

Sunday's Our View

Still seeing red

Our Position: Despite deficit, MAC headed in 'right direction'

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When it comes to bookkeepers, we're reasonably confident that most would go with "black" as the color of choice; but given the choice between red and pink, the latter would be the hands-down winner. While the ink designating the bottom line at Council Bluffs' Mid-America Center is still red, it's trending toward a lighter shade - pink, if you will - and the trend is boosting the optimism of local officials.

Now in its fourth year of operation, the MAC has cut its operating deficit to \$434,000, well below the \$698,436 budgeted for the 2006 fiscal year and less than the \$550,000 the building lost in fiscal year 2004. The MAC has lost about \$1.7 million since 2003. The \$434,000 deficit reported last week is an improvement of \$71,569 over last year's losses of \$505,487.

The news comes as the city is studying whether to renegotiate its contract with Philadelphia-based SMG Management. SMG was paid \$121,000 during the past year to manage the MAC, which includes a 7,500-seat arena and a large convention center. The company's contract with the city expires June 30, 2007, which coincides with the end of the current fiscal year.

General Manager Charlie Schilling said the MAC arena hosts 30 Lancers hockey games each season, family shows like Kidz Explore and Treat Street are doing well and the Monster Jam returned this year. More trade shows, the Iowa Blackhawks football team and the annual Mid-America Ribfest also have boosted attendance.

The best news may be the growing concert business. In the MAC's first four years the arena hosted 44 concerts for an average of 11 per year, a level of activity Schilling called "exceptional." But that pales in comparison to what's now in the works. Since July 1, the start of the new fiscal year, the facility has hosted or announced 10 concerts for the remainder of the calendar year. Schilling said six more shows are confirmed but can't be announced.

Schilling said the MAC's convention center remains a concern, but convention business is depressed across the nation. City Finance Director Scott Sanders said he's aware that the convention business is tough these days, as people remain reluctant to travel in the wake of 9/11, travel is increasingly expensive and the city faces a challenge in getting people to travel to western Iowa from the east side of the state. All in all, Sanders likes what he's seeing. "It's definitely heading in the right direction," Sanders said. "I think it starts to show us what SMG can do. As a finance director I look at trends, and clearly this is a positive trend."

Mayor Tom Hanafan called the MAC's improved financial numbers good news. He also pointed to the MAC as a player in increasing hotel and motel tax revenues, revenues that, at the end of the fiscal year, were \$162,000 above projections.

"Obviously we are heading in the right direction," he said.

We think so, too.