

GREENVILLE ARENA DISTRICT
BOARD MEETING
July 25, 2023 Minutes
4:00 PM

Present: Neetu Patel, Dante Russo, Amber Drummond, Neil Smith, Jimmy Pitman, Buddy Dyer, Barry Formanack, Kerry Lightner, Brittany Moore

Also Present: Beth Paul, Adam Lambright, Grace Powlas, Bill Foster

Chairperson Patel called to order, for the purpose of doing business, the Greenville Arena District Board of Trustees, held on July 25, 2023, at 4:00 PM with a quorum present.

Minutes

Mr. Russo made a motion to approve the June 2023 Greenville Arena District Board Meeting Minutes. The motion seconded by Mr. Smith. There was no opposition to the minutes.

There being no further discussion, the Minutes were approved by a full vote of the Board Members present.

Management

Mrs. Paul presented the Management Report for June 2023, which included FY2023 (unaudited) financial results and FY23 Capital Expenditures, Cash Flow, and Debt Summary. The presentation also included slides on the District's Strategic Objectives.

Mrs. Paul stated the Operating Profit from activities of the Bon Secours Wellness Arena generated profits of \$4,883,000 for FY2023, compared to \$5.7MM in FY22. Mrs. Paul reviewed a graph illustrating Operating Profit for 10-Years, and stated that FY23 was a very strong year financially. Ms. Paul stated that the FY23 Audit will be the final year that the report includes a comparison to the "COVID Year"

Mrs. Paul reviewed a slide in the Management presentation highlighting Event Income of \$7,633,000, compared to \$7.9MM in FY22, primarily due to fewer concerts.

Mrs. Paul responded to a question from Mr. Formanack to clarify "utilization" by stating the Arena was utilized 258 days in FY23 for events, load-ins, pre-rigs, community events, etc. Ms. Paul stated that annual attendance was 550,000 compared to 571,000 in FY22.

Mrs. Paul stated that Winter Jam had the highest attendance of a single event, SEC Women's Basketball Tournament had the highest multi-performance attendance, Kenny Chesney was the Highest Grossing Show, and Five Finger Death Punch has the highest F&B per capita spending in FY23.

Mrs. Paul indicated the Greenville Swamp Rabbits' attendance increased significantly, resulting in favorable results for the Arena District.

Mr. Lightner asked if Club Seats were primarily sold to individuals or businesses. Mrs. Paul explained that the make-up was 50% individuals and 50% businesses.

Mrs. Paul reviewed information on "Other Income" and stated that Other Income for FY23 exceeded the FY23 Budget. Mrs. Paul stated that Other Income includes Premium Seating Revenue, Sponsorship Revenue, and other contractually obligated revenues from Ticketmaster and City of Greenville. She also indicated that revenue generated from ice related activities is recorded to Other Income.

Mrs. Paul stated that Operating Expenses in FY23 were approximately \$7,113,000 and expenditures include payroll, utilities, maintenance, and they continuously invest into the Arena's operation.

Mrs. Paul reviewed FY23 Capital Expenditures and stated that \$964,000 in projects were completed and paid, \$279,659 are in progress/clearing, and \$621,907 will likely be carried into FY24.

Mrs. Paul stated that the renovated Roost concession stand in Section 104 delivered a 39.4% increase in sales per event. Mrs. Paul also stated the Frozen Drink Stand is now the 3rd or 4th highest grossing point-of-sale in the Arena (based on the type of show). Mr. Dyer asked for clarification on "per cap", and Mrs. Paul stated she would follow-up.

Mrs. Paul reviewed cash flow summary for FY23, and indicated the District's unrestricted operating cash balance increased \$3,458,000 to \$15,590,000. Mr. Pitman asked for clarification on interest rates related to the District's available cash. Mrs. Paul stated that the State's requirement for all funds to be fully collateralized impacted the investment options of the District, and also stated that Mr. Lambright will continue to seek out investment options with higher interest rates.

Mrs. Paul reviewed the Arena District's outstanding debt balances at FY23, and stated that the District's total outstanding debt is \$17,660,000. After a question from Mr. Pitman, Mrs. Paul clarified an error in the presentation related to the outstanding debt balance at the end of FY22. The presentation read \$25,400,000, however the actual number is \$20,290,000.

Mrs. Paul reviewed the District's Strategic Objectives related to Finance, Community Impact, Organizational Health, and Experience.

Mrs. Paul stated that LiveNation promoted the greatest number of concerts at the Arena, followed by AEG, Outback, NAEG, and Premier. Mrs. Paul highlighted the importance of promoter relationships. Mrs. Paul also stated the relationship with the City and County is critical to Event Income and overall financial performance. Ms. Paul indicated that Levy's gross sales exceeded FY22, and were the highest recorded gross F&B sales for the Arena, and that per capita spending increased 6%

Mrs. Paul stated that sponsorship and suite renewal rate in FY23 was 100%, and that approximately 20 new club seats were sold in FY23.

Mrs. Paul indicated the Economic Impact of the Arena is significant on the community, and that management is considering a third-party impact study. Ms. Paul indicated the most recent study was

completed in 2016. Mrs. Paul stated that 30% of concert/comedy headliners were African-American or Hispanic.

Mrs. Paul stated that the management team continues to focus on community engagement and hosted many events including Hoops & Heels, Skate Roll & Stroll, Veteran's Day Luncheon, Arena Build, Heroes Hike, and Taste of the Upstate. Ms. Paul stated the Arena hosted over 50 community events in FY23.

Mrs. Paul addressed fan survey results and stated that in FY23, the Bon Secours Wellness Arena received 90% Very Satisfied or Somewhat Satisfied Rating. The survey sample size was 5221. Mrs. Paul stated the most common complaint is the size of the seats and narrow concourse (for large shows).

Mrs. Paul stated that the management team will be reviewing strategies to secure long-term debt financing for future renovations. Mrs. Paul stated that Teresa Cawley of Southern Municipal Advisors, the Arena District's Financial Advisor, would attend the August 22, 2023 Board Meeting to review the District's current debt structure. Ms. Paul indicated the District's general counsel and bond counsel will also be a part of the working group for master planning and will be invited to the August Board Meeting. Mr. Patel asked allowed time for questions and general discussion.

Mrs. Paul reminded the Board Members of their invitation to attend the 25th Anniversary Celebration at Fluor Field on August 1.

Finance

Chairman of the Finance Committee, Barry Formanack, made a motion to approve the FY23 Operating Budget as presented in the May 23, 2023 Board Meeting. Ms. Drummond seconded the motion. With no further discussion, the FY23 Operating Budget was adopted by full vote of the Board. Mr. Formanack motioned to approve the FY23 Capital Budget. Ms. Drummond seconded the motion. There being no further discussion, the FY23 Capital Budget was approved by a full vote of the Board Members. None opposed.

Capital Improvements

Mr. Dyer asked for an update on Wi-Fi, and Ms. Paul indicated that the full IT infrastructure is being reviewed, replaced, or updated, including Wi-Fi.

Public Outreach/Community Relations

Mrs. Paul stated she would be the primary contact for the Public Relations committee until a replacement is hired.

Other

Executive Session

Mr. Patel asked for a motion to enter Executive Session for the purposes of Contractual Matters, and excused all non-Board Members from the room. Mr. Russo made a motion to move to Executive Session, and Mr. Dyer seconded.

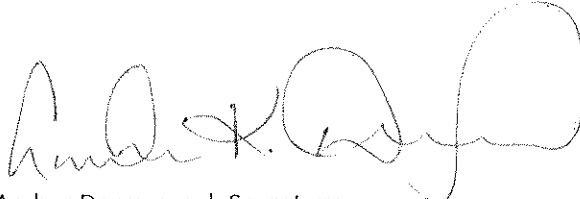
Mr. Patel concluded the Executive Session, with no action taken.

Mr. Dyer made a motion to adjourn the meeting. The motion was seconded by Mr. Patel. Meeting adjourned.

The next meeting of the Greenville Arena District Board will be held on Tuesday, August 22, 2023, at 4:00 PM, in the **Large Conference Room at the Bon Secours Wellness Arena.**

Respectfully submitted,

Neetu Patel, Chairperson



Amber Drummond, Secretary