

Visitors Promotion Committee
May 15, 2019
MINUTES

In attendance: Lynne Ireland, Becky Perrett, Jeff Cunningham, Amy Dickerson, Aaron Stitt, Susan Madsen, Nicole Fleck-Tooze, Roma Amundson, Michelle Waite and Kerry Eagan

Absent: Roland Morgan

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

Guests attending: John Chapo, Chris Goforth, Troy Gagner, Maggie Stuckey, Susan Larson Rodenburg and Dan Lesoing

Call to Order and Introductions:

Lynne Ireland called the meeting to order at 1:31 p.m. and introductions were made. John Chapo, from the Lincoln Children's Zoo, brought animal cookies for everyone and thanked the committee for their support over the years.

Prior to hearing the grant requests, Jeff Maul gave an update of the Improvement Fund balance and said there are plenty of funds to support all the \$10,000 or less grants requested.

Being no further questions or comments, Ireland welcomed the first presenter. Lynne also excused herself as she had a conflict of interest with the first presenter. She asked Becky Perrett to lead the discussion in her absence.

History Nebraska Grant Request:

Chris Goforth began his request by thanking everyone for this opportunity and passed around a special issue of History Nebraska's magazine telling the story of women empowerment since the ratification of the 19th amendment. 2020 is the centennial of when Nebraska ratified the 19th amendment and this Votes for Women! exhibit will open August 15, 2019. The exhibit will highlight women and social justice by telling the story of various past and current powerful, successful women; Helen Boosalis, Virginia Smith and Deb Fischer to name a few. It will tell how they have helped impact our community and pave the way for other women to make their own impact. Goforth told the committee he has funds to get this started and get the message out now but is requesting \$9,978 to help them next year and to keep the ball rolling. They need momentum, he said, and help with promotion and advertising costs associated with such exhibits. He is estimating the number of attendees to be 30,750, with 13,750 of those from out of town resulting in 3,000 hotel nights. The economic impact, Goforth felt, could be as high as \$1.03M. Ireland opened the floor to questions. One was the timeframe and Goforth said it would be August 2019 to August 2020. Jeff Maul asked if the money would be for marketing or the exhibit itself; marketing was the answer. Amundson noted that Kay Orr was the first woman, Republican governor of Nebraska and that women were not allowed in the Nebraska National Guard until 1972. Maul said that mothers often make the vacation plans and this could possibly be something drawing women to Lincoln for the family vacation. Stitt wanted to verify that the presented statistics were for a 12-month period – yes, they were. Being no further questions, Goforth left the room. During discussion Waite asked for clarification that the VPC can give grant money specifically for marketing. Maul said yes, it is okay and similar requests are typical in these less than \$10 grant requests. Stitt said maybe he didn't give enough information of how the hotel room

night number was figured and Jeff Cunningham thought when a family comes to Lincoln for this exhibit they will certainly do more while in town. Cunningham made a motion to grant \$9,978 to the History Nebraska, Nebraska History Museum for promotion of their exhibit. Dickerson seconded the motion. With no further discussion, Perrett called for a vote. Cunningham, Dickerson, Madsen, Perrett and Stitt voted yes. Ireland abstained. Morgan was absent. Motion carried. Following the vote, Ireland rejoined the meeting.

Lincoln Arts Council Grant Request:

Troy Gagner made a grant request to the committee for \$10,000. He said the 2019 Lincoln Arts Festival usually held at SouthPointe Pavilion, has outgrown that venue and will be moving to downtown Lincoln this year. Gagner is excited about this move and said it will be held in conjunction with Lincoln Calling – Lincoln's largest music festival on September 21 and 22, 2019. They will be located adjacent to 14th & P Streets. The Arts Festival will be able to add artists and activities working with others to add festival flair. They are expecting about 20,000 people that weekend and hoping they get the out-of-town guests' percentage to 21%, some coming from eastern Nebraska, western Iowa, southern South Dakota and northern Kansas and Missouri. Gagner talked about how they are going to utilize the city's buses, trolley system and bikes to allow the attendees to get around to the various presenters, performers and artists. He also is hoping for marketing from local media, maybe even having the local news broadcasting live from the festival that weekend. He would utilize the money granted for an extensive marketing campaign showing the vibrancy of the arts, pulling in artists from across the country, making it an ARTS weekend with Lincoln Calling and other arts events partnering together and finally showcasing downtown Lincoln as the new art scene in Lincoln. Ireland opened the floor to questions. Cunningham asked what the hours would be. Lincoln Calling will be Friday night, the Arts Festival will be Saturday 9-8 and Sunday 9-5. Maul applauded Troy for his collaboration with the others in this arts weekend. Gagner was asked why he feels this is the best fit for his festival and he replied because of the combination of music and arts. He thought the art would really reach the audience listening to the music from Lincoln Calling. Stitt asked what advertising they planned to purchase and Troy said TV, radio and a little newspaper. He also brought up the on-site TV spot that weekend. Gagner was excused and the committee began discussions. Susan Madsen said this would be an additional thing to do downtown, which is always a good thing. It was noted the weekend matches up with a Husker football away game, which is ideal. Fleck-Tooze said this has been a great event in the past with a really good set-up. Stitt made a motion to grant the \$10,000 request to the Lincoln Arts Council. Madsen seconded the motion. With no further discussion, Ireland called for a vote. Cunningham, Dickerson, Madsen, Perrett, Stitt and Ireland voted yes. Morgan was absent. Motion carried.

Lincoln Parks Foundation Grant Request:

Maggie Stuckey and Susan Larson Rodenburg addressed the committee to request a grant of \$3,956.15. Since the Nebraska Centennial Mall was renovated in 2016 there has been very little done to promote it across the city and state to bring in visitors. The Mall is the connection between the University and the Capitol. It is seven blocks long and serves as a scenic connection. There are an estimated 100,000 visitors and a variety of tours each year, including school children from across the state, visiting the State Capitol. Rodenburg said they would like to expand and improve the existing attraction and promote and advertise such exhibits and that is what they would use the funding for. They are printing 31,000 brochures to distribute to people and organizations around downtown. Ireland asked for questions. Cunningham asked if these were new brochures or a re-print. Larsen Rodenburg said brand new. Perrett asked how long 31,000 would last and they said two years. Ireland said since the purpose of the Improvement Grants is trying to get people overnight, she asked how the grant would help doing that. Larsen Rodenburg answered that Centennial Mall will be another attraction for people to visit while in Lincoln. They said they are

marketing online and through other outlets. Maul said the CVB will add the brochures to their packets they distribute to help and encouraged them to reach out to services such as Certified Folder that put brochures in hotels throughout the state for additional distribution. Wiltgen asked if there was a technology side and Larsen Rodenberg said it will be on two websites. Waite suggested they put the brochures in other venues including the University's visitor's center. The two guests left the room and the committee discussed. Dickerson said there is a need to get the word out about the Mall, and this would help. Derek Feyerherm added that the CVB is often asked about attractions for the Native American culture and this would help with sales efforts when recruiting conferences. Madsen noted several downtown tours and asked if there was a way to bring awareness to all of these tours. Maul said a page could be set up about walking tours on the CVB website and include them. Perrett made a motion to grant them the \$3,956.15 for the brochures. Madsen seconded the motion. With no further discussion, Ireland called for a vote. Cunningham, Dickerson, Madsen, Perrett, Stitt and Ireland voted yes. Morgan was absent. Motion carried.

Susan Madsen excused herself from the meeting. The meeting was ahead of schedule and Dan Lesoing hadn't arrived yet, so the committee went on to the approval of minutes and financials.

Approval of February Minutes:

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

Approval of April Financials:

Ron Kalkwarf presented the financials with the Profit and Loss statement covering July 2018 through April 2019. Total Income was \$1,793,975 which was over budget by \$21,208 due to grant income offset by grant expense. Total Expenses totaled \$1,896,299 and Kalkwarf pointed out Net Income was at (\$102,324) this year and the net income was (\$71,556). Kalkwarf stated the loss would be addressed in an upcoming agenda item with the CVB requesting improvement funds for the use of promotion Dickerson moved to accept the financials as presented. The motion was seconded by Perrett. With no further discussion, Ireland called for a vote. Cunningham, Dickerson, Perrett, Stitt and Ireland voted yes. Madsen and Morgan were absent. Motion carried.

Lincoln Sports Foundation Grant Request:

Dan Lesoing spoke next to the group requesting a grant of \$10,000 to replace all the signage and improve the Lincoln Sports Foundation (LSF) MX track. He began his presentation letting everyone know since his request three months ago they have a settlement signed and the lawsuit has been dropped. Lincoln Sports Foundation (LSF) owns the complex now, he said. Lesoing feels there has been a lot of wait and see and now they want to change the signage to let everyone know Abbott has been rebranded with LSF. This along with the track enhancements will require an estimated \$26,900 and he is requesting \$10,000. Lesoing asked for questions. Maul started with what signage has already been replaced. LED lighting has been installed. The entry sign is new as well as some indoor signs. LSF has approval from a benefactor to go ahead with the signs, saying the funding will be there to offset the remaining expenses not covered by the grant. It has been promised to him. Dickerson asked how fast the track could be improved. End of May, Lesoing replied. Fleck-Tooze asked how the teams will hear about them; what are his plans for outreach. Lesoing said several organizations have reached to LSF about utilizing space. Lesoing believes the rent will be less than some of the other properties in town and that should bring in some users. Fleck-Tooze asked where they are at on Phase 1. Lesoing let the group know they have an anonymous donor and are

partnering with Clark Enersen to develop the design so they can send it out for bid. Stitt asked what events, if any, they are having there now. He said Capital Soccer Association (CSA) is using five soccer fields, they have some basketball games scheduled there in June and a Mud Run coming up this summer. Stitt asked how their relationships were with previous users. Lesoing told him CSA had left, but now were back and VCN is wanting to come back with some of their club. He thinks once everything is repaired more clubs and teams will want to return to using the facility. Dickerson asked which item would be best to make the money ask for, the track or the signs. Lesoing was willing to ask for one or the other, but maybe the track because it can be advertised for better. Cunningham said we need to know which item he is asking the money for because we need receipts to show it was used for a certain thing. You need to say exactly what you are requesting for, Cunningham said. Wiltgen posed the question if the track is improved, can you attract more users. Lesoing said he thinks so. Fleck-Tooze asked if they lease the center and Lesoing said they own all of it, with no mortgage. They must pay said the mortgage for ten years but the legal settlement provides that Abbott Foundation pays these costs. After ten years, it'll be theirs. Lesoing was excused from the meeting and the discussion began. Ireland told everyone it was certainly more positive than his previous request. Eagan was asked how many grants the facility has received over the years and he said they have received several with the last one about four years ago, he thought. Feyerherm brought up the fact that LSF are planning a circuit for the MX track in 2020. Maul mentioned the motocross phenomenon, Diesel Thomas, a local top national rider, who is bringing a lot of attention to the Lincoln track. Dickerson said the committee would be able to get receipts for the signage, if we went that route with the grant request. Stitt asked what events are there now that the signage would help with. Feyerherm pointed out the motocross, soccer and volleyball are available for use already at this point. Perrett made a motion to approve the \$10,000 grant request for the track at the Lincoln Sports Foundation Complex. Stitt seconded the motion. With no further discussion, Ireland called for a vote. Cunningham, Dickerson, Perrett, Stitt and Ireland voted yes. Madsen and Morgan were absent. Motion carried.

½% CVB/Event Promotion Lodging Tax Request:

Jeff Maul addressed the Committee with a request for improvement funds to be released to the CVB in order for them to continue the bid process in bringing in new events and continuing relationships with existing organizers. He said request was for \$150,000 (for January 2019 – April 2019 collection) and would be used for NSAA Boys and Girls State Basketball. Stitt asked if just for the NSAA. Maul confirmed. Perrett made a motion that the VPC has made the determination that facilities are adequate in order to request Improvement Fund dollars be used for promotion by the CVB as requested. Dickerson seconded the motion. With no further discussion, Ireland called for a vote. Cunningham, Dickerson, Perrett, Stitt and Ireland voted yes. Madsen and Morgan were absent. Motion carried.

CVB FY 2019/20 Budget:

Maul presented the proposed CVB budget for the July 1, 2019 through June 30, 2020 fiscal year. Beginning with income the total room tax request is down 2.7% over the previous budget. Maul stated this amount came from discussions with Dennis Meyer, fiscal officer for Lancaster County. Bid fee room tax from the improvement fund is the same this year as last year at \$366,000. Total budgeted income is \$2,216,120, down 2.2%. Moving to expenses, Maul stated salaries are up 8.2% because of tenured staff and helping to pay the salaries for shared employees. Medical dental, life and disability insurance rates also are projected at an increase due to moving to a plan to become ACA compliant. Travel and training are up 12.5% due to new tradeshow being attended by the CVB Equipment/Maintenance is up by \$20,026 due to software enhancements. There is an increase in printing because of the Visitors Guide and new brochures. Professional fees are up by \$3,235 due to using new auditors, RSM, and their fees. There is an increase in public relations of \$7,000 as a result of our staff getting out there and meeting with our contacts.

Advertising is down \$44,000 because there was a significant investment with the Reimagine Lincoln campaign last year and plan to pull back some. Event promotion is increasing by 20.5% to be used for bid fees in non-sport marketing. Maul said sports event promotion will be down by \$142,250 since the USA Roller Sports won't be here this next year. Cunningham moved to approve the proposed CVB FY 19-20 budget as presented. Perrett seconded. Being no questions and no further discussion, Ireland called for a vote. Cunningham, Dickerson, Perrett, Stitt and Ireland voted yes. Madsen and Morgan were absent. Motion carried.

Directors Report:

Jeff Maul began his report talking about state baseball going on and the CVB providing all the teams with plenty of pizza. Lincoln will be hosting the 2019 Volleyball Nations League in June at Pinnacle Bank Arena. It is pro volleyball and more of a party-style volleyball with lots of music in between points. On June 15 the Final X Wrestling event will be at Devaney and this will determine the 2019 U.S. Senior World Teams in both men's and women's. The 2019 Lincoln Craft Beer Tour will kick off on May 24. You can pick up your tour booklet at the Visitor's Center along with tour stickers. A free pint is available to you at all participating breweries and if you visit them all, the first 100 will receive a commemorative tulip glass. Maul updated everyone on the Manzitto project progress on West O. It is scheduled for a late fall/early winter opening, weather permitting. A new rail museum and viewing platform is in the works. Larry Engle is trying to get this museum built. Also, work is being done on a Nebraska Museum of Aviation in Lincoln. The Visitors Center has expanded the hours for the summer, Tracie Simpson of the CVB has been working this past week at the Brochure Swap in Seward and there is a ribbon cutting for LSF Sports Complex scheduled for June 21. Maul added he is working on a tourism facility survey. Discussion in the community is ongoing about ballfields in Lincoln and the CVB website redesign will be coming in 2020.

Feyerherm talked next about sales and proposals. He said we have 61 sales leads for 30,013 room nights. 81% of those are regional/national and 77% are new business. There have been six proposals submitted for consideration and are sitting on 16 leads currently pending for 7,580 room nights. In 2019 Booked Business, Feyerherm went on to say, there are 56 events booked for 23,247 rooms. 65% of those are regional/national and he expects that number to increase. 77% are new business as well. USA Roller Sports will return to Lincoln in 2021 and 2022. The USA Rollers Sports met and it will be held in Cedar Rapids in 2020 before returning to Lincoln. The CVB has had success in group tour market collaborating with other communities. Kelsey Meyer is doing great with that trying to freshen it up. There has been several tradeshow, one being the Heritage Club in LaVista in March. Meyer attended and had 20 appointments come from it. The Chicago Sales Mission was in late April and Feyerherm and Kelsey McGreer attended. Several leads were developed as a result. Derek Bombeck attended the NASC Symposium in Tennessee and had 29 appointments to follow up with. In other updates, the CVB has a new Sales Development Manager, Kelsey McGreer, who joined the team in March to work the SMERF markets. Feyerherm closed saying the CVB was in the Top 3 for the Sports Tourism Organization of the Year by the National Association of Sports Commission and that he is chairing the Marketing Committee established as part of the Sports Nebraska Coalition marketing sports across the state.

VPC Committee Appointments:

Ireland stated that she will be reaching the end of her term. It is the recommendation of the Chair and Vice Chair, as well as Jeff Maul to do the following for the coming year: Becky Perrett as Chair until her 8-year term ends on June 2020. Amy Dickerson as Vice Chair. Ireland made a motion to approve the recommendation as stated. Stitt seconded the motion. Ireland called for a vote. Cunningham, Dickerson,

Perrett, Stitt and Ireland voted yes. Madsen and Morgan were absent. Motion carried. This will now go to the County Board for final approval. Maul took the opportunity to present Ireland with a gift showing their gratitude for her years of service, thanked her and her term ending leaves a vacancy on the committee. Maul thought they should try to keep this position as one for a Lincoln/Lancaster County attraction.

There is a recommendation of Tara Knuth, Lincoln Childrens Museum, to fill the spot of Lynne Ireland, who will have served eight years, ending in June 2019. Tara would begin her term on July 1, 2019. Maul said we have interest from Lincoln citizens, via Lancaster County as well, if the committee would like to go that route instead. Dickerson made the motion to recommend Tara Knuth in the vacant spot on the committee. Perrett seconded. Ireland asked for a vote. Cunningham, Dickerson, Perrett, Stitt and Ireland voted yes. Madsen and Morgan were absent. Motion carried. This will now go to the County Board for final approval.

New Business:

Ireland asked if there was any new business. Maul said there would be a special meeting of the Committee on May 29 at 1 pm for a special grant request from Amy Dickerson and the Lancaster County Event Center.

Adjourn:

Being no further business, Perrett made a motion to adjourn the meeting. Stitt seconded the motion. Being no further discussion, Ireland called for a vote. Cunningham, Dickerson, Perrett, Stitt and Ireland voted yes. Madsen and Morgan were absent. Motion carried. The meeting was adjourned at 3:48 p.m.

**Visitors Promotion Committee
Special Meeting
May 29, 2019
MINUTES**

In attendance: Lynne Ireland, Becky Perrett, Jeff Cunningham, Amy Dickerson, Aaron Stitt, Susan Madsen, Roma Amundson, Roland Morgan and Kerry Eagan

Staff attending: Jeff Maul, Derek Feyerherm, Todd Wiltgen and Diane Pryor

Guests attending: Rick Vest, Dennis Meyer, Jennifer Cusick-Rawlinson, Kendra Ronnau and Hoyt Kraeger

Call to Order and Introductions:

Lynne Ireland called the meeting to order at 1:01 p.m. and introductions were made.

Prior to hearing the grant request from the Lancaster Event Center (LEC), Lynne Ireland asked Dennis Meyer to explain the funds in the Visitors Improvement Fund. He walked everyone through it first explaining how it runs on a fiscal year. There are \$605,200 in committed projects remaining to be paid out in FY19. Estimated bid fees are at \$339,800 and there are five grants equaling \$50,000 estimated of the ten budgeted for in all future fiscal years. Meyer showed in the next six years the first three years of those six funds are going to be tight. There is \$4,776,488 in committed expenditures and just \$3,785,000 in estimated revenue. Beginning in FY22 things turn around and the swing in revenue for the following three years is estimated at \$5,650,000 with only \$2,069,400 in total committed expenditures. There were a couple questions to Jeff Maul asking if he knew of any other requests we have committed to and he said there has been no applications and anything official after FY21; however, there would be more made based on conversations with various applicants, he said. The bottom line showed the balance in the fund through FY21 is \$148,896.

Being no further questions or comments, Ireland welcomed the presenters from the Lancaster Event Center – Amy Dickerson, Hoyt Kraeger and Jennifer Cusick-Rawlinson.

Lancaster County Event Center Grant Request:

Cusick-Rawlinson introduced herself and told about the recent events of the Ag Society and the positive feedback they have had. She told the group about everything the Lancaster Event Center has that the National High School Rodeo will need in a facility – access roads, buildings, stands, campgrounds, etc. She introduced Amy Dickerson and Hoyt Kraeger to everyone and told a little about what they do and how good they are at their jobs. Kraeger told the group what the National High School Finals Rodeo (NHSFR) is. It is the world's largest rodeo with 1,700 high school contestants from 43 states, 5 Canada provinces, Mexico and Australia. It is a 10-day event with 13 performances. It will take the whole community working together to pull this off, Kraeger said. They then showed a video about the High School Rodeo that gave an overview of how big it is and the atmosphere we will see when they come to Lincoln.

Dickerson began by telling where they are now and the progress they have made since being awarded the original grant and bid to host the 2020 & 2021 rodeos. She talked about when they got the last \$3M grant and how they have been doing some creative and diverse things to make it last as long as possible. They have used their own people to self-perform work rather than hire it out, they have been creative in finding funding mechanisms for staffing and other programs, but what they are asking for now is a backstop for overages in the project. They are requesting a \$4.05M pledge from future VPC lodging tax funds as a

backstop funding guarantee. It would equal \$600K/year in 2022-24 and \$750K/year 2025-27. Dickerson said this would allow the Ag Society to secure a bridge loan to complete final NHSFR preparations without pause by June 2020. That would be an incentive for the Ag Society to complete fundraising as soon as possible to reduce or avoid bridge finance costs that could be as much as \$1.1 million. Lincoln not only will be hosting the rodeo in 2020 and 2021, but now has locked it in for 2026 and 2027. The LEC beat out Springfield, IL and incumbents Gillette, WY and Rock Springs, WY. Both Kansas and Missouri wanted it and have been trying to get the rodeo to come to their facilities. Both states are working hard to get their facilities up to par so they can get the rodeo to come to their cities. She noted that both of those facilities are looking at funding sources from state government. The NHSFR will have a significant economic impact on Lincoln. The visitors to our city will be here for up to two weeks. Most of them for 9 days. It will bring in the 1,700 contestants and their families for an average of 8.12 days. That's 6,576 vendor nights and 8,887 out of town spectator nights and 99% of these are from outside of Nebraska. The overall impact is estimated at \$16M/year. Dickerson went on to say the Ag Society will need to complete fundraising before the VPC grant funds flow in 2022. The LEC is looking to organize the community to maximize economic impact with CVB/Chamber expertise. They want to have a Welcome to Lincoln for the contestants and their families to begin the 2-week period and introduce them all to what Lincoln has to offer. She is hoping to have the CVB and Chamber help with that.

Next, Dickerson talked about the improvements required to meet the NHSFR needs. They need an outdoor covered grandstand and bleachers that will seat 5,000. Also, an expanded outdoor arena, livestock pens, an east loop driveway and a south emergency exit. They need to get the campgrounds finished along the east side so the young contestants can camp with their horses. The parents and families often stay in area hotels, she said, but the kids like to stay with their horses. They need to add water and electricity to 200 permanent campsites. Next Dickerson went through a timeline showing the progress since the June 2016 grant. They were selected as a finalist in July 2016 and awarded the bid in January 2017. The grant funds were available in March of 2017. That was when they first could have the engineering firm, REGA, begin the design – it is 99% completed at this time. They decided to self-perform the electric and water to save money. Construction grading began in mid to late 2018 and is 90% completed. So far, she said, 100% of the campground drainage system is working, the electric towers are complete, 90% of the campground electric/water supplies are purchased, 30% of the electric/water has been installed by the LEC crews and 100% of the seed is purchased and 90% first time seeded. To be completed still are 70% of the campground, the emergency egress road, covered grandstand & guest service buildings, lights, livestock panels, outdoor stalls and some re-seeding. Most of these will be done by the LEC crew. Dickerson said they need more time and that is why this funding will help with their work on other grants, fundraising and booking other events. She asked if anyone had questions.

Amundson asked if the contract could be modified or if they have asked for modifications. Cusick-Rawlinson said NHSFR are willing to work with them. The LEC has less campsites than originally requested, and the number of stalls has decreased. The rodeo is bringing in half of their own stalls as part of negotiation. The LEC need to have the revenue to host the rodeo and NHSFR agreed to allow LEC to host the event themselves. Cusick-Rawlinson said they have worked hard to sharpen their pencil on the budget and understand that questions have been raised but they are comfortable with the budget numbers presented. Wiltgen asked if they are looking for other funds to cover the \$1.1 million in bridge financing and what is the relationship to the financing to the grant request. Dickerson stated that it will be similar to the previous grant. The grant funding tells the bank they have funds in place to help keep revenue flowing in. She said if they get the grant, they will look into a NIFA loan for tax exemption. They are still looking into other sources for funding, including through the city but they are not at liberty to discuss this at this

time. They continue to look at sponsorships as well as their current budget and ways that their staff can save by self-performing work. Stitt asked if the \$3M grant would be paid out by January 2020. Dickerson said yes and that she has spoken with Eagan to discuss there being two grants at the same time, but one will expire shortly. Stitt noted this grant request says they will not submit future applications related to the project and asked if the original grant request said the same thing. Dickerson said both applications say they will not ask to submit future applications but that this was not expected. Cusick-Rawlinson said the Ag Society is looking into other financial options for future projects. Stitt finished with asking what media buys comprise of the budget on page four of her application. Dickerson answered that the \$211,000 from Nebraska Tourism Commission can only be out-of-state media purchases and referred Stitt to page eleven of the application which goes into more detail on the marketing plan. Madsen asked how many additional seats the improvements would add. Dickerson explained the layout on the facility map and answered with 6,000 total; 5,000 outside and 1,000 inside. Madsen followed with questioning if this was enough seating. Kraeger said yes based on their current attendee numbers but hope to see an increase in spectators with the move to Lincoln. Stitt asked how they came up with the \$375/night per person of impact and if that figure was hotel rate alone. Dickerson said that was based on the economic impact used on the grant application and would be the average daily spending of each person attending. Stitt noted the 2,700 room night figure used in the application for quarter horse events and asked the other hotels if they see an impact as he does not at his property. Madsen stated she would not know unless they booked in a group but believes the outlying hotels fill first, and then the downtown will fill with compression. Kraeger said you may not know they are here with the rodeo because they don't all dress like cowboys. Some are horse owners or other family members and may not have the boots and hat. Only the contestants will wear their numbers. Dickerson added that the vendors are high-end who will want to stay downtown and this is why it is important for there to be a 'Welcome to Lincoln' event to get people downtown to see everything. She said that potential hotel packages could be created for the event. Morgan asked about the 4% lodging tax and how much of that goes to the grant fund. Meyer answered that 2% of the county tax collection go into the Visitor Improvement Fund and 2% is used to run the CVB with the promotion fund. Morgan asked if the two most expensive improvements being requested were drainage and electrical. Dickerson said they are working on electric and drainage which had the most surprises. They'd like to use their own system, but the engineers said they can't do that because it was removing too much soil. They need to use a better system which increased cost and they continue to battle some of the city codes they are being required to adhere to. Morgan wondered why there can't be more temporary electrical instead of permanent. Kraeger said that is just not cost effective – they have checked into it. The price is \$300/spot and ultimately \$600/spot when you factor fuel to run generators. Stitt asked if there is an option to break up the \$4M to just give a portion now for the 2020 rodeo. Dickerson said no, they need it now for the backstop and the improvements are needed for the first rodeo. She stated that several people have asked if there can be additional cuts to the plans and she said they have already made cuts including removing security lights in the grass camp sites. Dickerson stated that this \$7 million investment will bring a \$64 million return, with the potential for more. Perrett asked if the \$4M is granted and the LEC gets other funding, does the fund get some of the money back. Dickerson stated that potential funding sources of naming rights, higher tickets sales, etc are possible. They are taking a big leap with this and suggest that any profits of over \$250,000 annually would be used to pay down the requested funds. Maul asked if this was profit from the rodeo or LEC annual revenue. Dickerson answered \$250,000 profit for LEC annually. She closed by telling the Committee they must let the Rodeo commission know next week if they have the funding. Being no further questions, Dickerson and her partners were dismissed, and the committee discussed.

Perrett began by asking Meyer what the county's stake in the facility is. Meyer said there is no money that comes from the County outside the improvement fund. Meyer mentioned that a JPA was created to allow

them to have levy authority for financing bonds. Amundson noted that LEC is its own entity. Morgan wanted to know how we will know if they have any profit; who will be tracking the money and would this condition be written into the grant contract. Eagan stated that this condition would need to be written into the contract which makes him nervous. Meyer said it would need to be tracked better because the Ag Society budget and bond payments are all in the same audit. Madsen asked what the current LEC profit is which was answered at \$200,000 annually. Morgan asked where they are at on phase 3 and bonds associated with that. Wiltgen said that when the previous grant was approved there was talk of phase 3 and if that happened, the remaining balance of funds from the improvement fund grant would go away. phase 3 bonds would take a voter approval with a bond issue. Wiltgen stated the county board encouraged her to not rely on phase 3. Amundson said that phase 3 is in the future and the focus needs to be on NHSFR. Phase 3 would require a vote of the public and would require an increase in property taxes. Stitt asked if there is a goal to get more back on the investment of the improvement grant as they currently only show that \$1.3 million has been returned. Wiltgen said you look at the quality of life. He said it's very difficult to quantify if it's been paid back. Amundson said you're not really comparing dollar to dollar. We are getting people here and this will get us recognition across the country. Perrett stated it is easy to not know what you don't know and that is not confident in their sponsorship and fundraising. She questioned what the future looked like for LEC beyond the improvement fund. Ireland said there is uncertainty when it comes to future endowments or statute changes that could be used as future funding mechanisms for LEC. Ireland went on to say there are guidelines set by the VPC that say applicants cannot ask for funding for the same project twice and that we need to be careful of the precedent we would be setting by granting this. Stitt asked next where do other county fairgrounds get funding for their buildings? Wiltgen said fundraising usually. There is an ad hoc committee that has been established to identify the need for long term strategy on identifying other financial models. Wiltgen stated that the LEC has depended only on government financing through bonds and VPC funds up to this point. Meyer said that other counties have higher property tax levy lids allowing them to get bigger draws. He used Seward County as an example of a county that has a higher lid than Lancaster County. Eagan said that the current levy lid was established when the Lancaster County Fair was held on the old state fairgrounds and did not need as much revenue. Stitt asked if the property tax levy lid could be changed. Meyer said this would require a statutory change on the state level.

Morgan said if the rodeo would be lost if this grant is not approved. Amundson stated yes it will be lost and that LEC needs to let NHSFR know soon if they are unable to host. She went on to say that the AG Society now feels the pressure to go raise money and do professional fundraising. LEC currently brings \$40 million in economic impact and is going to try to get big fundraisers to help them according to Amundson. Wiltgen asked about the \$1.1 million bridge loan financing and if that is what is needed to get the \$4 million bridge loan. Meyer confirmed that the \$1.1 million is the financing for the \$4.05 million loan which is not incorporated into this grant request. Maul asked about the revenue projections in future years. There are currently \$689,000 in future obligations and this request will leave only \$600,000 to give out annually for future requests. He asked Meyer to confirm this. Meyer confirmed this but said his estimates on revenue may need to be adjusted for slightly less to be collected but that the figure does take into account the bid fees and minor grant requests. Madsen asked him what future projects may be making an ask of the fund. Maul said there have been no official requests submitted but is aware of projects that are being discussed in the community. Eagan noted that if the fund becomes tight that the bid fees currently used from the improvement funds could be eliminated and the CVB could use a surplus from the promotion fund for additional bid fee requests. Stitt asked how the promotion fund gets replenished. Eagan stated that both funds equally replenish from the 2% tax each year. Wiltgen said that the county and the chamber agreement allows bid fees to be used from the improvement fund to protect the promotion

fund for lean years. Meyer said that there currently is a \$1 million surplus in the promotion fund.

Stitt asked if there is a way the LEC can match a certain dollar amount each year. Wiltgen said that was included in the last \$3 million grant and LEC was encouraged to fundraise which did not happen. Eagan said this was encouraged but was not included in the contract. Stitt asked if this match was required in this grant request, what would happen if they did not match. Eagan said it would be a breach of contract. Madsen noted that there has been discussion on an investment from UNL. Amundson said UNL has discussed putting a stalling barn down there which would be additional revenue and there is also discussion of the retail corner. Ireland acknowledged that LEC presented a proposed motion but reminded the VPC they were not required to follow it. She asked if there is anybody who wanted to make a motion. Morgan worried again about setting a precedent. Wiltgen pointed out that the reason the guideline was created was due to LEC's last grant request where they asked for funds before a previous major grant was paid out. Eagan said there were others who did this as well and not just LEC. Amundson this grant would not begin to pay out until 2022 when the other grant would be finished. Eagan read the guidelines to the committee created in 2017. Ireland stated that the VPC serves in an advisory capacity and reminded the committee that this is only a recommendation to the county. Eagan noted a recommendation one way or the other must be made to pass it along to the County to consider it. Stitt asked how many times a recommendation of the VPC was overturned by the county board. Eagan and Wiltgen both said it has only happened a few times. Maul reminded everyone that this is a recommendation from the VPC, which represents various industries of the hospitality industry. Wiltgen encouraged the VPC to make a recommendation based on how they felt, and not by how they think the county board will vote. Cunningham asked for clarification that based on the current guidelines, LEC should not be able to ask for another grant until the current multi-year grant has been paid out. Eagan said it would be against the guidelines to grant it. Cunningham said he agreed with the grant request but does not want to break the guidelines. Eagan noted that these are guidelines and non-binding like laws are. Wiltgen said the guidelines need to be addressed again in the future. Amundson asked if the county would be the ones to change the guidelines. Eagan said that both the VPC and county would need to amend them. Stitt said if the grant doesn't pass and the 2020 rodeo pulls out of Lincoln, there is no way they would come in 2021 because it's a 2-year contract. Feyerherm said that is correct and it would likely put the 2026 and 2027 contracts in jeopardy to. Wiltgen noted a community in Illinois had to pull out due to financial reasons previously and NHSFR does not consider future bids from them. Wiltgen also noted there is a \$250,000 penalty if LEC pulls out of the current contract. Amundson said this could put a black spot on Lincoln. Ireland asked for clarification that this is a \$250,000 penalty for breach of contract. Maul said yes but that the bid fee offered by the CVB is refundable in the event the rodeo is cancelled. Madsen said that the CVB must have been confident in this event to offer \$100,000 in bid fees back in 2016. Maul said that it was a team effort and the rodeo is a big deal. Cunningham said it would be bad to pull out. Morgan asked if we can word it to not be against the fund guidelines? Madsen said she is trying to make a motion with wording to waive the rule. Eagan said that the motion should include acknowledging going against the guideline. Ireland asked if this could be one motion instead of two with one being for the observance of the guidelines and the other, the recommendation. Eagan said it should all be one motion. Morgan said the grant won't be awarded until January 2022. Stitt said he still worried about the ability of LEC to raise funds in the future as he believed they needed to do their part and contribute to the funds requested. Morgan said that since he joined the VPC, the LEC is always asking for more money once their previous grants are done. Eagan said that in the past, asks were for projects that should be part of standard depreciation which is why the guidelines were changed to the fund being used for capital improvements. Maul said he is hearing from the committee the need to revise the guidelines again. Eagan said probably so, yes. Stitt asked if LEC had money for other improvements needed associated with the rodeo. Madsen and Wiltgen both said that it appears they only

have money for marketing. Amundson said this is an investment in Lincoln and is significant to east Lincoln specifically. Cunningham said he sees this as a reinvestment of fairgrounds lost when the state fair moved. Morgan questioned whether the VPC would have originally agreed to a \$7 million request back in 2016. Eagan stated it would have depended on the fund balance at that time and what projects were obligated to be paid out. Wiltgen said the county board saw the importance of the project being finished by the time of the first rodeo. Stitt asked if there is a way to write in the contract that LEC profits go back to the improvement fund. Eagan said he and Meyer have spoken about this and they both see it would be difficult to analyze their profit. Maul stated that with the difficult tracking mechanism is put in front of the committee, they need to look at the total request. Madsen asked if everyone thinks Dickerson will come back for more money and Amundson said she won't need to.

Perrett made a motion that despite the grant request coming before the existing grant request is paid out in full, I move that a grant totaling \$4.05 million dollars be approved for the Lancaster Event Center fairgrounds capital improvements required by the NHSFR contracts for the four rodeos between 2020-2027. The grant to be paid \$600,000 per year 2022-2024 and \$750,000 per year 2025-2027. Cunningham seconded the motion. Ireland asked if there was any other discussion. Morgan asked if the profit turnback was in the motion. Ireland said no. Being no further discussion, Ireland called for a vote. Cunningham, Madsen, Morgan and Perrett voted yes. Ireland and Stitt voted no. Dickerson was absent. Motion carried.

New Business:

There was no new business to be discussed.

Adjourn:

Morgan made a motion to adjourn the meeting and Madsen seconded the motion. Being no further discussion, Ireland called for a vote. Cunningham, Perrett, Stitt, Madsen, Morgan and Ireland voted yes. Dickerson was absent. Motion carried. The meeting was adjourned at 3:33 p.m.

LANCASTER COUNTY
VISITORS PROMOTION COMMITTEE
Wednesday, August 21, 2019
1:30 p.m.
Lincoln Chamber of Commerce – Unite Conference Room
1128 Lincoln Mall, Suite 100

AGENDA

Call to order	Becky Perrett
Introductions	Becky Perrett
Visitor Improvement Fund Update	Dennis Meyer
Lincoln Children’s Zoo Grant Request	John Chapo
Lincoln Sports Foundation Grant Request	Dan Lesoing
Malcolm Youth Sports Association Grant Request	Diana Hutchison
Approval of May Minutes	Becky Perrett
CVB Audit	Ron Kalkwarf
Approval of July Financials	Ron Kalkwarf
Directors Report	Jeff Maul
New Business	Becky Perrett
Adjourn	Becky Perrett