

Visitors Promotion Committee
June 29, 2016
MINUTES

In attendance: Julie Lattimer, Roland Morgan, Dave Wheaton, Kerry Eagan, Becky Perrett, Amy Dickerson, Lynne Ireland, Colette Wear, and Deb Schorr

Staff attending: Derek Feyerherm, Jeff Maul, Kyle Fischer, Kathy Dvorak

Guests: John Chapo, Evan Killeen, Nick Cusick, Johnny the serval cat, Chas Skillett, Hoyt Kraeger, Kevin Abourezk

Call to Order and Introductions:

Julie Lattimer called the meeting to order at 1:32 p.m. and introductions were made.

Lattimer suggested that before the grant requests were heard that Eagan should give a summary of the Visitor Improvement Fund balance. Maul passed out a summary and Eagan reviewed it stating there was an estimated balance as of June 30, 2016 of \$1.88M. Committed expenditures were reviewed stating that 2017 expenditures would total \$1.78M; however, keep in mind that estimated annual receipts for FY16-17 is \$1.7M. Eagan stated there may be a savings in bid fees and do not know how many, if any, of the \$10K requests will be made/granted for this year; still not a lot of money will be available during certain years.

Lincoln Children's Zoo Grant Request:

John Chapo of the Lincoln Children's Zoo (Zoo) introduced Evan Killeen and Nick Cusick and thanked the VPC for their past support which has been instrumental in moving the Zoo forward. With the VPC investment in 2010 for the Humboldt Penguin Habitat and the Tortoise Trek in 2014, attendance at the zoo increased by 6% per year; accredited zoos averaged only a 1.7% increase per year in the same time frame. In that same time frame, of the zoos with a yearly attendance of 150,000 or higher, the Zoo is one of the top 20 fastest growing zoos in the country. The VPC investment for those two projects has had a huge impact on the Zoo as well as economic development for the community, thus giving a very strong return on the investment. Chapo stated that there has been many years of discussion and strategic planning prior to today's request. The last expansion campaign was in 1997. In 2010 the Zoo Board started discussing the expansion and surveys were done to support proposed expansion. In August of 2012, planning started with BVH and the first meeting with the Mayor was in September 2013. In June of 2015, the City and the Zoo released a public survey on the Antelope Triangle with 93% of the responses wanting the Zoo to expand. Discussions with community leaders were held, as well as with other zoos and the Lincoln Public Schools. In January of 2016, the Zoo Board unanimously voted to expand. The Zoo currently sits on 8.8 acres; when it opened it was 4 acres. Expansion is planned to the west of the current zoo on City land with parking across A Street, also on city-owned land. This expansion would increase the zoo size to 14 acres. The request today of \$2.1M (\$300,000 per year for 7 years starting in 2018) is for help with infrastructure, specifically a pedestrian bridge over A Street. Chapo stated the investment would have a 5 to 1 return as every dollar invested is matched by community leaders, City support and support from Lincoln Public Schools. Chapo listed facts about the Zoo: 1) Number one arts and cultural attraction in Lincoln – third in the State according to the Nebraska Tourism Commission; 2) Featured in local, regional and national media such as National Geographic, The Today Show, ABC News, and CBS Sunday Morning; 3) the Zoo has had nearly one

million visitors in the past five years – making it one of the most attended zoos in the nation per acre; 4) has an estimated \$8.7M annual impact on Lincoln based on research by the Bureau of Business Research at UNL; 5) the Zoo is funded only through earned revenue and private support – no tax dollars are used. Chapo then brought in a serval cat from the tall grass area of East Africa named Johnny. Johnny has appeared on the Today Show.

Nick Cusick stated that he and his wife are the Campaign Chairs and they have found it incredibly hard to ask for donations for infrastructure, specifically \$2M for a bridge. Nick said he made 40 calls himself. The total project cost is \$15M and currently \$4 – 5M has been raised and have asks out for an additional \$6M; LPS has pledged \$3.2M for their share. The VPC request is \$2.1M.

Kyle Fischer asked if the Zoo is the right size for Lincoln. Chapo stated that the average zoo is 60 acres and at 14 acres, Lincoln will never be a big zoo, but will be small, intimate and engaging year around with educational opportunities. Key plan for the Zoo is for an extremely rich experience. The Zoo gives away \$250K in memberships to make certain it is affordable for everyone and the proposed expansion will be 100% ADA compliant. Chapo also stated that over the 4th of July weekend, active and retired military get in free.

Lattimer asked the price of the bridge and Cusick stated it was \$2.1M that included the ramp up, bridge over and ramp down. Wear asked if plans were for the Zoo to be open year around. Chapo responded they hoped to provide indoor year around opportunities for animal engagement – like with Johnny. Negotiations have begun with the City to take over the Ager Center which is planned for one of the indoor areas. Lattimer asked if all three phases proposed will be completed at once and Chapo responded it would be based on funding. Lattimer asked if they were in a position to start in 2017 and Chapo stated that they have bank financing in place and Cusick responded that none of the financing will be long-term debt.

Lattimer excused Chapo and Cusick and asked for discussion to begin. Lattimer asked Maul to do a quick walk through of what the VPC has committed in 2018, 2019 and 2020 which Maul did. Morgan asked if the VPC was overcommitted in 2017. Eagan stated no as there is presently \$1.8M in the fund plus an additional \$1.7M in receipts so currently there is \$2.5M. Maul suggested that both presentations need to be heard before deciding on any funding. Ireland asked for clarification if Dickerson would be recused from voting on the LEC proposal and the answer was yes. Lattimer said the Zoo was at a pivotal point and asked from the CVB's perspective are the economic impact numbers validated and stated that it is up against competition from Doorly – if it remains static, it will lose ground. Morgan asked if they considered going under "A" Street to parking rather than over and Schorr responded that it is in a low area and conducive to flooding. Fischer stated the tunnel under 14th Street for the middle school was sort of the litmus test not to do any more tunnels. Dickerson stated that when the LEC gets groups to come and stay they are always asking what else there is to do for a family while there. Schorr stated the year around component will add to that. Perrett stated as a sponsor they see the Zoo plugging along on all cylinders and doing a great job. Lattimer stated that with the efforts of Joel Sartore our zoo has an international focus. Ireland stated she was intrigued about the opportunity and seldom do we have a chance to broker with a project – public/private partnership is ideal. The VPC has previously provided Zoo support. Perrett asked about signage plans and stated you can't go up to the Tortoise Trek without seeing the signage regarding Lancaster County Improvement Fund sponsoring the exhibit. Schorr stated that every single visitor would have to go over the bridge. Lattimer stated it was gratifying to see LPS's decision regarding their role which is a

strong partnership and will build ambassadors through their programming. Lattimer stated that it appears everyone is in support of this request and asked for a motion. Ireland made the motion to commit \$2.1M to the Zoo's expansion infrastructure (bridge); \$300K per year for seven years beginning in 2018. It was seconded by Dickerson and motion passed unanimously.

Perrett asked if there ever was a time when we have a good year with tax receipts and could do more to pay earlier and Eagan stated it has to be contractual with those grant applicants.

VPC Committee Voting Member Terms:

Maul suggested before Dickerson is excused for the LEC grant discussion, the terms of the VPC Committee need to be discussed. Maul stated that Lattimer is finishing up her eighth year and as of July 1 she is off the committee. Maul stated that Lattimer has been amazing and her professionalism has been very much appreciated and Maul presented a small token in appreciation of all Lattimer has done for the VPC. Lattimer stated she was honored to be a part of this committee. Maul stated that two individuals have agreed to serve an additional four-year term – Perrett and Morgan. Lattimer asked for a motion to approve two additional terms for Perrett and Morgan which was done by Wheaton and Wear. Motion carried unanimously. Maul stated that Ireland has agreed to be the incoming Chair through her 2019 term. Dickerson made the motion to appoint Ireland as Chair for the remainder of her term and it was seconded by Perrett. Motion carried unanimously. Maul then stated that Perrett agreed to service as Vice Chair through her term which ends in 2020. Ireland made the motion and it was seconded by Wear. Motion carried unanimously. Eagan stated these proposed appointments would be put on the County Board agenda a week from tomorrow for discussion by the County Board. Maul stated that a replacement for Lattimer is needed and asked the committee to think about qualified candidates as the County Board likes the VPC's input. Maul suggested names in a retail role and to have the suggestions ready for discussion at the August 17 VPC meeting. Dickerson was then excused.

Lancaster Event Center Grant Request:

Amy Dickerson of the Lancaster Event Center introduced Chas Skillet, Operations Manager and Hoyt Kraeger, Special Events Intern and a member of the UNL College Rodeo Team. Amy then reviewed their grant proposal which they are applying for specifically to meet the facility requirements of the National High School Finals Rodeo (NHSFR). This request would be for \$3M (\$600K per year 2017 – 2021) and the funds used would be to expand the outdoor multipurpose arena; add new 3,400 seat grandstand, complete loop road for improved traffic flow around all sides of the grounds; and expand and upgrade campground by increasing electrical spots from 200 to 750 and adding water to 362. Dickerson stated there are only five facilities nationally that have enough camping facilities for this event. Dickerson stated they knew about the possibility of hosting this event in January and UNL is very excited to join forces to help support this event. Dickerson reviewed activities and events they host annually as well as the economic impact of the community. Dickerson then reviewed their vision which is a public, non-profit event center seen as a leading venue for a variety of events not just in Nebraska, but regionally and nationally with an experience that is professional, profitable, friendly and fun – they want to be eastern Lincoln's shining star. LEC also wants to celebrate the unique agriculture and natural nature of Lancaster County and be a key contributor to the county's youth, culture and economy headlined by being home of one of the largest, most well-respected 4-H county fairs in the USA. Dickerson stated that their current VIF grant ends in 2016 and just had the ribbon cutting for the new signage. Kraeger stated that the LEC is well liked because of its dirt and is known internationally. Dickerson stated that NHRSA wants to lock in a third facility along with the two existing facilities in Wyoming for the next 15+ years. The NHSFR is a ten-day check-in and 13 performances; 1,700

competitors from 43 states, 5 provinces in Canada and Australia and 1,900 contestant horses (1,550 temporary stalls on the grounds) and 1,600 head of livestock. Two outdoor and two indoor show arenas and practice arenas are needed. In conjunction with this event there is a huge trade show with 300+ vendors. It is anticipated there will be 8-13K people on the grounds daily and 60K overall attendees, 138K visitor days. The draft event layout was discussed saying every square foot will be used and they are working with UNL to use some of their property for overflow. Amy stated that UNL is very excited to have these high profile kids come to Lincoln so they can show them the campus, etc. Dickerson stated the bid is due July 15, 2016 with finalists notified October 1, 2016 with a decision in January, 2017. If LEC wins the bid there is a potential for Lincoln to host this event for eight of the next 20 years. Reasons why LEC has a strong bid is our location, larger size of Lincoln compared to Wyoming towns and facility suited to event. Proposed improvement area was reviewed stating that most of the area to the east is underutilized. An engineering site map was then discussed showing the camping area, loop road, multi-purpose outdoor arena, bleachers and parking stalls. The proposed 3,400 bleachers is down from the suggested 5 – 10K per the NHRSA RFP. Dickerson said that contingencies can be put on anything, but need to have money in hand to be a credible bid. While the design is not final yet, Skillet presented a preliminary cost estimate prepared by REGA Engineering Group and when asked about the County Purchasing Act regulations, he stated they will be followed. Dickerson stated that the ability to levy property tax dollars is very limited and other potential partners were discussed but nothing is solid or committed. The project timeline was also reviewed, specifically the \$600K VIF funded projects: 2017 – Build the new outdoor multipurpose arena, new gravel parking lot and northeast portion of loop road; 2018 - build the first half of the loop road and install 6” water main for camping/arena; 2019 – finish loop road and install new campground spots and electric; Spring 2020 – Install new 3,400 capacity bleachers with canopy and Spring 2021- Finish final grandstand amenities and lighting. Dickerson stated there is \$250K from current VIF committed funds that could be put toward this project. Dickerson reviewed grant contract contingencies and she suggests that if they don't win the bid for 2020/2021, the grant monies can't be spent; if LEC Phase 3 bonds pass then remaining grant dollars will be foregone and the County bidding requirements will be followed. Phase 3 is tentatively planned to go to public election to get bonds in 2018. Kraeger reviewed the baseline yearly economic impact of the LEC and based on the grant formula using the lowest multiplier, an estimated \$6.7M could be realized. The NHSFR economic impact provided by Dr. Thompson of UNL Bureau of Business Research, is \$16.2M per year; so the immediate opportunity of hosting this event in 2020/2021 would have a \$32M impact. This number is likely low as spectators were not factored in. These improvements would increase LEC's ability to attract larger regional/national events such as RV rallies, outdoor conventions with fireworks, equine events on a larger scale, outdoor rodeos and motorsports events and larger dog, car, car swap shows for a 32% growth. These events would also have an impact on tourism/lodging tax and with this estimated growth approximately \$700,267 could be put back into the fund over the next five years.

Lattimer opened the floor for questions and Morgan asked what time of year is this event. Dickerson responded that it would be mid-July shortly before the Super Fair creating a need to invest in more labor. Kraeger stated that the two Wyoming cities are able to turn their facilities over in four days. Dickerson stated that both of those cities are 50% subsidized by public funds. Wear asked if after these improvements shows such as the American Paint and Quarter Horse Associations could be taken away from other sites. Dickerson stated most definitely they would go after these events. Feyerherm stated that the CVB has bid for these events but lost due to no hotel in close proximity. Ireland asked if LEC got the bid in 2020/2021, does it automatically get you in the rotation? Dickerson responded there was no guarantee, but knows NHSRF would like to lock in 15 years. Maul asked a two-fold question of

why the sense of urgency now given the bond funding vote will be coming and why can't the bid wait until 2018, 2019 or 2020 to be presented after improvements are made? Dickerson responded NHSRF asked the current location, Gillette, to do four years and they declined. Ireland asked why wouldn't Gillette want to do it? Dickerson responded that it doesn't allow them to do other events. Feyerherm stated that the CVB looked at this 6 – 7 years ago, but had to wait for LEC's Phase 2 to be completed and their insane bid fees have now been removed. Kraeger stated that energy companies have been the main sponsors at the Wyoming events and they are not doing as well, so cannot support to the same extent. Schorr asked if LEC had money in hand, can the commitment financially be backed off – they don't have what is needed now, but have money and a path forward showing confidence the facility would be ready. Lattimer asked that once the event is over, how viable are the other events we can go for? Dickerson reiterated they could go for outdoor rodeos and equine events and these people always stay in hotels. Lattimore asked about outdoor motorsports events and Dickerson responded LEC has them today. Feyerherm stated the CVB had not explored many of these events at this time, but will if the opportunity will open up. Lattimer closed the floor for questions and excused the guests.

Lattimer then opened the floor for committee discussion. Wear thought a whole lot more events could be brought in with these improvements and there are rooms to fill and it would be a great opportunity to get heads in beds. Wheaton was concerned about the addition of 500 camping spots at \$20 vs. \$120 for a hotel for NHSRA. Feyerherm stated it is important for high school rodeo and the number of campsites proposed is less than the RFP requests. Wear stated there is a need to be for hotel rooms. Maul questioned over and above high school rodeo and Wear stated yes. Wheaton asked if this grant request would supersede Phase 3 and Feyerherm said that Phase 3 includes the update of the Muhlbach outdoor arena. Schorr stated that Phase 3 was for additional renovation to the buildings and Feyerherm stated that we have lost events because there was no HVAC which is also part of Phase 3. Fischer stated concrete floors were important as well. Morgan stated that this grant request along with the Zoo request does not leave much money to work with in three years. Maul stated that 2017/2018 would be tight years. Morgan said this would be in addition to what has already been committed. Lattimer stated that it is uncertain if there are other big grant requests coming for equally important opportunities. Wear stated that maybe the amounts could be changed per year with a bigger payout starting in year three. Lattimer stated that it was her impression LEC needed the entire amount to be able to bid. Maul stated that LEC needs the cash in hand per an earlier comment by Dickerson. Ireland stated she would be more comfortable if it went with Phase 3 – it is sort of speculative now as if they don't get the bid, they won't do the improvements – all contingent on high school rodeo. Perrett suggested that a contingency be put in regarding the bond issue. Schorr stated the LEC board has not made a decision to go for the public vote. Wear asked if these improvements were all on LEC property. Perrett stated that Lancaster Ag Society has done great things without a lot of money. Ireland said reading through the materials that the event operation relies on LEC staff and wondered the economic impact of that. Lattimer said that the extra staffing required was built into the budget. Lattimer asked the hoteliers if they could see other opportunities besides the NHSFR event? Wear stated she felt other events would be money makers and looked to the CVB to attract events. Feyerherm stated that the CVB would check on it as a larger outdoor arena has not been on the radar before. Ireland stated that the unknown makes this feel highly speculative. Lattimer asked what are other motorsport events and Feyerherm responded tractor pulls, etc. – not motorcross. Morgan stated there is regional/national competition in demolition derbies. Feyerherm stated that Sports Car Club of American has other events they could bring to town. Lattimer asked if that would equate to hotel nights and Feyerherm stated yes and Lattimer commented that this type of event is specific to warm weather. Wheaton asked if the bid had to be in two years and could it be pushed back a year to ease our funding. Feyerherm stated that

pushing it back one year is not possible as the term is two years in a row. Maul commented that some of the committee had speculative thoughts. Lattimer stated if we committed enough to get the bid on the table – could they come back to finish up? Maul said relative to high school finals or more to Phase 3 project? Is the timing right? Do we write a letter of commitment for future years vs. bidding now. Lattimer commented that not a lot of other cities are jumping in for this event. Perrett stated she was looking at it as more of a Phase 3 project – what if we get a request for ballfields – our funds would be tied up. Maul stated that the CVB could sell the daylights out of anything that adds facilities and would sell the growth of these facilities. Feyerherm stated if this opportunity is passed now, the next time they could bid would be in 2018. Schorr asked if there was a long time to back out and Feyerherm stated that NHSFR does not want to get burned like they did with Springfield, IL and would need a commitment. Lattimer asked if anyone was interested in making a motion. Perrett asked if the LEC could go with less money? Feyerherm stated that Dickerson would have to respond and certain improvements have to be made to the facilities to host NHSRA. Fischer asked what the odds were of getting the bid. Feyerherm stated he felt it would be fairly successful. Eagan shared his opinion that the indoor space we have is important. Ireland asked if anyone had talked about ballfields and agreed with Perrett about using ourselves up on this project. Eagan stated that they tried to do a master plan and need to reform this process to get a look at the bigger projects. Maul stated these projects need private funding and it is important to have a public/private partnership. Eagan stated that more dollars may come in than we think from tax collections. Maul stated that people know about this fund and want to use it – which is great. Schorr stated going from 2% to 4% was a game changer in making these projects happen. Maul stated that it is important to know 2 – 3 years in advance. Schorr said Dickerson said they were capped. Eagan asked if there was any State Tourism money. Maul stated that State Tourism does provide some funds for marketing to bring in events. Lattimer asked if the Zoo and LEC are going after that. Perrett asked about the \$250K that Dickerson said could be used from the previous grant and Eagan stated the contract would have to be redone to reallocate that money. Wear stated the money has to be used for the requested purpose. Ireland asked if we could renegotiate the contract for a payout in December 2017. Wear commented that \$255K could be used toward 2018 for the big crunch. Eagan stated the \$255K not spent per previous contract could be used in FY18. Schorr asked if Dickerson was banking on this leftover money? Eagan reiterated that we can't reimburse if not spent for what it was committed for – contract has to be renegotiated. Lattimer asked if the CVB and LEC worked together on getting events and Feyerherm stated yes and lost events are tracked with the reasons why. Lattimer asked again if the bid for NHSFR was won would it guarantee other events? Wear commented the Power Farm Show could possibly pull out if the Phase 3 improvements are not made. Lattimer stated that the committee needed to make a decision and asked if having the potential of holding this event eight times over the next 20 years viable enough? If LEC could guarantee other events? Wheaton asked if it would be possible to push back two years as the bond vote would be decided and the facilities would be better and have other commitments from other events by then. Feyerherm stated that if we voted no on this request, they would not be able to bid again at all as there still wouldn't be facilities. Wheaton asked if we could say we would be ready by 2022 as we cannot commit money in 2017/2018, but could by 2019/2020. Maul suggested giving Dickerson the commitment she needs for 2019- 2023 at \$600k per year with smaller commitment in 2017 and 2018; in order to get the bond together for Phase 3 and if it passes free up the improvement fund. Wear asked if we could make it contingent that if NHSFR is awarded to Lincoln, then in 2017 commit \$250K and \$250K in 2018; and the remaining balance divided equally each year until the full request of \$3M is paid and also contingent if the bond issue passes – this request goes away and also contingent on LEC reallocated the \$255K from the previous grant. Lattimer asked Wear to put this in motion form. Wear made the motion to grant the \$3M request from LEC as follows: \$250K in years 2017 and 2018 with the

remaining balance split evenly in 2019,2020 and 2021, and contingent on if Lincoln wins the NHSFR bid; contingent on Phase 3 bond issue passing causing the remaining balance of the request to go away and contingent on LEC reallocating the remaining \$255K from previous grant request. Wheaton seconded. Motion passed with one abstention – Ireland.

Adjourn: There being no further discussion Lattimer adjourned the meeting at 3:51 pm.