

**COLLINSVILLE METROPOLITAN EXPOSITION
AUDITORIUM AND OFFICE BUILDING AUTHORITY
GATEWAY CENTER
January 8, 2018
Special Board Meeting – 7:00 p.m.
Meeting Location: Council Chamber/City Hall
City of Collinsville, 125 S. Center Street Collinsville, IL 62234**

Call to Order

The January 8, 2018 Special Board Meeting of the Collinsville Metropolitan Exposition Auditorium and Office Building Authority was called to order at 7:14 p.m. by Mark Steyer.

Roll Call

MEMBERS:

Present: John Bitzer, Mark Schusky, Mark Steyer, Ginger Trucano, Kim Thebeau and Kevin Weinacht

Absent: Bob Kinamore and Fontez Mark

Also present: Cynthia Warke, Executive Director and Tracy Robinette, Director of Human Resources and Administrative Services

Guests: Charlie Johnson, CEO of Johnson Consulting; Ryan Johnson, Managing Director of Johnson Consulting and all of the City Council members.

Public Input

None

Unfinished Business

Gateway Center Long-range Strategic Plan Presentation

Charles Johnson of Johnson Consulting presented the Strategic Plan for the Collinsville Gateway Center. He spoke of the objectives and tasks performed. He mentioned the existing facility as being a consistent design but has aged. He indicated the level of business as being high with approximately 150,000 visitors annually. He mentioned the operating revenues but indicated support is necessary through previous agreements. City Manager Bair spoke of the Strategic Plan being an endeavor the City and Gateway Center started over 2 years ago in which Council agreed to fund the study through TIF funds. Mr. Johnson spoke of the Tax Increment Financing which is to expire at the end of 2021. He spoke of the lost business due to size limitations of building as well as other issues which includes neighborhood quality and technical issues; however, indicated improvements would enhance future business. He further spoke of comparable facilities. He mentioned the existing lodging options with 1 of 9 hotels being classified as upscale. He mentioned the need of various improvements to the Eastport area to include entertainment, additional hotels as well as improvements to the existing hotels. He noted previous discussions regarding expansion plans for the Gateway Center.

He highlighted strategic recommendations based on analysis. He advised the convention center board does not have financial resources to fund operations or improvements and indicated that consolidating efforts with the City would be beneficial for both entities. This would also enable the City's new Parks and Recreation Department to partner with the center for marketing the Gateway Center for sporting events.

He spoke of prioritizing the various recommendations:

Priority 1 - handicap accessible walkway to and from Doubletree, technology upgrade, update lobby and concourse area, and improve surrounding area through the Eastport Plaza Site Master Plan update (corridor to bike trail, additional retail establishments, entertainment options).

Priority 2 - adding a multipurpose space for indoor sporting events, parking deck and an expansion to the LaSalle room with a connection to the Doubletree hotel.

Priority 3 - additional 200+ room upscale hotel that is connected to the convention center. He mentioned potential target could include a future hotel with large indoor waterpark as a family entertainment draw to the area.

He mentioned the estimated development costs for the various improvements.

Mr. Johnson spoke of improvement scenarios:

1. Full Improvements to include new 200 room hotel, additional 430 parking spaces, well balanced mixed use area surrounding center as well as the facility being controlled by the City. He indicated this is the preferred recommended scenario as it could potentially recapture 50% of cost events and leverage for soliciting athletic and entertainment events at the Gateway Center. He mentioned possible outcome with such improvements to include additional events, increase in attendance, demand for lodging, revenues, economic impact with regards to spending and additional jobs as well as fiscal impact brought about from increased sales tax, hotel/motel tax and food and beverage tax.

2. Expansion and Upgrade to include convention center expansion, additional 225 parking spaces as well as the facility being controlled by the City, but without additional hotel nor improvements to Eastport vicinity. He indicated this scenario may only capture a portion of lost events.

3. No Expansion - Center would only be renovated as well as directly controlled by the City. He predicted the center would remain status quo for the time being.

4. No Action Taken. He indicated the facility would be in a steady decline.

He mentioned funding options for Gateway Center improvements to include an increase to the Hotel/Motel Tax and/or expanding the Food and Beverage Tax district. He also mentioned grants as other funding sources.

City Manager Bair spoke of the need to merge the convention center and the City. Currently, the Gateway Center is a separate entity, with members appointed by Council, and they have no tax implementation rights. He indicated no risks have been identified with regards to the consolidation as the City is already responsible for the Gateway Center, Council appoints board members and the City already provides financial assistance to the convention center (Food and Beverage Tax, Hotel/Motel Tax and TIF money). The merger would provide the City with assets valued at \$26 million with only \$4 million in debt. The consolidation would result in an immediate positive impact for the Gateway Center with the City refinancing bonds at a lower rate. He highlighted the benefits of the merger to include financial viability for the convention center, would allow for the implementation of the Strategic Plan, creates competition within the market, and fits within the parameters of the City's Parks and Recreation, tourism and hospitality efforts. He spoke of the long range plan and indicated implementing the recommendations would be impossible for the Gateway Center to do so as a stand alone entity. He spoke of increased efficiencies following the merger (redefine staffing for both entities, contractual savings on services, consolidated purchasing of supplies, and refinancing bonds at a lower rate which will result in \$52,000 annual savings alone.

He spoke of steps to be taken to allow for the consolidation (70 ILCS 200/2-165). He indicated the Gateway Center Board will remain as an advisory board, assets would be transferred to the City,

center would be a City department but work in conjunction with Parks Department, center employees will become City employees, budget will transfer to the City, bonds refinanced with funds from savings to be reinvested in the center, and amend CIP to include Gateway Center. He spoke of a timeline for the City and Gateway Center consolidation to include an agreement adopted by the Gateway Board and then adopted by Council with merger effective on May 1, 2018 as center's fiscal year ends April 30, 2018. This timeline would allow for implementation to occurring during February through the end of April.

Board member Bitzer spoke of his time as a long term member of the Gateway Center Authority. He spoke of the advancements that have been made to the center through the leadership of Executive Director Cindy Warke. He mentioned the facts presented as evidence that consolidation efforts are necessary for a thriving convention center.

Chairman Steyer agreed with Bitzer as well as the facts that were presented by City Manager Bair. He spoke of the need for improvements to the center versus a status quo approach. He thanked Mr. Johnson for establishing a plan for the center. He advised he was in favor of the consolidation.

Member Trucano spoke of her time as a Council member who voted in favor of establishing the convention center years ago. She spoke of her excitement for the merger as the two entities becoming one would complement each other.

Member Schusky spoke of the facts presented regarding the consolidation. He spoke in favor of the merger especially given the financial aspects and future viability of the center. Member Weinacht spoke of the need for improvements to the center in order to stay competitive within the market.

Executive Director Warke spoke of her 29 years with the Gateway Center and initial efforts focused on marketing. She spoke of deficiencies of the center and surrounding area that have become evident thereby hindering marketing efforts. She concurred with board members that the convention center does not have an option but to merge with the City in order to make improvements which will in turn allow the center to stay competitive with other venues and economically viable. She indicated the improvements would not only enhance the convention center but the surrounding businesses with increased tourism. She spoke of her excitement with working with the Parks and Recreation Division to market indoor sporting events. She spoke of her committed staff and thanked them for the efforts.

Councilman Brombolich spoke of City Manager Bair's excitement and passion for the advancement of the City. She spoke of the proactive approach by the current Council. She expressed her respect for the Gateway Center board members and excitement over the consolidation.

Councilman Jerome mentioned the various responsibilities of the Council and spoke of the merger as being a historical event for the City. He spoke of the options as previously presented by Johnson Consulting. He expressed excitement over the merger and having a facility that could host indoor sporting events as a unique opportunity that others don't have.

Councilman Stehman thanked Mr. Johnson for a thorough report and City staff for presenting the facts.

Councilman Green expressed her appreciation for the time and effort given by many when presenting the information to the Council as all the information make the decision-making an easier process. She spoke of the positive leadership of the City.

Mayor Miller spoke of the facts presented. He spoke of the great leadership throughout the City as being overwhelming to him and expressed his gratitude.

Adjournment

There was no further business to come before the board. A **MOTION** was made by Trucano and seconded by Schusky to adjourn the Special Board Meeting. All were in favor. **MOTION** carried. The Special Board Meeting was adjourned at 8:31 p.m.

**The Next Regular Board Meeting
Thursday, January 18, 2018**