

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY
MEETING OF THE
DUNKIN' DONUTS CENTER COMMITTEE**

February 26, 2008

A meeting of the Dunkin' Donuts Center Committee of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on February 26, 2008, pursuant to notice, at the Rhode Island Convention Center Boardroom, One Sabin Street, Providence, Rhode Island.

Board members present were Chairman Bernie Buonanno, Authority Chairman Dave Duffy, Commissioners Dale Venturini, Jeff Hirsh and Jason Fowler.

Also in attendance were Jim McCarvill and Kerrie Bennett, RICCA; Tim Muldoon, Debbie Tuton, Arlene Oliva and Nancy Beauchamp, RICC; Larry Lepore, Dunkin' Donuts Center; Larry Bacher and Steve Duvel, Gilbane; Eric Ahlborg, O. Ahlborg; Bruce Leach, Legal Counsel; Susan Calise and Julie Balerna, Bank of New York Trust Company; Robert Bromley and Amy Mendella, Senate Fiscal Office and Eileen Smith, recording secretary.

Mr. Buonanno called the meeting to order at 2:02 pm and announced that the next meeting would be held on March 25th at 2:00 pm.

Noting that the minutes of the January meeting had been distributed,

Mr. Buonanno sought a motion to approve. Upon a motion duly made by Mr. Fowler and seconded by Mr. Hirsh it was unanimously

VOTED: to approve the minutes of the January meeting.

Mr. Buonanno recognized Mr. Lepore and asked that he address the Committee. Mr. Lepore stated that the month was not as successful as we would have liked although the net income/loss shows a positive variance of \$2,493 compared to last year. Mr. Lepore reported that the year to date net income/loss of (\$795,270) is the result of several factors. Mr. Lepore noted that there have been five fewer events and the adjustment for Live Nation events reduced revenue streams. Mr. Lepore also noted that the facility is struggling with energy costs. He said that the footprint of the building is 40% larger and therefore light and heating costs are higher. Mr. Lepore noted that the P. Bruins attendance has improved recently. He said that we are not pleased with all the numbers but think that the gap can be closed. Mr. McCarvill asked if an event by event P&L existed. Mr. Lepore responded that for some events the information is readily available and it could be prepared for all repeating events. Mr. Buonanno asked if our terms were tougher would the artists choose not to perform here. Mr. Lepore said that Disney shows and the Circus are the most difficult. Mr. Duffy said that this may be the time to get more aggressive because this market is too good to be ignored. Mr. Lepore stated that there are seven facilities within a one hour drive of Providence and therefore there is a great deal of

competition. Mr. Fowler asked if any other expenses can be charged back to the event. Mr. Lepore stated that we do a good job with charge backs. Mr. Lepore stated that the building can perform operationally but will not do well enough to pay debt service. Mr. McCarvill said that the arena should be able to operate in the black. He said that we will look at individual P&L's as a tool for getting the best possible result for the facility. Mr. Lepore reminded the Committee that the arena is an economic generator for the destination. Mr. Lepore said that he would look at bookings that fall over holiday weekends in an effort to save on labor costs. Mr. Buonanno said that he understands that some groups with older contracts refuse to add the ticket surcharge. Mr. Lepore said that is correct. Mr. McCarvill assured the Committee that Mr. Lepore is looking at everything on both the revenue and the expense side.

Mr. Duffy noted that there have been some issues with Sportservice and asked Mr. Lepore to address those issues. Mr. Lepore stated that we have been extremely disappointed with service to the suites. He said that their lack of response to suite holders is a major concern and there has been a total failure in the restaurant. Mr. Lepore noted that the restaurant has been open for two months and a chef has not yet been hired. Discussions ensued regarding complaints that have been directed to the Commissioners by suite holders and restaurant patrons. Mr. Duffy asked that if improvements are not made is there legal action that can be taken. Mr. Hirsh asked if the issues are food or service related. Mr. Lepore responded that both are

unsatisfactory. Mr. Lepore noted that the kitchen has been equipped with the high end appliances and it should be able to operate efficiently. Mr. Duffy said that he would like to have representatives from Sportservice Corporate office to meet with the Committee. Ms. Venturini asked about in house food service. Mr. McCarvill stated that we could most likely make more of a profit with in house food service but that we inherited a contract that does not expire until 2013. Mr. McCarvill also noted that Sportservice had invested significant funds in the facility in the past. Mr. McCarvill explained the history of Sportservice's relationship to the Dunk. Mr. Leach noted that with by investing some upfront money Sportservice received some protections. Mr. Duffy stated that we will attempt to resolve the issues at a meeting with Sportservice.

Mr. Duffy reported that the grand re-opening will take place the first weekend in September. He said that the ribbon cutting would be on Friday, September 5th followed on Saturday by a public open house. Mr. Lepore is working to secure concerts for the weekend.

Mr. Duffy asked Ms. Bennett and Mr. Duvel to update the Committee on the progress of the renovations. Mr. Duvel distributed the project status report. He stated that the last of the concession stands had been completed and work on the administrative office space continues. Mr. Duvel noted that the area will be complete by the final week of March. Mr. McCarvill reported that there is a small leak in the roof where the smoke evac system was installed. Mr. Duvel said that

he thinks that it is a fan issue and the manufacturer will be taking a look at it and offering suggestions. Mr. Duvel reported a significant savings by recycling construction debris. Mr. Bacher noted that Gilbane was looking for a solution to the roof leaks. Discussions ensued regarding a solution for cleaning the cement before installing the new seats. Mr. Duvel stated that installation of the seats will begin in mid June and complete by mid August. Mr. Lepore stated that the old seats will be scrapped. Mr. Duvel noted that exterior painting is not included. He said that a bid package has been advertised but no decision has been made. Mr. Fowler asked if there have been any issues with the suites. Mr. Duvel responded that there is a leak behind the wall of suite 7 but it has not interfered with suite usage. Ms. Bennett reported that the bridge is open connecting the buildings. She noted that the ADA advocates we have communicated with are pleased with the outcome. Mr. Ahlborg distributed his report. He noted that this has been a positive month. Mr. Ahlborg stated that no more asbestos has been found. Ms. Venturini asked where the money would come from for painting the exterior. Mr. McCarvill said that the budget is \$66,000,000 and we are now at \$65,300,000. Ms. Bennett also reported that she is meeting with Tom Deller with week regarding the War Memorial and that she had spoken with Randy Rosenbaum who informed her that the artist has not responded to his inquiries.

Mr. Buonanno asked if there was any other business. Hearing none he sought a motion to adjourn. Upon a motion duly made by Ms.

Venturini and seconded by Mr. Fowler it was unanimously

VOTED: to adjourn at 3:10 p.m.