Regular Board Meeting

DECC Authority Board of Directors
Thursday, October 30, 2025

Duluth Entertainment Convention Center

AGENDA

DECC Authority Board of Directors

Regular Meeting
Thursday, October 30, 2025
Harbor Cide Convention Center

MISSION

We host events, create experiences, and drive our regional economy.

VALUES

Hospitality | Entertainment | Community | Visionary | Stewardship

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MEETING AGENDA

I. **Call to Order**

II. **Public Open Comment Period**
   a. *Members of the public sign in and each receive 3 minutes to speak.*

III. **Approval of Consent Agenda**
   a. Agenda
   b. Regular Board Meeting Minutes – September 25, 2025
   c. August 2025 Financials

IV. **Executive Director Report**
   a. Update on Strategic Goals

V. **Committee Reports**
   a. Strategy
      i. Update
   b. Finance
      i. Update
   c. Governance
      i. Update

VI. **Old Business**
   a. None

VII. **New Business**
   a. None

VIII. Other

a. Public Purpose Report Presentation

IX. Adjournment

UPCOMING MEETINGS

The next regular business meeting is scheduled for **Thursday, November 13, 2025.** Location to be determined.

Duluth Entertainment Convention Center

Thursday, September 25, 2025
12:00 PM to 1:30 PM
Symphony Hall Mezzanine

DECC AUTHORITY BOARD OF DIRECTORS

MEETING MINUTES

September 25, 2025, Regular Meeting

MISSION

We host events, create experiences, and drive our regional economy.

VALUES

Hospitality | Entertainment | Community | Visionary | Stewardship

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CALL TO ORDER

A Regular Board Meeting was held on Thursday, September 25, in the Symphony Hall Mezzanine location. Chair L. Mullen called the meeting to order at 12:00 PM. A quorum of directors was present.

BOARD MEMBERS PRESENT
Laura Mullen, Chair
Tony Sertich, Vice Chair
Maya Mattke, Treasurer (via phone)
Jason Vincent, Secretary
Carli Amatuzio
Zack Filipovich
Stephanie LaFleur
Pat Mullen
Shane Peterson
Kristi Schmidt
Peter Singler

BOARD MEMBERS ABSENT

DECC STAFF PRESENT
Dan Hartman
Amanda Denton
Alex Wink

OTHERS PRESENT
Duluth City Council Liaison Lynn Marie Nephew
Media

OTHERS ABSENT
None

PUBLIC OPEN COMMENT PERIOD

Chair L. Mullen asked for a review of the public open comment period sign-up sheet. No members of the public signed up for comment.

APPROVAL OF CONSENT AGENDA

Chair L. Mullen reviewed the consent agenda, which included:

- Meeting agenda,
- Meeting minutes from the August 28 24, 2025, Regular Board Meeting,
- Finance statements for July 2025.

MOTION to approve the consent agenda requested by Chair L. Mullen; motion made by Z. Filipovich and seconded by P. Singler.

Motion carried unanimously.

EXECUTIVE DIRECTOR REPORT

Facilities Update

- No facilities update was given; the staff presenter was out sick. The update will be rescheduled so the board can hear directly from facilities leadership.

Operations & Event Activity

- October utilization is near full; only one dark day on the campus calendar. Staff capacity is tight during the peak season; board members were encouraged to acknowledge staff efforts.
- Culinary staffing: after a sous-chef resignation in mid-August, recruitment faced delays. A former DECC chef has returned, and a temporary sous-chef was added to stabilize operations through early November.
- Conventions and economic impact: active fall conferences (e.g., U of M Extension Fall Program Conference) are producing substantial visitor spending; a 500-person conference can drive ~$0.5M in local economic impact, with larger events scaling higher.
- Entertainment/self-promotes: a major fall concert is trending above its talent guarantee with strong ticket sales; upside includes full capture of ancillary revenues (parking, concessions, bar). A Thanksgiving-week "80s rock" party concept (Arena Rock) will test a high-demand holiday window learned from Hairball attendance patterns.
- Seasonal/recurring: Haunted Ship and UMD hockey (including new family-zone activations like custom bubble-hockey tables) begin as the fall schedule ramps.

Sales and Marketing

- Booked business year-to-date is strong (account executive coverage remains critical). A new proactive sales role focused on 18-month pipeline development is planned, and Visit Duluth is also staffing up outbound sales; both moves aim to grow association business that historically performs well for Duluth.
- Social media/event coverage by summer interns materially lifted engagement; additional coverage is being arranged for hockey/entertainment season.

Campus Branding, Wayfinding & Guest Experience

- Low-cost, high-impact improvements continue: digital navigational displays (capable of themed branding) have been installed; additional emergency egress maps will be posted building-wide.

- Concession/bar refresh concepts (e.g., finish materials, thematic branding) are being prototyped to increase per-cap spend—drawing from best practices observed at the Minnesota State Fair and Huntington Bank Stadium.
- Atrium furniture refresh (color/comfort focus) is planned to improve the in-between-sessions experience for convention attendees.

External Relations & Regional Positioning
- Public Purpose discussions (see "Other" below) affirmed DECC's regional role and the primacy of economic-impact-driven programming while acknowledging community uses.
- Staff is coordinating with the DTA and Downtown Council on skywalk entry branding and directional graphics (including Holiday Inn wayfinding) to improve visitor navigation to/from DECC.

Risk & Infrastructure
- Heating outage at AMSOIL Arena (delayed utility project) is now elevated to the Mayor's office and vendor leadership; if contractual obligations remain unmet, DECC may exercise remedies and/or pursue an internal boiler solution to ensure heat during cold weather.

COMMITTEE REPORTS

Strategy

Secretary J. Vincent shared that the Strategy Committee discussion echoed the Executive Director's report.

Finance

Finance Director A. Denton and Treasurer M. Mattke provided the following financial update:
- Total current assets: $6.3 million
- Total current liabilities: $3.2 million
- Year-to-date retained earnings: $149,000
- July net loss: $87,780

Key Financial Notes:
- Department Performance:
    - Building services and Irvin operations both reported lower-than-budgeted activity due to reduced event volume in July.
    - Catering and concessions underperformed given the lack of large-scale ticketed events.
    - Parking and entertainment posted modest gains offsetting part of the overall variance.
- Seasonality: July is historically one of three low-revenue months (along with August and January) with revenues under $1 million.
- Cruise Operations: Revenue was lower than expected as one tentative cruise was not realized; however, the season-to-date impact remains positive.
- Tourism Taxes: July tourism tax collections for the City of Duluth were higher than June, with restaurant and lodging taxes both posting strong gains. While Canal Park businesses saw slower traffic, the overall citywide receipts reflected diversification to other districts such as Lincoln Park.

Forecast:
- Operations are currently tracking in line with the approved budget.
- If August–December performance follows projections, the DECC expects a year-end net gain of approximately $625,000 after factoring in updated departmental forecasts and tourism tax adjustments.
- The fall season is anticipated to produce the highest earnings of the year, driven by concerts, conventions, and UMD hockey.

Additional Notes:
- Facility operating challenges continue as utility and staffing pressures remain elevated.

- The Finance Committee will continue monitoring the Building Condition Assessment funding and Duluth Energy Systems performance issues, with potential contract escalations being evaluated to mitigate financial exposure.

Governance
Secretary J. Vincent reported the September Governance Committee meeting included discussion about the following items:

- Annual bylaws review completed; no changes.
- Officer Election Process:
    - Nominations open at the November 13 meeting (self-nominations or nominations by another board member with acceptance).
    - Governance Committee meets November 14 to recommend a slate (endorsement; not binding).
    - December meeting: elections held position-by-position with public votes where more than one candidate is nominated.
    - Board terms and potential 2026 turnover were discussed; members considering leadership roles should engage peers ahead of November. did not meet in August and will reconvene in September.

OLD BUSINESS
No Old Business was discussed.

NEW BUSINESS
No New Business was discussed.

OTHER
Public Purpose Discussion Report

- The consultant's summary and listening-session findings indicate clear community consensus to tilt priorities toward profitability and economic impact first, reinvesting in facilities, and preserving key community assets second.
- Regional engagement should expand beyond Duluth (e.g., Iron Range, North Shore, Cloquet, Northwest Wisconsin), with ideas including targeted liaison roles and mobile/alternative visitor-center concepts.
- Next step: Invite the consultant to the October board meeting for a walkthrough and to shape actionable next steps; directors will read the document in advance, with a reminder to be sent before the meeting.

Explore Minnesota Tourism Conference

- Staff is coordinating activation concepts (DECC walk-through + train to Fitgers experience). Target attendance is approximately 200; board involvement opportunities will follow.

ADJOURNMENT
Chair L. Mullen adjourned the meeting at 1:20 PM.

UPCOMING MEETINGS
The next regular meeting will be held October 30, 2025.

Submitted by:

Laura Mullen, Chair	Jason Vincent, Secretary
Date	Date

DULUTH ENTERTAINMENT AND CONVENTION CENTER AUTHORITY
BALANCE SHEET
August 31, 2025

Assets

Current Assets		
Operating cash	$	1,681,759
City pooled account		700,000
Accounts receivable		1,320,443
Accts Rec-Tourism Taxes		1,442,173
Leases Receivable		676,682
Inventory		163,794
Prepaid items		175,770
Total Current Assets	**$**	**6,160,621**
Noncurrent Assets		
Leases Receivable		7,459,953
Subscription Assets less Accum Amortization		0
Total Noncurrent Assets	**$**	**7,459,953**
Restricted Assets		
Ticket Office deposits		
Cash and cash equivalents	$	2,136,191
Employee flexible benefits plan		
Cash and cash equivalents		13,225
Debt reserve		0
Total Restricted Assets	**$**	**2,149,416**
Fixed Assets		
Fixed assets	$	154,489,615
Less allowance for depreciation		(91,241,748)
Fixed assets (net)	**$**	**63,247,867**
Deferred Outflow		
Deferred outflow of pension	$	2,261,842
Deferred other postemployment benefits		316,537
Total Deferred Outflow	**$**	**2,578,379**
Total Assets	**$**	**81,596,236**

Liabilities and Fund Equity

Liabilities		
Current Liabilities (payable from current assets)		
Accounts payable	$	821,201
Lease purchase payable		764,381
Accrued salaries payable		126,567
Accrued vacation payable		353,917
Deferred revenue		1,197,267
Interest payable		26,374
Software subscription liability		0
Total Current Liabilities (payable from current assets)	**$**	**3,289,707**
Current Liabilities (payable from restricted assets)		
Ticket Office deposits	$	1,644,642
Employee flexible benefits plan		1,346
Total Current Liabilities (payable from restricted assets)	**$**	**1,645,988**
Long-Term Liabilities		
Capital Lease	$	1,265,492
Net pension liability		2,141,096
Net other postemployment benefits		1,282,477
Subscription liability		0
Accrued Interest Payable		0
Total Long Term Liabilities	**$**	**4,689,065**
Total Liabilities	**$**	**9,624,760**
Deferred Inflow		
Deferred inflow of leases	$	7,444,455
Deferred inflow of other employ benefits		390,762
Deferred inflow of pension		2,173,864
Total Deferred Inflow	**$**	**10,009,081**
Fund Equity		
Contributions (net of accumulated amortization)	$	48,684,478
Prior period retained earnings		13,245,313
Current period retained earnings		32,604
Total Fund Equity	**$**	**61,962,395**
Total Liabilities and Fund Equity	**$**	**81,596,236**

DULUTH ENTERTAINMENT AND CONVENTION CENTER AUTHORITY

CONSOLIDATED MANAGEMENT SUMMARY

August-2025

(Summary)

	CURRENT MONTH					YEAR TO DATE				
	BUDGET	**ACTUAL**	**VARIANCE**	**VAR %**	**2024**	**BUDGET**	**ACTUAL**	**VARIANCE**	**VAR %**	**2024**
DEPARTMENT PROFIT / (LOSS):										
BUILDING SERVICES	(13,890)	166	14,056	101%	(7,357)	637,950	565,141	(72,809)	-11%	476,942
PROPERTY MTNC	(326,995)	(279,083)	47,912	15%	(339,332)	(2,432,020)	(2,496,858)	(64,838)	-3%	(2,125,042)
CONVENTIONS	(65,310)	(35,550)	29,760	46%	(38,452)	(381,040)	(221,435)	159,605	42%	(266,484)
CATERING	27,934	3,016	(24,918)	-89%	80,310	627,082	771,870	144,788	23%	463,423
CONCESSIONS	(5,180)	7,648	12,828	248%	(4,060)	295,730	290,862	(4,868)	-2%	296,963
ADMINISTRATIVE	(76,304)	(81,085)	(4,781)	-6%	(20,414)	(728,923)	(452,719)	276,204	38%	(634,838)
IRVIN	134,997	63,829	(71,168)	-53%	120,769	235,118	166,191	(68,927)	-29%	164,761
ENTERTAINMENT	(40,890)	(28,074)	12,816	31%	(50,236)	(92,030)	(341,762)	(249,732)	-271%	(66,266)
PARKING	85,450	130,540	45,090	53%	84,021	1,002,130	1,028,361	26,231	3%	930,691
CRUISES	24,489	22,169	(2,320)	-9%	21,548	74,718	89,508	14,790	20%	74,441
TOTAL OPERATING PROFIT / (LOSS):	**(255,699)**	**(196,426)**	**59,273**	**23%**	**(153,203)**	**(761,285)**	**(600,841)**	**160,444**	**21%**	**(685,411)**
NON-OPERATING REVENUES/(EXPENSES):										
CITY TOURISM TAXES	180,272	180,272	(0)	0%	169,683	1,442,176	1,442,173	(3)	0%	1,357,464
AMSOIL ARENA NAMING RIGHTS	16,667	16,667	0	0%	16,667	133,336	133,336	0	0%	133,336
AMSOIL ARENA BOND PAYMENTS	(97,508)	(97,508)	0	0%	(95,788)	(780,064)	(780,064)	0	0%	(766,304)
SUBTOTAL OPERATING PROFIT / (LOSS)	(156,268)	(96,995)	59,273	38%	(62,641)	34,163	194,604	160,441	470%	39,085
LESS: DEPRECIATION										
DEPRECIATION (NET)	(20,250)	(20,250)	0	0%	(36,000)	(162,000)	(162,000)	0	0%	(288,000)
NET CHANGE IN RETAINED EARNINGS	(176,518)	(117,245)	59,273	34%	(98,641)	(127,837)	32,604	160,441	126%	(248,915)

DULUTH ENTERTAINMENT AND CONVENTION CENTER AUTHORITY

CONSOLIDATED MANAGEMENT SUMMARY

August-2025

(Detail)

	CURRENT MONTH					YEAR TO DATE				
	BUDGET	**ACTUAL**	**VARIANCE**	**VAR %**	**2024**	**BUDGET**	**ACTUAL**	**VARIANCE**	**VAR %**	**2024**
REVENUES:										
BUILDING SERVICES	120,550	114,623	(5,927)	-5%	116,198	1,842,700	1,738,592	(104,108)	-6%	1,639,757
CONVENTIONS	8,100	7,587	(513)	0%	4,602	81,800	84,473	2,673	3%	55,527
CATERING	175,200	89,700	(85,500)	-49%	177,764	2,115,400	2,175,598	60,198	3%	1,911,978
CONCESSIONS	35,200	47,799	12,599	36%	37,011	965,700	942,301	(23,399)	-2%	857,715
ADMINISTRATIVE	129,365	107,054	(22,311)	-17%	143,062	1,024,579	1,216,321	191,742	19%	1,002,207
IRVIN	181,097	158,242	(22,855)	0%	161,096	534,088	482,519	(51,569)	-10%	478,782
ENTERTAINMENT	20,900	42,200	21,300	102%	12,419	608,900	734,772	125,872	21%	578,592
PARKING	118,500	156,749	38,249	32%	109,443	1,233,900	1,218,004	(15,896)	-1%	1,133,149
CRUISES	37,000	30,881	(6,119)	0%	36,916	177,300	155,050	(22,250)	-13%	177,419
TOTAL OPERATING REVENUES	**825,912**	**754,836**	**(71,076)**	**-9%**	**798,509**	**8,584,367**	**8,747,630**	**163,263**	**2%**	**7,835,126**
OPERATING EXPENSES:										
BUILDING SERVICES	134,440	114,457	19,983	15%	123,555	1,204,750	1,173,451	31,299	3%	1,162,815
PROPERTY MTNC	326,995	279,083	47,912	15%	339,332	2,432,020	2,496,858	(64,838)	-3%	2,125,042
CONVENTIONS	73,410	43,137	30,273	41%	43,054	462,840	305,909	156,931	34%	322,011
CATERING	147,266	86,684	60,582	41%	97,454	1,488,318	1,403,728	84,590	6%	1,448,555
CONCESSIONS	40,380	40,151	229	1%	41,070	669,970	651,439	18,531	3%	560,752
ADMINISTRATIVE	205,669	188,140	17,529	9%	163,476	1,753,502	1,669,040	84,462	5%	1,637,045
IRVIN	46,100	94,413	(48,313)	-105%	40,328	298,970	316,328	(17,358)	-6%	314,021
ENTERTAINMENT	61,790	70,274	(8,484)	-14%	62,654	700,930	1,076,534	(375,604)	-54%	644,858
PARKING	33,050	26,210	6,840	21%	25,422	231,770	189,643	42,127	18%	202,459
CRUISES	12,511	8,712	3,799	30%	15,367	102,582	65,542	37,040	36%	102,978
TOTAL OPERATING EXPENSES	**1,081,611**	**951,262**	**130,349**	**12%**	**951,712**	**9,345,652**	**9,348,471**	**(2,819)**	**0%**	**8,520,537**
OPERATING PROFIT/(LOSS)	(255,699)	(196,426)			(153,203)	(761,285)	(600,841)			(685,411)

Duluth Entertainment Convention Center
Departmental Net Profit/(Loss) Year-End Forecast with August YTD Actual Results and Remaining Budget

Month	1571 Building Services	1572 Property Maint.	1573 Conventions	1574 Catering	1575 Concessions	1577 Admin	1578 Irvin	1579 Entertain.	1580 Parking	1581 Cruises	Non-Operating	Depreciation	Total	2025 Budget
Jan YTD Actual	38,966	(356,692)	(24,628)	127,075	53,899	(52,246)	(4,239)	(98,815)	101,523	(1,150)	99,430	(20,250)	(137,127)	(297,058)
Feb YTD Actual	114,851	(368,264)	(22,253)	125,518	150,988	(72,056)	(6,948)	1,590	146,855	(2,027)	99,430	(20,250)	147,434	121,446
Mar YTD Actual	143,678	(323,174)	(28,991)	134,118	53,898	(91,804)	(11,790)	23,515	78,311	(3,791)	99,430	(20,250)	53,150	86,348
Apr YTD Actual	138,573	(292,786)	(26,118)	184,184	(540)	(90,992)	(32,041)	(26,407)	130,236	(7,604)	99,430	(20,250)	55,685	206,367
May YTD Actual	134,134	(301,950)	(23,348)	189,977	24,476	(2,510)	17,333	(184,561)	115,545	(10,444)	99,430	(20,250)	37,832	1,972
Jun YTD Actual	39,195	(268,905)	(30,732)	44,879	15,807	(46,864)	40,620	(38,003)	156,401	88,707	99,430	(20,250)	80,285	17,383
Jul YTD Actual	(44,422)	(306,003)	(29,815)	(36,895)	(15,313)	(15,161)	99,429	8,992	168,950	3,647	99,430	(20,250)	(87,411)	(87,781)
Aug YTD Actual	166	(279,083)	(35,550)	3,016	7,648	(81,085)	63,829	(28,074)	130,540	22,169	99,430	(20,250)	(117,244)	(176,519)
September	124,090	(341,905)	(42,270)	142,789	(11,220)	(80,555)	27,947	(23,860)	97,690	3	99,430	(20,250)	(28,111)	(28,111)
October	133,210	(322,225)	(42,410)	196,095	52,975	(84,465)	584,317	(22,000)	169,100	(6,099)	99,430	(20,250)	737,678	737,678
November	161,370	(354,585)	(38,370)	72,281	57,365	(116,828)	(25,480)	(39,260)	116,100	-	99,430	(20,250)	(88,227)	(88,227)
December	90,140	(358,505)	(58,590)	78,225	39,860	(112,369)	(10,310)	(67,770)	198,080	(68,623)	99,430	(20,250)	(190,682)	(190,682)
Year End	**1,073,951**	**(3,874,077)**	**(403,075)**	**1,261,262**	**429,843**	**(846,935)**	**742,667**	**(494,653)**	**1,609,331**	**14,788**	**1,193,160**	**(243,000)**	**463,262**	**302,816**

(Jan - Aug) Actual Tourism Tax over/(short)	154,000
(Aug - Dec) Projected Tourism Tax over/(short):	85,000
Additional Projections:	(14,788)
Total w/ Projections:	**687,474**

DECC Public Purpose Focus Groups

Summary Report

August 2025

In August 2025, DECC held a series of public input sessions in the Arrowhead Region. The effort included sessions for the public, elected leaders, and industry partners on the North Shore, Iron Range, and Duluth area. The meetings were designed to collect public input about current and future operations at the DECC and to provide ideas for the organization's board of directors and leadership. This report is a summary of findings from these meetings.

Meetings included open conversation along with electronic survey participation of both multiple choice and open-ended input.

Key meetings included:

- Industry partners on the North Shore,
- Industry partners – including leadership at the Iron Trail Motors Event Center – on the Iron Range,
- DECC staff members,
- Duluth-area and Itasca County political leaders, and
- A large group of industry partners in Duluth.

The open-invite sessions at each location were publicized but poorly attended. Attendees included:

- A local Uber driver and Airbnb operator sharing the positive impact of DECC on her businesses along with insights about how to improve transportation access on site,
- An individual not in favor of continued hospitality and other business development in the region, and
- Two representatives from Duluth-area youth sports organizations to advocate for continued ice access at the DECC. Both agreed that the primary purpose of DECC should be economic impact.

Sentiment about the DECC expressed by participants was generally very positive and supportive. Core themes explored were the tensions between:

- Broad regional impact vs impact within the City of Duluth,
- Delivering economic impact vs community impact, and
- Profit and financial sustainability vs hosting subsidized community-positive events.

Key Takeaways

The DECC is viewed as indispensable to Duluth and the region as an economic engine, cultural anchor, and community gathering space. Its greatest opportunities lie in regional collaboration, facility reinvestment, improved accessibility, and clearer communication of its value.

Participants generally recognize the need to balance economic impact with community impact, yet there is consensus that generating economic impact is the most important purpose of the DECC.

It is important to serve the entire region along with the city of Duluth. If DECC serves the entire region well, then it serves Duluth well.

There is broad acknowledgement that high hotel prices and seasonal unavailability are stifling to convention business growth and to some extent stifling to general tourism growth.

There is growing recognition of capital improvement investment needed to address deferred maintenance at the DECC. Continued public and partner outreach on this issue is critical.

Some attendees cited surprise about the level of financial subsidy required for events like curling and UMD Hockey, yet these events were often cited as sacred to the community.

There is broad interest in new partnerships by marketers, other event centers, and hospitality industry operators in Duluth, North Shore, and Iron Range regions.

Current DECC staff and management are well-regarded for professionalism, vision, and leadership momentum but must manage capacity strains, burgeoning infrastructure challenges, and community perception to maintain trust and sustainability.

Key Strategic Considerations

Based on the focus group findings, the best path for the DECC is not a simple "either/or." It is a **strategic balance, but tilted toward profitability and economic impact first**, with subsidy for community events as a purposeful secondary strategy. Stakeholders consistently said that without fiscal health, the DECC cannot fulfill a community mission.

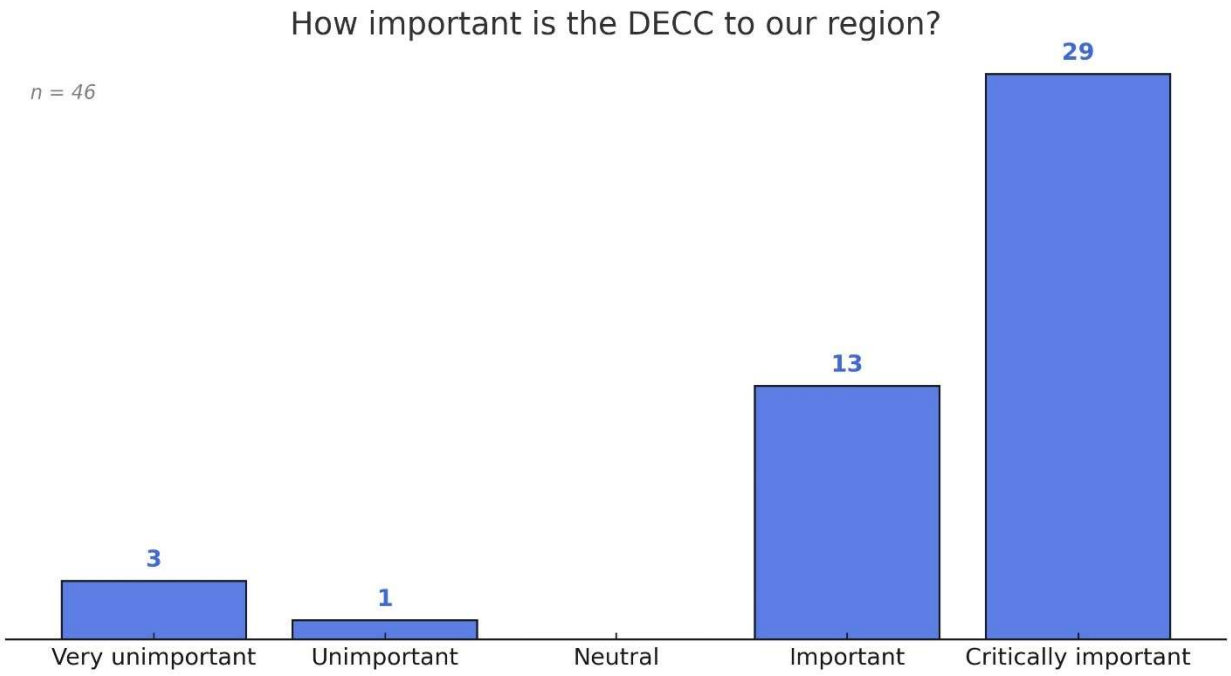
The DECC should lean into profitability and economic impact as its foundation but intentionally preserve and subsidize a select few money-losing community events that are sacred to Duluth's identity and quality of life. Significant subsidy may require additional revenue streams such as increased tourism tax proceeds or other taxing authority.

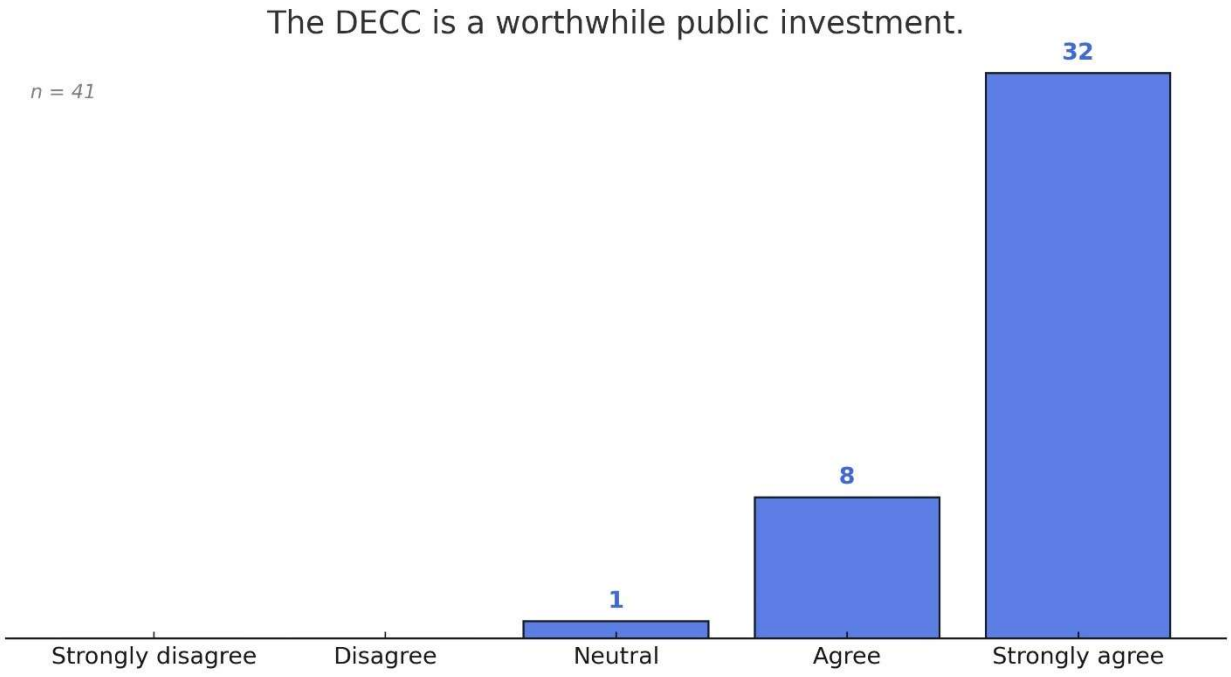
The clearest consensus is that the DECC must (1) focus on profitability and economic impact, (2) reinvest in facilities and accessibility, and (3) preserve its most sacred community assets. From there, stronger partnerships, better communication, and funding innovation form the next layer of priorities.

Perceptions of the DECC

DECC is viewed as a critical public asset. About 91% of respondents said that DECC is "important" or "critically important" (63%) to the region.

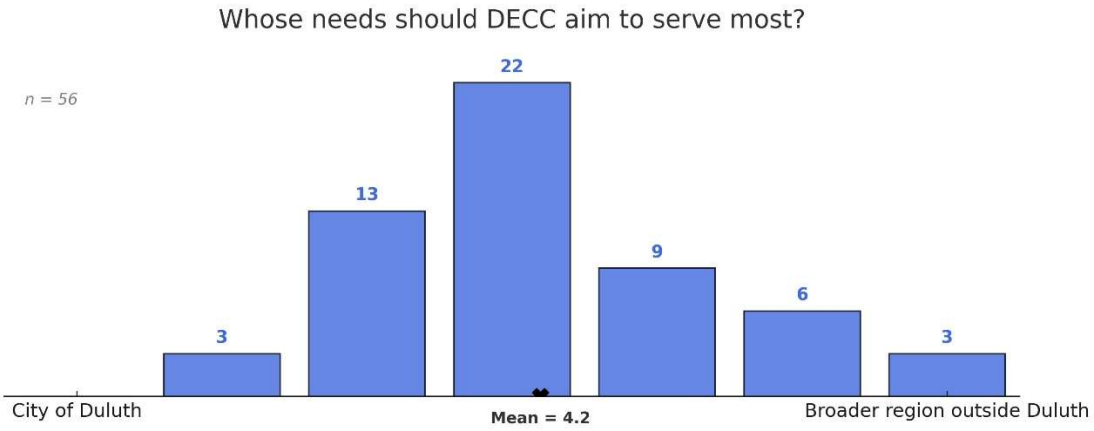
All except one said that DECC is a critical public investment.



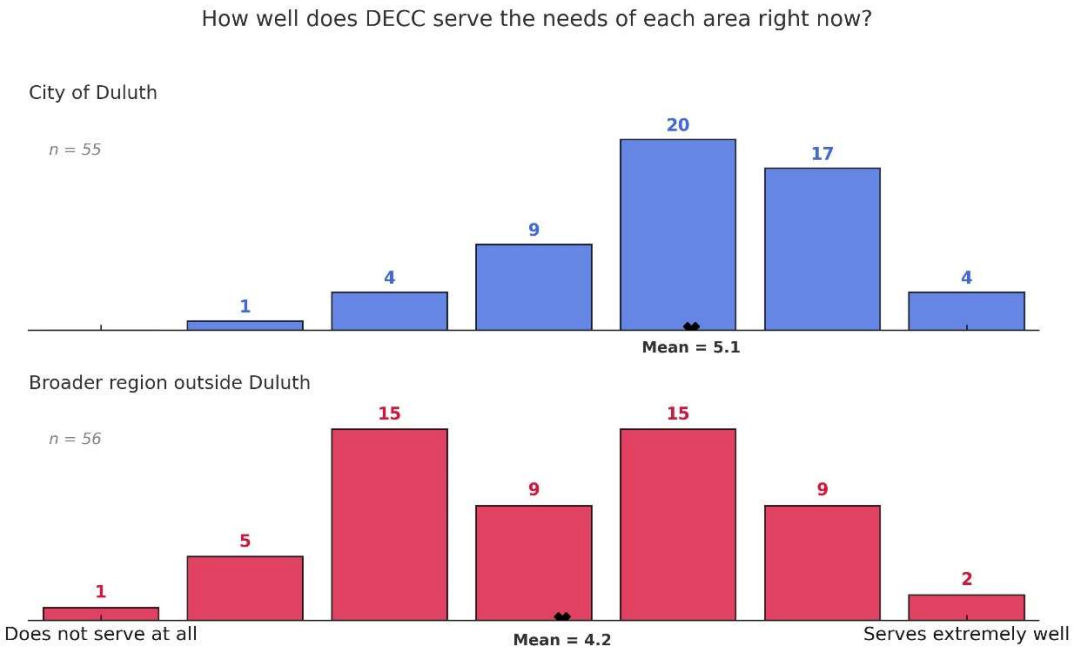


Serving the City of Duluth vs the Broader Region

The city vs. region issue was robustly discussed in the focus group discussions. Base upon poll response, participants framed the issue as a balance between city and regional need, with a slight emphasis towards the region.



Attendees felt that DECC currently serves the city of Duluth more completely than the broader region, which is not unexpected considering its Duluth location. It is as a cornerstone of downtown/Canal Park, driving hotel stays, restaurant traffic, and retail spending and a major source of tourism tax revenue that supports city services and lowers local tax burdens



Yet DECC is also recognized as a regional economic driver, bringing people from across NE Minnesota and NW Wisconsin for conventions, concerts, sports, and cultural events. It saves residents from having to travel to the Twin Cities for shows and large gatherings. Regional conventions and tourism spill over into Duluth, benefiting both the city and the surrounding

communities. No other comparable venue in the Arrowhead region. DECC is the only place for large conventions, indoor winter events, and professional-scale performances.

Regional participants saw DECC as a regional gateway helping make Duluth a “base camp” for North Shore tourism. There is strong desire to establish explicit partnerships to maximize DECC’s impact across the region.

Some participants said DECC feels Duluth-centric and locals may underappreciate its regional spillover, noting that name recognition (“Duluth” in DECC) reinforces city focus.

There was a varying definition of “serve” based upon point of view:

- Inside Duluth: residents see it as entertainment and quality-of-life resource.
- Outside Duluth: viewed more as an economic driver and tourism anchor.

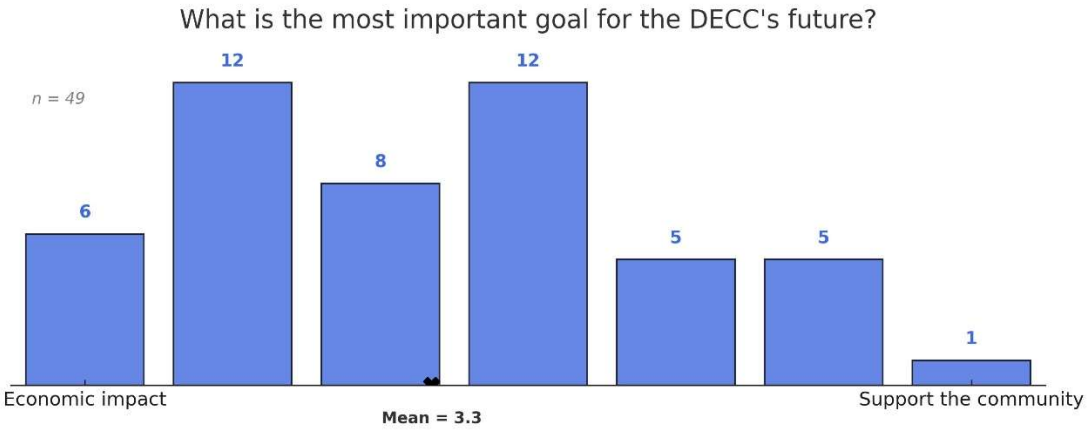
Some worry about smaller regional venues competing with DECC for events, but most agreed DECC has scale advantages.

The strongest thread across meetings is that participants emphasized: *“If we serve the region, we serve the city.”* Stakeholders want DECC to communicate that regional success and city success are intertwined, not an either/or.

Economic Impact vs Supporting the Community

Participants saw Economic impact is essential for sustainability and political support, yet community events are essential for identity, legitimacy, and quality of life. Many argued that **profitability and driving the economy must come first**. Without financial stability, DECC cannot deliver on its community mission. DECC is a critical generator of lodging and tourism tax dollars that help lower local taxes and a key draw for event attendees and conventioneers generating business for local operators.

Poll respondents leaned towards economic impact as DECC’s core purpose, with 53% indicating some preference towards impact. Twenty-two percent showed a lean towards “Support the community” with the other 25% neutral.

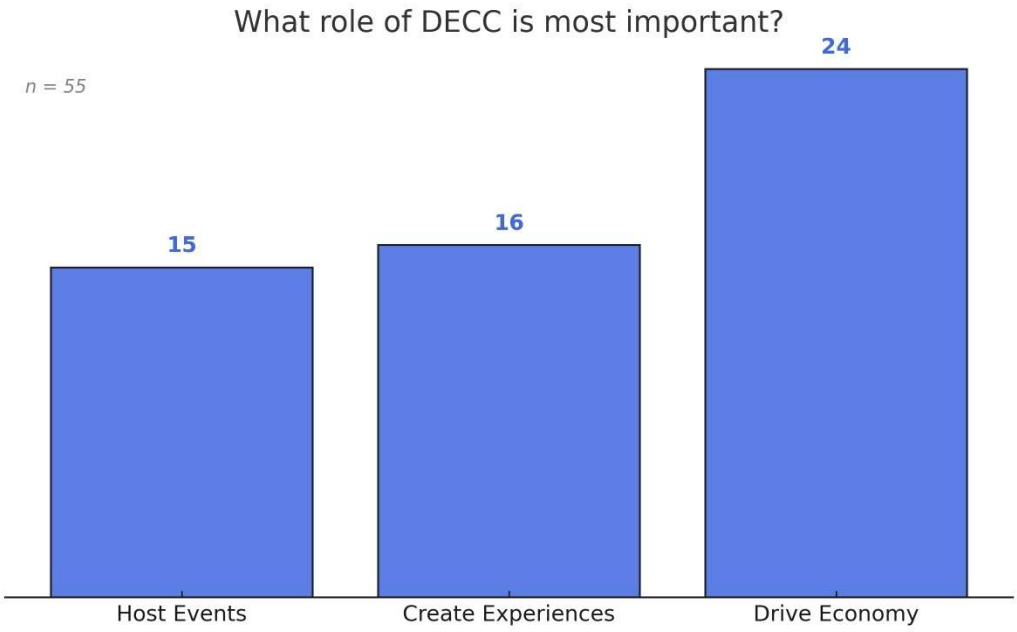


Many stressed that community impact and economic impact are not separate — profitable events make subsidized community programming possible. Yet this can only occur to a limited extent.

Over many years subsidizing beloved events has contributed to DECC's deferred facility maintenance issues.

The organization's stated mission has three pillars: hosting events, creating experiences, and driving the economy. Of these, driving the economy resonated most strongly. Hosting events was sometimes cited as too general and creating "experiences" more aspirational and inclusive of the staff's ability to execute.

There was generally openness to refining the mission statement. Discussions of these three mission elements perhaps illuminate some conflict between **why** DECC exists (drive the economy) vs **what** it does (host events). "Create experiences" could be considered partly a what and partly a why.



Events and Experiences

There was broad recognition that DECC does a very good job of executing its events. Convention execution, large dinners, and food quality were lauded. The high level of execution and professionalism of staff was continually cited by industry parnters. Complaints were generally limited to issues around the margins such as vehicle ingress/egress, current road construction, and the need for aesthetic improvements.

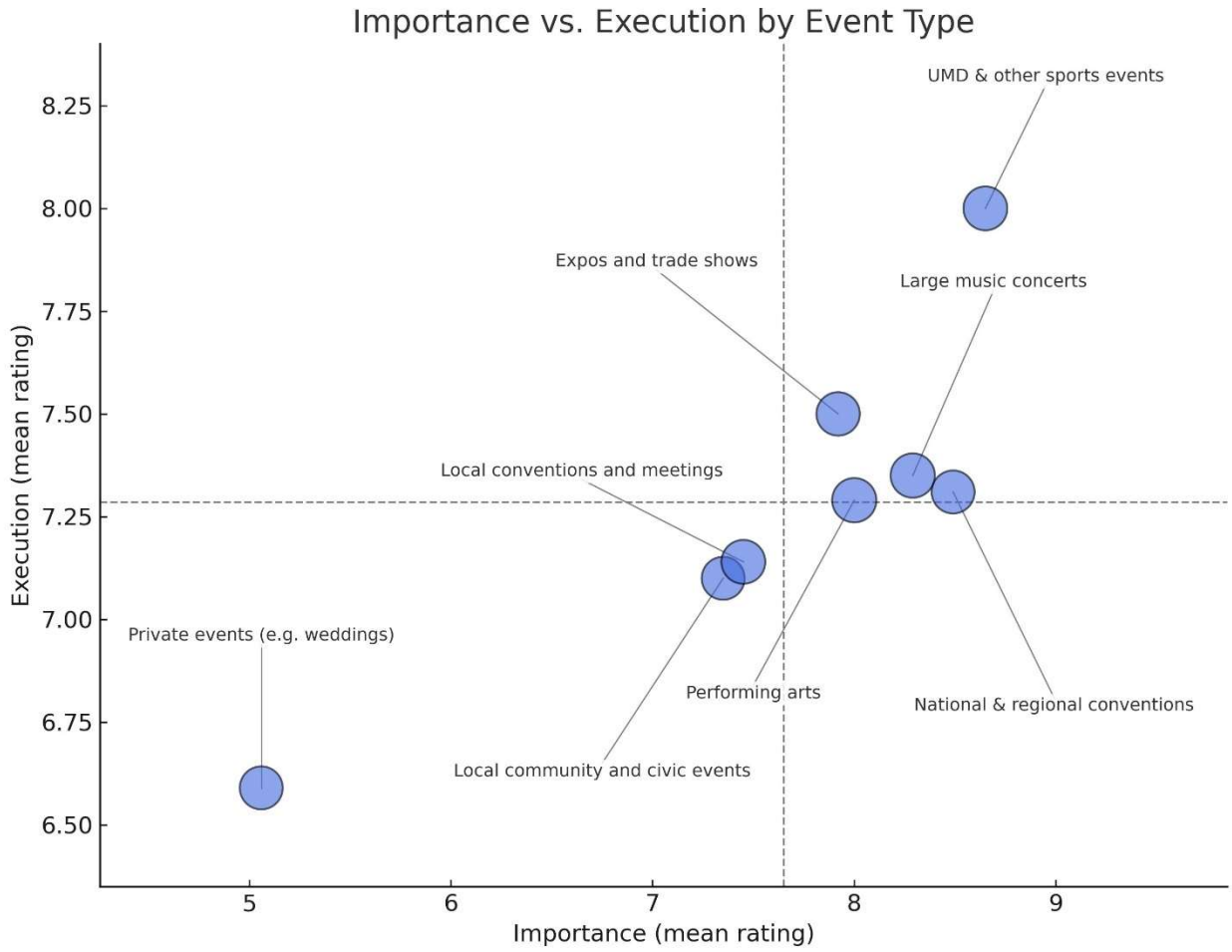
What Works Well:

- Bulldog hockey and other sports (seen as sacred).
- Symphony Hall and performing arts organizations (DSSO, Nutcracker, etc.).
- Big-name concerts, comedians, and live shows.
- Community festivals (Winter Village, Bentleyville, Bayfront events).
- Conventions and professional meetings (notably food quality and execution praised).

Challenges:

- Weddings and smaller private events often not profitable.
- Curling club questioned as a best use of space.
- Limited air service limits ability to attract large national conventions.
- Parking is both a complaint and a revenue stream.
- Hotel room costs reduce competitiveness for conventions.

Participants were asked to rate various event types based upon DECC's ability to execute versus its importance on a zero-to-ten scale. Notably, all events averaged a score of at least five points for both measures, indicating that all events are both important and well executed. The chart below shows quadrants along the rating scales based upon the average value across event types. Overall UMD hockey and sports events scored most highly with private events rated lowest on both execution and importance.



Naming and Branding

Naming and branding was discussed during several sessions, finding that:

- There is tentative interest in exploring a DECC name change.
- "DECC" has strong brand recognition within the city of Duluth, but not outside.
- "DECC" includes "Duluth" which resonated more strongly with Duluthians.

- There is affinity for “DECC” among staff.
- “DECC” does not adequately encompass all the venues the organization offers, leading to confusing and lack of awareness. Some individual venues have significant stand-alone brands awareness. Branding of individual venues could be strengthened.

What elements of DECC is Sacred?

Participants generated ideas about what aspects of DECC should be considered “sacred”:

- The DECC itself as the only regional location offering scale of concerts, expo events, and conventions
- Its location, waterfront, and iconic views
- Hockey / Amsoil Arena
- Symphony Hall and its anchor organizations (DSSO, Nutcracker, performing arts).
- Bayfront Park, outdoor concerts, Bentleyville, waterfront events.
- William A. Irvin ship
- Heart, hospitality, and guest service provided by staff
- Bentleyville, Winter Village, other expos and community events

Opportunities

Discussions generated a broad list of ideas:

- **Partnerships & Collaboration:**
  - Greater regional coordination (such as with Viking Cruises, Iron Range and North Shore hospitality operators, NW Wisconsin, other venues).
  - Co-promotion with hotels, packages, DMO partnerships.
  - Consider giving the region a board seat for broader representation.
  - Explore sponsorships, philanthropy, or a foundation arm.
- **Facility & Infrastructure:**
  - Address deferred maintenance and capital improvements strategically (avoid “band-aids”).
  - Explore attached hotel or hotel partnerships.
  - Improve aesthetics, sound quality, ADA accessibility, drop-off zones, and technology upgrades.
  - Continue to address real and perceived challenges for public access to DECC via skyways.
  - Consider large-scale parking or public transit solutions.
- **Programming & Strategy:**
  - Strengthen live concert opportunities when possible, including increased use of “old arena” for concerts
  - More shoulder-season conventions to stabilize revenue.
  - More family- and kid-centric experiences.
  - Build on experiential successes like Winter Village.
  - Dynamic pricing and smarter use of venue space.
  - Offer summer exhibits and creative uses of convention center space.

- Explore a dedicated taxing authority or increase share of lodging tax revenue.

Staffing and Leadership

From the focus group notes, the current staff and management of the DECC is generally viewed very positively, though there are some expectations and cautions from stakeholders.

Positive Perceptions

- **Leadership Strength & Vision**
  - Multiple groups – particularly area elected leaders – highlighted Dan's leadership as a strong asset.
  - Management is seen as willing to try new things and innovate, rather than being stuck in tradition.
  - Staff noted the variety, excitement, and sense of purpose in their work.
- **Professionalism & Execution**
  - Conventions, large dinners, and food service execution were praised as well-organized and well-executed.
  - DECC staff are viewed as highly professional and competent, setting a benchmark in event management.
  - Board members emphasized that team professionalism is a strength.
- **Public Cause & Community Impact**
  - Staff value working at DECC because they see themselves as supporting a public mission and delivering "impact for the greater good."
  - The DECC is considered a positive community asset that gives both employees and visitors a sense of pride.

Critiques & Challenges

- **Capacity Strain**
  - Staff noted they are at or near capacity limits, especially for guest services and operations.
- **Community Perception**
  - While community partners see strong leadership, there is some public "testiness" around DECC's funding, public funding for tourism, and
  - Not all community members understand what the DECC does, which creates a gap in public appreciation of the organization's work.
- **Operational Cautions**
  - Some stakeholders warned against "band-aid" fixes for maintenance; they expect management to push for long-term solutions, even if it means temporary closures.
  - There is a sense that management must balance profitability and community purpose without losing sight of either.

Advice and Sentiments

At the end of each session, participants were asked to offer any advice for decision-makers going forward:

- Keep engaging the community and partners in honest conversations.
- Be transparent and bold in addressing "sacred cows." Be willing to lead honest conversations about their value and sustainability.
- Prioritize guest experience (parking, hospitality, accessibility).
- Continue innovating and leading, not just keeping pace.
- Maintain optimism and momentum under current leadership.

Potential Strategic Priorities

Proceeds from these focus groups could help create a foundation for future strategic priorities or action steps, recognizing that most participants were external partners and community members. Key recommendations from stakeholders included:

Focus on profitability and economic impact

- Emphasize DECC's role as an economic driver through conventions, big-name concerts, and sports.
- Focus on shoulder-season conventions and larger events that stabilize revenue.
- Consider where higher profit events such as big conventions and concerts subsidize cultural and community experiences.
- Improve competitiveness for national conferences (better air service coordination, hotel connections).
- Message clearly that profitable events subsidize community programming.

Invest in Facilities & Infrastructure

- Address deferred maintenance strategically
- Improve aesthetics, sound quality, and technology for conventions and concerts.
- Increase ADA accessibility, drop-off zones, and wayfinding.
- Explore attached hotel or direct hotel connections to strengthen convention appeal.
- Parking/transportation remains a recurring issue. Expand parking, strengthen public transit partnerships, work to solve conflicts in the skyway system.

Expand Regional Collaboration & Partnerships

- Build stronger ties with regional partners.
- Co-promote packages with hotels and tourism operators in Duluth and across the region.
- Consider regional representation in governance (board seats).
- Continue efforts to lead statewide partnerships among event centers.
- Partner directly with Iron Trail Motors Event Center, potentially including event and lead sharing

Improve Public Awareness & Communication

- Educate the community on DECC's economic impact and role in lowering taxes.
- Clarify the DECC brand: many are not aware of all the venues part of DECC.

- Consider rebranding or renaming (mixed opinions; some say keep “Duluth” in the name, others open to “Lake Superior Center”).
- Position Duluth and the DECC as a regional gateway and base camp for the entire Arrowhead Region, not a competitor.

Governance & Funding Innovation

- Explore a dedicated taxing authority for sustainability.
- Increase allocation of lodging tax revenue.
- Consider a board seat for a regional representative regional board seat,
- Build long-term capital funding streams separate from event revenue.
- Explore sponsorships, philanthropy, and possibly a parallel foundation to support non-profit/community aspects.