



SPORTS & ENTERTAINMENT AUTHORITY

HENRICO COUNTY, VIRGINIA

To wit:

An informational meeting of the Board of Directors of the Sports & Entertainment Authority of Henrico County, Virginia, was held at 10:00 a.m. on Wednesday, April 17, 2024, at the offices of the Economic Development Authority of Henrico County, Virginia, at 4300 East Parham Road, Henrico, VA 23228.

DIRECTORS PRESENT

Sheila S. Minor, Treasurer
Steven J. Yob, Chair
J. Oscar Knott

DIRECTORS ABSENT

Vaughan Crawley, Vice Chair
Yvette D. George
Marielle McFarland, Secretary

DIRECTORS PARTICIPATING ELECTRONICALLY

OTHERS PRESENT

Dennis Bickmeier, HSEA Executive Director
Dawn Miller, HSEA Staff
Michael McCormack, HSEA Staff
Megan Hazzard, HSEA Staff
Jacque Frame, HSEA Staff
Ian Mott, HSEA Staff
Ryan Murphy, Deputy County Attorney
Matt Chafin, Deputy Director of Finance
Aaron Shaber, ASM Global Accounting Manager

HSEC / ASM Financial Update

Mr. Chafin assisted by Aaron Shaber presented the Sports & Events Center financial update.

Mr. Chafin provided a brief refresher on the history of the facility. He highlighted the rapid pace of set up to opening, the work by HSEA staff, and this Board's support and dedication. He noted 46 of the 52 weeks in 2024 have been booked.

The Financial Statement review plan lays out high level deliverables with a regular cadence of monthly and quarterly financial statements. The monthly statements will be reviewed by the Finance Committee and HSEA staff while the review of the quarterly statements will include the Board.

The Sports & Events Center has been successful to date, noting financial performance running 12% favorable to budget fiscal year to date. The estimated fiscal year to date economic impact of the Center is \$14.9 million (not including the A-10 Championship Tournament).

During his review of the financial statements, Mr. Chafin noted an unbudgeted cost related to the A-10 tournament. This is a result of certain costs to host the tournament being paid by the authority but not included in the initial adopted budget. He recommended the board consider a budget revision at a future meeting for the FY25 operating budget prepared by ASM to reflect the cost since the event will recur.

The food and beverage revenue category is unfavorable to budget due to lower than expected per person spending. The budget was created using other ASM-managed facilities' food and beverage averages that experience higher foot traffic from adult aged patrons who tend to spend more on F&B per visit compared to events hosted fiscal year to date that attracted a younger demographic. It was also noted that the Center's concessions were not set up to sell at full capacity for a portion of the reporting period.

Sponsorship agreements are expected to start generating revenue in Q4 as those agreements are finalized and sponsorship payments are earned leading to incremental revenue quarter over quarter.

Mr. Bickmeier noted that the financial statements align with financial estimates prepared in advance of the facility's opening.

Ms. Minor stated that overall the first quarter looked good. Keeping expenses down and the Center running resulted in a favorable to budget financial picture.

Mr. Chafin recommended the authority and ASM continue their focus on the Center's performance drivers: new events, streamlining expenses, and increasing food and beverage spending per patron.

Mr. Bickmeier thanked Mr. Chafin, Mr. Hinton, Mr. Shaber, and the SEA staff for their support. He also recognized the continued collaboration between SEA and ASM.

Committee Reports

Marketing

Mr. Yob reported on the April 17, 2024, committee meeting. The committee reviewed the A-10 Championship Tournament social media analysis. The social media impact included 1.63 million mentions of the Sports & Events Center and the Authority, over 1 million pages and profile impressions, and just under 500 new followers. The local advertising with a focus on the “drive” markets and the schools’ markets were beneficial while the out of state digital advertising was not as effective and will not be used in 2025. The A-10 social media and advertising stats are expected mid-May. The A-10 Education Days were successful, and the championship game was just shy of a sellout.

Mr. Bickmeier reminded the Board that the Virginia Sports Hall of Fame Induction Ceremony is this weekend, April 19 – 20. HSEA received the Costar Commercial Development of the Year Award. A photo of the County Manger, Mr. Hinton, and Mr. Bickmeier will be taken prior to the April 25th VCC Hotel Groundbreaking event. Mr. Yob and Ms. Miller provided details on First Tee’s Volunteer Week beginning April 22nd. The more volunteers, the more youth can participate in the First Tee golf program. HSEA is partnering with First Tee by amplifying First Tee’s message during Henrico’s Volunteer Week. Henrico Public Relations videography will attend and push the event.

The outdoor sports season has begun with softball tournaments and the Babe Ruth tournament on the horizon. Two new indoor events are booked at the Sports & Events Center, the Silent Disco and Sips and Strings. These two events provide event variety and build new relationships. The Henrico Public School Graduation ceremonies are scheduled for May 29 – 30. Public Works is creating a new entrance due to road construction.

Events / Facilities

Mr. Knott informed the Board that the committee has not met since the March 18, 2024, meeting due to scheduling conflicts.

Strategic Planning

Mr. Knott reported that the Committee will review the recently received S.I.R. project proposal. This is a small project that will build a visual plan and organize existing information into one document.

Finance

Ms. Minor reported on the April 12, 2024, committee meeting. She stated that Mr. Bell reviewed SEA’s FY24/25 budget. She noted that some line items need to be reviewed and that revenue accounts need to be added due to SEA’s variety of revenue streams. The budget will be presented during the May 15, 2024, Board of Directors meeting. The Committee reviewed the Year-to-Date appropriation report and noted that there is \$2 million reserved for the VCC land purchase. The remaining \$1 million of the original \$2 million County appropriation for the Sports & Events Center will be requested to carry over to the 24/25 budget. Mr. Shaber and the Committee reviewed the Sports & Events Center financials. ASM has designated \$200,000 to research and contract other events for the Center. The graduation ceremony expenses need to be tracked to record costs associated with the ceremonies. The next meeting is May 3, 2024.

Executive Director's Team Monthly Update

Mr. Bickmeier offered the SEA Team monthly report to the Board.

Mr. Bickmeier reported that March was a big month with the A-10 Conference Women's Basketball Championship Tournament and the Richmond Strikers Jefferson Cup soccer tournaments. The SEA team is in execution mode for current events, planning for the next few months and bidding on events years down the road. March was the first time the Center overlapped with a big regional event, the Jefferson Cup. There were five weekends in March, and all were busy with sporting events. This pushed the March economic impact numbers extremely high and possibly the best March ever for the Richmond region. Richmond Region Tourism is calculating the final numbers. Mr. Bickmeier highlighted some of the sporting events that occurred during March. The Jefferson Cup had 1800 teams compete with the use of facilities from Fredericksburg to Williamsburg. Henrico's parks and high school fields were featured heavily. The second Prep Softball Classic, which featured the top eight Virginia teams, was held. Indoor events included Extreme Heights, which is the second of three gymnastic competitions planned. The A-10 Women's Basketball Championship tournament brought national television exposure to the Center and resulted in 1200 hotel room reservations. The hotel capacity for March 3 – 9 was 62% for the weekday and 81% for the weekend, the highest in the state, with some hotels at 90%. This hotel occupancy might have impacted the number of teams that registered to play in the Phenom Hoops tournament. HSEA is looking into a way to track the fan economic impact for things such as vehicle rental and air travel, and hotel reservations. Numerous A-10 segment recap meetings are being held. The Special Olympics championship event was played at the Center. March ended with the first of five Big Shots events. This tournament had 97 teams play Friday through Saturday of Easter weekend. This was also the NASCAR weekend, so the hotel occupancy numbers are projected to be high.

Non-sporting events and meetings held at the Sports & Events Center included the YMCA Annual meeting, Virginia Department of Wildlife Resources Board meeting, Henrico 21 #LifeReady Learning Exhibition, and All Henrico Reads.

Mr. Bickmeier reported the March 2024 economic impact for sports and entertainment tourism is \$34 million compared to \$28 million for the prior year. The March 2024 figure will rise once the A-10 Championship tournament data is added. He noted that over 1,000 more teams and 700 plus more out of town teams played year over year.

The National Wheelchair Basketball tournament was held at the Sports & Events Center. There was a lot of media coverage. Recap meetings are in progress.

The Authority, outdoor events, and Sports & Events Center media coverage over the last 6 weeks has had a high volume.

The SEA team is coordinating with Recreation and Parks for the outdoor tournaments.

The Virginia Sports Hall of Fame Induction Ceremony has approximately 600 registered attendees, and the breakfast has 200 registered attendees.

Mr. Bickmeier recognized the Public Relations department for capturing great video and images of the A10 Championship week. These videos and images will be used in the future.

The SEA's transition from the County includes RFPs, a VRS actuarial study, and the review of employee benefits with Lauren Taylor's assistance.

The look ahead includes the CIAA Conference Championship for its third year. Caroline County Schools will hold its graduation in addition to Henrico's graduations in May. Ms. Grubb and others are working with Henrico Police Department and various other County agencies to plan graduations. The Henrico Police Department is doing a great job with graduation planning and managing the outside of the building.

Indoor weekday usage is expected to increase.

The Outdoor Athletic Complex has three new rentals including monthly archery tournaments and the state archery championship tournament in August.

No other business was discussed, and no votes were taken.



Marielle McFarland
Secretary