



**Sioux Falls Convention & Visitors Bureau  
 BID Board of Directors  
 Minutes  
 December 18, 2013**

**Sioux Falls Convention & Visitors Bureau Board Room**

<b>Presiding:</b>	Chrissy Meyer, Chair	
<b>Voting Members Present:</b>	Sara Bogdanov Reid Christopherson Jan Grunewaldt	Karen Masterson Mike Miller Mark Wahlstrom
<b>Voting Members Absent:</b>	Lee Howell	Shailesh Patel
<b>Non-Voting Members Present:</b>	Teri Schmidt	
<b>Non-Voting Members Absent:</b>	Jim Entenman	
<b>Others Present:</b>	Mike Cooper Jon Jacobson	Kathie Puthoff Tracy Turbak

Chrissy Meyer called the meeting to order.

**Approval of Regular Agenda**

Mark Wahlstrom moved to approve the regular agenda. Second by Reid Christopherson. Unanimous. Motion passed.

**Minutes**

Teri Schmidt noted that there should be a correction to the September minutes regarding Terms. At the September 18, 2013 meeting, Dave Pfeifle noted that if a person serves a 1-year partial term, it would not count as part of the 2 consecutive terms a person is limited to. According to the Ordinance 78-10, Section 39-194C (and Bylaws Article IV 4.2):

**Terms.** All members will be appointed to three year terms, and may not serve more than two consecutive full or partial terms.

Mark Wahlstrom moved to approve the correction to the September 18, 2013 minutes as noted above. Jan Grunewaldt seconded the motion. Unanimous. Motion passed.

## **Financial Report**

Teri Schmidt reviewed the 10/31/13 financial report:

- Sales Development Advertising \$4288—Teri referenced the ads that make up this amount
- Sales Development-Travel \$2516—travel costs associated with bidding the NCAA tournaments
- SD-Bidding \$40,578—primarily made up of costs associated with the Small Market Meetings Conference
- Tourism—Promo & Advertising \$50,016--includes Info Center Rest Stop employees hosting, Tourism advertising, Visitor Guide storage, etc.

Mark asked why when comparing the Bid Revenue Monthly Comparison report with monthly financial report...why do the amounts vary? Teri reminded that 1% of the BID revenue is given to the city for administrative costs. Also, Revenue on report...is a budgeted amount, not actual. Mark asked if maybe we can add a line at the bottom to show the 1% amount that is given to the City. Teri will ask Joan if this is possible.

Tracy noted that the \$121,729 amount reflected as YTD Last Year Revenue should be actual amount from BID revenues. They should be the same. Teri said she will talk to Joan. Kathie asked if this can be due to the trickle-down effect...the revenues that come in late? Tracy said he would believe Joan would go back and make those changes to the monthly totals. Teri will clarify with Joan and invite Joan to attend the next meeting.

Reid Christopherson motioned to approve the financial report. Second by Sara Bogdanov. Unanimous. Motion passed.

## **Funding Request**

Teri Schmidt reported that the BID received a funding request end of day yesterday. The Summit League Tournament is asking for \$10,000. The BID Board granted them \$10,000 last year. Mark Wahlstrom moved to approve the motion for \$10,000 to the Summit League Tournament. Jan Grunewaldt seconded the motion. Unanimous. Motion passed.

## **Review BID Activity**

Teri Schmidt stated that at the last board meeting, it was requested that we put together an attendance chart so we are distributing that today. Also you asked that we put together a Board of Directors Terms sheet so that is also attached.

Tracy Turbak noted that all terms come due in February....all at the same time. All current board members are eligible for another term. The City will send out a notice in January seeking submissions.

Chrissy Meyer reminded that Tracy was not at the September meeting. Teri Schmidt asked if we want to approve the Board Member terms as we voted at that September meeting. The Board of Directors agreed that we should approve nominations as agreed at the last meeting. Tracy Turbak noted that Dave Pfeifle, City Attorney, was at the last meeting and asked if he agreed. Teri said yes, Dave Pfeifle agreed, as this was our process for staggering terms....so not everybody would go off the board at one time. Chrissy Meyer reminded that per the Ordinance and Bylaws, it states that a person will be allowed to serve a partial term, but may not serve more than two consecutive full or partial terms. She reminded that she would move off of the board in less than a 3-year term..due to the fact that her placement on the BID Board is due to her position as the Chair of the CVB Advisory Council. Tracy said we are to coordinate with Mayor's office and we need to sit down with Julie to discuss. Teri agreed we would do that. After we get the terms staggered, we would be on-track for 3 year terms.

Teri reviewed the status of the soccer and softball bids noting that both bids were lost, soccer to Indianapolis who has a new facility. Other facilities are building destination facilities. We are meeting soon to discuss the situation as we have never lost 2 years in a row. For the softball bid, Sioux Falls People for Youth put up \$27,000 cash as part of the bid. The next closest amount included with a bid was \$14,000. As much as we have great parks and facilities, perhaps we have to open our eyes to what other facilities are doing. Mike Miller asked, if we lose a bid in which money from the BID has been allocated, can it be reallocated to another tournament? Teri said yes, however, to bid for a tournament, we need to have local leadership. And if we step away from ASA...local Sioux Falls People for Youth leadership will have to decide the direction we go for future softball.

Chrissy Meyer asked if we bid one tournament and don't get it and are bidding another...any chance we would get both? Or are they bidding at different times? Teri said yes. Mike Miller asked if the \$30,000 that was committed to soccer for 2015...now that we did not get that tournament, we can reallocate that money, correct? Chrissy said yes...the money will no longer be needed for Soccer 2015 so it will be used elsewhere.

Teri Schmidt distributed the recent press release stating Sioux Falls has been chosen to host seven NCAA Championships over the next four academic years. Teri explained that Anthony Travel is in charge of hotel rooming for these events, and details for that will be worked out between them, the Sports Authority, and the hotels. They will need a total of 5000 rooms to host these events that will take place between 2015 and 2018. At this point we don't know what kind of attendance they will draw from this area. Reid Christopherson added that it is in our best interest that these games are sold out so that they want to come back.

Teri reported that representatives of PheasantFest are coming for another site visit, probably in January. We may ask BID Board members to attend a dinner to host them. We are still trying to bring this event to Sioux Falls for 2015 or 2016. Reid Christopherson noted that pheasant numbers are not in our favor right now. The Governor's office is working to help with that. Reid asked if there is a place for the BID in this process? Teri said she will talk to Pat Costello and Jim Hagen and possibly invite them to one of our upcoming meetings.

Teri reviewed:

- Items of business that booked definite in September and October.
- Staff travel.
- Recent marketing and brought examples of advertising pieces for those interested in reviewing.
- The Winter Coop campaign and the BRVIP campaign which are currently up and running.

Teri reported that we have mailed 29,000 visitor packets in response to requests.

Small Market Meetings Conference—the BID Board approved \$133,000 for this Conference. Expenses came in just under budget at \$126,000. Sioux Falls received 94% great response by attendees and 100% in the niceness rating.

### **Review of BID Collection Process**

Tracy Turbak noted that there are 48 hotels remitting BID Tax. There are 4-5 new hotels coming on-board next year. Overall, the timeliness of remittance has been very good. There is currently only 1 problem hotel. Teri and Tracy have talked about this and the CVB will be following up with the hotel.

There are generally 6-12 hotels every month that don't return the reports with their remittance checks...so we are working on that. Tracy met with Teri regarding this so they can work with hotels to get them on-track.

Teri asked Tracy, per email yesterday, when a hotel isn't remitting their taxes, are they going to be thinking that this is a tax to the City, and they should be dealing with the City? Tracy said the intended role of the CVB is to

educate and remind hotels of process and procedure. And then if they don't pay it's up to the City to come in later and work with them if they are not cooperating.

Jan Grunewaldt asked if there are legal ramifications if they don't pay. Tracy said yes. Chrissy Meyer asked what the procedure is with other entities with similar collection processes. Tracy said ultimately the City is not in the business of collecting taxes, and that collection is not the issue, it's more an issue of reporting, and accuracy of reporting...and CVB can work with hotels to educate, etc.

Teri restated that what Tracy is asking is that the CVB go to the new hotels and gets them signed up and educated. Chrissy said she would like to see a joint effort by City and CVB. Is there a conflict of interest for the CVB? Tracy stated that when the BID was created, it was the intention that the CVB would take the lead role. Teri asked, when a new hotel opens, how do they know the rules? Karen Masterson stated that a new hotel would need to apply for a tax license and they should find out everything then.

- Reid Christopherson stated that maybe we send a quarterly email to managers to educate them.
- Mike Miller suggested perhaps we can go out to 5 hotels a month to re-educate.
- Jan Grunewaldt stated it's all about perception...should/does the CVB have the perceived muscle?
- Mike Miller said the BID is free advertising to the hotels...if presented to them...the playing field is level.
- Jan Grunewaldt said she likes the face-to-face idea, but that is a lot. Even an email to give a snapshot of how the BID dollars are working might be an idea.
- Mark Wahlstrom said we spoke about this same thing last year at this time. How do new hotels find out?
- Chrissy Meyer asked how does the downtown bid get collected?

Teri Schmidt stated that there is one property that is very delinquent. She asked Tracy Turbak if he knew the amount? He said they don't really know. Teri asked at what point do we implement the fines? Tracy said that is the question we wanted to review with the Board.

Reviewed: Ordinance 78-10, Section 39-190 Penalties for failure to pay occupational tax.

Teri asked Tracy: Are you asking the board for input on how closely we should follow the penalties in the Ordinance? Does the board have feelings on how strict or lenient we should allow? Reid Christopherson stated that if the money is being collected and not remitted, then that's a felony. If the money is not being collected, then that is a different story. Tracy stated that this isn't the only property that has been late. Up to this point, a simple reminder to properties has helped with all but this one property.

Chrissy Meyer said perhaps after 90 days we state that there is a problem that needs to be addressed. Mark Wahlstrom stated, from a business standpoint, if it has reached 90 days, perhaps the City attorney should send a letter stating they are in violation and if you don't fix it, then this specific penalty will be instituted...lein, etc. Mark added, this is a public meeting...I don't care if we put that property name on the table. Mark stated that maybe we need to have Tracy visit with Dave Pfeifle. Maybe there needs to be a change to the Ordinance. Teri asked for a motion. Chrissy Meyer recapped the following motion: If a property is still delinquent after 90 days, have the City Attorney send a letter outlining the penalties, and if situation is not resolved in 15 days... The Motion failed for lack of a second.

Reid Christopherson stated we don't have the authority to task the City Attorney with anything.

Teri asked if she and Tracy can meet with this property before next meeting and see what we can do with them. Teri asked Tracy whether that property believes they are receiving benefit or not? Jan Grunewaldt stated the real question is whether they are collecting the BID tax and not remitting it, or just choosing not to participate?

Mark Wahlstrom had to leave the meeting at this point.

### **Event Center Update**

Tracy Turbak reported that the focus is now on selling sponsorships for loge boxes. Approximately 99% of construction has been contracted for or under contract. SMG did sign contracts last week for Stampede to play in the Event Center. The Denny Sanford Premier Center website should roll out in January next year. The Event Center is still scheduled to open in September 2014. Reid asked if it was possible for the BID Board to get a tour. Teri asked if we should arrange a group tour, but also let them know who they could contact for a tour.

### **Update on the North Minnesota Avenue Corridor Project**

Mike Cooper, City Planning Department and Jon Jacobson, Confluence Principal, gave a presentation with perspective streetscape improvements to the North Minnesota Avenue Corridor Project. Mike Cooper suggested they come back in June 2014 with another update.

### **New Business**

Reid Christopherson stated that as the BID is maturing, are we moving to a point where we are comfortable with maybe booking an event/concert at the Event Center and promoting it everywhere? Teri Schmidt stated that we have opportunities, but at this point we are a sales organization. There is some risk for that but yes. Reid asked if there is something bigger we can build? Chrissy Meyer asked if there is potential for us creating our own sports tournaments? Teri said there has been some discussion on that.

### **Announcements**

Teri Schmidt extended thank you to the BID Board members for their time and commitment participating on the board.

Reid Christopherson made a motion to adjourn the meeting. Jan Grunewaldt seconded the motion.

Meeting adjourned. The next meeting is scheduled for March 19, 2014 in the CVB Boardroom.

Respectfully submitted:

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Kathie Puthoff  
Name

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December 18, 2013  
Date