

**Visitors Promotion Committee**  
**Meeting at Lincoln Chamber of Commerce**  
**October 25, 2023**  
**MINUTES**

In Attendance: Jeff Barclay, Jeff Cunningham, Jason Hoehne, Tara Knuth, Tim Savona, Aaron Stitt, Bryan Sullivan, Dave Derbin, Bennie Shobe and Rick Vest

Guests Attending: Amy Dickerson, Mary Vaggalis and Isabella Jacobsen

Absent: Riley Slezak

Staff Attending: Jeff Maul, Derek Feyerherm, Jason Ball, Diane Pryor and Katie Bohlmeyer

**Call to Order and Introductions:**

Chairman Aaron Stitt called the meeting to order at 1:31 p.m. He welcomed everyone and thanked them for taking the time to attend the meetings, whether it's a last-minute meeting or months in advance. We appreciate it, he said. He said we will bring in the presenters from the Lancaster Event Center (LEC) and then give self-introductions to serve as the roll call. Stitt explained that we will keep them to 10-12 minutes for their presentation and then have Q&A followed by discussion. He asked if there were any questions before we got started. Bryan Sullivan questioned why they could present to the Visitors Promotion Committee (VPC). He thought they were "on hold" still from the most recent grant they received. Jeff Maul said through legislation they were given \$5M and need to match it so they are making this request. We have a documented contract from the last grant, he said. Stitt and Maul let Sullivan know he could pose the question to the presenters during the Q&A. Stitt invited the guests into the board room and everyone introduced themselves to each other.

**Improvement Fund Matching Grant Request:**

Stitt welcomed the group to present their application and Amy Dickerson said she has been with the LEC for nearly ten years and gave an overview of their overall funding for LEC. With growth and use comes more expenses, she said, and walked through three areas – first operations – we have sold the naming rights to Sandhills Global and LEC will become the Sandhills Global Event Center, Dickerson said. They will pay \$475K/year for the next 15 years for a total of \$7M. There will be ongoing maximizing revenue from events while meeting community service obligations. Seven buildings will be changing names because of the renaming. Second, she talked about private funding. They have been working with a national event center sponsorship consultant and would like to hire a full-time higher level business development director. Mary Vaggalis talked next about public support saying they are in line with local tax impact and community services provided. She said they have been working to modernize LEC and pursued funding from ARPA. With the support of several state senators, they were able to secure a \$5M ARPA shovel ready grant and she said even though they were closed to events during the COVID pandemic, they did use the facility for many COVID functions. Vaggalis said they were included in a shovel ready grant and will need to get matching funds, dollar for dollar, to receive the full amount.

The women continued explaining the goals for a \$10M infrastructure modernization project that the funding would be used for. Goals include maintaining and growing the Fairgrounds' unique community and economic impact for the state related to agricultural industries, to continue to compete with other national fairgrounds to host large events that bring in over \$60M in incremental spending from out-state visitors and to maintain LEC services vital to local youth, workforce development, non-profit businesses and emergency uses. Sources for the funding were outlined with \$5M coming from the ARPA grant that was applied for in July. The other \$5M would come from the matching plan. Dickerson said they have a commitment for \$2.5M from the Ag Society and have requested \$1.25M from the city. The other \$1.25M would be through this grant they are applying for through the County's Visitor Improvement Fund. Dickerson presented a list of uses for the funding and said they would prioritize the \$10M budget as they get final bids and search for related grants and sponsors.

Next, the project description submitted in the State Shovel Ready Grant application was reviewed. It showed the funding would be used for modernization of LEC's infrastructure. It was a broad description and Dickerson talked about some of the uses including construction, replacement and improvements to new and existing grounds, fixtures, sewer, broadband internet, concrete, driveway addition and a multi-sewer dump station. They did give a more specific list which showed more details of several items.

Stitt thanked them for the information and asked if there were any questions from the Committee. He began by asking what the exact dollar amount is that the VPC has granted to the LEC in the past. Dickerson said she didn't have the numbers here, but she believes \$3.6M and \$3M and there could be smaller ones, too, she said. Dickerson said, we are trying to balance the funding for LEC and need a better structure to keep the impact going. Tim Savona asked what the last grant of \$3M was spent on. She said it was used for rodeo facilities and grandstands for 2020. It was 600K over six years. Jason Ball asked if the hosting of the next rodeo is locked in. Dickerson said yes for 2026 and 2027. Jason Hoehne asked if there was a chance of another year being added down the road to replace 2020 that was lost and she said no. Stitt asked if we have a contract for 2026 and 2027 and she said yes. Ball asked if they run on a deficit and Dickerson said they have a little surplus. They make choices on their spending by looking at how much it costs per citizen and property tax as funding because they are used as an emergency center. Hoehne asked what the occupancy rate of return is on the campground. Dickerson said, just looking at the economic impact on the business of the campground; it is not as great as hotel impact. Vaggalis added there are people traveling with animals and trailers, so they aren't staying in hotels. Dickerson said when we filled up the campground the surplus stayed in area hotels. Also, she said, some of the staff, vendors and spectators stayed in hotels.

Tara Knuth next asked if the ARPA grant they received was made just for them because LEC was the only one who could receive it. It was made known at the last minute with a two-week turnaround to apply. Dickerson said she did not know. Knuth asked if they knew about the matching when they submitted their shovel ready application in July to which Vaggalis said we knew of potential possibilities and would have to show in hand before they would give us the shovel ready grant. Katie Bohlmeier asked is there a deadline for completion of the project. Dickerson said yes, to receive matching funds and when to spend it by; they need to be improvements by 2025 and complete by fall of 2026.

Sullivan said you received funding for the rodeo through two grants with the understanding that you wouldn't come back until 2027 to apply for another one. Dickerson replied, that will be up to the County Board. They will have to make an exception if they decide to grant us this funding and they may do it because this is a great opportunity for us and will be using matching funds. Sullivan asked who at the

county they had talked to about this. She said they had talked personally to Rick Vest, Roma Amundson and Sean Flowerday. We said we need \$2.5M in grants to match the ARPA grant and it is a timing thing as we need to have it complete by fall. Sullivan asked if the rodeo project was complete, and Dickerson said they are but listed additional projects they need to do after seeing what was missing from the last production of the rodeo on their site. Those items include a new lot, an approach, a driveway, sewer dump station and lighting, they said.

Next, Stitt asked how many campsites they have and if there is room to grow. They said they have 1,300 and no room to grow. He asked what the average rate is for one night at the campsite. She said \$35/night and that rate often is negotiated as part of the event package. He asked how many are booked in a year. Dickerson said she didn't know but could get the number for him. The year-round 300 sites could be more based on other bookings from traveling nurses, construction workers and other horse shows.

Hoehne then asked what other options they have for funding and if they had confirmation on the city proposal. Vaggalis said we have a good relationship with the city and have demonstrated growth and revenue. We feel we are in a good position, she said, and have several advocates. We continue to work with legislators and have had a positive response. Dickerson said they have looked into other grants, including the Sunderland Grant, and have the naming rights money, but don't want to use it all for this. Stitt asked to clarify if the \$1.25M requested from the city was denied and Vaggalis said it's still pending with \$1.25M asked from the city and \$1.25 asked from the county.

Savona asked more questions about the 1,300 campsites. When are they most used, he said. Dickerson said there are 1,000 in the back of their site and 300 more up front that are increasingly used for events throughout the year. She added that the funding will be used for improvements to new campgrounds, the driveway, a dump station, wireless internet. She said these are four new additional things we have a need for. It is not for the existing facilities.

Stitt said that in the presentation they said our visitors' incremental local tax impact each year was \$2.8M for state of Nebraska sales and lodging taxes per year and \$300K in Lancaster County lodging tax. Where do these numbers come from, he asked. Dickerson said 2021 was a peak year, so they used information from that year. Stitt said some of these line items seem like long-term funding that will be set aside for capital improvement expenses. Dickerson went back to LEC's funding structure saying it needs improving. Vaggalis added it is for maintenance and modernization. Ball next asked how they emptied out the campers' sewage at the last rodeo event without a dump station and the women said they had to have trucks come in to haul it away and the campers were angry about the process. Knuth explained how the dump station would mean the camper would need to pack up and attach to the pickup and be driven out of its campsite to the dump station, dump and then go re-set up at the campsite. It can prove to be a challenging system, she said.

Stitt asked about their budget for capital expenditures for upgrading, not new expenses. Are you setting aside money to maintain it later? Dickerson said we don't have those funding dollars, and this is not going to be used for normal maintenance, lights, etc. Knuth asked if they have money for those improvements. Vaggalis said they plan to use a portion of the shovel ready grant. Knuth asked if they have a goal for having that funded and Dickerson said, no, but as fast as possible. She said they will work on the most critical items first, that some of their premium shows are thinking about leaving. The demand is there but Kansas City is taking our business as they tend to be our main competitor. Stitt asked if they have a Plan B. Dickerson said they'd like to extend the life of LEC and have hope they'll be successful with the city and

county and are looking at the other grants and sponsorships. Ball said congratulations on the agreement with Sandhills Global and why doesn't the \$7M from that agreement count for the match for them to receive the ARPA grant. Dickerson said they need to have the money by the time of the grant and that we need to use the money for items needed for operation. Ball asked if the VPC grant for \$1.25M would be given by 2026 and spread out over three years. Dickerson said if we have the contract stating that, they can show that, and it will be eligible for the ARPA grant. Jeff Cunningham asked if they had to have the match by 2026. She said we must show it's committed. He asked what their goal is, and she said this fall.

There were no other questions for the presenters from LEC and Stitt thanked them for coming. Once they left the meeting, Stitt began a discussion about the grant application and presentation they had heard saying this is a big deal. Jeff Barclay said he is wondering if the city helps at all with funding for LEC. He asked Tim Savona how the funding works for Pinnacle Bank Arena. It was explained that their funding is from the JPA, which collects money for them through occupation tax set up in 2010. A 2% tax was set on food in restaurants and a 4% tax on car rentals and hotels in the city. Those proceeds go to help the Arena operate. Sullivan asked what are their funding sources; why don't they have them? Was it not set up right from the beginning? How are they not making money?

Stitt next said he brought some statistics about his hotel and did some rough calculations based on information given to them during the presentation and had come up with some information he would like to share with the Committee. The past grants issued to LEC through this fund equal \$9.5M. If we grant them this request, that total will be \$10.75M. 43.6% of outgoing grants from the Opportunity Fund over its lifetime have been to LEC. If we give LEC this grant money, the percentage will be 47% of outgoing grants from the Opportunity Fund over its lifetime to them. Stitt said, our goal as the VPC is to protect this fund and keep it replenished. He said at his hotel their average rate per night annually is \$150/night. \$150 times the 40K room nights (they have) equals \$6M. 4% of that \$6M goes into the Visitors Improvement Fund as lodging tax, and would be, by his rough calculations, \$240K/year. At this rate, his hotel alone, replenishing the fund would take 44.8 years to pay back \$10.75M in grant funds. Dickerson said they have about 1,300 campsites rented a year at \$35/night. To account for nights they are rented for other events, Stitt added 700 nights for a total of 2,000 rented a year. \$35 times 2,000 equals \$70K/year. 4% of that in lodging tax is \$2,800. Therefore, at this rate, LEC would replenish the \$10.75M in 3,928 years. It's not a direct comparison, he said, but he wants everyone to consider if they want to invest in something that we will never get back through the campsites like we would from a hotel.

Barclay asked how the event center impacts the city financially. Jeff Maul said through sales tax revenue. Income is city wide, but a lot of impact is on lodging tax. Cunningham said he has seen good impact on the retailer and restaurateur. Ball added that in the past three Chambers he has worked for he has seen similar situations, and the city did not finance it. Hoehne asked what the balance is in the fund. He was informed it is just over \$2M with outstanding commitments of \$1.05M to the Children's Zoo and the commitment to LEC of \$2.2M/year paid through 2027. One concern expressed by the group is the commitment that they don't ask so soon is broken and they want back on their agreement not to come back with an application until 2027. Cunningham agreed with him. Knuth added that the Fund was put on hold because the prior commitment to LEC lowered the balance and made it unavailable to any of the other non-profit organizations.

Ball asked what the goal is that we want to grow it to dollarwise. Maul said we talked about \$1.5-\$2M per calendar year in carryover. The last time they were granted funds, we stated the number. We gave funds to the zoo and LEC but then the pandemic hit, and we needed to establish an amount as a minimum to keep in

it. Barclay asked if we could give them less than they're asking or is this an all or nothing request. Maul and Hoehne both thought the ARPA grant would match what the LEC could get commitments for. Cunningham said if there is a contract with the county saying they can't apply for a grant from the Opportunity Fund until 2027 that can't be changed, then we can't grant them this request. Stitt asked why they are able to present to us. Rick Vest replied to the group and said they were made aware of \$5M in matching funds and we are seeing improvement and growth at LEC. They raised \$2.5M on their own. We don't want to see this get away. This could help fund them in ways other than property taxes, he said. They need to get on solid ground and they need to generate revenue, Vest said. Maul asked for clarification on his property tax comment. Vest connected it to the county fair moving from downtown out to LEC and how that has shown a reduction in property tax proceeds for them. Dave Derbin said the Ag Society is separate from the county part of the core. It would be a county-wide increase to property tax if they fund it, he said. Vest said with the current climate with property tax, they can't ask for that right now. Knuth asked if that would happen again, and Vest said yes. Ball said the VPC is a great board of directors overseeing these important resources. These are professionals in the industry and whatever this group's recommendation is to the county on the use of these funds, we hope they listen. Vest said the County Board appreciates the work everyone does here on the Committee. 99% of the time, we agree with you, but sometimes we must go a different way, he said. Sullivan said does that mean you've already made up your mind to support it and grant the request? Three names on the Board were mentioned, Flowerday, Amundson and Vest. You have matching funds, so this is different, Vest said, talking about the rodeo and prior asks of \$3M and \$4M. You can't go too far out with too many requests. Stitt added his concern saying we are here to protect this fund. We put the money in the account. You put us together to help you. We are the best in the city. We need to invest in what can refill the fund.

Knuth said we need the fund for other non-profits, not just LEC. Vest said he appreciates the dialog. He thanked them for their work. Sullivan asked if there is a plan for moving forward or ideas of how to improve it. Vest said he feels like progress is being made. With that, he left for another commitment.

Savona asked why the city and county doesn't look for funding from others and not always depend on this fund. He said, show them how much they've received prior to this and look at doing less than requested; consider different amounts and perspectives. The Committee members restated many of their concerns. Cunningham mentioned again that LEC has received 43% of the grant money since the fund was created. They aren't supposed to come back until 2027. The county is showing them favoritism. Hoehne said it is tough to grant them this request because of the agreement made to not come back. Knuth said 2027 is the contract. Ball said they were put on a limit of 2027 because we have given them so much money and through the last payment. They are not supposed to come back either and have not. LEC had two asks for the rodeo for a total of about \$7M and the second ask was to spread over three years. Feyerherm said the Children's Zoo was similar with a multi-year payout of funds.

Stitt said if there is no other discussion, do I have a motion. Bryan Sullivan made a motion to deny the grant request of \$1.25M from the Opportunity Fund. Jeff Cunningham seconded the motion to deny, and Stitt asked for a vote. Barclay, Cunningham, Hoehne, Knuth, Savona, Stitt and Sullivan all voted yes. The vote was unanimous by the VPC to deny this grant application. Sullivan asked if the committee needs to provide context along with the vote. Maul said once the date of the meeting with the county is set, he will notify everyone to see if they can attend as the vote and recommendation is delivered.

Derbin explained the JPA and how they act and function for LEC and the Ag Society.

**Adjourn:**

There was no other business, so Stitt thanked everyone again for their attendance. He adjourned the meeting at 3:40 p.m.