

**ERIE COUNTY CONVENTION CENTER AUTHORITY**  
**MINUTES**  
**Thursday, June 27, 2024**

Board Members Present: Dahlkemper, Glass, Hilbert, Johnson, Nuber, Richards, Riley, Sapienza, and White

Board Members Excused: Deitrick

Others Present: TJ Hesch, Charles Iverson, Ed Snyder (TEAMS) and Jim Walczak; Solicitor

Ms. White called the meeting to order at 3:00 PM.

**INTRODUCTION OF GUESTS:**

Mr. Richards introduced Mr. Pete Zaphiris, to the Erie Events Board, who was attending the meeting as a member of the public.

**PUBLIC COMMENT:**

Mr. Kissell said that the gate at the parking garage, located at the Sheraton Hotel, has been up for sometime which allows people to come and go without paying. He said it was full on Friday and Saturday. Mr. Pine said that I can address that comment. He said I recently spoke with Stacy Tupek, General Manager for the Sheraton. He said that we have got a call set for next week to discuss. He said that it is a 15-year-old parking system. Mr. Pine said that it is inadequate and it is not functioning properly. He said that the company that we use to do the repairs it is out of Pittsburgh. Mr. Pine said that we have had constant problems so they are making a recommendation for a replacement of the system. He said I will be having a conversation with HVS, which is our asset manager, along with the hotel next week to discuss the suggested replacement. He said from not having it repaired, we are losing revenue. Mr. Pine said that I believe the new system will have video capability and be much easier to manage from inside the hotel. Mr. Pine said that you are bringing up a good point and we are looking to fix that in a couple of weeks.

Mr. Richards said it has been a problem since day one. He said I am thinking maybe you do not want to go back to the original contractor. Mr. Pine said after his phone call earlier with Ms. Tupek, it sounds like there is a new provider identified. He said once he has more information, he will bring it to the board for follow up.

Ms. White said she wanted to clarify that the Audit Committee motioned to approve the 2023 Audit as presented at the May 23, 2024 meeting.

Ms. White asked for approval of the May 23, 2024 minutes.

Mr. Sapienza motioned to approve the May 23, 2024 minutes. Mr. Glass seconded the motion. The motion was approved 7-0-1 with Mr. Richards abstaining.

**FINANCIAL REPORT**

Mr. Iverson presented the May 31, 2024 Financial Statement to the Board. He said, overall, for the month of May, we ended right about on budget in terms of our budgeted performance for the four operating venues.

Mr. Iverson said the arena ended significantly behind budget in excess of \$90,000 with all the budgeted event activity that we expected. He said that we had four graduations and one concert. Mr. Iverson said that the issue with the concert was, when we put the budget together, the hold for a particular date was for a significant country act. Mr. Iverson said county acts always perform exceptionally well in our community so we budgeted for about 5000 in paid attendance. Mr. Iverson said we ended up securing rock show instead, which I was not familiar with. He said we only recognized a little over 1500 paid admissions. Mr. Iverson said, as you can imagine, that all rolled through the top line, concession activities, box office fees, facility fees. He said that all the top line revenue has been negatively impacted and that was what really drove that performance variance that we saw in the arena for the month of May.

Mr. Iverson said for the theatre, they ended right about on budget. He said we did have some up and downs there but fortunately we had some additional activities. Mr. Iverson said we had a large family show that was budgeted then canceled. He said we were fortunate that it was replaced with two other concerts. He said that we had two days of Shrek

that significantly underperformed in terms of our expectations of paid attendance. Mr. Iverson said, fortunately, that was further offset by the fact that we had a number of unbudgeted meeting type events. He said that we had the Erie County Bar Association event and the Mercyhurst Prep High School graduation. Mr. Iverson said we had a couple other events, of that nature, that allowed us to offset the soft sales for the Shrek Broadway event. He said that the theatre still ended up slightly ahead of budget.

Mr. Iverson said that the ballpark was about \$5000 ahead of budget. He said that all of their activity took place as we expected.

Mr. Iverson said, lastly, the convention center exceeded their bottom-line performance by an excess of \$80,000. He said that they had another incredibly strong revenue month that was predominantly from favorable performance in budgeted events. Mr. Iverson said that many of them significantly outperformed our expectations including Country Fair, Pennsylvania Prison Warden Association, Wabtec Transportation Systems, the Pennsylvania Department of Education, and a large wedding that actualized. Mr. Iverson said that drove their revenue up in excess of \$120,000 over budget and a significant portion of that flowed through to the bottom-line performance which drove their favorable variance in excess of \$80,000. Mr. Iverson said all that netted out to an overall budget number consistent with our expectations for May.

Mr. Iverson said that leaves us on a year-to-date basis still about in excess of \$220,000 ahead of budget.

Mr. Richards said that is a good report. He said that I am glad that we added that year-to-date forecast variance. Mr. Richards said I think that helps us anticipate things sooner than learning about it in January after the calendar year is finished. He said for the first six months, that is a very good report. A brief discussion followed.

Mr. Richards motioned to accept the May 31, 2024; Financial Statements as presented. Mr. Riley seconded the motion. The motion was approved unanimously.

## **MANAGEMENT REPORT**

Mr. Pine said I want to highlight a couple of items from my written report. He said I mentioned that the 2023 Community Report is out and published. He said that we are mainly doing that as a digital presentation, but of course we still have some hard copies printed. Mr. Pine said I have copies with me today and you are more than welcome to take one with you. Mr. Pine said, additionally, 2 weeks ago we announced our 2024-25 Broadway series. He said we have a copy of their press release with the show lineup if you would like to take a copy with you.

Mr. Pine said you might have seen across the street that we are doing some emergency repairs to some steps that go down from the arena to the roundabout in front of the ballpark. He said that has been an area where we have had to make several temporary repairs. Mr. Pine said we made some repairs to the steps earlier this season and they started to deteriorate again. Mr. Pine said I was concerned that somebody was going to get hurt so we made the decision to pull them out. He said we had a two-week timeframe with the team out of town. Mr. Pine said it has taken a little bit longer than expected but that repairs should be completed by Monday. He said they are replacing the rebar with fiberglass rebar. Mr. Pine said that part of reason why the edges of the steps I am told were deteriorating, was because of the expansion of the metal and that it was pushing out on the edge. He said that was causing the front edges of the steps to spalled off and caused them to deteriorate.

Mr. Pine said, lastly, everybody knows we have an agreement with the Port Authority in helping them with the promotion of the VIP areas along with the booking of the artists for 8 Great Tuesdays. Mr. Pine said that I would love to have all of you out for these concerts because, over time, we may have a bigger role related to that specific area on the bay. He said that I have had that conversation with the Port Authority and they offered to give us parking passes for all our board members. Mr. Pine said I encourage all of you, if you get a chance, to please attend. He said I have parking passes available for you that we will pass out at the end of the meeting today. Mr. Pine said if you are able to experience an evening at 8 Great and really pay attention to that as an outdoor venue because, potentially in the future, that could be an area that we ultimately utilize as an outdoor venue for some activity for the Authority.

Mr. Richards said I wanted to share this with board members that have not been here a long time the importance of the Erie Events Report to the Community. He said the genesis of this report was to share with newly elected city council, county council members. He said there were times when it is said that we do not contribute our fair share because the Authority is tax exempt. Mr. Richards said preceding Mr. Pine, I would send Mr. Wells to attend those meetings and try to explain how much money we generate for the community. He said that ended up being the purpose of creating the community report and it has really done well. Mr. Richards said that when you look in the reports inside cover page, it shows that we generate direct spending from our various events of \$106 million. He said that we have a total event attendance which is around 750,000 people a year. Mr. Richards said it breaks it down by the individual venue as well. He said I think we used to also break down how the restaurants benefited from it. Mr. Richards said and, of course,

there is the Amusement Tax. He said this is why we have to make certain that this report gets to elected officials. Mr. Richards said it is somewhat of a protection of those criticism that use to almost be on an annual basis. He said that publishing the community report covers it adequately, in advance, of any kind of attack. Ms. White said that the report tells our story which we need to continue to do. Mr. Riley shared that when he forwarded the report electronically to others they were really impressed and said they had no idea how much the authority did and that it was a nice-looking piece. Mr. Pine said that we work with Kevin Seeker from Engel O'Neill Marketing and they do a great job in the production of the community report. He said that he is working with our marketing director to improve on getting the report out sooner. Mr. Pine said that he wants to have the report done and distributed by the end of the first quarter every year.

Mr. Pine said he just received word last week, from Major League Baseball that they have accepted our plans for the field renovation, which we will be doing at the end of the season. He said that because the Seawolves have made the playoffs, has helped us because it has solidified exactly when that work can start since we already know within a week or two of when baseball will end so we can start planning that project. Mr. Pine said that we have a phone call scheduled with our consulting group that is helping us put together the bid. He said that we will be putting that bid out in July and we will be starting the project in October. A brief discussion followed.

Mr. Snyder said he has no major comments to share on his management report but would answer any questions the board members may have. Mr. White asked if the board had any questions for Mr. Snyder regarding the convention center. There were none.

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

## **OLD BUSINESS**

Mr. Pine said that the only update I have on behalf of the Construction Committee is related to the 216 Bay Front Street Project, which is the Monacello Massage build out. He said that the contractor bid opening was today. Mr. Pine said that we will review those bids received. He said that my objective is to have a resolution to present, at the next board meeting on July 18, 2024, for you to approve the contractor chosen for this project. Mr. Pine said that will tie in nicely with a completion date for the tenant to be able to move in by the beginning of February. He said there will be more to come on that soon.

Mr. Richards, Strategic Planning Committee Chairperson, said because we are under an NDA, non-disclosure agreement, I cannot disclose the party that we have been negotiating with for the last two and a half years for the remaining space to the west and south of the parking ramp. He said that it is fair to say that negotiations have started and that they became more active in October. Mr. Richards said it is fair to conclude that the developer, I think, will be willing to probably sign binding agreements by the spring but we are still under the NDA agreement so I cannot identify the parties. Mr. Richards said, for the last 12 years, we have had all kinds of people kick the tires and then reject developing the land so we are fortunate to have somebody that is interested in the project that could cost in excess of \$45 million to develop. He said we have some restrictions, that Governor Rendell put in place, that basically we cannot make a profit if we sold it but we can make money leasing. He said that Mr. Iverson has been involved in that and it is part of the negotiations. Mr. Richards said until a developer agrees to sign something, we need to prepare the site for what I call infrastructure. Mr. Richards said there are three resolutions in your board packet that address infrastructure matters. He said that it is the Strategic Planning Committees position that it is the responsibility of the party that controls the land, not the developer. He said that we have worked with this developer and they have agreed with what these proposals will entail. Mr. Richards said, basically, it is what is called geotechnical infrastructure. He said if you know or if you have witnessed any of these projects, we have been working on at the Bay Front, everything is fill so you have to go to bedrock to get a solid foundation. Mr. Richards said the first proposal from Urban Engineers to do a geotechnical analysis at the site. He said they determine the subterrain and how it will impact a construction project. He said along with that, they will be doing some environmental studies. Mr. Richards said we have been able to piggyback on PennDOT who is currently working downtown at the Bayfront. He said they had to do all the same testing and they discovered the water table was not as bad as we thought it was and the environmental issues can be resolved. Mr. Richards said that benefits our developer for our site. He said I think that helped design the specs on this project. Mr. Pine said that was a big piece and that is why in October the conversations with the developer really ramped up. He said I got that same indication that it was because the environmental engineer of the developer was talking with the environmental engineer that PennDOT was using. Mr. Pine said they got a really good indication when they develop this site what they will be dealing with. He

said that it gave them an indication financially of what they are going to ask us to help with or what they will be on the hook for. Mr. Pine said they are finding that it is a much better situation south versus north.

Mr. Richards said another thing that has been very helpful is that Harrisburg started on the State Street development and at that time the project was going to cost \$10 million. He said that the final bid contract that came out in November was \$120 million. He said every Republican and Democrat Governors got a piece of that and has helped us. He said that President Trump got us \$22 million when he was running for president. Mr. Richards said what that means is the project could begin sooner. He said there was litigation with the minority community but that has been resolved. Mr. Richards said there was going to be three roundabouts on State Street, Sassafras Street and Holland Street. He said they were going to do the roundabout at Holland first. Mr. Richards said the project is estimated to be a three-year project, which never comes in on time, so we met with the Governor Shapiro. He said the new Secretary of Transportation had not been appointed at that time. Mr. Richards said we made the request to change the construction scheduled so the roundabout would start at Sassafras Street instead of Holland Street, which they are doing. Mr. Richards said he was in a meeting yesterday with Mr. Brian McNulty, from PennDOT, and he told me that they are on schedule and it is conceivable that the roundabout could be usable by December. Mr. Richards said that helped us a lot with the potential developer because they could envision what was happening. He said it helped sell him to commit to the project. Mr. Richards said the final thing, that originally was in the plan a few years ago, was we had a pedestrian bridge that would come from upper Front Street down to our site. He said somewhere during the negotiating process it was eliminated. Mr. Richards said I reached out to Governor Shapiro to ask how this got eliminated from the project. He said that Governor Shapiro put him in touch with the Secretary of Transportation. Mr. Richards said he met with the Secretary of Transportation, after Christmas. He said that he was told that Governor Shapiro will commit to \$6 million for the pedestrian bridge. Mr. Richards said it is back in the plans and is not part of the \$120 million. He said the only thing we will need to contribute is \$1 million for the elevator tower. Mr. Iverson said there are estimates for \$1 million to \$1.5 million for the tower. Mr. Richards said that he was able to advise the potential developer of the pedestrian bridge. He said the developer did not know anything about this and was pleased. Mr. Richards said Mr. Brian McNulty told him on Tuesday, that they are ready to start designing and will be coming to Erie soon to discuss. Mr. Richards said I think that is an overview of as much as I can share. A brief discussion followed.

Mr. Richards said, as you know, almost five years ago, Senator Dan Laughlin got a commitment for the third premium model wine stores at that site. He said that there are currently two in the Commonwealth. Mr. Richards said there is one in the suburbs of Philadelphia and one in Pittsburgh near the convention center. He said the third one is going to be built here. Mr. Richards said they have their plans, as I understand it, completed and shovel ready. Mr. Richards said I told Governor Shapiro, at the last meeting, that we requested and got \$5.5 million from Governor Wolf. Mr. Richards said that is not enough because our original budget estimate was for \$9 million for the project. He said that the bids came in at \$14 million and there was a discussion to engineer down the project to \$9 million. Mr. Richards said I said let me see what I can do about meeting \$14 million. He said, back in November, I asked Governor Shapiro and I reconfirmed it with his staff just a couple of weeks ago, that I asked for \$9 million to cover the shortfall. He said that there is a lot of competition for those RCAP's in Erie right now. Mr. Richards said I suggested that Governor Shapiro commit to \$4.5 million, on the first go around, and then give us what is called a predetermination on the second round for the second year. He said then give us a letter, what is called a predetermination letter, we could then bank that for the full \$9 million drawdown the \$5 million so we will have our \$14 million to go to contract. Mr. Richards said I thought it was going to happen in March. He said then I was told it was going to happen during the budget negotiations in June, which is where we are right now. He said it is not going to happen now until probably, I am guessing, in August or September. He said then I am going to strongly recommend, since we are in the final design stages with the architects, that we are shovel ready. He said that always helps us when you are asking for these dollars. Mr. Richards said that is my report on the Bayfront Place.

Mr. Richards said there are three resolutions in your board packet. He said Resolution 2024-002 is for Urban Engineers for about \$40,000 for the geotechnical analysis. Mr. Richards said Resolution 2024-003 is for a proposal from Atlas Technical Consultants. He said they will assist the Authority in complying with the environmental restrictions at the site. Mr. Richards said Resolution 2024-004 is from Sanford Surveying. He said they will be performing three surveys at the site. Mr. Richards said the Strategic Planning Committee recommends that you approve the resolutions as presented for this project.

Strategic Planning Committee motioned to accept Resolution 2024-002 as presented. Mr. Riley seconded the motion. The motion was approved unanimously.

Strategic Planning Committee motioned to accept Resolution 2024-003 as presented. Mr. Riley seconded the motion. The motion was approved unanimously.

Strategic Planning Committee motioned to accept Resolution 2024-004 as presented. Mr. Riley seconded the motion. The motion was approved unanimously.

## **NEW BUSINESS**

Ms. White said one of the items that we want to put on the Agenda for New Business is the performance assessment of our executive director. Ms. White said the Executive Committee performed the review and after discussions is recommending a 4% salary adjustment for a successful operational year of the Erie County Convention Center Authority facilities and his successful accomplishments of established goals. She said effective for January 1, 2024, the 4% increase would account for a \$7,000 increase annually.

The Executive Committee motioned to accept the salary adjustment of the Executive Director as presented. Mr. Sapienza seconded the motion. The motion was approved unanimously.

## **OTHER BUSINESS**

Ms. White said that the Erie County Convention Center Authority has received the resignation of long-time Authority Board member, Mike McCormick. She said that we have an appointment coming up that we are awaiting Erie County Council's approval.

Ms. White said that Mr. McCormick was the Chairman of the Construction Committee. She said that Mr. Glass has graciously agreed to take over the Chairmanship of the Construction Committee.

Ms. White shared that last evening we attended the Sports Hall of Fame where Mr. Casey Wells was inducted. She said it was a very nice ceremony and it was good to hear the accolades of all the inductees' but definitely with Mr. Wells for all the work that he has done in the community. She said that the event was well attended.

## **EXECUTIVE SESSION**

Ms. White said that there is no need to go in to Executive Session.

## **ADJOURNMENT**

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

The meeting adjourned at 3:35 PM.