

Lorain Port and Finance Authority
Board of Directors
Marketing and Public Affairs Committee Meeting
Port Office
Tuesday, February 13, 2023, at 5:00 p.m.

Committee Members: Ms. Kiraly and Bonilla; Messrs. Nielsen, Scott and Veard (5)

Board of Directors: Mrs. Silva-Arredondo (5:47 p.m.) Messrs. Zellers and Zgonc

Staff: Tom Brown, Executive Director
Tiffany McClelland, Assistant Director
Yvonne Smith, Accountant
Kelsey Leyva-Smith, Office Manager
Michael Brosky, Esq., Port Attorney (5:49 p.m.)

Guests: Howard Ross, BrewFest

I. Roll Call

A. The Marketing and Public Affairs Committee Meeting was called to order at 5:04 p.m. by Chairman Carl Nielsen with a roll call indicating a quorum present.

II. Report of Chairman

A. BrewFest Presentation: Mr. Nielsen turned the floor over to Mr. Brown. Mr. Brown said as the board knows, we've had a very successful BrewFest event at Black River Landing in the past. Howard Ross from BrewFest is here tonight. They are a committee of volunteers under the umbrella and accounting of Lorain Growth Corporation. Jim Long is their executive director. There has been a division of the two entities. Both asked for the date this year. Mr. Brown said he asked both to submit an application. To date, Mr. Ross's group BrewFest is the only one who has submitted an application. Mr. Long had an alternate group but they are not interested in this year. Mr. Brown turned the floor over to Mr. Ross. Mr. Ross said this will be the 10th year that the committee has organized the event and there aren't many that have lasted this long. It's a testament to the committee and its hard work. He said Albert Calo is a new committee member for them this year and will be a great asset in securing sponsorships. They plan to do what they've always done but on their own. Mr. Ross said they've registered

with the state and will form an LLC. They plan to partner with a local nonprofit that is still to be decided, possibly Lorain Palace Theatre. They need to do that to secure the F2 permit. Going into the 10th year, they want to put on the best event ever. Every year is a learning experience, and they believe they've turned it into something tremendous for the area and region. Their mission is to bring people to Lorain to see what a beautiful area this is. Mr. Nielsen said they broke away from Growth Corp. Mr. Ross said yes. Mr. Nielsen asked if the group will be a nonprofit or a for-profit? Mr. Ross said they plan to be for profit. The event takes a lot of work and the volunteers who have been involved for many years have never been paid. Mr. Nielsen asked how many attend? Mr. Ross said 1,500-2000 people. There are 50-60 brewers, 20+ vendors, three bands. With all the time and work invested, the committee would like to get paid. He said when they started it was only 10 brewers, a band and a food truck. It's not so simple anymore. They're going for for-profit and looking to produce other events because of their experience. Mr. Nielsen said in the past it was easy to donate the site because they were nonprofit. The challenge now is we can't donate a site to a for-profit. It sets a bad precedent. We'll have to figure that out. It's up to the committee but he doesn't see us not charging being an option. Mr. Ross said with rent they would definitely have to figure something out. They'll have to fund everything themselves this year. They do early bird sales and sponsorships which helps with cashflow. He said first, the committee needs to solidify a date to be able to do the sale. Mr. Nielsen confirmed the application is complete? Mr. Ross said yes. Mr. Nielsen asked Mr. Ross what he wants recommended to the full board? Mr. Ross said he wants the August 10 date solidified. Mr. Mullins asked if the event was funded and they could pay a deposit? Mr. Ross said yes, once everything is solidified, he can start selling sponsorships and early bird tickets. Aside from that, there are some back bills from last year that the group will take care of. Mr. Nielsen said locking in the date would be with no money at this point? Mr. Ross said yes. Mr. Scott asked if they would be doing a partial split with the Palace? Mr. Ross said no, they need an F2 liquor permit, and the only way to get one is to partner through a nonprofit. Mr. Nielsen said it's the

same as Rockin' on the River. Mr. Scott asked about the anticipated cost for use of the facilities? Mr. Ross said he's not sure. Mr. Nielsen said the deposit is \$1,000 and the rental fee is \$2,600 for a for-profit. The port could possibly give advertising dollars. There are creative ways to offset the cost, but we can't deduct from our stated fees. Mr. Scott asked about the profit the last few years. Mr. Ross said last year was a rainout. The year prior was \$6-7,000. Any money leftover always went toward the next year event. Mr. Scott asked about an average profit over the last several years. Mr. Ross said they've made money in other years. Mr. Nielsen said it is a weather dependent event. Mr. Ross said it has ranged from losing a little to making \$5-6,000. Mr. Scott said they've gotten rave reviews. We appreciate all they do, but we're just stuck in a situation where their switching from a nonprofit opens the door for everyone else. Ms. Kiraly asked if anything was set up with the potential nonprofit? Mr. Ross said no. His suggestion to their committee is the Lorain Palace Theatre. Mr. Nielsen said they have created a go-to event for a lot of people. Mr. Brown said BrewFest has always had Lorain Growth as a financial backer. What you're describing now is running the event on a razors budget. If you had a rain out and lost \$1,000, are you going to be able to afford everything? Mr. Ross said typically everyone is paid the day of the event. Mr. Brown said we've had it happen in the past where someone came to us saying "your promoter didn't pay me" and they're coming after us. We need some assurance this is buttoned up and will work. Right now, they are the only one on the calendar. The date is the easy part. Mr. Zellers said Mr. Ross mentioned there being debt left to pay. How much? Mr. Ross said there is some merchandise that people ordered and Lorain Growth cut off the funding for and it's \$1,300. Mr. Nielsen asked if the customers paid for their order? Mr. Ross said yes, but then Lorain Growth turned off the credit card before the shirts could be ordered. Lorain Growth was supposed to buy the shirts and decided not to. He said step number one is satisfying the customers from last year, then starting presale and selling sponsorships. Mr. Zellers asked when will they start paying themselves? Mr. Ross said that's something they'll figure out along the way. Mr. Brown will be in touch. Mr. Nielsen said to lock in the date officially, we

need money down. Mr. Scott agreed. Mr. Nielsen said we can do a tentative date lock, but we expect the deposit payment shortly thereafter. Mr. Mullins asked about the structure moving forward? Mr. Ross said they will be an LLC but haven't gotten it yet. Mr. Scott asked if they have liability insurance? Mr. Ross said that's one of the things they'll have to purchase. Mr. Mullins said he thinks they need to come back with an LLC and structure, because it's hard for us to get involved with an individual and there's going to be personal liability because he's signing for it personally. Mr. Ross said if his committee doesn't have a date they don't have anything. Mr. Mullins said they could obtain an LLC online or contact a lawyer. He would like a name, LLC, EIN, structure and insurance. Mr. Scott suggested possibly waiting a year to make the switch to for-profit. Mr. Ross said the if the committee doesn't lock in the date soon there won't be a BrewFest this year. Mr. Nielsen suggested the committee giving a tentative lock for 90 days. Within those 90 days they'll need to satisfy the board's requests. Mr. Ross said it would be faster than 90 days. Mr. Nielsen said within those 90 days they have to get an LLC, liability insurance and the security deposit. Mr. Scott said he thinks that is a good idea because we don't want to lose BrewFest. Mr. Scott moved for 90-day tentative lock on August 10. Second by Mr. Veard. Motion carried.

- B. Solar Eclipse Event Monday, April 8, 2024:** Mr. Nielsen said he's been talking with Mr. Brown a lot. He and Ms. McClelland have worked hard on this. The challenge is weather is hard to predict. We're probably not going to cover our expenses, but he thinks we need to establish what our appetite is for risk and how much we're willing to use. We need to talk about parking. Do we charge or make it a free for all? He and Mr. Brown have some ideas. Right now, Main Street is going to serve the alcohol. We're talking about splitting parking lot proceeds with Main Street possibly. Mr. Brown said no matter what there will be expenses that day. The goal of the event is to have the revenues offset the expenses. No matter how we look at it, we'll have port-o-johns, bathroom attendants, litter control, etc. The screen is more expensive than we thought. We're trying to plan an event where it could be 35 degrees and snowy, or it could be 60 and sunny. Mr. Brown said if it's busy, it will likely be like RoverFest. He

said they're estimating 2 to 3 million people coming Lorain County. Mr. Veard asked how long the eclipse is? Mr. Mullins said about 4 minutes from start to finish. He said he sits on a few boards and people are taking the day off. Those people are going to be looking for something to do someplace together, so even if you have a cloudy day, the kids are home from school, businesses are shutting down and hotels are packed. There's people coming in and they're spending money. Mr. Brown said if we drop the video board the numbers get much better. Ms. Bonilla said she thinks we can charge \$20 for parking. Mr. Mullins said he thinks people will gravitate toward this location. He said Red Cross is recommending people buy enough supplies for three days because the whole system's going to be so overwhelmed that traffic could go on for a day. Mr. Brown said the County EMA Director estimated 500,000 to 1 million people in the area because you aren't gaining that much by being in the perfect line. Ms. McClelland said on the flip side of that, Lorain City Hall is telling people to close down because if they try to stay open or go to work you could get stuck for three days. She said these prices are just a starting point. This is all up for discussion. She estimates 500 cars and 500 beers. Mr. Brown said The Summer Market has a \$20 per spot parking lot during their event and it sells out in 20 minutes. Mr. Scott said we might want to charge more for preferred parking versus traditional parking if not too complicated. He also wants to look at worst and best case weather scenarios so we can aim in the middle. Mr. Brown said we need to protect our parking lots starting the Friday before. Mr. Mullins said if that's the case, we could charge for entry and parking. Mr. Nielsen said he didn't think we would be able to get 20 volunteers to park cars all day. Mr. Veard said it takes a lot to protect a parking lot. Mr. Brown said we have a lot of interest from food and merchandise vendors. We are accepting all vendors and the fee to participate is nonrefundable. Mrs. Leyva Smith said she has 14 applications in hand so far and about 15 others expected to be turned in. Mr. Scott asked what the timeline is? Mr. Brown said with the event being April 8, we only have one meeting left before it takes place. The staff needs parameters. At Black River Wharf, we could have RV parking and ask Oasis Marinas to help. Mr. Scott asked what staff needs

tonight? Mr. Brown said he wanted to discuss the budget. He said he thinks the easy item is eliminating the video board, which saves about \$5,000. He thinks we need more than a DJ and believes Michael Webber is a great compliment for the event. He's a good draw. We will have expenses that day no matter what. We're working with the stage company to have the vinyl top installed. Mr. Brown said dropping the screen we're at \$10,000. Mr. Nielsen said other items may pop up. The consensus of the committee was to eliminate the screen. Mr. Zellers said if our expenses are \$10,000, what do we expect to bring in? Ms. McClelland said her low estimate would be \$6,000. If everything was great we might be able to break even. Mr. Zellers said he doesn't know why we need to throw a party if people are willing to pay us to be food and merchandise vendors. We could charge for that and stop there. Mrs. Smith said if we go bare minimum, we still have to provide bathroom attendants, port-o-johns, litter control, etc. Mr. Zellers asked if that was because people would be on the site? Mrs. Smith said yes. Mr. Nielsen said the DJ and beer would keep them here. Mr. Mullins said people will gravitate to our site whether we do something or not. He thinks with people having the day off and our event lasting six hours, we'll have people buying drinks. Mr. Scott suggested creating an LLC in the future to handle things like this. Ms. McClelland said our profits would be split with Main Street Lorain. Mr. Scott asked if they were taking on any of the cost? Ms. McClelland said the only thing we have proposed to Main Street is if they bring volunteers to pour beer, we'll split the proceeds. They have not agreed to this yet. Staff will be parking cars. Mr. Brown said if we did bare minimum, we're still going to pay for port-o-johns, restroom attendants, trash, and maybe security. Mr. Scott asked if there was any way sound could be cheaper than \$4,200? Mr. Brown said we can go out for proposals. This is the price from Vertical Sound who sets up for the concerts. Ms. McClelland said if we did nothing it would still be about \$3,000. If we have food trucks, that might bring in \$2,000. Mr. Nielsen said food trucks may not come without entertainment. He said time is running short and we need to make a decision on what direction we want to go. Mr. Brown said he reached out to promoters who weren't interested in putting on an event due to the unknowns.

Mr. Scott said if we scale down it'll be 70 degrees and clear, if we go all out it'll be 40 degrees and cloudy. Ms. McClelland said if we don't make it worth it to come here, then people will find another place to go. Mr. Mullins said people will wonder why we didn't use our site. Much smaller organizations are investing a lot. They're expecting people from all over. If we have half a million more people in the area, that's going to impact a lot of businesses. Mr. Mullins asked about what marketing we've done? Ms. McClelland said it has been very vague because we need to make some decisions on the direction we're going. Mr. Mullins said if we're doing this we need to make a decision now so we can get a jump on it. Ms. Kiraly said she thinks we push forward. Ms. Bonilla agreed. Mr. Nielsen summarized the consensus is to move forward with the event without the video screen and try to find a partner to park cars. Ms. Kiraly asked what the cost would be to hire someone versus paying a nonprofit? Mrs. Smith said paying an employee would be nominal compared to splitting with a nonprofit. Ms. Bonilla moved to recommend to the full board a full solar eclipse event except the screen. Ms. Kiraly seconded. Motion carried. Mr. Brown said his goal would be not to exceed \$11,000.

- C. Port 60th Anniversary Saturday, May 4, 2024:** Mr. Nielsen said it's our 60th anniversary. Do we want to do anything? If so, when and what? Ms. Kiraly suggested a shirt promoting our anniversary during the eclipse? Mr. Brown said he thinks the shirt should be more about the event if we go that route. The logo you choose of the ones we're presenting will go on promotional items and be imbedded our social media posts. Ms. McClelland said there have been conversations about everything from a gala to a soft marketing campaign. She said we can do something bigger, but if you don't want to, we can begin with choosing a logo. If you don't like any, we can start over. Mr. Scott said a soft marketing campaign sounded best with all we have going on with the stage fundraising campaign. (5:57p Al Zgonc) Mr. Nielsen likes the idea to brand it. Mr. Mullins suggested tying it into a Rockin' on the River concert later in the year. (5:58p Frank Sipkovsky) The committee gave suggestions and Ms. McClelland said she would update the special anniversary logo and move forward.

III. Other Business

A. None.

IV. Adjournment

A. There being no further business to come before the Marketing and Public Affairs Committee, Mr. Veard moved to adjourn the meeting. Second by Ms. Kiraly. The motion carried, and the meeting adjourned at 6:00 p.m.

Carl Nielsen, Chairman

Tom Brown, Executive Director