-21. Stitt seconded the motion. With no further discussion, Perrett called for a vote. Cunningham, Knuth, Madsen, Morgan, Perrett and Stitt voted yes. Dickerson was absent. Motion carried.

Next, the Committee began the voting process on the Lincoln Sports Foundation request of a grant of \$87,240. Morgan asked if there was a need to break up the grant request and only pay for a certain number of fields. Eagan said it would not be necessary now that \$300,000 is freed up in the next two fiscal years. Perrett made a motion to approve the Lincoln Sports Foundation request of \$87,240 to repair soccer fields. Madsen seconded the motion. With no further discussion, Perrett called for a vote. Knuth, Madsen, Morgan and Perrett voted yes. Cunningham and Stitt voted no. Dickerson was absent. Motion carried.

Tammy Ward left the meeting.

The committee began the voting process on the Malcolm Youth Sports Association and their request for \$500K to build a baseball and softball complex. Perrett wondered if some of the fields can wait. Stitt wondered when they would want the grant money; by the end of 2021? Eagan said when they had completed the project which they stated would be the end of this year. Perrett asked if anyone wanted to make a motion. Maul wondered if they could figure out the different phases and try to give them a portion of the grant request to help with part of the project. Perrett said that bleachers would be a possibility to fund and cost \$54,000. Knuth questioned if there was a plan after these three grant requests, will the fund be frozen. Maul said nothing has been decided but is hesitant to completely freeze the improvement fund in case there is a major project with a large benefit. Stitt asked Meyer if there was a dollar amount we could comfortably give them now. Meyer said not over \$100K for FY19-20. In FY21, not much more than \$100K. Madsen stated that the VPC has awarded funds based on what was available and encourage recipients to come back at later time for additional needs. Eagan asked what would happen if you award a lesser amount, but they don't raise the additional funds. Feyerherm commented that the grant could be made contingent on other fundraising as other grant requests were. Eagan questioned the room nights on the grant documents and wondered if this was a realistic projection. Maul said this is an aggressive project for a small town. Amundson said the size of the fields is very limiting along with the size of the town. She questioned if this project would have an impact to people outside the area. Stitt made a motion to support the completion of the bleachers with \$54K in FY19-20. Morgan and Perrett both noted that bleachers were in phase 2 of the project and questioned awarding this before phase 1 is completed. Stitt withdrew the motion. Madsen made a motion to grant them \$50K to use in phase 1 provided they complete the rest of the project. Amundson stated there is not \$50,000 worth of items in phase 1 of the project. Meyer noted that the \$500,000 grant was to help get other matching grants and not sure a lesser amount awarded would help them. Perrett was concerned if the project was awarded the money needed for phase 1, if they were able to raise the rest. She suggested maybe they get further in the fundraising process and come back with another request. The motion was withdrawn. Perrett made a motion to approve the grant request from Malcolm Youth Sports Association for \$500K to build a baseball and softball complex. Madsen seconded the motion. With no further discussion, Perrett called for a vote. Cunningham, Knuth, Madsen, Morgan, Stitt and Perrett voted no. Dickerson was absent. Motion denied. The committee recommended telling them to complete more of the complex then come ask again.

Susan Madsen left the meeting.

Approval of May Minutes:

Perrett asked for approval of the minutes from both of the May meetings. Perrett made a motion to approve the minutes as presented. Cunningham seconded the motion. There being no discussion or corrections, Perrett called for a vote. Cunningham, Knuth, Morgan, Perrett and Stitt voted yes. Dickerson and Madsen were absent. Motion carried.

CVB Audit:

Kalkwarf presented the CVB audit for the year ended December 31, 2018. The Chamber is operating on a calendar year; therefore, the audit is based on that time period, he said. He asked everyone to look at the Independent Auditor's Report. The report said the audit evidence is sufficient and appropriate to provide a basis for our audit opinion. Also, the auditors' opinion was that the CVB's financial statements were presented fairly in all aspects. Next, Kalkwarf pointed out the Statements of Financial Position saying it is on a calendar year, straightforward and a good report. Ron said, the audit is a good one and asked for any questions. There were no questions and Morgan made a motion to accept the audit as presented. The motion was seconded by Cunningham. With no further discussion, Perrett called for a vote. Cunningham, Perrett, Stitt, Knuth and Morgan voted yes. Dickerson and Madsen were absent. Motion carried.

Approval of July Financials:

Ron Kalkwarf presented the financials with the Profit and Loss statement covering July 2019. Total Income was \$150,004 which was right on budget. Total Expenses totaled \$155,862 and Kalkwarf pointed out Net Income was actually a loss at (\$5,858) this year. Kalkwarf drew attention to one expense, Professional Fees at \$1,380 and \$930 over budget. He said this was for website work coming in over budget. Overall, he said, the result is very close to budget. Morgan moved to accept the financials as presented. The motion was seconded by Stitt. With no further discussion, Perrett called for a vote. Cunningham, Knuth, Morgan, Perrett and Stitt voted yes. Dickerson and Madsen were absent. Motion carried.

Tara Knuth left the meeting.

Directors Report:

Jeff Maul talked about the CVB projects, marketing and sales beginning with the Craft Beer Tour. He said it was a big success again this year with nine participating breweries. He went on to say the Visitors Center traffic is up this year – partly because of our Lincoln bobblehead that people love to have their picture taken with. The bobblehead never leaves the building, but with the aid of green screens, he can be found all over the state due to a marketing project with RedThread. Maul said he is working with the downtown StarTran trolley to adjust their route to include hotels in the Haymarket. The NSAA contract renewals for 2020-21 are upcoming for baseball, tennis and volleyball; with volleyball being one of the largest city impacts. LB57 was passed this last year taxing Airbnbs for lodging tax funds. Work is being done with the City Council and City Attorney to get a process in place for collecting. The CVB has been working on testimonial videos that should rollout this Fall. Recently, many of the staff toured the new Kindler Hotel and were excited and impressed. Maul said there is now momentum for the Haymarket Baseball/Softball complex and convention space. He hopes to have news on it in the next 3-6 months and he's the most excited about it as he's been. The Visitors Guide is being worked on by many in the department and it will be a great one! Maul and Tracie Simpson will be attending the NE Travel Conference this fall and Jeff talked about the flooding in Kearney this summer and how it affected their hotels' revenues and their CVB reserves. This reminds us why we have a reserve and said it truly was saved for a rainy day. Maul stated

that May and June saw record lodging tax collection and that the industry is strong with growth continuing.

Feyerherm talked next about sales and proposals. We have had 101 sales leads for 42,868 room nights. 78% of those are regional/national and 75% are new business. There have been 11 proposals submitted for consideration and are sitting on 26 leads currently pending for 11,124 room nights. In 2019 Booked Business, Feyerherm went on to say, there are 75 events booked for 29,261 rooms. 78% of those are regional/national and 64% are new business as well. He is forecasting strong Q4 end to 2019 bookings. The CVB is developing a strong UNL department partnerships with Kelsey McGreer. She has been working with them a lot through seminars and job fairs.

Feyerherm gave an update on tradeshows including a new one, Destinations West in Denver. Here the CVB had 19 appointments with association planners will have several RFP's from those visits. The Small Market Meetings will be in September in Green Bay. Also, the CVB will be attending Boomers in Groups in Tennessee this fall and a couple of Sports shows in Florida and California. Feyerherm said this was the first year of sales missions to Chicago and DC and both were beneficial. He said that the CVB will do these again in 2020. The Sports Nebraska Coalition just released the new Planning Guide in the last two weeks. Also, the Sports Nebraska USOC visit in August with the National Governing Bodies went over very well. Derek said we will be starting to use Act-On software for marketing and sales communications. It will be different, but excited to see how it goes. The CVB have been doing great work with Women in Ministry for the past seven years and now are going to begin working on expanding the reach with an additional focus on youth ministry.

A follow-up question was asked by Stitt wondering if we could donate some of our promotion fund reserve to help Kearney after the flooding. Eagan said that would be illegal because lodging taxes collected has to be spent in Lancaster County.

New Business:

In new business, Perrett said she met with Amy Dickerson and Dickerson is stepping down as Vice Chair of the committee due focusing on the upcoming National High School Finals Rodeo. Due to that move, Perrett would like to propose having Aaron Stitt take over as Vice Chair. Perrett made a motion to accept this appointment as presented. The motion was seconded by Morgan. With no further discussion, Perrett called for a vote. Cunningham, Perrett and Morgan voted yes. Stitt abstained. Dickerson, Knuth and Madsen were absent. Motion carried.

Adjourn:

Being no further business, Morgan made a motion to adjourn the meeting. Cunningham seconded the motion. Being no further discussion, Perrett called for a vote. Cunningham, Morgan, Perrett and Stitt voted yes. Dickerson, Knuth and Madsen were absent. Motion carried. The meeting was adjourned at 4:25 p.m.