

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 282nd
MEETING OF THE BOARD OF COMMISSIONERS June 30, 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 June 30, 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, David Gavitt, Joe Judge, George Nee, Jeff Hirsh, Jerry Massa, Dale Venturini and Michael Mello.

Also present were James P. McCarvill, Executive Director, RICCA; Bruce Leach, Legal Counsel; Brian Whiting and Neil Shriever, PWCVB; Angelo DePeri, Westin Hotel; Tim Muldoon, John McGinn, and Debbie Tuton, SMG; Andrea Stape, Providence Journal; Normand Benoit, Partridge, Snow & Hahn; Maureen Gurghigian, First South West; Richard Beretta, Adler Pollock & Sheehan; Alisa Gallo, David Madoin, Local 217, RICC; Monica Callyano, James McGreavey, Cheryl Cunha and Charles Digby, Local 217, DDC; Thomas Mullaney, Budget Office and Eileen Smith, Recording Secretary. **CALL TO ORDER Recognizing a quorum, Chairman Duffy called the meeting to order at 9:05 a.m.**

APPROVAL OF MINUTES Chairman Duffy entertained a motion to accept the minutes of the 281st meeting, May, 2005. Upon a motion duly made by Mr. Judge and seconded by Mr. Massa it was

unanimously VOTED: to approve the minutes as distributed

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

Mr. Duffy asked that the order of the agenda be changed to allow for an update on the Dunkin Donuts Center due to time constraints of legal counsel. Mr. Gavitt addressed the Board and announced that on Wednesday the House and Senate had approved the issuance of bonds to finance the acquisition of the Providence Civic Center. Mr. Gavitt continued that this was the right thing to do for the citizens of Providence and the State and was a model of cooperation between the City and the State. Mr. Gavitt recommended passage of the following resolution;

**RESOLUTION OF THE RHODE ISLAND
CONVENTION CENTER AUTHORITY**

Whereas, legislation has passed which authorizes the Authority to issue up to \$92,500,000 in revenue bonds for the purpose of providing funds to finance the acquisition from the City of Providence and/or the Providence Civic Center Authority the real property and improvements constituting the Providence Civic Center a/k/a the Dunkin' Donuts Center (the "Civic Center"), the renovation, equipping, improvement and redevelopment of the facility, and the costs of issuing and insuring the bonds; and

Whereas, the Authority believes that it is in the best interest of the citizens of Rhode Island and the purposes of the Authority that the Authority acquire and renovate the Civic Center, the price for the Civic Center real estate being \$27,000,000 and \$1,000,000 for its building; and

Whereas, any purchase of the Civic Center should be free and clear of encumbrances and free and clear of City of Providence and/or Providence Civic Center Authority's debts and obligations, and subject to such other conditions acceptable to the Authority;

Now therefore, the Rhode Island Convention Center Authority resolves that:

The Authority's Chairman and Executive Director, in concert with the Authority's consultants, are authorized, subject to the above, to negotiate on the Authority's behalf an Agreement with the City of Providence and/or the Providence Civic Center Authority for the Authority's acquisition of the Civic Center, which Agreement shall be subject to and subsequently presented to this Board for approval, and be contingent upon, among other things, the Authority successfully entering into an acceptable financing lease with the State of Rhode Island in order to pay the debt service on such bonds.

Mr. Gavitt stated that Mr. Beretta, as our counsel, had done a

wonderful job. He asked Mr. Beretta to address the Board and answer any questions that they might have. Mr. Beretta explained the legislation and noted that the bill calls for two additional appointments to the Authority Board, one City Council appointee and one additional appointee by the Governor beginning on July 1, 2006. Mr. Beretta noted that the Civic Center will receive the same tax exempt status as the Convention Center. Mr. Beretta stated that the General Assembly has shown a great deal of confidence in the Authority's ability to rehabilitate the Dunkin Donuts Center and promote both facilities. Mr. Beretta noted a change to the resolution that was read stating that the approval by the Legislature was to pay the City \$27,500,000 for the land and \$1,000,000 for the building.

Jim McCarvill then explained the proposed renovations noting that work will be performed with as little disruption to scheduled events as possible. Mr. McCarvill said that there would be a new scoreboard, upgrades to the security system, ice making, luxury suites, rest rooms, food courts, party boxes and many other improvements and upgrades. Mr. Massa asked about changes to the exterior of the building. Mr. McCarvill stated that the color will change and materials will be more energy efficient. Mr. Duffy reminded the Commissioners that the some legislative members were concerned with the war memorial in front of the Civic Center. Mr. Gavitt stated that the memorial will be enhanced along with the front of the facility. He continued that the renovations will not happen overnight and it is

expected to take 2 ½ to 3 years before it is complete. He said that the building will be kept operating as much as possible during the renovations. Mr. Massa offered his congratulations to Mr. Gavitt and his committee for putting us a step above the competition. Mr. Gavitt said that the thanks go to the City and the State who stepped up to get this done. He said that tying the Civic Center with the Convention Center puts us on top of the wave again and it is the right thing to do. Mr. Gavitt stated that the credibility of this board resonated with the Governor and the Mayor.

Upon a motion duly made by Mr. Nee and seconded by Mr. Hirsh and by roll call vote it was unanimously

VOTED: to approve the resolution read by Mr. Gavitt and subsequently amended by Mr. Beretta.

Vote: Dave Gavitt Yes

George Nee Yes

Jeff Hirsh Yes

Dale Venturini Yes

Paul MacDonald Yes

Jerry Massa Yes

Joe Judge Yes

Dave Duffy Yes

Mr. McCarvill said that an RFP for Architectural and Engineering

Services would be necessary. He requested that he be authorized to spend an additional \$50,000 with Ellerbe Becket during negotiations of a purchase and sale agreement with the City.

Upon a motion duly made by Mr. Gavitt and seconded by Mr. Judge it was unanimously

VOTED: to authorize Mr. McCarvill to spend an amount not to exceed \$50,000 with Ellerbe Beckett during negotiation of a purchase and sale agreement with the City

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

VOTED: to issue an RFP for Architectural and Engineering Services for renovations to the Dunkin Donuts Center.

Mr. McCarvill stated that the RFP would be issued within two weeks.

Mr. Benoit addressed the Board and discussed the bond issue. Conversations ensued regarding tax exempt bonds and why this bond issue cannot be tax exempt. Mr. Benoit stated that timing will be an issue. He said that in order to sell the bonds we must own the property but in order to purchase to property we need to sell the bonds. He said that we will need to work something out with the City in order to get the mortgage and lease it to the State. The process

also has to go through the State Properties Committee. Mr. Duffy said that there is a great deal of administrative work to do before we can begin renovations.

Mr. McCarvill reported that the contract for the Convention Center Management is due to expire in October and the Dunkin' Donuts Center is operating with a month to month agreement. He suggested that an RFP be advertised for management of the facilities as soon as possible. Mr. MacDonald asked if there was a possibility of extending SMG's contract. Mr. McCarvill said that he would defer to counsel on the issue but asked if we want to do that because next year we would be in the middle of renovations and it might be difficult to change management companies. Mr. Massa noted that we would need one year extensions for each year of renovations. Mr. Nee asked if SMG and Aramark are the same. Mr. McCarvill said that they are related. Mr. Leach stated that he would look into the State purchasing laws. Mr. Judge suggested that a new contract could be for two years with the option for three one year extensions. Mr. Nee asked the term of the current contract with SMG. Mr. McCarvill stated that the contract was for two years with a one year extension and we are nearing the end of the extension. Mr. Nee stated that we are required to issue an RFP. Mr. Mello suggested that we be flexible in the RFP in order to get responses from arena managers as well as convention centers. Upon a motion duly made by Mr. Mello and seconded by Mr. Massa it was unanimously

VOTED: to issue an RFP for Management Services of the Convention Center and the Dunkin Donuts Center.

Chairman Duffy thanked the Authority staff for their hard work during the hotel sale and the Civic Center negotiations.

OPERATIONS AND FACILITIES COMMITTEE

Mr. Massa reported that the Downtown Improvement District had approached us for sponsorship of their initiative to clean up the City. Mr. Massa reported that Mr. Muldoon had come up with an innovative solution to assist the Downtown Improvement District. Mr. Muldoon noted that equipment had been purchased, trucks, sweepers, etc. by the Downtown Improvement District and needed to be stored when not in use. Mr. Muldoon said that space has been identified in the holding area behind the Convention Center that can be used as storage for these vehicles. Mr. Muldoon sought approval for this plan. Upon a motion duly made by Mr. Mello and seconded by Mr. Gavitt it was unanimously

VOTED: to authorize SMG to enter into an agreement to provide space for service vehicles used in the maintenance of the Downtown Improvement District as an in-kind contribution in support of the ongoing effort to enhance the area surrounding the Convention Center. The authorization and agreement are subject to termination at the Authority's option should the continuation of the arrangement for any reason prove to no longer be the will of the Authority.

Mr. Judge took this opportunity to commend Mr. Muldoon for this initiative. He continued that the staff does a great job with the up-keep of the Convention Center and it is nice that we can do something to help the City.

Mr. Muldoon reported that he would have a timeline for the parking garage upgrades at the next meeting but the anticipated completion date is early September. Mr. Muldoon was pleased to report that SMG Mystery Shopper had visited the Convention Center. Mr. Muldoon said that the results are in and the facility ranked third out of the thirty centers visited. Mr. Muldoon said they were graded on cleanliness, staff attentiveness and knowledge, the web site, etc.

Mr. Massa asked Ms. Tuton to report on the granite replacement. Ms. Tuton said that 60 to 70% of the granite has been replaced and she was pleased with the results. She stated that the match with the existing stone was almost perfect. Ms. Tuton said that perimeter of the building has been caulked and the building cleaned

FINANCE COMMITTEE

Mr. Judge presented a report from the Finance Committee. He reported consolidated income before other expenses was \$5.84 million compared to \$7.2 million for the prior year. The decline was attributed to the loss of revenues generated from the hotel.

Mr. Judge stated that on a year to date basis combined revenues were up by \$742,000 and net income was up \$185,000 compared to fiscal year 2004.

Mr. Judge noted that Mr. Muldoon said that fiscal year 2005 operations exceeded the prior year numbers, which had been the facilities best year. Mr. Muldoon also noted that June was expected to match budget.

Mr. Judge asked Mr. McCarvill to report on Debt Service. Mr. McCarvill noted that the Authority had paid back \$2.6 million in fiscal year 2005 advances as well as returned on excess debt service payment of \$5.4 million to the State.

Mr. Judge brought to the Board's attention a resolution for the selection of senior underwriters for Refunding Revenue Bonds, 2005 Series A to refinance 1993 Series C Bonds. Mr. Judge reported that the Finance Committee had requested that its financial advisor contact the four short list respondents to determine as senior underwriter they would be open to one or more co-managers. Ms. Gurghigian noted that there were nine original respondents of which four were short listed by the Finance Committee. Ms. Gurghigian reported that all four agreed to co-managers. She also reported a \$1.2 million in present value savings as a result of the refunding. After further discussions the Finance Committee recommended that

the Authority select Merrill Lynch as the Senior Underwriter with the ability of the Authority to select one or more co-managers to facilitate distribution of the Refunding Revenue Bonds, 2005 Series A (see attached resolution) as presented by Bond Counsel, Normand Benoit.

Upon a motion duly made by Mr. Massa and seconded by Mr. Hirsh it was unanimously

VOTED: to select Merril Lynch as the Senior Underwriter with the ability of the Authority to select one or more co-managers to facilitate distribution of the Refunding Revenue Bonds, 2005 Series A as presented by Normand Benoit.

Mr. Judge noted that the Finance Committee recommends that the Authority issue an RFP for Investment Banking Services in anticipation of the renovations to the Civic Center. Upon a motion duly made by Mr. Mello and seconded by Mr. Nee it was unanimously

VOTED: that in anticipation of the Authority's acquisition of the Providence Civic Center a/k/a the Dunkin Donuts Center, the Authority's Executive Director, in consultation with the Authority's consultants, is authorized to prepare and appropriately advertise a Request for Proposals for Investment Banking Services in connection with the Authority's renovation of the Providence Civic Center. Responses are to be received by the Authority with copies provided to the Authority's Financial Advisor for analysis.

MARKETING COMMITTEE

Ms. Venturini reported that the June meeting had been canceled. She asked Mr. Whiting to give a brief report on CVB activities. Mr. Whiting reported that the Mayor had appointed the General Manager of the Providence Biltmore to serve on the CVB Board. He also reported that the CVB Board had voted on a new logo which will be evident in new marketing materials. Mr. Whiting said that public relations activity was beginning to pay off. A former National Geographic photographer has been hired to take new photos of the City. Mr. Whiting thanked Mr. Duffy and Mr. McCarvill for their participation in the site visit for the National Figure Skating Competition. A decision is expected at the end of July and Providence is competing with two other cities. Neil Shriever reported that he had recently visited Washington, D.C. and Chicago and had developed several leads. Mr. Shriever noted that the CVB and Convention Center joint sales team had been working together to attract several events to the City.

Mr. Muldoon reported that the food products trade show had visited the site. He said that the show had been held at Mohegan Sun but was looking to re-locate.

Mr. Muldoon said that the Convention Center Parking Garage is reaching out to the Providence Bruins and Providence College to promote easy in – easy out debit cards for the garage. He said that a

brochure would be included in a mailer to all season ticket holders.

Mr. DePeri addressed the Board and thanked everyone from himself and the Procaccianti Group. He stated that he had inherited a well maintained building and a wonderful staff. Mr. DePeri said that construction meetings are held weekly and ground breaking for the new tower is expected in September. He continued that the escalator has been a great addition and works well. Mr. DePeri said that a decision has not been made on removal of the old escalator. Mr. Mello informed Mr. DePeri that some lights were out on the building. Mr. DePeri said that he had been made aware of the lights and that they would be replaced and the building would be power washed.

CHAIRMAN'S AND EXECUTIVE DIRECTORS REPORT

Mr. McCarvill reported that he was working on hiring a CFO but that he hadn't had much time to spend on the search. He said that he would like Mr. Judge to meet a few of the candidates and get his input. Mr. Duffy noted that Mr. Judge and Mr. Nee have made themselves available for check signing and made the absence of a CFO relatively painless. Mr. Duffy also thanked Donald Nadeau and the Authority staff.

David Madoian of the Convention Center asked to address the Board. Mr. Madoian said that he was here today to urge the Authority to continue to encourage union contract negotiations when the

Authority assumes possession of the Dunkin Donuts Center. Mr. Madoian was assured that everything would be done to ensure that the staff of the Dunkin Donuts Center would be treated fairly.

Noting no further business Mr. Duffy entertained a motion to adjourn.

Upon a motion duly made by Ms. Venturini and seconded by Mr. Massa it was unanimously

VOTED: to adjourn at 10:30 a.m.