

Kearney, Nebraska
October 21, 2008
7:00 p.m.

A Special Meeting/Listening Session of the City Council of Kearney, Nebraska, was convened in open and public session at 7:00 p.m. on October 21, 2008 in the Council Chambers at City Hall. Present were: Stanley A. Clouse, President of the Council; Michaelle Trembly, City Clerk; Council Members Randy Buschkoetter, Don Kearney, Bruce Lear, and Bob Lammers. Absent: None. Michael Morgan, City Manager; Michael Tye, City Attorney; and Wendell Wessels, Director of Finance and Administration also present. There were several citizens present: Marvion Reichert, Odee Ingersoll, Brad Kernick, Paul Younes, John Payne, Gary Roubicek, John Shafer, Gerry O'Rourke, Carl Spelts, Rich Broderson, Jackie Purdy, Mike Hendrickson, Ty Strawhecker, Ed Wiltgen, Gene Beerbohm, Craig Link, Collin Nabity, Ken Tracy, Aleisha Tracy, Greg Shea, Mike McCann, Ron Larsen, Wayne Olson, Greg Erickson, Lindsay Shultz, Tim Higgins, Jon Obermiller, Reed Miller, Andrea McClintock, Jennifer Murrish, Tammy Jackson, Todd Gottula from Kearney Hub, Steve Altmaier from KGFW Radio.

Notice of the meeting was given in advance thereof by publication in the Kearney Hub, the designated method for giving notice, a copy of the proof of publication being attached to these minutes. Advance notice of the meeting was also given to the City Council and a copy of their acknowledgment or receipt of such notice is attached to these minutes. Availability of the Agenda was communicated in the advance notice and in the notice to the Mayor and City Council. All proceedings hereafter shown were taken while the meeting was open to the attendance of the public.

ANNOUNCEMENT

Mayor Clouse announced that in accordance with Section 84-1412 of the Nebraska Revised Statutes, a current copy of the Open Meetings Act is available for review and is posted towards the back of the Council Chambers.

KEARNEY COUNTRY CLUB; MANAGER APPLICATION

Mayor Clouse opened for discussion the manager application for Gary Roubicek submitted by the Kearney Country Club in connection with their Class C-09051 liquor license located at 2800 19th Avenue.

The Kearney Country Club was issued a license in 1987. According to the records of the Nebraska Liquor Control Commission, this establishment was cited in 2005 and again in 2006 for selling alcohol to minors. According to the Kearney Police Department, Mr. Roubicek is a long time resident of the community and has previous experience in liquor sales and management as the previous owner of Bico's restaurant. During his ownership of Bico's, there were no issues with the license or the manner in which the business operated. Mr. Roubicek returned the "Liquor License Training compliance form indicating two employees have been trained and that an additional 8 employees will be receiving training on November 16 through the Buffalo County Community Partners.

Gary Roubicek was present to answer any questions from the Council.

Moved by Kearney seconded by Lammers to approve the manager application for Gary Roubicek submitted by the Kearney Country Club in connection with their Class C-09051 liquor license located at 2800 19th Avenue. Roll call resulted as follows: Aye: Clouse, Lear, Lammers, Kearney, Buschkoetter. Nay: None. Motion carried.

PROPOSED RESTAURANT OCCUPATION TAX

Mayor Clouse stated that the Kearney Visitors Bureau made the following presentation regarding the restaurant occupation tax. This is a Listening Session for the Council. The Council wants input from the citizens with regard to this matter. Therefore, no action will be taken by the Council.

Some of the citizens present in favor of the occupation tax were: Carl Spelts, Ron Larsen, Greg Erickson, Rich Broderson, Tim Higgins, Tammy Jackson. Some of the citizens in opposition included: Marvion Reichert, Ed Wiltgen, John Shafer, Mike McCann, Jon Obermiller, Collin Nabity.

Some of the positives for the occupation tax:

- Strong Chamber of Commerce and Visitors Bureau,
- Educational facilities – UNK, Central Community College, Kearney High, Kearney Catholic,
- Library facilities,
- Cooperation between City and County governments
- Athletic events,
- Merryman Performing Arts Center, MONA, Trails and Rails Museum, Kearney Community Theatre,
- Fantastic parks,
- Medical professionals,
- Public transportation,
- County Fair,
- Regional Airport,
- Cattlemens Classic,
- Banks,
- Churches,
- Industrial Park
- Nebraska Firefighters Museum
- Children's Museum

Comments voiced:

- the need for additional taxes to be voted on by the people
- no more taxes
- hard economic times
- funds to go toward operating costs, such as Trails and Rails Museum, and Rowe Sanctuary
- funds available to other entities besides Archway Parkway



KEARNEY
visitors bureau



By supporting and creating tourism and events, we do more than you know.

We add to Kearney's quality of life;
We create jobs and retail sales city-wide;
We are one of Kearney's six economic pillars of success:

- Retail
- Health Care
- University
- Manufacturing
- Agriculture
- Tourism

Special Events • Group Events

The Kearney Visitors Bureau has developed, funded and/or helped to support events over the past five years that have attracted over 860,000 participants and spectators.

This includes visitors to Kearney and local residents.

Over the past five years, the Kearney Visitors Bureau has hosted over 190,000 persons at group events.

That's a total of 1,050,000 people attending, participating and visiting Kearney in just the past five years.

For Citizens, Something For Everyone



- Mr. & Miss Basketball
- NCAA playoffs & tournaments
- Cattleman's Classic • Gateway
- Outdoor Expo • Cruise Nite
- Sandhill Cranes events
- Soccer & baseball tournaments
- Volleyball, track & field events
- Huskerland Wrestling
- Statewide high school events
- Statewide Senior Olympics
- Wine & Jazz Festival
- Concerts, Shows, Rodeo, Ag

- The Archway
- Kearney Cinema 8
- Trails & Rails Museum
- MONA
- Ft. Kearny State Park
- Sporting and special events
- FirstTier Event Center
- Buffalo County Fair Grounds
- Rowe Sanctuary
- The original CLASS project
- Improved air service
- Meadowlark Hills Golf Course

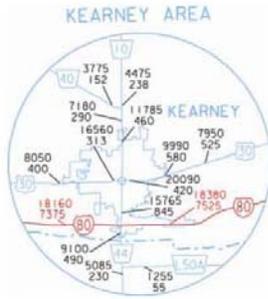
Lodging & Restaurants = Jobs

Lodging in Kearney supports approximately 500+ full and part time jobs, and restaurants provide another 3,000.

Add attraction, service station and convenience store employment, and you've got an estimated 16% of Kearney's labor force.

*FirstResearch Data - Premium Market Research, July, 2008
The Development Council - February, 2008 data
KVB Estimates*





16 Million I-80 Travelers

Interstate 80 is a major contributor to our tourism success.

Over 44,000 persons pass our front door each day; 2.4 persons per vehicle equals 16 million persons per year - and we need to capture as many as possible.

711,750 visitors have spend a night in a Kearney hotel each year.

1,500 Rooms

65% Occupancy

2 Persons Per Room Average

365 Days Per Year

5 Years

3.5 Million Overnight Visitors

Historically, A Leader In Tourism

One of the first communities to organize a tourism or visitors promotion board following the passage of LB 499; the Kearney Visitors Bureau, or KVB has been supporting the creation and growth of tourism in Kearney since 1981.

The activities of the Bureau have historically been funded* through established statewide and local tax programs;

1% State of Nebraska Tax

2% County Lodging Tax*

2% City Occupation Tax*

An additional 2% Lodging Tax* was added in 2007 bringing the total tax on lodging to 7%.

Bidding Now For The Future



Events and group business is highly sought after; especially large events.

Events and group business we bid today are actually for two to five years from now.

KVB must know it has the financial resources in place to be competitive in the market place.

Having top of the line facilities are no longer enough to ensure a booking; because of increased competition, most organizers now expect a growing portion of the cost of the event to be sponsored by the host community.

The financial cost of successfully attracting and keeping event and group business is rising.

Existing Events Cost More Now



A statewide church organization has previously cost \$800 to host; KVB's most recent bid is now \$5,000

A major statewide high school sporting event was bid for \$50,000 and unsuccessful; our next bid will be \$65,000 to \$70,000.

A statewide high school academic competition that cost \$2,000 in 2004 will cost \$5,500 in 2009.

A privately organized boys sporting event that we have previously hosted annually for \$2,000 cost \$5,000 in 2007.

A NSAA program cost us \$2,500 in 2005, and cost us \$3,500 in 2007.

Another privately organized sporting event held in Kearney annually for \$3,000 was lost in 2008; rebidding it will cost \$6,000 or more.

Competition – Then & Now



For the past 25 years, our principle competition has come from Grand Island and Lincoln;

Additional second-tier competitors included North Platte, Columbus and Scottsbluff.

Kearney was the example other communities aspired to be.

In recent years, a number of new communities have entered the groups and special events marketplace as competition;

Nebraska City, South Sioux City, Norfolk, Omaha, Hastings, La Vista, Fremont;

... and existing competitors have caught up to Kearney.

New Opportunities To Grow On



The creation of a 1% restaurant occupation tax on food and soft-drink sales only would provide approximately \$600,000 annually to support new initiatives.

The 1% tax is proposed only on served food or restaurant sales – a discretionary expenditure;

It would not apply to grocery store purchases or to alcohol sales.

It would not affect menu pricing, and is applied to the final ticket total.

New Opportunities To Grow On



1.0 Support the expansion of the new Nebraska Firefighter's Museum to 25,000 s.f.

Estimated Cost - \$1.5 million

2.0 Seek additional attraction development to increase attraction visit times to 4 hours or more to generate additional overnight stays and purchases: retail; gas; food.

3.0 Provide Tourism Grants: Establish an annual fund of \$100,000 to provide financial awards to support existing local non-profit attractions to encourage more use by visitors.

4.0 Use remaining balance for new event creation that has a city-wide impact for restaurants, retail, and citizens; Supplement with existing KVB funds.

What Will It Cost?



Costs



Using 2007 U.S. Census data for the Kearney area, the average cost per family in Kearney over an entire year is just \$23.18;

Less than \$2 per family, per month.

Why Trust KVB With These \$?



The KVB Board of Directors features long-term, involved members who know the industry.

Many of the board's seven members have 10 or more years of KVB board service and possess significant hospitality industry experience.

KVB Reorganization:

The KVB Board proposes to add two members of the Kearney City Council as voting members, and add the City Manager as an ex-officio member to provide greater input and transparency

A Destination vs. A Quick Stop



Locating and expanding the new Firefighter's Museum on Arch property is the first step toward developing a "campus approach" to tourism development.

Additional attractions will be sought and developed in phases. This will support existing tourism outreach activities and increase the opportunity to attract new commercial development.

By developing new attractions along I-80, Kearney will increase the attention our exit receives from travelers.

The proximity of new attractions to each other will allow for a shared operations approach allowing each to reduce annual expenses.

We Can Continue Our Success



We believe that the Visitor's Bureau has demonstrated its ability to provide Kearney with an excellent return on the tax revenue that has been entrusted to our board to date.

Until now, the many benefits realized from our efforts have come with no cost to Kearney citizens.

To compete with new communities and attractions coming on-line statewide, we need Kearney to join us. In return, we will continue to provide events, jobs, sales and entertainment that add to our quality of life.

We will work diligently to ensure our public presence, our front-door is one that sets Kearney apart from all others.

Council member Kearney left the meeting at 9:00 p.m.

ADJOURN

Moved by Lear seconded by Buschkoetter that Council adjourn at 9:17 p.m. Roll call resulted as follows: Aye: Clouse, Lammers, Buschkoetter, Lear. Nay: None. Kearney absent. Motion carried.

ATTEST:

**STANLEY A. CLOUSE
PRESIDENT OF THE COUNCIL
AND EX-OFFICIO MAYOR**

**MICHAELLE E. TREMBLY
CITY CLERK**