

ERIE COUNTY CONVENTION CENTER AUTHORITY
MINUTES
Thursday, March 21, 2024

Board Members Present: Deitrick, Glass, Johnson (Phone), Richards, Riley, Sapienza, and G. White

Board Members Excused: Dahlkemper, Hilbert, McCormick and Nuber

Others Present: Charles Iverson, John Oliver; CEO Visit Erie, Jim Walczak, Solicitor

Ms. White called the meeting to order at 3:02 PM.

INTRODUCTION OF GUESTS:

Mr. Iverson said we have Brenda Anderson who is joining us today. He said that Ms. Anderson assumed the Staff Accountant position, that was recently vacated by Ava Checchio, who was promoted to the Finance System Manager position, earlier in the year. He said that Ms. Anderson comes to us from Widget Financial. Mr. Iverson said we are excited to have her and I know she will be a great addition to our Finance Team.

The Board welcomed Ms. Anderson and congratulated her on her new full-time position with Erie Events.

Ms. White said that we have another guest with us today, John Oliver, who is the President and CEO of Visit Erie. Mr. Oliver shared a power point presentation with the Board on the upcoming Eclipse.

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

Ms. White asked for approval of the February 15, 2024 minutes.

Mr. Glass motioned to approve the February 15, 2024 minutes. Mr. Riley seconded the motion. The motion was approved unanimously.

FINANCIAL REPORT

Mr. Iverson said, overall, this month is about \$120,000 behind budget for the month of February. He said that the arena and the ballpark approximately met budgets, but we are significantly off for both the theatre and convention center. Mr. Iverson said I have just a couple of specific comments about each venue. He said that in the arena, we did have a large concert that was scheduled and budgeted, for country artist Riley Green, that they did not actualize. He said fortunately, we were able to offset that with the two events we had rescheduled from January to February, which were Motorcross Ice Racing and an Otters game. He said that both events were rescheduled because of weather. Mr. Iverson said fortunately, those two events that were held in February allowed us to offset the concert variance that we had so the arena ended up right about on plan.

Mr. Iverson said for the theatre we were down two budgeted concerts. He said that the one concert, Get the Led Out, did not actualize. He said we also had Theresa Caputo, as a budgeted event for February, and it ended up being rescheduled to the month of April. Mr. Iverson said that we lost two concerts for the month. He said that significantly impacted the theatre's performance. Mr. Iverson said, in addition, we had our first concert where we had a significant co-promotion arrangement. Mr. Iverson said that was for the comedian, Theo Von. He said this was discussed earlier in the year when Gus talked about the fund for co-promotions and this show was our first experience. Mr. Iverson said we ended sharing almost \$13,000 in revenue. He said that was unbudgeted and clearly impacted the theatre's performance. Mr. Iverson said it allowed us to get high quality content in the theatre but we had to contribute a little bit to make that happen.

Mr. Iverson said nothing to really talk about with regard to the ballpark; they were right about on plan. Mr. Iverson said, lastly, the convention center ended up short about \$75,000 in terms of their bottom-line performance. He said a majority of that was driven by revenue variances. Mr. Iverson said we had some rescheduling and movement of originally scheduled activity that impacted us. He said the City Mission Homeless event as well as the Auto Show reception both moved to different months that were originally scheduled for the month of February. He said, in addition, we had underperformance by the Wabtec Transportation Systems event that significantly fell short of their revenue expectations. Mr. Iverson said that impacted our revenue by almost \$60,000. He said, lastly, we also saw additional reimbursable expenses that were beyond our budgeted expectations, particularly for security. He said that was associated

with the consumer shows at the convention center. Mr. Iverson said that in the month of February, we had the Auto Show, RV Show and Wine on the Lake.

Mr. Iverson asked Mr. Pine to comment on the need for additional security. Mr. Pine said, the convention center moved to using walkthrough magnetometers for all public events. He said that is a significant increase in cost for our promoters. He said that we are working with them to help offset some of those costs, at least in the interim, because it is a big pill to swallow right out of the gate. Mr. Pine said that obviously safety is the biggest concern. Ms. DiLuzio said in addition to that, during the consumer shows we place a roving security contingent in our parking lot as well which adds to the cost. She said that we put an attendant in the convention center lot and the parking garage at the Marriott to help protect parking spaces for the Bayfront House and Pier Six. She said, in turn, that adds to the security cost as well month over month.

Ms. White said, since we are discussing security, she asked John Oliver what is the plan for the increased crowds in this area for the eclipse. She asked Mr. Oliver, if there is a plan for additional security. Mr. Oliver said that we have been told that the city police will have every police officer on duty. He said the state police troopers are bringing in additional assistance from elsewhere in the state and that even the state parks are bringing in additional staffing from other state parks in the state.

Mr. Glass asked if anything was scheduled on April 8th at our venues. Mr. Pine said that the Seawolves are having a watch party at UPMC ballpark and that an Otters hockey playoff game is possible for that evening. Ms. DiLuzio said that at the convention center, for the entire weekend, has the Pennsylvania Optometric Association Conference. A brief discussion followed.

Mr. Richards asked when an event is scheduled, a comedian or any kind of performance, do we incur costs in advance that we do not get reimbursed for if the event is canceled. He asked do we recoup those costs when the event is rescheduled or canceled permanently. Mr. Iverson said we do not incur any significant expenses. He said the only expenses we would incur, if that happened, and there was a true cancellation and if that event had gone on sale, we might have incurred some box office expenses that we may not recover. Mr. Iverson said if that was the situation, more than likely, in most cases the act or the promoter would have a deposit with us and in some cases that is forfeitable and would allow us to recover some of that. Mr. Richards said so you do have some claim. Mr. Richards asked does the performer unilaterally make the decision to cancel or are they tracking the market. He asked is that normally what happens or if somebody gets sick do they find a better place to go. Mr. Pine said that it could be a couple of those things. He said that, oftentimes, it is the promoter. He said that the promoter is buying the artists and the promoter can cancel the event. Mr. Pine said they are the ones that have the greatest exposure. Mr. Pine said the promoter has a contractual obligation if they cancel the show and they might be indebted to the artist for some reason now. Mr. Pine said we do not really incur any true hard costs. He said there is minor box office expenses, but we are paying those employees to be at the box office and man that anyway. He said the biggest risk is if we are in the middle of setting up a show and our IATSE union labor is onsite and for whatever reason the show doesn't happen. Mr. Pine said that the IATSE labor bill is out there left to pay. He said if the show cancelled, we would obviously have to turn over the ticket money to the customers, which is our only leverage to be able to pay that labor bill. He said it would ultimately have to come out of pocket which is why when we work with new promoters, we establish a deposit that we think covers those costs. A brief discussion followed.

Mr. Iverson said he has no comments on the forecast. He said March actually looks like it is lining up right on budget with regard to the arena and the theater. He said, I would tell you though, we do have two co-promoted events in the month of March for the arena. He said I am not sure exactly what kind of additional promoter incentives are going to be yielded to that until we know more about where things ultimately settle in terms of total sales. Mr. Iverson said I am expecting our top line might look good. A brief discussion followed regarding co-promoted events.

Mr. Riley motioned to accept the February 29, 2024; Financial Statements as presented. Mr. Richards seconded the motion. The motion was approved unanimously.

MANAGEMENT

Mr. Pine said that he has a Director of Marketing position update. He said that we have established an agreement with a candidate. Mr. Pine said that Ms. Erica Nowak will be starting on the 10th of April and that she has extensive marketing experience. He said that we will introduce her in April to the Board and he looks forward to working with her on establishing our goals for the future related to marketing.

Mr. Pine said, I mentioned last time in our meeting, that Stacy Tupek was moving over to the Sheraton Hotel, as General Manager. He said that it was recently announced that Paul Hudek is moving up from Assistant General Manager of the Marriott Courtyard in to the General Manager position. Mr. Pine said that Mr. Hudek has been there for several years and has done a great job. He said the Mr. Hudek was particularly involved in helping move the customer service experience at that property. He said that the scores at the Marriott Courtyard have gotten increasingly better.

Mr. Richards asked if White Lodging was involved in any of the decisions regarding management changes. Mr. Pine said yes and that was their decision. He said that we have the veto power through HVS. He said that we ultimately sign off with Neil Flavin and it was discussed that both moves made sense. Mr. Richards said that in the past we have had some challenges with White Lodging. He said, fortunately, I think our team here has been assertive enough that we got our way. He said he was curious whether or not they were still part of the decision-making process. A brief discussion followed.

Mr. Pine said that the Sheraton restaurant reopening is right on track. He said we have a new concept and name for the restaurant. He said that the name of the restaurant will be Two45 Waterfront Grille. Mr. Pine said we are looking to do a soft opening on Wednesday, April 3rd with a full opening of the restaurant and the new concept on Friday, April 5th, prior to the eclipse. Mr. Pine said I will walk you through the history of the name chosen and what that means to all of us. Mr. Pine said in the midst of the Battle of Lake Erie, it was 2:45 p.m. when the signal was made for American forces to take closer action against the British. He said shortly thereafter, US Naval Commander, Oliver Hazard Perry, and his crew aboard the USS Brig Niagara, with the Don't Give Up the Ship flag flying high atop the bow mast, crossed the British line and opened fire. He said that this significant moment in history is depicted by maritime artist Julian Davidson. Mr. Pine said that his artwork showcases the climax of the battle and an impeccable detail down to how the sunrays would strike the sails through the smoke on that fateful afternoon. He said that, located at the Sheraton Erie Bayfront Hotel, Two45 Waterfront Grille pays homage to the precise moment in history that Oliver Hazard Perry bravely led the United States Navy on the path to victory during the Battle of Lake Erie. He said that, in addition to savoring our modern coastal menu, patrons are immersed into our region's deep history, our connection to the water and to our nation's early fight for freedom. Mr. Pine said that each afternoon, at 2:45 p.m., patrons will hear the call that led to victory. He said that is how we came up with the name. He said our direction, from our standpoint, was to use this opportunity and reopening to make that bigger connection to our area and the rich history. Mr. Pine said we really did not set any parameters on what that needed to be. He said there were several concepts, that were contemplated, and sent to several staff members. He said that this one, by far, was the winner. Mr. Pine said I think it is a great new brand and we are going to roll out the concept in a couple of weeks.

Mr. Richards said, in your report, it says new management staff are in place. He said, if I understand correctly, we laid off everybody when we shut it down. Mr. Richards asked if we are bringing back our original employees or do you have a whole new staff. He said that you mention a new management team. Mr. Richards asked if it is the same people with new titles. Mr. Pine said I would not say that they were all laid off. He said some of them were redeployed within the facility. He said that the chef left the property just before we started the renovation process so that position was open. Mr. Pine said that the restaurant manager was replaced through this process. He said that Ms. Christina Davis who was in charge of the banquet department on the second floor, applied and has taken over as the new General Manager of the restaurant position. Mr. Pine said that there is a manager of the restaurant and a manager of the banquet department.

Mr. Pine said that White Lodging arrived today and they will be executing the hiring and training for the new concept. He said that there will be testing to make sure that the new staff members get trained to the level that is expected.

Mr. Pine said that we are launching a new program called Wells Wishes. He said that this is our event ticketing program in honor of Casey Wells. He said that the program will provide tickets to people who either had a specific need or maybe have never been to one of our facilities. Mr. Pine said that we left it open in terms of how we are going to define that. He said the first event is going to be the Broadway show STOMP. Mr. Pine said that Wells Wishes is dedicated to commemorating Casey Wells legacy by ensuring equal access to live entertainment for residents and visitors. He said that we empower individuals regardless of financial means to apply for opportunities in our facilities. Mr. Pine said that the selection is based on a blend of passion for the arts and sports, demonstrated need and a compelling narrative. Mr. Pine said the applicants share stories embodying the spirit of Wells Wishes and fostering community enrichment through diverse live experiences. He said that we have got commitments from all of our partners, the Otters, Seawolves, the Erie Phil and our Broadway series. He said that all of our partners will be able to provide tickets for this program. Mr. Pine said that there will be a page on our website where people interested can submit their request. He said that we are really not placing parameters on requests. Mr. Pine said that the initial requests will go to Brigid Doyle. He said that Ms. Doyle will review them and provide them to a committee that we will be assembling, which will include myself, one board member, a member of the Wells family and a member of each of our partners, Broadway, Otters and the Seawolves. Mr. Pine said the committee will review the requests, given to them by Ms. Doyle, and then the committee will take a vote. Mr. Pine said that the applications of for our first event will be due on the April 15th. He said that STOMP is the following week. Mr. Pine said that going forward, we will do something in the summer and then hope to continue with an event every quarter. He said that it will also depend on how much or how little our team partners want to get involved. Mr. Pine said this a great way to commemorate Casey Wells and I think to ultimately get to people, who maybe could not attend some of our events, to be able to enjoy some of what we have to offer. Mr. Iverson asked if the requests were

limited to those three groups and events. Mr. Pine said that we might have a promoter or I might have a co-promotional event that I can secure tickets and make that as part of the offer as well.

Mr. Pine said that our June board meeting is being rescheduled to June 27th. He said that Mr. Iverson and I are both traveling, for separate reasons, so we are going to move that out a week.

Mr. Pine said that I will reserve my discussion about Eight Great Tuesdays for new business.

Mr. Pine said we do not have Mr. Snyder here today. He said that on March 14th at 10:12 a.m., Mr. Snyder's son Hudson Edward Snyder was born. Mr. Pine said that Mr. Snyder is on paternity leave so standing in his place today is Ms. Lisa DiLuzio, Assistant General Manager of the Bayfront Convention Center.

Ms. DiLuzio said thank you for having me. She said that the convention center sales and marketing team, along with the White Lodging hotel sales team, are partnering with the Erie Regional Chamber to get together and host a chamber after hours event on Thursday, May 16th. She said that our initiative is to specifically showcase the reopening of the restaurant and bar area of the Sheraton Hotel. Ms. DiLuzio said, in conjunction with that, we are going to conduct tours and show all the newly renovated guest rooms at the Sheraton and then also the Bayfront Landing property. She said that we will take a complete tour of the Marriott, the Sheraton and of course the Bayfront Convention Center. She said, as a joint sales team, we have not done a local sales blitz in quite some time so this is a great opportunity for us to showcase the newly renovated property but also feature the entire Bayfront Landing Property. She said that we will be taking advantage of that with our local community partners.

Ms. DiLuzio said that they will also be doing a VIP event, prior to the start of the Erie Regional Chamber event, and invite some of our non-chamber members to come a little early, specifically those that are a part of our corporate market segment, to have a private tour of the newly renovated property as well. She said it is a great sales and marketing effort to hopefully gather some future business opportunities for the sales effort of Bayfront Landing.

Ms. DiLuzio said as was mentioned earlier, our Bayfront Convention Center building and grounds team have begun preparing the campus by refreshing the landscaping, repairing the bollards and replacing the Bayfront Landing banners that are hung around campus. She said this is being done to refresh and revitalize the entire campus to get ready for the season.

Ms. DiLuzio said we have ordered a new gate for safety and security purposes at the convention center. She said the new gate will be replacing the temporary gate that is outside of our box office. She said that a permanent fixture is a full height partition that, when closed, will allow the front lobby of the convention center to remain open for guests to be able to access the Sheraton, Courtyard and the restaurants, while securing the convention center. She said this will allow patrons to have 24-hour access around the campus while still maintaining safety and security throughout the convention center property.

Ms. DiLuzio said the consumer shows monopolize the first quarter here at the convention center. She said that some of those consumer shows that we hosted were the Erie Auto Show, the Erie RV and Outdoor Expo. She said that we did also have a first-time show, that is going to turn into an annual event, the Erie Boat and Fishing Expo. Ms. DiLuzio said, now as we close out March at the convention center, we are going to be hosting the Home and Garden Show which starts tomorrow at noon. She said if anybody has not attended that show, it is a great event if you are doing any home repairs. She said that in April we wrap up that season with the Spring Craft Gift Festival.

Ms. DiLuzio said, as we wrap up the month of March and Quarter 1, we close with 13 events currently on our books. She said that our survey scores, with five being our highest, across the board in all categories we scored a 4.97. Ms. DiLuzio said that the team is doing a really good job.

She said that we have recently added a housekeeping manager and have already seen a difference to some of the cleanliness and some of the projects that are being done throughout the campus.

Mr. Richards said I looked at your projections for 2025. He said I just wanted to compliment all of you in that it looks like you are going to obtain almost 4000 room nights in the first quarter of 2025 which is really good business.

Ms. DiLuzio said thank you and that we are actually seeing a couple of nice conventions in the first quarter, not that we don't mind those consumer shows, but we are a convention center and that is where our room nights come.

Ms. White said thanks for recognizing that Mr. Richards and kudos to the team. She said I think you and your team deserve a round of applause for the survey results.

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

OLD BUSINESS

Mr. Pine said as we finally wind down with the Sheraton Hotel construction project, we will be able to have the restaurant ready to open on time. He said that the White Lodging team is here onsite to start training the staff, which will

begin on Monday. Mr. Pine said we will be set for a soft opening on Wednesday, April 3rd and then Friday, April 5th with the full opening.

Mr. Pine said, regarding the guestrooms, the third floor and the second floor are the only two floors that are blacked out. He said the hotel is obviously sold out for the eclipse so there is a hard push to get these rooms turned over in time. He said that it was looking uncertain, a week ago, but after some conversations with the Construction Committee, there was an additional 20 staff members added last Monday and they have made progress this week. Mr. Pine said that the third floor will be handed over Friday, if not Friday, it will be Saturday. He said that they are working on Saturdays now until the rooms are essentially done. Mr. Pine said that he stopped at the Sheraton Hotel prior to the meeting today and they have the wall vinyl in the bathrooms on the second floors already complete. Mr. Pine said they are going to be starting tile this week. He said they have the accent wall vinyl for the guest rooms so once that goes up, they will install carpet and the furniture. He said at that point it will just be building the room furniture package. Mr. Pine said that he feels confident that we will reach our deadline. A brief discussion followed.

NEW BUSINESS

Mr. Pine said included in my management report is Resolution 2024-001, regarding Eight Great Tuesdays. He said that the Port Authority has approached us regarding some sort of relationship related to this event. He said, obviously, we have a certain level of expertise related in all areas of events from planning to execution. Mr. Pine said while they do a good enough job managing Eight Great Tuesdays, they have a desire to perhaps hand some of those responsibilities over. Mr. Pine said that some of my initial concerns, in those conversations, was the late stage of taking over for this current year. He said I have attended Eight Great Tuesdays and I do not think that is how we manage events operationally speaking. Mr. Pine said that we would increase security, by using magnetometers and we would have some higher level of security staff. Mr. Pine said that what our initial conversation revolved around was simply helping them with securing artists for the dates and managing their VIP tents. He said I think that ultimately that gives us a great chance to spend 8 Tuesdays attending with our staff, from many different operational departments, exploring how this event works. He said we will be able to observe and see what we think goes well and what we think does not go well while also at the same time knocking off a couple of the harder things for them to do. He said they do not have direct expertise in buying artists. Mr. Pine said we can do that for them. He said that they are probably paying a promoter a lot of money to secure artists. Mr. Pine said we can step in and do that for a fee. He said what we are asking for today is the ability for me to negotiate and explore and then if we want to look at future years and maybe taking over more parts of that in the future that will certainly be our choice. Mr. Pine said I think there is tremendous opportunity since we do not have an option to do outdoor events. He said with the concern of tearing up the baseball field at UPMC and the expense of holding an event at the ballpark, that venue is not an easy option. He said I think if a relationship like this works out, the sky's the limit in terms of what we could bring to this community during the summer. He said I think it is worthwhile for us to use this year to explore the possibilities and see if it leads to something greater. A brief discussion followed.

Mr. Riley motioned to accept Resolution 2024-001 as presented. Mr. Glass seconded the motion. The motion was approved unanimously.

ADJOURNMENT

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

The meeting adjourned at 4:10 PM.