



Tucson Convention Center
Thursday, July 17, 2024, 9:30 A.M.
Meeting Room 205
260 South Church Avenue, Tucson, AZ 85701

Meeting Minutes

1. Call to Order/Roll Call

The meeting was called to order at 9:40 A.M. by Glenn Grabski. A quorum was established. Those present and absent were:

Committee Members Present:

Jose Jimenez	Mayor's Office
Ned Beman	Ward 2 Representative
Ronnie Reyna	Ward 5 Representative

Committee Members Absent:

Vacant	Ward 1 Representative
Vacant	Ward 3 Representative
Vacant	Ward 4 Representative
Vacant	Ward 6 Representative

Staff Members Present:

Ross Adelman	City Manager's Office, Late Arrival
Glenn Grabski	Tucson Convention Center
Shaun Tilley	Tucson Convention Center

Staff Members Absent:

Kate Breck Calhoun	Tucson Convention Center
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2. Approval of January 18, 2024, Minutes

Ned Berman made a motion to approve the minutes and Ronnie Reyna second the motion. The motion was passed by a voice vote of 3-0.

3. General Manager's Report – Operations, Sales, Financial, FY 25 Budget, Tucson Roadrunners

a. Operations

Shaun Tilley mentioned APL Security Cameras and Key Card capital improvement initiative which is a \$1.2M expense, of which ASM Global paid \$500,000. The access program installation is one quarter complete.

Shaun Tilley referred to the big storm that hit downtown this past weekend which took a toll on the facility. There was flooding in the 100 meeting rooms and exhibit halls, tree debris in the Plaza and in front of the Ticket Office. Staff is working on the cleanup.

b. Sales

Kate Breck Calhoun is out sick, and Glenn Grabski reported on the following:

- (3) Student Group Conference booked in March and April
- Tucson Heart Ball in January
- We lost the Arizona Bowl
- Booking is solid in Fall 2024 and Spring 2025

Glenn Grabski reported that we have 17 ticketed events are on sale, July – January 2025 which do not include Symphony, Roadrunners, UA Hockey or Disney on Ice.

c. Financials

Glenn Grabski introduced the new Director of Facility Accounting and TCC's accounting software conversion to D365.

Glenn Grabski reviewed Fiscal Year 2024 Year End statistics. He highlighted TCC subsidy budget to actual decreased and was only \$2.6M and attendance was up 11,000 budget to actual.

d. FY 25

Glenn Grabski mentioned that the changes to the Fair Labor Standards Act (FLSA) were not included in this budget. On July 1, 2024, eleven team members were moved from salary to hourly positions because they made less than \$43,894 annually. Effective January 1, 2025, the minimum salary will increase to \$58,656 which will affect another 11 employees. Consequently, managers will have to monitor overtime and cover events when necessary. FLSA will affect our FY 25 budget expense by \$200,000, which was not accounted for when the budget was submitted.

e. Tucson Roadrunners

April 19, 2024, the announcement was made that the Meruelo Group would sell the NHL Arizona Coyotes to the Smith Entertainment Group in Salt Lake City, UT. The sale does not include Tucson Roadrunners and for several months the Tucson Roadrunners were in a state of flux, moving to Tempe and or splitting the games between Tempe and Tucson.

Rio Nuevo. Rio Nuevo agreed to pay \$240,000 in expenses per year for the next three years. These expenses are:

- Pay 50% of their license fee (rent) which is approximately \$175,000 TCC rent subsidy
- Rio Nuevo will pay \$60,000 to pay for their office
- Rio Nuevo will waive the contracted Facility Fee of \$2.00 per ticket sold fee which was above and beyond TCC's Facility Fee.

In lieu of these financial accommodations, Tucson Roadrunners will play all home games in the Tucson Arena for the next three years.

4. Update from Visit Tucson

Graeme Hughes presented New Convention Statistics.

FY 24 Statistics

- The Marketing (social engagements) budget was \$4.5 million, Visit Tucson exceeded the budget by 14%. Users to Visit Tucson website grew 217%
- Group Sales exceeded the goal of 340 convention bookings and 75 sports bookings
- TCC rooms night booked by way of Visit Tucson's convention and sports bookings were 42,315 occupied hotel rooms. Of this CCJW booked 9,400 room nights in FY 2024.
- Three percent of Visit Tucson's subsidy by City of Tucson creates a TCC Marketing Fund. This Fund is designed to support marketing and booking initiatives at TCC. In FY 2024, \$245,000 was spend to pay for rent for several groups, included rent for, CCJW. Visit Tucson sponsored a new TCC web site designed by Simpleview and sponsored TCC membership fees for CVENT.

Smith Travel Research report from January – May 2024:

- Occupancy was 68.3% which is down 3.5% versus last year
- ADR is down .04%
- Revenue Per Available Room down 3%.

5. Call to the Audience

N/A

6. New/Old Business

N/A

7. Future Agenda Items

N/A

8. Adjourn

Motion to adjourn at 10:23 A.M.