

ERIE COUNTY CONVENTION CENTER AUTHORITY
MINUTES
Thursday, April 18, 2024

Board Members Present: Dahlkemper, Deitrick, Glass, Johnson, McCormick, Riley (phone), Sapienza, and G. White

Board Members Excused: Hilbert, Richards and Nuber

Others Present: Charles Iverson, Ed Snyder and Jim Walczak, Solicitor

Ms. White called the meeting to order at 3:11 PM.

INTRODUCTION OF GUESTS:

Mr. Pine said we have Ms. Erica Nowak who is joining us today. He said that Ms. Nowak was recently hired as Erie Events Director of Marketing. Mr. Pine said that Ms. Nowak is a graduate of Penn State Behrend with a Bachelor's Degree in Communication and certifications in Public Relations and Advertising.

The Board introduced themselves to Ms. Nowak, congratulated her on her new position, and welcomed her to Erie Events.

Ms. White asked if there was any public comment. There was no public comment.

Ms. White asked for approval of the March 21, 2024 minutes.

Mr. McCormick motioned to approve the March 21, 2024 minutes. Mr. Glass seconded the motion. The motion was approved unanimously.

FINANCIAL REPORT

Mr. Iverson said we had a busy month particularly at the theater and the arena. He said, overall, we had 20 events in those two venues which was right on budget. He said the arena resulted in some very significant favorable revenue variances. Mr. Iverson said that our paid attendance exceeded budget in excess of 7000 paid attendees for the month. He said that included hockey, which finished the month of March very strong, as well as budgeted concerts. He said at the arena, Breaking Benjamin and Daughtry added additional paid attendance into the books exceeding \$200,000.

Mr. Iverson said the Warner was very active as well. He said we did have one event cancel, which was Lord of the Dance, that we had originally included in the budget. Mr. Iverson said, unfortunately, we had a couple others events that we budgeted that did not sell quite as strong as we had originally anticipated. He said that the theatre's paid attendance was under budget. He said that this caused them to fall behind a little bit. He said they finished in a little excess of \$20,000 which was not too bad given the fact that they were significantly under budget with regard to paid attendance. Mr. Iverson said we saw that in a couple of areas including the Philharmonic as well as a couple of the concerts.

Mr. Iverson said the ballpark was right on track other than the timing of some of the initial startup costs to get the field in shape. He said that the field supplies are a bit front loaded in terms of when they are purchased, so they were over about \$10,000 on their field supplies. He said that I am sure we will get that back. Mr. Iverson said that is just timing in terms of when we chose to incur some of those costs.

Mr. Iverson said, lastly, the convention center finished about \$22,000 ahead of plan. He said they exceeded revenue budget by about \$50,000 with a couple of unbudgeted events that included the CA Curtze Awards Dinner, the Celebration of Life Juanita Loveranes and Joseph McCormick Construction event. Mr. Iverson said that the PA State Pool Tournament exceeded revenue expectations as well. He said that the convention center had one cancellation which was the Cathedral Prep Legacy Gala. He said that still allowed us to finish ahead of budget by \$50,000 in revenue.

Mr. Iverson said, overall, we exceeded budget by an excess of \$130,000. He said that took us, for the first quarter, above budget. Mr. Iverson said, overall, we had a strong first quarter. He said it is too early to be projecting with regard to the second half of the year. Mr. Iverson said that April looks to be about on track with a lot of activity in both the arena and the theater for the month of April. He said the only disappointment was the PAW Patrol event, which was held at the arena this month. Mr. Iverson said this event significantly underperformed to our expectations, although, we were

fortunate to be able to offset some of that with other budget cuts which we will bring over this month so we will be on track for the month of April.

Mr. Sapienza asked what happened with the Cathedral Prep Legacy Gala. Mr. Iverson said I am not sure what the reason was for it not to be held. He said I do not know if it was rescheduled or canceled. A brief discussion followed.

Ms. Dahlkemper motioned to accept the March 31, 2024; Financial Statements as presented. Mr. Sapienza seconded the motion. The motion was approved unanimously.

MANAGEMENT

Mr. Pine said, just a side note regarding the Lord of the Dance cancellation, the show was not just our show that was canceled, it was their entire run. He said the production was underfunded and they could not continue the tour.

Mr. Pine said regarding 8 Great Tuesdays, last month at the board meeting we discussed the Cooperation Agreement. He said the agreement has been signed and we are moving forward. He said that myself, Ed Snyder, and Ms. Brigid Doyle, on our team, met with the Port Authority yesterday to discuss the three elements that we will be managing, which will be the booking of artists, the operation of the VIP tents and the selling of the sponsorships. He said that we had a really positive meeting with the Port Authority and they provided us with some great background information. He said the first concerts are scheduled to begin in July. Mr. Pine said we want to get on this quickly to ensure the success of these events. He said we are going to send several of our other staff members, from an operational standpoint, to observe so in the future we are prepared if we are asked to do more. Mr. Pine said things are progressing well and we are very optimistic.

Mr. Pine said that 216 Bayfront Street is the space next to the Bay House. He said, as I have mentioned in the past, we have a Letter of Intent signed by Ms. Missy Hitz, owner of Monacella Massage. He said that Shelly Buehler, on our end, is doing the build out drawings which the tenant has approved, so things are moving forward from that standpoint. Mr. Pine said her lease is up in January and she will be looking for a February 2025 move in date. He said, from my standpoint, I would be comfortable if we started construction on the interior in June. He said we will need design drawings from Shelley Bueller by the end of this month so we can use May to put this project out for bid from a construction standpoint. He said that it is not an elaborate build out, it is similar to a doctor's office space. Mr. Pine said there will be massage rooms and some larger rooms but it is not elaborate. He said I think if we hit that June date, we are going to be in good shape to coincide with when her lease ends.

Mr. Pine said that you may have seen the announcement that Mr. Casey Wells is being inducted into the Erie Sports Hall of Fame. Mr. Pine said that Erie Events will be participating, at the sponsorship level, to be able to support Mr. Wells in receiving this award. He said the event is scheduled for June 26th. Mr. Pine said that Erie Events has a table if anybody is interested in attending. He said that we have 8 to 10 seats, and we are more than happy to offer those seats to board members. He said if you would like to attend, we can assist you with obtaining tickets if we end up filling the table with staff. Mr. Pine said please let me know and I would be more than happy to connect you.

Mr. Snyder said that our sales team has scheduled a Visit Erie Familiarization Tour which will be held next month. He said that we are very excited since we have not had one of these tours since before COVID. He said that 15 meeting planners from around the region and country are coming to Erie, for this event, the end of April into May. He said they will get the opportunity to look at our properties on the waterfront and the rest of the area as well. Mr. Snyder said I am hopeful that this brings us some business in the future.

Mr. Snyder said that our sales team exceeded budget by \$10,000 in Quarter 1 and said we are looking stronger in Quarter 2. He said the sales team added two additional conferences in Quarter 1, that are scheduled for later in the year.

Ms. Dahlkemper said regarding the Eclipse, was it the decision of Erie Events or somebody else to close off the parking lot at the convention center. Mr. Snyder said that we had to protect the convention that was being held. He said that both hotels were sold out and we needed to make sure that hotel guests had parking. Mr. Snyder said we had space in the second lot for first responders. He said that we had concern that a large amount of the public would come in to town over the weekend and we needed to protect parking for our customers. A brief discussion followed.

Mr. Sapienza motioned to accept the Management Reports as presented. Mr. Glass seconded the motion. The motion was approved unanimously.

OLD BUSINESS

Mr. McCormick said I hope everybody has been down to take a look at the Sheraton. He said there was a challenge, in the last six weeks, as to whether all the rooms would be available to rent. He said the team really worked well together so; I could not be any happier. Mr. McCormick said that I think it was kind of amazing that it got done the way it did.

Mr. Pine said I just want to recognize Neal Wurst on our team. He said that he was my point person for this project. Mr. Pine said that the Sheraton renovation was a 13-month long project. He said it was not just public space it was guestrooms as well. Mr. Pine said there were a lot of challenges. He said that our project manager is based out of Maryland which created some lack of efficiencies in terms of getting things done in a timely manner. Mr. Pine said that Mr. Wurst was critical in making sure that the project moved forward as well as it did.

Mr. Pine said the guestroom portion is almost complete with a couple of pieces of furniture, related to the ADA rooms, that are being changed out. He said regarding the restaurant, some of the chairs that we received, for the dining room space, weighed 46 pounds. He said that is a little too much for anybody really to scoot in to the table so we have asked for those to be replaced. He said that, in the meantime, we received replacement chairs until the correct chairs are delivered.

Mr. Pine said behind the front desk, there is a nice artistic feature that is going to be done with ropes that alludes to the nautical theme of the room. He said that Austin & Sons is working on the front desk project. Mr. Pine said, essentially, everything is open and ready to go. He said that there are some minor details that we are working through, but by and large, the project is complete and we can now move on to the 216 Bayfront project. Mr. Pine said the Construction Committee will continue to have Monday meetings as needed.

NEW BUSINESS

Ms. White said our Executive Committee met, prior to the board meeting, to discuss some updates. She said that some of the discussions that took place included the work going on at the Bayfront Parkway and getting some additional information on how it relates to the construction, as far as I call it, the lay of the land. She said that, as far as what is happening, nothing any different than what we already are aware of, but that is still ongoing.

Ms. White said there have been discussions with KeyBank regarding the availability and the possibility of us owning the Key Bank property. She said that Gus is going to continue to explore this some more and we will have additional information on that soon.

Ms. White said that Mr. Iverson and team are putting together a Carrying Capacity Report for our operation. She said this is being done so we can understand what our risk assessment is and what we can handle moving forward in the future. She said that this will be provided to the entire group. Ms. White said that we have had several discussions around understanding our capacity financially as well as organizationally.

Ms. White said, on another good note, we are finalizing the role of the Director of Finance search. She said that we are not at liberty yet to make that announcement but we are coming to the end of having that roll filled.

Mr. Pine said that the Strategic Planning Committee met this week with White Lodging for the quarterly meetings related to the management of the hotels. He said that similar to our convention center, and really all of our properties, the first quarter was a good one for the hotels. He said this is fantastic news to us because January and February were a struggle for the Sheraton for obvious reasons. He said, not only were there guestrooms shuffling around because of the renovations but it was at that time that the public space was being renovated. Mr. Pine said it was the tile that was being replaced and that is very difficult to do in the front door of a 24/7 business. He said that luckily, we own a second hotel and a lot of that business was shifted so we did not lose out as an organization. Mr. Pine said the Sheraton made it up in March and in the end, both properties have exceeded budget for the quarter, significantly at the Courtyard. Mr. Pine said that the Courtyard is doing very well as is the Sheraton. He said that we are really expecting a nice jump the rest of the year with essentially a brand-new hotel.

Mr. Pine said we also discussed hotel staffing because they have had some shifting around. He said Dan Pora moved on, within their company, to Richmond, Virginia and Stacy Tupek took over at the Sheraton. The long-standing assistant general manager at the Courtyard, Paul Hudak, took over as general manager. He said that they announced to us that they do have the assistant general manager for the Courtyard identified. He said they just have not notified all the other candidates, who applied for this position, so they did not want to share the name. He said that this will complete the leadership team. Mr. Pine said we are in a very good spot coming in to the busy season at both properties. He said it was a really good thorough report. Mr. Pine said with the renovation behind us, I think we are ready to roll into summer.

Ms. White asked how opening day went at UPMC. Mr. Pine said the Seawolves opening day was on April 9th. He said the weather was good and we had a good crowd. Mr. Pine said that they did a presentation, since they won the championship last year, and had an unveiling of some pennants.

Mr. Sapienza said that the netting looks good at the ballpark. He said it does not obstruct your view at all and you do not even realize it is there. He said they did a good job.

Ms. Dahlkemper asked how did the restaurant do when you had the opening. Mr. McCormick said that it was half full. He said I don't think they advertised at all yet and a lot of people would not have known that it is open. Mr. Snyder said they will be doing a Chamber after hours event on May 16th and that is going to be their big opening. He said they open for lunch starting next week so that is kind of a soft rollout. Mr. Snyder said that Stacy Tupek has done some media in the last week or so promoting Two45. A brief discussion followed.

ADJOURNMENT

Mr. McCormick motioned to adjourn. The motion was approved unanimously.

The meeting adjourned at 3:41 PM.