

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 319th
MEETING OF THE BOARD OF COMMISSIONERS August 28, 2008**

A meeting of the Board of Commissioners of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on August 28, 2008 at 9:00 a.m. pursuant to notice, at the Rhode Island Convention Center Boardroom, One Sabin Street, Providence, Rhode Island.

Board members present were Chairman, David A. Duffy, Commissioners, Jeff Hirsh, Patrick Butler, George Nee, Bill Daugherty, Jason Fowler and Paul MacDonald.

Mr. Buonanno, Ms. Venturini and Mr. Gavitt were unable to attend.

Also present were James P. McCarvill, Executive Director, Betty Sullivan, Ken Mancuso and Kerrie Bennett, Rhode Island Convention Center Authority; Bruce Leach, Legal Counsel; Tim Muldoon, John McGinn, Deb Tuton and Nancy Beauchamp, SMG/RICC; Larry Lepore, Cheryl Cohen, Kym Chevian, Lisa Coelho and Eleanor SanAntonio, SMG/DDC; Hank Abate, SMG Corporate; Martha Sheridan, PWCVB; Larry Bacher and Jennifer Lundquist, Gilbane; Eric Ahlborg, ABM; Tom Crocker and Jerry Freed, Sportservice; Kevin Madigan, Senate Fiscal Office; Steve Habl and Patty Neves, VMA; Lynn Singleton, PFM/PPAC/VMA and Eileen Smith, Recording Secretary. CALL TO ORDER

Recognizing a quorum, Chairman Duffy called the meeting to order at 9:02 a.m.

APPROVAL OF MINUTES

Chairman Duffy entertained a motion to accept the minutes of the 318th meeting, July, 2008. Upon a motion duly made by Mr. Butler and seconded by Mr. Nee it was unanimously VOTED: to approve the minutes as distributed

Chairman Duffy instructed the Authority office to send the approved minutes to the Secretary of State's Office via electronic mail.

Mr. Duffy asked Mr. McCarvill to present the consolidated financial review. Mr. McCarvill reported that for the month of July, Convention Center net income was (\$49,412) to budget but \$34,467 to the prior year. Mr. McCarvill noted that the unfavorable variance in net income was the result of events that were budgeted and did not occur. He noted however that management continued to maintain control of indirect costs. Mr. McCarvill stated that for the month of July the Dunkin' Donuts Center net income was \$88,683 to budget and \$1,383 to the prior year. Mr. McCarvill noted that the positive variance is due to continued monitoring of costs for labor and utilities and the proper allocation of construction costs. Mr. McCarvill reported that net income for the Convention Center Authority was \$5,171 to budget and \$20,059 to the prior year. Mr. McCarvill stated that consolidated net income for the month of July was \$44,442 to budget and \$55,919 to

the prior year.

Mr. Duffy brought the Board's attention to the 2010 Budget that was distributed by Ms. Sullivan. Chairman Duffy invited Ms. Sullivan to address the Board to present the budget highlights and answer any questions. Ms. Sullivan began by thanking everyone involved in the preparation of the budget for their cooperation. Ms. Sullivan noted that the 2010 proposed budget reflects a \$1.01 million increase in our appropriation request that are attributed to increased salaries and benefits, operational costs, the additional operational costs for the VMA and the elimination of the construction allocation. Ms. Sullivan stated that revenue is projected to increase for the Convention Center due to more accurate projection of events and parking revenue streams. The Dunkin' Donuts Center's projected revenue increase is derived from food and beverage because of a full season of events and suite occupancy as well as increased facility fees as a result of revised contractual arrangements. Ms. Sullivan reported that as a result of the 2001 Series A bond refunding, the Authority will have the ability to refund the outstanding \$1.5 million liability to the State. Direct and indirect operating expenditures for the Convention Center and the Dunkin' Donuts Center have increased associated with projected events, salary/wages and benefits and the elimination of construction related allocations. Marginal increases are budgeted for the Convention Center due in part to the economic climate and the rise in food costs. Ms. Sullivan noted a projected net loss for the Dunkin' Donuts Center also due to the economic climate. An

increase in operating expenditures has been budgeted for the Authority attributed to the addition of the VMA. Ms. Sullivan reported that renewal and replacement for the Convention Center is being depleted and has not been funded by the State. Mr. Duffy asked the total Authority debt. Ms. Sullivan described the 2001 Series A refunding and noted that our debt service will be adjusted upon the refunding. Currently the Authority has \$260 million outstanding. Mr. Hirsh sought a motion to accept the FY 2010 budget prepared by Ms. Sullivan as presented. Upon a motion duly made by Mr. Fowler and seconded by Mr. Butler it was unanimously

VOTED: to accept the FY 2010 budget as presented.

Mr. Duffy thanked Ms. Sullivan and everyone that contributed to the budget preparation process.

DUNKIN' DONUTS CENTER

Mr. Duffy welcomed Hank Abate from the SMG Corporate office. Mr. Abate informed the Board that many years ago he had worked at the Providence Civic Center. Mr. Abate said that in recent years sadly the building had deteriorated and was in need of a total renovation. He stated that he had an opportunity to tour the building recently and discovered that it is one of the best renovated facilities in the country.

Mr. Abate reported that a full calendar of events is planned for the venue some of which he was not at liberty to announce. He noted

that Larry Lepore does a great job with promoters and with some assistance from SMG next summer's line up will include Walking with the Dinosaurs, Cirque de Soleil and Spirit of America. Mr. Abate noted that some big name performers have indicated that they will be going on tour such as Bruce Springstein, Metallica, Meatloaf and Toby Keith. Mr. Duffy asked Mr. Abate how SMG helps the General Manager. Mr. Abate stated that SMG uses its vast resources with promoters and provides a heads up to the General Manager of what might be available. He said that SMG assists and supports construction projects and helps with purchases. He said that SMG assisted us in the recent purchase of a Zamboni. Mr. Lepore said that it is good to have contact with other SMG operated facilities and General Managers. Mr. Duffy asked how we can compete with Foxwood and Mohegan Sun. Mr. Abate said that it is difficult to compete with those venues but they have no impact on family shows. Mr. Duffy asked Mr. Abate if we are still strong in the family show market. Mr. Abate answered that we definitely have a strong family market. He noted that we offer three successful Disney shows and that is very unusual. Mr. Abate noted that some performers such as Billy Joel or Elton John will play both our facilities and the casinos. Mr. MacDonald noted that Professional Bull Riding was held in Worcester and asked if the event would be returning to the Dunk. Mr. Lepore was happy to report that the Enterprise Series is returning to the building. Mr. Nee asked if all venues have a renewal and replacement component. Mr. Abate answered that they do not but that he wished they did. Mr. Nee stated that it is important to fund

renewal and replacement in order to keep the facilities in good repair. Mr. Fowler asked if comedians or magic acts were considered for the venue. Mr. Lepore said that comedians do not ordinarily play arena preferring a more intimate setting. Mr. Abate noted that he would be here for the grand re-opening. Mr. Lepore reported that he had been working with Sportservice on new menu items in preparation of the grand re-opening weekend. Mr. Lepore introduced the new General Manager, Tom Crocker and Jerry Freed of Sportservice. Mr. Crocker stated that he was looking forward to working at the Dunkin' Donuts Center. Mr. Duffy informed Mr. Crocker that the entire facility and patron experience will be heavily scrutinized. Mr. Freed assured the Board that Sportservice has been working all Summer to make the venue a success. He noted that we have a good team and a good plan. Mr. Lepore reported that there remains a great deal of cleaning to be done and a very busy week ahead to get ready.

Mr. Duffy asked Mr. Bacher to update the Board on the renovations. Mr. Bacher stated that the painters are finishing up and temporary landscaping was started today. He noted that the seats are mostly complete. Mr. Bacher said that there are a few minor items to be finished. He reported that we will be on budget and ready for the opening. Mr. Duffy said that is very good news.

Ms. Bennett said that Berkley Investments has some questions regarding the War Memorial. She said that Gilbane has been assigned to manage the project and meetings have taken place with

the Veterans and Representative Jacquard. She said that hopefully everything will be in place by the end of November. Mr. Bacher noted that easements need to be finalized. Mr. Butler asked if we have a Certificate of Occupancy or a temporary Certificate of Occupancy. Mr. Bacher stated that the electrical inspector has some additional requests therefore we have a temporary certificate. Mr. MacDonald thanked Gilbane for their due diligence and their response to the Board's concerns. Mr. Ahlborg stated that he agrees with Mr. Bacher and he sees no significant issues. Mr. McCarvill said that any money that is left has been earmarked for marquee signage. He said that City approval is needed for some of the signs. Mr. MacDonald also recognized the efforts of Mr. Ahlborg.

CONVENTION CENTER COMMITTEE

Mr. Duffy asked Mr. Muldoon to update the Board on operations at the Convention Center. Mr. Muldoon reported that some good events had taken place during the month. Mr. Muldoon said that the staff is working on the punch list of Summer projects. Light bulbs in the ballroom are being changed to florescent for more energy efficiency and some preventative maintenance is being completed on the elevators and escalators. Mr. Muldoon reported that improvements are being made to the garage elevators. Mr. Muldoon noted that a joint safety meeting had been held. Mr. Duffy said that he was impressed with the synergy between the buildings. He reported that the basketball floor had been moved to the exhibit hall where it was

refinished. Mr. McGinn reported that the staff has been focusing on growing our meeting and banquet business. He noted that the partnership with the Westin is working well. Mr. McGinn noted that conventions are the most profitable events for the facility. He noted that the sales staff is targeting 15 conventions and pursuing numerous meeting leads. Mr. McGinn highlighted possible future events. He stated that the Bay Colony Dog show was a three year process to book the event in our building. Mr. McGinn noted that some very good public show prospects include a boxing series, Roller Derby and a "Green Living" expo. Mr. McGinn said that an effort is underway to get the CVS Golf Classic back to the Convention Center but he thinks that is a long shot. Mr. McGinn said that there is also the possibility of a custom car show. Mr. McGinn also noted that a joint effort that is going into the Basketball Fan Fest. Mr. Duffy asked if we had seen an impact from the slowdown in airline industry.

Mr. McGinn stated that attendance is down but that is a national trend. Ms. Sheridan noted that we have a good drive market. Mr. MacDonald asked if the issue is that there are fewer flights at Green or is it the higher cost. Ms. Sheridan responded that both are having an effect.

VMA

Mr. Duffy noted that for the time being, the VMA would be reported on as part of the Convention Center report. Mr. Singleton and Mr. Hahl distributed a report on the progress being made at the VMA. Mr.

Singleton stated that PFM/PPAC is looking at some creative solutions for the venue. Mr. Hahl noted that they are still finding their way around the building and that they are working well with the hotel. Mr. Hahl noted that the doors are open and the staff is willing to show the theater to anyone that is interested in seeing it. Mr. Duffy asked if there is anything that needs to be done immediately. Mr. Nee asked if the building meets code. Mr. Hahl said that the building does meet code. Mr. McCarvill reported that we were called to Representative Costantino's office and asked to provide a budget for future operations and for the repairs that will be needed. He noted that the Legislature is supportive of our decisions regarding management and is encouraging us to move forward. Mr. McCarvill reported that the Rhode Island State Council of the Arts is also encouraged. Mr. McCarvill stated that it is our philosophy to fill every space every day and if possible more than once. Mr. McCarvill asked Mr. Singleton about the box office and ticket sales. Mr. Singleton stated that the staff will have the ability to sell tickets at the venue after Labor Day. Mr. MacDonald asked if there has been any thought about parking. Mr. Hahl said that he thinks about it every day.

MARKETING COMMITTEE

Ms. Venturini reported that the web site development issue was still being discussed. Mrs. Cohen described the events for the opening. She said that there will be creative and fun activities for everyone at every level. She said that visitors will have access to dressing

rooms, locker rooms and back stage. Mrs. Cohen reported that the arena floor will be divided into three sections. There will be ice, a basketball floor and a stage. Mrs. Cohen said that our media partners have stepped up and will sponsor give aways during the day. Mrs. Cohen reported that representatives from the National Guard, Providence College, Providence Bruins, the Circus, Harlem Globetrotters, Monster Trucks and the New England Patriots will be here to meet and greet the public and the NBA Championship trophy will on display. Mr. Duffy noted that most of the media will sponsor the event but that the Providence Journal is not a sponsor. Mr. Duffy reported that we are expecting thousands of visitors and it should be a great day. Ms. Bennett stated that she had done about media interviews and that Rhode Island Monthly had included an insert in this month's edition at no cost to the Authority. Mrs. Cohen noted that SMG had stepped up and is sending help for the event. She also thanked Ms. Sheridan for the assistance of the CVB staff. Mr. Crocker reported that the menu had yet to be finalized. Mr. McCarvill noted that Providence College and Providence Bruins merchandise would be available. Mr. Butler asked if parking would also be free on the day of the event. Mr. McCarvill responded that the \$10.00 family rate would be charged. Mr. Fowler asked if there would be a map displaying the location of attractions for visitors. Mrs. Cohen said that there would be. Mr. Hirsh asked if there is a way to collect names and e-mail address of the guests. Mrs. Cohen noted that there will be several giveaways that will allow us to capture names and e-mails. Mr. Duffy encouraged everyone to join the celebration.

Mr. Duffy asked if there was any new business. Hearing none he asked for a motion to adjourn. Upon a motion duly made by Mr. Butler and seconded by Mr. Hirsh it was unanimously

VOTED: to adjourn at 10:50 AM