

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 285th
MEETING OF THE BOARD OF COMMISSIONERS September 29, 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 September 29, 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, Jeff Hirsh, Jerry Massa, Dale Venturini and George Nee.

Mr. Mello was unable to attend.

Also present were James P. McCarvill, Executive Director, Betty Sullivan and Ken Mancuso, Rhode Island Convention Center Authority; Bruce Leach, Legal Counsel; Brian Whiting, PWCVB; Tim Muldoon, Bob McClintock, Shane LaChance and Debbie Tuton, SMG; Andrea Stape, Providence Journal; Zlatomir Popov and Vladimio Manov, guests of Jeff Hirsh; Normand Benoit, Partridge Snow & Hahn; 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 284th meeting, September, 2005. Upon a motion duly made by Mr. Judge and seconded by Mr. Gavitt 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.

FINANCE COMMITTEE

Mr. Judge presented a report from the Finance Committee. Mr. Judge noted that Mr. Champi had presented a draft of the audited financial statement to the Finance Committee. He said that Mr. Champi informed the Committee that field work had been completed and that the Auditor's report reflected an unqualified opinion. Mr. Judge noted that Mr. Champi said that the Authority needed to complete the Management Discussion & Analysis section of the report and the draft report was subject to the approval of the Auditor General. Upon a motion duly made by Mr. Judge and seconded by Mr. Gavitt, based on the presentation and discussion of the draft audited financial statements, it was unanimously

VOTED: to approve the draft audited financial statements subject to the Authority's completion of the Management Discussion & Analysis section of the report and the approval of the Auditor General.

Mr. McCarvill reported that since the Board had selected Merrill Lynch as senior underwriter they have been developing a strategy for short

term financing for the purchase of the Dunkin' Donuts Center. Mr. McCarvill noted that our purchase of the building is on the agenda before the State Properties Committee for their October 11th meeting.

Mr. Duffy asked if we would be on the agenda even if the Purchase & Sale Agreement has not been signed. Mr. McCarvill stated that in that case the meeting would be informational only.

Conversations and discussions ensued regarding the Facilities Management presentations that had taken place the previous day.

Mr. Gavitt stated that both presentations were impressive but based on discussions following the presentations he duly made a motion seconded by Mr. Nee to authorize the Executive Director to enter into negotiations with SMG for management of the Convention Center and the Dunkin' Donuts Center and if an agreement cannot be reached to begin negotiations with Delaware North, Rhode Island.

Mr. MacDonald stated that he was uncomfortable with the second part of the resolution and said that he would rather have us re-bid the management. Mr. Nee concurred and asked if we could amend the resolution before we proceed with a vote. Mr. Judge agreed with Mr. MacDonald and Mr. Nee.

The amended resolution authorizes Mr. McCarvill to enter into negotiations with SMG for management of the Convention Center and the Dunkin' Donuts Center and if an agreement cannot be reached we would request proposals from other firms.

Upon a motion duly made by Mr. Gavitt and seconded by Ms. Venturini and by roll call vote it was unanimously

VOTED: to authorize Jim McCarvill to enter into negotiations with SMG for management services of the Convention Center and the Dunkin' Donuts Center and if an agreement cannot be reached we would request proposals from other firms.

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Vote Dave Duffy – yes

Dale Venturini – yes

Jeff Hirsh – yes

Paul MacDonald – yes

Dave Gavitt – yes

Jerry Massa – yes

Joe Judge – yes

George Nee – yes

Mr. Duffy thanked everyone for giving their time to listen to the presentations.

Bob McClintock addressed the Board and said that on behalf of Wes Wesley and the entire SMG organization pledged their commitment to reaching an agreement. He continued that SMG would strive to exceed the Authority's expectations for the future.

DUNKIN' DONUTS CENTER

Mr. Duffy reminded the Board that it has been three months since the General Assembly passed legislation authorizing the purchase of the Dunkin' Donuts Center from the City and we have not been able to negotiate a Purchase & Sale Agreement. He said that he was not happy about that. Mr. Duffy continued that we were appropriated \$28.5 million to purchase the building and every day that we don't have an agreement is costing money. He stated that the City wants adjustments for equipment that would add approximately \$1 million to the purchase price. Mr. Nee stated that we have an obligation to stay within the parameters set by the legislature. This was negotiated at that level and we are not in a position to go beyond that. He continued that we are responsible to the Governor and the Legislature and the City should have addressed the equipment prior to setting a price. Mr. Gavitt said that we should not budge. Mr. McCarvill stated that there are three or four items on the closing check list that he is looking at ways to resolve. Mr. MacDonald stated that we need to be sensitive to the City's position. Mr. Duffy noted that the City agreed to \$28.5 million and asked where the money would come from. Mr. Judge reminded the Board that during this time the Dunkin' Donuts Center is incurring costs. Mr. Gavitt said that although it is premature "at what point do we walk". Mr. Nee said that we have been empowered to purchase the property for \$28.5 million and asked if the Legislature and the Governor have been informed. He continued that our expectation was that at this time we would be

discussing construction issues. Mr. Duffy stated that he has expressed his frustration to the Governor. Mr. MacDonald asked if anyone has spoken with the Mayor and the City Council. He said that they have a responsibility to the City taxpayers. Mr. McCarvill noted that we are negotiating with the Director of Administration. Mr. Duffy said that it is the feeling of this Board that we should not be paying any more for the equipment. Mr. Massa asked if there should be a drop dead date and if so what is that date. Mr. Duffy said that it has gone on too long. Mr. Gavitt said that we should encourage Mr. MacDonald to reflect back to the Mayor and the City Council the atmosphere of the Board.

Mr. McCarvill requested approval to issue an RFP for Construction Manager. He continued that consideration should be given to an Owners Representative. He said that we need an advocate to work with the Construction Manager and the Authority. He noted the possibility of savings and efficiencies similar to those that occurred during construction of the Convention Center. Mr. Nee referenced a letter from Lusi Construction regarding the bid process. Mr. McCarvill stated that legal council had drafted a letter to Mr. Lusi stating our understanding of the laws that affect the process. He asked Mr. Leach to address the issue. Mr. Leach stated that per our enabling legislation we are not bound by the statutes referenced by Mr. Lusi. He said that we need more flexibility because the project is a renovation not a rebuild. Mr. Leach also noted that each Architect interviewed had no objections to either approach. Mr. MacDonald

asked what had prompted Mr. Lusi letter. Mr. Leach said that he wanted to make sure that the Board was aware of all options. Ms. Venturini asked if an RFP was needed for an Owners Rep. Mr. Duffy said no but an RFP is required for Construction Manager. Upon a motion duly made by Ms. Venturini and seconded by Mr. Hirsh it was unanimously

VOTED: to authorize the Executive Director to issue an RFP for Construction Manager.

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

VOTED: to authorize the Executive Director to hire an Owners Representative.

OPERATIONS AND FACILITIES COMMITTEE

Mr. Massa reported that no meeting had been held. He asked Mr. Muldoon to update the Board on the progress of the Parking Garage revenue systems replacement. Mr. Muldoon noted that the task is nearing completion and that they were working on some punch list items.

MARKETING COMMITTEE

Ms. Venturini was pleased to report that the Marketing Committee continues to enjoy cooperation from all entities involved. She stated

that it would be wonderful to have Cheryl Schadone, Marketing Director for the Dunkin' Donuts Center join the group and asked that she be put on our meeting notice distribution list. Ms. Venturini said that she is working with the Rhode Island Commodores and has asked for their assistance developing sales leads and using their influence with other associations to which they belong. Mr. Muldoon addressed the Board and presented highlights of business that has signed contracts with the Convention Center. He was happy to note that the Convention Center is becoming Amgen's first choice for meetings. Ms. Venturini noted that the PWCVB Marketing Agreement had expired and that they were operating on a monthly basis. She reported that the PWCVB had been asked to present their Marketing Plan at the October meeting. Mr. Whiting reported on the results of a client event held in Boston. He continued that a sales action plan is being prepared and a sales advisory committee is being formed. Mr. Whiting also noted the hiring of two additional sales associates, Gail Rubenstein and Kristen McGrath. He said that Gail comes from Hasbro after eighteen years as their corporate meeting planner and Kristen will be coming from Boston. Mr. Gavitt inquired if the new Westin management was cooperating with the sales effort. Mr. Whiting answered that they have been great to work with. Mr. MacDonald reported that he had recently returned from the new Federation of Labor conference and noted the importance of reaching out to offer our State for regional meetings. Mr. Nee stated that he is still upset over the Festival of Trees. He continued that he would be reluctant to approve funding for the CVB until that issue has been

resolved with Sister Ann. Mr. Whiting assured Mr. Nee that he would contact Sister Ann to see if there was anything else that could be done. Mr. MacDonald congratulated Ms. Venturini for getting all of the organization working together. Noting no further business Mr. Duffy entertained a motion to adjourn.

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

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