

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 279th
MEETING OF THE BOARD OF COMMISSIONERS March 31, 2005**

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 March 31, 2005, 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, Paul MacDonald, Jerry Massa, Joe Judge, George Nee, Jeff Hirsh, Dale Venturini and Michael Mello. Mr. Gavitt was unable to attend. Also present were James P. McCarvill, Executive Director and Theodore J. Przybyla, RICCA; Bruce Leach, Legal Counsel; Matthew Kenney, Pinnacle Advisory Group; Michael Voccola, the Procaccianti Group; Joanne Sourial and Jen Leigh, The Link Agency; Brian Whiting and Neil Shriever, PWCVB; Robert Morgan, Manish Bhatia, Steve Beretta, Casey Crowley, Westin Hotel; Tim Muldoon, SMG; Thomas Hodge, Auditor General's Office; Andrea Stape, Providence Journal; Richard Beretta, Adler Pollock & Sheehan; Maureen Gurghigian and Stephen Maceroni, First Southwest; Normand Benoit, Partridge, Snow & Hahn; Edward Burman, EW Burman Construction; Thomas Mullaney, Budget Office; Jim Redding, Hinckley, Allen & Snyder, LLP and Eileen Smith, Recording Secretary. CALL TO ORDER Recognizing a quorum, Chairman Duffy called the meeting to order at 9:05 a.m.

Chairman Duffy introduced Mr. Jeffrey Hirsh, who was appointed by the Governor to fill the vacancy left by the resignation of Brad Waugh.

The Commissioners welcomed Mr. Hirsh.

APPROVAL OF MINUTES Chairman Duffy entertained a motion to accept the minutes of the 278th meeting, February 24, 2005. Mr. Leach noted the need for an amendment to the resolution made by Mr. Nee, seconded by Mr. MacDonald, and voted at the previous meeting would be needed in order to reflect that portion of Lot 132 that contains the Westin Providence should be (46,914 +/-) rather than (55,485 +/-). In addition, the description of the property prepared by the surveyors for the parcels to be sold could be approved.

Upon a motion duly made by Mr. Nee and seconded by Mr. MacDonald it was unanimously **VOTED:** to approve the minutes as distributed

Additionally, upon a motion duly made by Mr. Nee and seconded by Mr. MacDonald it was unanimously

VOTED: To amend the resolution concerning the sale of The Westin Providence to change the square footage of that portion of Lot 132 that contains The Westin Providence from (55,485 +/-) to (46,914 +/-), and also to approve the descriptions of the parcels to be sold as prepared by the Authority's surveyor .

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

Chairman Duffy reported that the Purchase and Sales agreement was

signed just prior to today's meeting. He thanked everyone involved and especially the legal team for the effort. Mr. Duffy asked Mr. Leach to address the Board. Mr. Leach stated that the term sheet provided in the Board package provides an outline of the process for the sale such as approvals from DOT and the City of Providence. Mr. Leach said that he has written to the State Properties Committee regarding the lease. Mr. Duffy reminded Mr. Leach that the closing needs to be completed prior to April 30th. Mr. Duffy asked Mr. Benoit to address the Board. Mr. Benoit referenced the resolution included in the Board package. Conversations ensued regarding the defeasment of bonds. He said that we can pre-pay bonds or deposit in escrow the funds to pay off bonds. He continued that the Authority's bonds are tax exempt because of their use for public property. Mr. Benoit said that we would take the net proceeds at the time of sale to pre-pay the bonds at the earliest time possible. Ms. Venturini asked if the IRS determines the procedures for defeasing of bonds and was answered in the affirmative. Mr. Duffy stated that this was discussed at length at the Finance Committee meeting.

FINANCE COMMITTEE

Mr. Judge presented a report from the Finance Committee. He stated that the Authority had reported that consolidated income from operations for the eight months ending February 28, 2005 exceeded last year by \$48,984 and fiscal year budget by \$1,057,563. Mr. Judge continued that the hotel operator reported year to date revenue

exceeded last year by \$260,868 and expenses by \$107,000 for a net of \$153,868. Revenue exceeded fiscal year 2005 budget by \$216,512 and expenses were \$341,038 less than budget for a net positive variance to budget of \$557,550. Mr. Judge noted that SMG was reporting a positive consolidated net to budget of \$189,426 and a consolidated net to last years actual of negative \$3,578. Mr. Judge said that both operators indicated their projections continue to track on budget for the remainder of the fiscal year.

Mr. Judge reported that the Finance Committee had voted to recommend passage of the proposed bond resolutions necessary to consummate the sale of the hotel and defease the associated bonds. Mr. Judge noted the presence of Bond Counsel, General Counsel and Financial Advisors, to answer any questions regarding these resolutions.

The following resolution was presented by Mr. Benoit

**RESOLUTION OF THE RHODE ISLAND CONVENTION
CENTER AUTHORITY (“AUTHORITY”)**

WHEREAS, the Board of the Authority by resolution adopted on February 28, 2005, authorized and approved the sale of The Westin Providence and adjacent parcel (the “Property to be Sold”) to PRI XVIII, L.P. (“PRI”) for the sum of Ninety-Five Million Five Hundred Thousand Dollars (\$95,500,000), on the terms and conditions

described in said resolution; and

WHEREAS, pursuant to a General Revenue Bond Resolution adopted November 7, 1991, readopted November 20, 1991, as amended and supplemented (the “Bond Resolution”), and various series resolutions, the Authority has previously issued \$182,395,000 Refunding Revenue Bonds, 1993 Series B (the “1993 Series B Bonds”), \$56,755,000 Refunding Revenue Bonds, 1993 Series C (the “1993 Series C Bonds”), \$101,315,000 Variable Rate Refunding Revenue Bonds, 2001 Series A (the “2001 Series A Bonds”), and the \$58,285,000 Refunding Revenue Bonds, 2003 Series A Bonds (the “2003 Series A Bonds”) (the 1993 Series B Bonds, 1993 Series C Bonds, 2001 Series A Bonds and 2003 Series A Bonds are collectively referred to herein as the “Refunding Bonds), which financed or refinanced the Property to be Sold to PRI; and

WHEREAS, pursuant to the Bond Resolution, it is contemplated that certain of the proceeds from the Property to be Sold to PRI will be applied to the redemption or purchase of certain of the Refunding Bonds; and

WHEREAS, under the Internal Revenue Code of 1986 as amended, certain actions must be taken to ensure that the transfer of the Property to be Sold to PRI will not adversely affect the exclusion of interest payable on the Refunding Bonds from gross income for federal income tax purposes to the holders thereof; and

WHEREAS, in connection with the issuance of the Series 2001 A Bonds, the Authority entered into an interest rate swap pursuant to a Master Agreement and Schedule dated as November 1, 2001, between UBS AG and the Authority (the “Swap Agreement”); and

WHEREAS, transfer of the Property to be Sold to PRI will require the Authority to amend various agreements with the State of Rhode Island and Providence Plantations (the “State”) and/or various other parties entered into in connection with the issuance and securing of the Refunding Bonds; and

WHEREAS, Section 811(a) of the Bond Resolution requires a separate determination by the Authority that it will receive fair market value in connection with the transfer of the Property to be Sold to PRI.

NOW, THEREFORE, be it resolved as follows:

RESOLVED: The Board of the Authority hereby finds and determines pursuant to the Bond Resolution that the Authority will receive fair market value in connection with the transfer of the Property to be Sold to PRI; and further

RESOLVED: The Board of the Authority hereby authorizes the Authority’s Chairman, David A. Duffy, and the Authority staff in concert with the Authority’s consultants, to take all actions necessary

or desirable (i) to obtain consent of bond insurers of the Refunding Bonds to effectuate the transfer of the Property to be Sold to PRI, (ii) to ensure that the sale of the Property to be Sold will not adversely affect the exclusion of interest payable on the Refunding Bonds from gross income for federal income tax purposes to the holders thereof, including, without limitation, executing and delivering on behalf of the Authority escrow agreements with the Trustee for the Refunding Bonds to employ all or a portion of the net proceeds from the sale to PRI of the Property to be Sold to be applied to the purchase or redemption of a portion of the Refunding Bonds, such portion to be determined by the Chairman, David A. Duffy, and, if desirable, apply a portion of the net proceeds of such sale to the cost of terminating all or a portion of the Swap Agreement, (iii) to execute and deliver on behalf of the Authority an amendment to the open-end mortgage deed securing the Refunding Bonds, an amendment to the Lease and Agreement and the Sublease and Agreement existing between the Authority and the State with respect to the Refunding Bonds, (iv) to execute and deliver on behalf of the Authority any agreements which may be required in connection with obtaining consent of the bond insurers of the Refunding Bonds to the above transactions, and (v) generally to execute and deliver on behalf of the Authority all required documents, agreements, amendments, notices, or certificates as may be necessary or desirable to effectuate the transactions contemplated in this resolution, all on such final terms as the Authority's Chairman, David A. Duffy, acting and signing singly, deems to be in the best interest of the Authority, and his signing and delivering of the same

shall be conclusive evidence of his and the Authority's approval; and further

RESOLVED: The Authority's Chairman, David A. Duffy, and its staff, in concert with the Authority's consultants, are also authorized to undertake on the Authority's behalf all other actions necessary to employ the proceeds of the sale of the Property to be Sold in a manner which will not adversely affect the exclusion of the interest payable on the Refunding Bonds from gross income for federal income tax purposes to the holders thereof; and further

RESOLVED: The Authority's Secretary, Paul A. MacDonald, Treasurer, Joseph J. Judge, and Vice Chairman, George Nee, in concert with the Authority's Chairman, are each authorized to execute and deliver on behalf of the Authority such certificates, documents, and take such actions as are required to effectuate the sale of the Property to be Sold to PRI and defeasance of certain of the Refunding Bonds.

This Resolution takes effect upon passage.

Upon a motion duly made by Mr. Mello and seconded by Mr. MacDonald and it was unanimously

VOTED: to approve the resolution as read.

Mr. Judge reported that the committee has received authorization from the Auditor General and Director of Administration to extend LGC&D's audit engagement for one year. The committee had discussed the advantages of retaining the current audit firm because of their knowledge and familiarity with the entity. Mr. Judge informed the Board that the committee had voted to recommend the granting of a one year extension to LGC&D for the fiscal year 2005 annual audit. LGC&D has agreed to the same fee charged for the fiscal year 2004 engagement and to further hold to the schedule of fees for additional services.

Upon a motion duly made by Mr. Mello and seconded by Mr. Nee it was unanimously

VOTED: to extend the contract of LGC&D to complete the fiscal year 2005 audit at the same fee charged for the fiscal year 2004 engagement and to further hold to the schedule of fees for additional services.

Mr. Judge reported that the Finance Committee had voted to authorize the staff and financial advisors to prepare an RFP for Underwriter Services for the possible refunding of debt.

Upon a motion duly made by Mr. Mello and seconded by Mr. MacDonald it was unanimously

VOTED: to have the Authority staff and financial advisors prepare an RFP for Underwriter Services for the possible refunding of debt.

MARKETING COMMITTEE

Ms. Venturini reported that the marketing committee met on March 22nd. Ms. Venturini stated that there is great dialogue among the stakeholders. Ms. Venturini asked Mr. Whiting to address the Board. Mr. Whiting was pleased to report that the CVB's has had a very active month and invited everyone to attend the launch of the new marketing campaign "Providence Night & Day" being held in the Rotunda Room on April 6th. Mr. Whiting noted that the CVB will be in New York on April 21st to launch the campaign to convention media writers. He also noted that on May 3rd they will be attending a meeting planner's event in Boston and are planning a FAM trip for meeting planners on May 11th through the 13th. Mr. Whiting stated that the teaser ads that were placed at the beginning of the month have gotten a great deal of interest. Neil Shriever reported that the CVB is still ahead of pace. He noted that short term bookings have become more common. Events are being booked for 2005 and 2006 which is a change from the past. Mr. Shriever stated that the CVB is very busy and excited about the prospects for the future. Mr. Muldoon agreed that short term bookings are more common. Mr. Donnelly said that he is coordinating this year's Federal Hill Stroll. He said that twenty venues will participate and a "King of the Hill"

competition will give attendees an opportunity to vote for their favorite dish. Mr. Muldoon continued that the joint marketing is having some success and that the weekly meetings with the Link Agency the CVB and the Convention Center Sales teams have been helpful. Mr. MacDonald reported that he had asked at the meeting where we rank as far as other SMG buildings and was informed that we rank 1st or 2nd in our competitive set. He said that was very impressive. Rob Morgan, interim General Manager of the hotel, noted that the first quarter was a struggle for the hotel but April was a fantastic month. He continued that with help from Mr. Muldoon the hotel was able to book Reebok for May which will be helpful. Mr. Morgan said that the hotel is anticipating good summer transient business. Mr. Morgan reported that there has been a large turnover in the sales department due to uncertainty caused by the hotel sale. He continued that the Procaccianti Group has retained a Director of Sales who will be on site on Monday. The new Director of Sales is currently director for the Marriot in Norfolk.

Mr. Massa arrived at 9:40 a.m.

Mr. MacDonald thanked Mr. Morgan for being a great babysitter.

Joanne Sourial, of the Link Agency, was asked to address the Board. Ms. Sourial reported on the joint sales effort with the CVB and the Convention Center. She highlighted a direct mail initiative targeting the pharmaceutical industry. Ms. Sourial said that the joint marketing

team has been brainstorming closing techniques for tentative groups.

Postcards that were designed by the Agency were distributed. Mr. Massa asked how the postcards will be used. Ms. Sourial noted that the cards will be mailed to meeting planners, travel writers and trade show planners perhaps mailing one every other day. They will also be included in media kits. Ms. Sourial noted that she had met with the Craft Show and Fine Furnishing Show organizers.

OPERATIONS AND FACILITIES COMMITTEE

Chairman Duffy asked Mr. Massa to report on the Operations and Facilities Committee meeting that was held on Tuesday, March 29th.

Mr. Massa noted that the hotel renovations are complete with the exception of the elevator cabs and the escalator. Mr. Duffy voiced the concern of the Board that the escalator is now five months late and asked Mr. Burman to explain the delays. Mr. Burman noted that weather delays as well as a problem with lost glass has hindered construction. He stated that the escalator should be complete by the end of April. Following completion a State inspection will be performed and the escalator open for pedestrian traffic. Mr. Massa asked the schedule for the front doors to the Hotel and Mr. Burman answered that is up to the Hotel. Mr. Morgan informed the Board that the new revolving doors would be installed as soon as the escalator is operational. Mr. Mello asked Mr. Burman to keep the Chairman informed of any further delays. Mr. Massa recognized Mr. Muldoon who proceeded to update the Board on projects and events taking place in the Convention Center. Mr. Muldoon reported that glazing

would begin as soon as the weather breaks and that the granite for the rotunda plaza has been ordered. Mr. Muldoon stated that they are in the process of finalizing the contract for a new Parking Access & Revenue Control System (PARCS) for hardware and software with CTR. He said that CTR has agreed to hire a full time support person to service the Rhode Island market. Mr. Muldoon reported that the Saltwater Angler Show has expanded to two halls. Mr. MacDonald voiced his concerns regarding parking fees at some of the lots in Providence saying that they are charging as much as \$30.00. Mr. Muldoon said that for some concerts our rates are up to \$20.00 but most are an \$8.00 event rate. Mr. Massa referenced a Letter to the Editor that was critical of the garage. He said that he had spoken with the gentleman and the Garage Manager in an effort to solve the problems sometimes encountered on exiting.

CHAIRMAN'S AND EXECUTIVE DIRECTORS REPORT

Chairman Duffy informed the Board that he would like to recommend that Jeff Hirsh be appointed as our representative to the PWCVB Board of Directors. Upon a motion duly made by Mr. MacDonald and seconded by Ms. Venturini it was unanimously

VOTED: To appoint Mr. Jeffrey Hirsh as our representative to the PWCVB Board.

Jim McCarvill reported that he was asked to attend a meeting of the House Finance Committee dealing with the Dunkin Donuts Center. Mr. McCarvill said that a Power Point presentation, prepared by Ellerbe Beckett, was made to the Committee. The presentation illustrated the scope of needed renovations both limited and enhanced schemes and highlighted the differences in the proposals. Chairman Duffy said that he had spoken with Commissioner Gavitt who said that we need to be marketing the buildings together and targeting grass roots sports. He referenced an article in USA Today that reported on the capacity of arenas that had hosted first round NCAA Men's Basketball tournament action and said that with a renovated facility we could be in the running. Mr. Duffy said that our competition won't be able to touch us if we acquire the Dunkin Donuts Center, connect it to the Convention Center which is connected to the Hotel and then to the Mall. A patron could walk from the Dunkin Donuts Center to the Cheese Cake Factory without going outside. Mr. Mello said that there have been meetings between the City and the State leadership and the City is looking to move forward. Mr. Massa inquired if there was adjacent land available for additional parking. Mr. Mello said that there was.

Mr. Duffy reported that the Access to Public Records Case brought by the Providence Journal was dismissed with prejudice on March 18th in Superior Court.

Upon a motion duly made by Mr. MacDonald and seconded by Mr. Mello it was unanimously

VOTED: to adjourn at 10:05 a.m.