



Friday, May 5, 2017
Hamilton County Tourism, Inc.
HCCVB, 37 East Main Street, Carmel, IN 46032
(317) 848-3181
HAMILTON COUNTY TOURISM BOARD OF DIRECTORS
Minutes of the Meeting

The meeting was held at the Hampton In, 12197 North Meridian Street, Carmel, IN

Attending the Meeting: John Hughey, Emily Lovison, Bob DuBois, Gary Miller, Andrew Newport, Jeffrey Brown, Alaina Shonkwiler, Melody Jones, Jeremy Geisendorf, Jimia Smith, and Al Patterson. Not attending: Amy Ahlersmsyer and Jay Gladden.

Also attending from HCT staff:

Brenda Myers, Karen Radcliff, Tina Rodgers, Ashley Ledford, Betsy Ekelof, Laura Kelner, Sarah Buckner, Jordan Musall, Tyler Brown, Chris Kersteins, Scott Spillman.

Also attending from Tourism Commission/other:

Christine Altman, Bill Smythe, Perry Williams, Donna Prather, Andrea Huisden, Christian Renner, Casey Wilson, Jim Treat, Aran Ryan.

I. Welcome

President John Hughey opened the special meeting of Hamilton County Tourism, Inc.'s board of directors at 8:36 a.m. He noted special guests from the Hamilton County Tourism Commission and additional HCT Staff in attendance, in addition to Jim Treat from O.W. Krohn & Associates and Aran Ryan from Tourism Economics.

II. Review of the Minutes of the March 2017 Meeting

J. Hughey then asked for approval of the March 2017 regular meeting minutes. Alaina Shonkwiler moved to accept the minutes as presented, Gary Miller seconded. Motion passed.

III. Metrics & Finances

Brenda Myers then presented current financial metrics:

A. Tax Collections Reports

- Overall tax collections through March deposit is \$870,437 gross or \$805,000 net
 - Less than 1% over budget; 2 hotels are unpaid (one paid but forgot to send report)
 - Estimate \$820,000 if all were paid or \$21,000 over budget forecast

B. Occupancy Reports

Through 1Q 2017

- Demand up 12.1% against a room inventory increase of 13.8%
- Occupancy down 1.6%, at 59.7%
- ADR up 4.1% at \$107.99
- Revenue up 16.6%

March 2017

- Demand up 17.3% against an inventory increase of 13.8% (Easter shifted to April)
- ADR at \$112.59 or up 4.9%

- Occupancy at 59.7% down 1.6%
- Revenue up 16.6% (Easter shift and strong demand)

C. HCT 2017 Budget

Copies of the Profit & Loss statements through March and including April activity were included in the Board packets.

Income

- Tax receipts 29% at 33% of the way through the year, but this does not include a May deposit (we are using our contract to pull down funds and haven't needed those funds to cash flow)
- We have secured one of the two grants planned for and have deposited one-half of that grant for \$10,000
- Advertising co-op and in-kind, etc. on target

Expenses

- Marketing is just getting under way with its buys and is on pace
- Sales/promotions have been active in grants, etc.
- Community development similarly front loads grants, which is why it's at 51%
- Benefits are right on target
- Insurance high, but that's because it's front-loaded
- Wages are on target
- Taxes are on target
- Travel and lodging on target
- Utilities/office/rent includes non-cash pre-paid long-term partially non-cash

Jeffrey Brown moved that the financial report be accepted as presented; Andrew Newport seconded. Motion passed.

IV. Old Business

A. Building/LOI Update

Karen Radcliff updated the board on the building/letter of intent. She got word this week that the developer accepts our price range and is willing to move forward with the confidential non-binding LOI once our attorney reviews the letter. John Hughey, as board president, will sign the letter. After reminding the group about the ownership questions, Christine Altman said it was time to move the conversation forward to the County Commission and the County Council, and B. Myers said she would do that quickly.

B. Kincaid House Update

B. Myers presented updates on the Nickel Plate Art's Kincaid House project. The City of Fishers has assigned a City Council member to review the options with the owner and HCT, and she said she would work through those details and report back to the Board of Directors.

C. 2017 Sports Grand Addendum

K. Radcliff presented an addendum to the Sports Grants, adding two new grants to be awarded per the handout. She explained the money was available and these were two new opportunities. G. Miller moved that the grants be awarded. Melody Jones seconded. Motion passed.

V. New Business

A. Tourism Economics Presentation

B. Myers reminded the Board and guests that HCT decided to work with Tourism Economics to analyze the growth in the market, the sports rebate program and to provide some context for decisions moving forward. She introduced Aran Ryan of Tourism Economics, who presented a report (complete report included as an attachment).

After the presentation, the group discussed the results and determined that HCT should move forward with light discussions with key elected officials to determine, by August, the ability to move changes in the tax structure forward. There were concerns expressed, including but not limited to: What would be the response of the hotels? If a rebate program is chosen, how would it work and function? And how can HCT explain its past successes in supporting future investments and how would that work?

B. Myers noted she would work with the research team to explore these questions and more and present an update at the June meeting as well as a report at the August meeting. She also noted the Tourism Commission would be meeting May 18 and additional input from that leadership team would be required.

B. O.W. Krohn & Associates Presentation

B. Myers then introduced Jim Treat and explained that Karen Radcliff had researched in 2016 support for financial guidance, and Jim's organization had been recommended because it works with both government and private entities and understands that relationship. Treat then presented a forecast analysis of the innkeepers tax revenue stream and HCT's future growth needs and explained how they aligned and the methodology used. A complete report is attached to this document. Everyone felt comfortable with the data as presented.

C. Discussion of Presentations

D. 2018 Appropriations Request

Using the data presented by Tourism Economics and O.W. Krohn, B. Myers then presented a revenue forecast spreadsheet for 2018's appropriations request to the Hamilton County Council:

- Based on forecast models noted, we propose an appropriations request of \$5,126,000 gross
- This represents a 9% increase in revenue over a room number increase of 12% when adjusted for on-boarding periods
- By mid-year 2018, we will have 520 more rooms in the market, or 14% but accounting for when they come on board it nets 12% more inventory over the whole year
- Propose 9% because not all of those rooms will fill
- These are only rooms that are currently under construction
- Assumes all other rooms (another 400+) are 2019
- By the end of this 2016-2019 growth cycle, Hamilton County will see more than 1,000 more rooms in the market, or a growth of 32% (these are rooms under construction) and likely it will grow to 40% if all projects come to fruition

A. Shonkwiler motioned to advance to the commission for appropriations request in 2018 of \$5,126,000. M. Jones seconded. Motion passed.

M. Jones moved to allow staff to begin talking with elected officials about the future direction of HCT.

A. Shonkwiler seconded. Motion passed.

J. Brown moved that the meeting be adjourned at 11:03 a.m.

E. Lovison seconded. Motion passed.

Meeting adjourned until June 2, 2017.