

**ERIE COUNTY CONVENTION CENTER AUTHORITY**  
**MINUTES**  
**Thursday, December 19, 2024**

Board Members Present: Dahlkemper, Deitrick, Glass, Hilbert, Johnson, Nuber, Richards, Riley, Schmitt, White & Zaphiris

Board Members Excused:

Others Present: Gus Pine, TJ Hesch, Ed Snyder, Jim Walczak; Solicitor; Neal Wurst

Ms. White called the meeting to order at 3:05 PM.

**INTRODUCTION OF GUESTS:**

Chef David Robinson, said I am the Culinary Director for Erie Events and I would like to introduce to you two new full-time employees. He said Demarco Cleveland is with our Steward Department and Max Ringer is with our culinary team. He said I would also like to take this time, after 14 years of service with this company, to say what a great job you all do for us. He said with your vision it is so clear that without you we would not be able to stand here with two new Erie County full time employees.

**MINUTES FROM PREVIOUS MONTH:**

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

Mr. Riley motioned to approve the November 21, 2024 minutes. Ms. Dahlkemper seconded the motion. The motion was approved unanimously.

**PUBLIC COMMENT:**

Mr. Doug White said I spent about 10 years on the board for the Civic Center Authority so I know quite a bit about how much work and effort you all do and I certainly appreciate that. He said I would just like to share with you a quick story of something that happened to me and hopefully this is something that you can work on. Mr. White said about a month ago, I decided to go to hockey game. He said I went down to the arena and purchased a ticket and upgraded to that club level. He said, unfortunately, my legs do not work like they used to. He said I got to the arena around 4:45 p.m. and all those handicap spots on Eighth Street were already taken. He said I drove around and could not find a spot to park. Mr. White said I decided to get in the queue line for the parking garage and I think I was at about 8<sup>th</sup> and State Street trying to get in to the garage. He said my point very simply is you have an arena this size and you have seven handicap parking spots. He said I do not think for a second that you are skirting any laws but as much as I like hockey, I will not be coming downtown at 4:00 to get a parking spot for a 7:30 game. Mr. White said that it is very difficult for me to get to an event with limited handicap parking spots. Mr. White said if you want to talk with me, I am happy to listen and answer any questions you have. He said I just ask you to take a look at the handicap parking. Mr. White said that when you have 4000 – 5000 people coming to the arena for an event, seven handicap parking spaces are not enough. Mr. Pine said thank you and please provide us with your contact information so we can discuss further.

Ms. White said, I will tell you separate from what Mr. White is sharing, he was very instrumental with our transition from the Civic Center Authority to the Erie County Convention Center Authority 24 years ago when we came about. She said we appreciate you being here and sharing your concerns.

Mr. Kissell said regarding the admittance to the Sheraton Bayfront parking garage, I saw there was a new entrance gate going in so I stopped down to take a look. He said the gate was down so I stopped and got my ticket. He said I went up to the second floor, came around and went back out to the gate to exit and the gate was open. Mr. Kissell said the ticket reads, welcome to the Sheraton Bayfront Hotel and then scan code with phone to pay. He said he scanned the ticket and it said wait and we will give you the total of what you owe. He said I waited a couple minutes; nothing happened. Mr. Kissell said I pressed a red button, which put me in touch with the office, and they said we will open the

gate and so I left. Mr. Pine said that they just finished the installation and that it was actually functioning yesterday when he was there for meetings but that he will double check with Ms. Stacy Tupek, General Manager of the Sheraton just to confirm that there are no problems.

Mr. Kissell said the life rings that are on the front of the Sheraton have nests of spider webs. He said if somebody fell in the water, because at my height, there would be a struggle to reach up and pull a rubber latch, and then you have to reach down and pull a lever, and then you pull the door open. Mr. Kissell said you would then have the spider webs to contend with to remove the life ring. He said I am not sure why they were ever put up so high that a small person or a child, who was helping somebody, has to reach up that high to pull that rubber band off and open it. Mr. Kissell said I think, from a safety standpoint, when you do the outside renovations that maybe you should take a look at that issue.

## **FINANCIAL REPORT**

Mr. Hesch presented the November 30, 2024 Financial Statement to the board. He said November was another good month despite the snow storm right after Thanksgiving that shuffled some things around for us a bit. Mr. Hesch said we had some strong revenues and some good expense control. He said the Authority exceeded their bottom-line expectations by about \$171,000.

Mr. Hesch said just to touch on a couple highlights at each of the facilities, starting with the arena, basically all activity that was budgeted for did actualize in the month. He said food and beverage revenues were stronger than what we initially expected. He said those exceeded budget by about \$82,000. Mr. Hesch said their bottom line finished ahead of budget by about \$13,000.

Mr. Hesch said all budgeted activity at the Warner did actualize. He said that some of the events did not sell as many tickets as we had anticipated. Mr. Hesch said the operating revenues did miss budget by about \$24,000. He said with some small expense overages in a couple areas, we finished bottom line shy of budget by about \$52,000.

Mr. Hesch said at the ballpark there is nothing major to comment on since we are in the off-season. He said there was some timing differences with some revenue reimbursements we budgeted for and just the difference between what we budgeted and what we actually got. Mr. Hesch said they missed budget by \$12,000, not significant and largely due to timing differences.

Mr. Hesch said, lastly, the convention center had a very strong month especially in the area of food and beverage revenues. He said that food and beverage revenues exceeded budget by about \$364,000. Mr. Hesch said with some really good expense control, a lot of that flowed through to the bottom line and the convention center finished ahead of budget by \$247,000.

Mr. Hesch said looking at the Authority's performance year-to-date, through November 30<sup>th</sup>, we are \$609,000 ahead of budget. Mr. Hesch said as we look through the rest of the year, which is just a couple weeks, we do not anticipate any significant variances to what we have forecasted. He said we did make one negative \$15,000 adjustment to the Warner that was related to the weather. He said we had to cancel one event because of the winter snow storm that came through and then one show was rescheduled to April of 2025. He said the good news is we do expect the Warner to still finish ahead of budget for the year. Mr. Hesch said do you have any questions. Mr. Richards said I think we are in a unique situation. He said I cannot remember us being this far ahead, ever. He said that is the good news. Mr. Richards said it looks like it is mostly attributable to the convention center. He said I like the fact that we now do a year-to-date forecast. Mr. Richards said even though we have one month to go, realistically, we know where we will end up for the year. He said the reason I raise the question though is sometimes forecasting budgets is a science. He said but when we are off that far in the positive, which is nice, but did we miss something when we put this budget together. Mr. Richards said is there something unique that happened here that we should anticipate in future budget projections. Mr. Hesch said it is hard to tell since Mr. Iverson prepared this year's budget. Mr. Hesch said Mr. Iverson shared with him that when we come into the year, we only have a certain number of activities that are actually booked and locked in. He said a lot of it is holds and things that we have not yet contracted. He said so I think this year we just had a lot of good luck and were able to get a lot of business through doors. Mr. Hesch said the hard work of the convention center sales team and some of the other facilities that really helped drive those numbers forward. Mr. Snyder said, specifically for the convention center, there was a lot of in-the-year activity that was not anticipated. He said then our team did a good job of upselling food and beverage options and maximizing space in the year on convention activity that we did not anticipate. Mr. Snyder said the biggest driver was Erie Insurance adding their leadership meetings, for three weeks in a row, in the fourth quarter. Mr. Richards said what do you mean upselling options. Mr. Snyder said if you book a convention and you are here for three or four days, as we get closer to the event, we start to look at the programming of the convention. He said there are opportunities for us to sell cocktail hours, beverage breaks and additional food and beverage or add-ons to that convention. He said that you would have your initial agreement, that the sales team will come up, and then Ms. DiLuzio

and her team, as we get closer to the event, will discuss and work with the client to figure out to make their event better. He said, whether it is an AV package or food and beverage packages, that gives us an opportunity to upsell in the year.

Mr. Pine said one of the other things, related to putting that budget together is different than for a for profit budget in the sense that requiring a subsidy means that if we underestimate the subsidy on that if we are too aggressive on that budget, that is going to potentially impact funds we have to tap into to be able to meet that gap. He said so we straddle that line between creating a budget that is aggressive enough to challenge the team to do the things like upselling things to achieve a higher number. Mr. Pine said but we also have to be mindful of dipping into more reserves for subsidy.

Mr. Richards motioned to accept the November 30, 2024; Financial Statements as presented to the ECCCA Board. Mr. Hilbert seconded the motion. The motion was approved unanimously.

## **MANAGEMENT REPORT**

Mr. Pine said he wanted to provide an update to the post-Thanksgiving storm. He said there were several more events that were impacted. Mr. Pine said we had Festival of Trees, which was canceled at the convention center and believes that the impact was about \$80,000. Mr. Pine said that the Champion Cheer Competition, that is held here every year, was knocked down to one day. He said that it was nice to hear that the success of the sales team made that impact, from a financial standpoint, non-existent. He said that I think they are actually up \$15,000 in relation to what was budgeted. Mr. Pine said that we did cancel or move several shows. He said, luckily, we were able to move two of the shows to later in the week. He said that Straight No Chaser was one of them, which was good, because that show sold really well. Mr. Pine said that we did lose about 100 tickets because people who had purchased tickets for that date and could not make it to the rescheduled date. He said, but by and large, people were understanding and it ended up not impacting us too badly.

Mr. Pine said regarding marketing for 2025, as you know we added a significant budget of about \$200,000, for the marketing department, which we have not had for Erie Events. He said starting in January, you will start seeing some of the new marketing tools for Erie Events. Mr. Pine said we will begin advertising through streaming and cable channels including digital boards. He said we will be partnering with promoters for shows that we have coming in the first quarter and using these marketing strategies.

Mr. Pine said, lastly, I wanted to mention a new promotion that we are working out the final details on, which I think will really go over well with this new marketing plan. He said we are going to create a Golden Ticket Promotion. He said we are going to offer, for free, four tickets to 10 shows spread around our venues. Mr. Pine said it would be something like Teddy Swims and an Otters game. Mr. Pine said it will be 40 total tickets in all. He said that the kicker is, to be able to be eligible, on our website there will be a pop-up where people will have to give us their email and phone number. Mr. Pine said that is going to greatly grow our marketing database. Mr. Pine said, in the end, somebody is going to win a fantastic prize that's going to pay dividends to them all year. He said, from our standpoint, we now have a very large group of people to try to sell tickets to in the future.

Mr. Pine said regarding Erie Promotions, we had a resolution passed last month that authorized me to finalize the details of that agreement. He said I am happy to say that we have already come to an agreement. Mr. Pine said we met at Attorney Walczak's office last week and we signed that agreement. Mr. Pine said we have immediately moved on to the next phase, which is the hiring of three new personnel to help us operate the public shows. Mr. Pine said interviews are currently being conducted to fill these positions. Mr. Pine said that we have our first consumer show in five weeks with the Auto Show. He said Mr. Snyder is meeting with the former owner to make sure that the transition from website and the integration of any software that we need is seamless for any vendors, particularly as they transition from Erie Promotions to Erie Events. Mr. Pine said that is the key to this continuing to be successful is that the people attached to these shows feel the least amount of impact as we transition.

Mr. Pine said I received the report for the parking study. He said, although Mr. Snyder is going to go into a little more detail, the only thing I would mention is that one of the driving forces, other than the demand down here growing so much, is the potential for future funding coming to Erie. He said it is on my list this year to ensure that if we have projects that are potentially coming through, in the next couple of years, that we have everything ready to go so that we can access any state funding. He said we want to be first at the table for some of these projects that are impactful to the community. Mr. Pine said this parking study is the third-party verification that identifies specifically what we need so that when we go and work with a contractor, we will know exactly how big that parking structure should be based on the anticipated growth with the Market House and potential GAF site. Mr. Pine said that Mr. Snyder will dig into a little more detail on what we learned and what the next steps are.

Mr. Pine said, lastly, I am sure you have heard of the untimely passing of the Erie Otters hockey owner, Jim Waters. Mr. Pine said I was on the phone with him two days before he passed talking about partnership on sponsorships.

He said there is a bus going to Toronto with the team tomorrow. Mr. Pine said they have invited me to go along. He said the family is having a remembrance for him. He said I will be going on that bus and representing the Authority and Erie. Mr. Pine said the family has setup a donation opportunity in lieu of other gifts. He said we will provide a donation in Mr. Waters name from Erie Events. A brief discussion followed.

Mr. Snyder said, just to touch on a couple things we have already discussed, I have a note in here that highlights the convention center. He said that we are on pace to finish over \$5.8 million in revenue. He said this is an all-time revenue record. Mr. Snyder said, last year, we set the record at \$5.2 million. He said our team has been doing a great job and we already discussed some of those drivers for that. Mr. Snyder said we had some key events that were added in the year and the team did a lot of work to make those happen.

Mr. Snyder said I want to highlight our building and grounds crew. He said that during the snow storm, we had after Thanksgiving, they kept the campus clear which allowed our two hotels and their restaurants to be open. Mr. Snyder said the building and grounds crew stayed at the Courtyard and were working 18-to-20-hour shifts. He said we appreciate their efforts. Mr. Snyder said we would not have been able to reopen when we did if not for their hard work. He said Perry Construction and Lord Corporation had events the Friday following the storm which would not have taken place if they waited until the snow stopped to clear the campus.

Mr. Snyder said regarding the parking study that we had done; I just want to highlight some points. Mr. Snyder said they went through and looked at our current programming and demand. He said they used some national analytics to measure the demand. Mr. Snyder said they determined our peak activity is on a weekend in August, which we agreed is fair. He said we feel it down here when we have big public shows. Mr. Snyder said, for example, when Liz Cheney was here for the Jefferson Society speaking event there was definitely parking issues. He said it was helpful to have a third-party evaluate the number of spaces and the demand. He said we had them look at our future demand not only the Market House and potential GAF development. Mr. Snyder said they also looked at the Bayfront Place Master Plan that was completed in 2016. He said the plan had elements of the future development which was taken in to consideration as well. Mr. Snyder said if you look through the report you will see those later phases. He said whether that programming happens as laid out in 2016 or not was kind of irrelevant to us. Mr. Snyder said we wanted to see what those elements would do to the demand on the site. He said we had them consider the parking at the Sheraton with its parking deck included and then without. Mr. Snyder said it is very difficult for us on campus to get folks to park at the Sheraton unless they are staying at the hotel even though it is part of the campus. He said you will see in the study there are two different evaluations. He said we feel that we should not include the Sheraton in the study because it is very difficult to get people to park over there. He said that it is easier to get people to go to Liberty Park and shuttle them here than it is to get them to park in the garage and walk across the sky bridge. Mr. Snyder said, in addition to that, as Gus mentioned earlier, they have the new gate system at the Sheraton, which is a different pay structure versus the free parking on this side of the street. Mr. Snyder said, moving forward, we will not consider that parking deck, but we also will not consider the 200 rooms of the Sheraton in the study on demand either. He said we are at a deficit of approximately 124 spaces with our current programming. Mr. Snyder said adding the Market House and its demand is really going to put a squeeze on that. He said they did look at the potential development of the Courtyard deck. He said those details are in the study as well. Mr. Snyder said, in the end, they recommend that we add additional 600 spaces to the campus once we are done with all future development. He said so we would be looking to add a 600-space parking garage. Mr. Richards said can we do that by adding those two floors to the existing garage. Mr. Snyder said no. He said, in addition to those two floors, we would still be short if we add to that. Mr. Richards said would it be a standalone structure. Mr. Snyder said yes. Mr. Richards said do we have a provision for that with some of the developers we are talking to as far as the location. Mr. Snyder said there is a second garage in the 2016 master plan. Mr. Richards said so that does not interfere with the Market Place or what we are doing with the remainder of the GAF site. Mr. Snyder said no. He said that development would be on the surface lot of the convention center. Mr. Snyder said to Mr. Pine's point, it is very helpful for us, if we have to look at future development and projects, that we have got this firm from Texas that has evaluated our campus and our programming. Mr. Richards said I read the entire report but did not understand any of it. Mr. Richards said what I was trying to figure out is what it this going to cost. He said you know we are all going after dollars from various sources. Mr. Richards said our position has been that we have shovel ready projects. He said that should get us in front of the queue line if we have competition for other dollars. Mr. Richards said if we are going for the two floors on the existing ramp, do we know what the cost of that is, or do we have any plans in place for that. He said what is the cost of a standalone. Mr. Richards said if you say a standalone, is that surface only, or is that a standalone facility. Mr. Snyder said the 2016 plan has a standalone facility with wrapped retail. He said then there is some residential involvement as well. Mr. Richards asked what the cost would be for the two floors. Mr. Pine said that Bueller and Associates is currently drawing those two floors and Ms. Shelley Bueller said to expect cost estimates and design drawings by the second week of January.

Mr. Pine said as part of this discussion, as we talked about the ramp, we had some conversations about the potential expansion of the convention center. Mr. Pine said I know we had a Strategic Planning meeting probably five

years ago and the board listed what project were the most important to do first. He said expanding the convention center was at the bottom of the list. Mr. Pine said we would be doing more than \$5.8 million at this building if they had more space and could sell more. He said if we are constructing a parking ramp, it might make sense to also expand the convention center. He said the expansion location is out here on this grass area. Mr. Pine said we could add potentially 20,000 square feet of space that could be used as ballroom and as exhibit hall. Mr. Pine said you all have been here for events; the ballroom and the exhibit hall experience are very different. He said it is very expensive to turn that exhibit hall into something like the Hamot Gala or the Barber Ball. He said it is an empty warehouse that needs to have a lot of work done to it to make it attractive for those larger events. He said something like that is probably what we need to be talking about or maybe moving that expansion project further up on the ladder. Mr. Pine said we are having a follow up meeting with this parking group. He said, as part of that consultation, there is an architectural firm, TVS out of Atlanta, that has been walking along with us on this project. He said we want to have some initial conversations just to see what that process would look like and what it would cost. Mr. Pine said we have not budgeted for that particular study but as we go about this and as we have funding available coming to us in the future, I think that is something important to put on the radar. Mr. Richards said when we started this whole project, one of the things that distinguishes the convention center and its campus from almost every other similar facility in Pennsylvania, is that we are basically debt free. He said we got all the money to build the convention center without loans. He said the hotels are separate. Mr. Richards said Lancaster is still having problems trying to figure out how to break even. He said if you are anticipating expansion of this facility, I would suggest that you try to maintain that “cookie cutter” of getting grant money as opposed to loan money. A brief discussion followed.

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

## **OLD BUSINESS**

Mr. Glass, Construction Committee Chairperson, said that we met with Corporate Glass to discuss the environmental conditions and the caulking material for the Sheraton window replacement two weeks ago. He said that the meeting went well. Mr. Glass said that they have all the glass in hand.

Mr. Glass said that construction at Monacella Spa is dragging. He said it is probably about a month behind right now. He said all the high walls on the inside are in. He said they are painted and the duct work is painted. Mr. Glass said the contractors are erecting the lower partitions in the center of the room. He said we are trying to move this project along by moving up the installation of the ceramic tile and the restrooms. He said after discussions with E.E. Austin, we are 50/50 with being able to do that. Mr. Glass said I can see them in there until the first week of February. He said we are about 5 weeks behind. Mr. Glass said that Ms. Shelly Bueller is determined to have this completed by the middle January but I do not think it is going to happen. Mr. Glass said the weather is a factor. He said they changed the paint color and the manufacture which extended the time by 2 weeks. Ms. White said do they have to be out of the Renaissance Building by end of January. Mr. Glass said I understand that they can extend their stay for a month. Mr. Pine said the landlord has already communicated that they would be able to extend their stay.

Mr. Richards, Strategic Planning Committee Chairperson, said I did not attend the hotel budget meeting yesterday. He said Mr. Pine will provide the board with a report from the meeting. Mr. Pine said we reviewed the hotels 2025 budget that they presented. He said that the Sheraton is looking to get back in to more normal revenues after the construction of the roundabout and the slow ramp up with Two45 Bayfront Grille. Mr. Pine said the Courtyard is budgeting about flat. He said they have an ongoing concern about the roundabout construction project. Mr. Pine said with the Sheraton normalizing and Courtyard roughly flat, the 2025 budget is still headed in a great direction. Mr. Richards said in some respects, the reason that both hotels were impacted by the current construction and are not projecting any significant growth in the coming year is caused by ourselves. He said but I think the payoff will be worth it. Mr. Richards said that we convinced the Department of Transportation and the Governor’s office to put the roundabout in at Sassafras Street first. He said the reason behind that was we have been dealing for 10 years to try and get a developer for the remaining GAF site. He said that we have been dealing with a developer for the last 2-1/2 years and we are getting close. He said this would not have happened if the developer would have known that they still needed to wait for the roundabout construction to take place. He said by prioritizing that roundabout to be addressed now has impacted our revenue at the two hotels for 2024 but at least it is behind us. Mr. Richards said, I think I have shared this with you before, the financing has now been confirmed for \$14.5 million for the Market Place. He said that we should be under construction by May. He said we were not certain what land PennDOT would be taking when they started having problems with their original design. Mr. Richards said that we are ahead of the plan right now. He said the Market Place

will be under construction and probably available in early 2027; the roundabout is in place and we are close to getting infrastructure money for GAF site. He said part of the reason that the finances for the hotels were not as good as they should have been were caused by us because we wanted to get these projects under way. Ms. White said, just for the record, Mr. Riley and I attended the hotel budget meeting that was held yesterday.

Mr. Richards said the final thing that is going to happen is that the Secretary of Transportation has said that they have committed \$6 million to the pedestrian bridge. He said that I assume that will happen with the construction of the Market Place. A brief discussion followed.

Mr. Hesch said last month we presented to the Board Resolution 2024-010 seeking approval for us to continue the negotiations of the terms of the First National Bank loan. He said in your board packet is Resolution 2024-011 seeking approval to finalize the terms and then executing final loan documents under Interest Rate option B. He said this option is a 10-year term that would have a fixed rate reset at year 5 based on 82% of the sum of the bank's 5-year cost of the funds plus 1.20%. Mr. Hesch said, as of 12/4, the date of the letter, that was 4.64%. He said they would ultimately set final rates 3 business days prior to signing the loan documents. Mr. Richards said so the interest rate is only fixed for 5-years. Mr. Hesch said yes. Mr. Richards said why did you chose option B. Mr. Hesch said he chose option B because one and three there was a potential interest rate risk. He said he thought the 5-year fixed rate was the most reasonable approach. He said we are going to see a jump in our interest rate expense due to the rate environment with the current 2.95%. Mr. Richards said is there a cap on what the 5-year rate could be. Mr. Hesch said just the 5-year cost of funds at that time. Mr. Richards said this is a tax-exempt note. Mr. Hesch said, yes. A brief discussion followed.

Mr. Richards motioned to approve Resolution 2024-011, as presented to the board. Mr. Riley seconded the motion. The motion was approved unanimously.

## **NEW BUSINESS**

Mr. Nuber, Nominating Committee Chairperson, said the officers have been contacted and have agreed to stay on for another year. Ms. White said the board will vote on the Nominating Committee's recommendation at the January meeting.

## **OTHER BUSINESS**

Ms. White said we had an excellent holiday party on Monday for the Erie Events staff. She said she would like to commend staff for the organization of the event. Mr. Pine said that Calamari's caters the event and they do a great job. He said that we have a trade agreement with Calamari's and we get a discount on the cost of this event, which is held at the convention center. He said that we had 500 rsvp's for the staff holiday party. Ms. White said the nice thing about this event is that the caters work the event so our staff can enjoy the party and not have to work the event. She said it lets our organization know how much we think of them and appreciate all their hard work. She said it was well attended and a nice evening for all. She said we had city, county and board members who also attended.

## **EXECUTIVE SESSION**

## **ADJOURNMENT**

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

The meeting adjourned at 4:02 PM.