

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 316th  
MEETING OF THE BOARD OF COMMISSIONERS May 29, 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 May 29, 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, Bernie Buonanno, Paul MacDonald and Jason Fowler.**

**Ms. Corr, 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; William Daugherty, Guest; Bruce Leach, Legal Counsel; Tim Muldoon, Deb Tuton and Nancy Beauchamp, SMG/RICC; Larry Lepore, Eleanor SanAntonio, Kym Chevian and Cheryl Schadone, SMG/DDC; Bob McClintock, SMG Corporate; Neil Schriever and Martha Sheridan, PWCVB; Steve Duvel, Gilbane; Eric Ahlborg, ABM; Tom Mullaney, Budget Office; Robin Anderson, Lou Aurelio and John Valez, Sportservice; Jessica Cigna, Senate Fiscal Office 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 315th meeting, April, 2008. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Fowler 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 April the Convention Center net income was (\$90,092) to budget but \$35,750 better than the prior year. Year to date net income was positive \$259,006 to budget and positive \$471,543 to the prior year. Mr. McCarvill noted that strong event and parking revenue were offset by decreased Food & Beverage revenue. Mr. McCarvill stated that for April the Dunkin' Donuts Center net income/loss was negative (\$115,709) to budget and negative (\$145,310) to the prior year. Year to date net income was (\$352,200) to budget but \$410,565 better than the prior year. Mr. McCarvill noted that there were fewer events and decreased attendance due to the construction shutdown. The Convention Center Authority was (\$57,511) to budget and (\$6,700) to the prior year. Mr. McCarvill reported that year to date net income was (\$32,600) to budget and (\$156,000) to the prior year. Mr.**

**McCarvill brought to the Board's attention the Flash Report for the Convention Center. Mr. Muldoon noted that events of note have been compiled and indicate the revenue and expenses associated with the event. Mr. MacDonald asked if the first numbers contained in the report represented the number of attendees. Mr. Muldoon said that they were not but attendance numbers would be included in the future.**

## **MARKETING COMMITTEE**

**Ms. Sheridan reported that the area has seen an increase in international travel due to the weakness of the dollar. Ms. Sheridan noted that the high cost of fuel has the CVB focusing its advertising and sales efforts closer to home. She noted that there is a concerted effort to promote regional meetings and to encourage our people from our neighboring states to vacation in Rhode Island. Ms. Sheridan stated that our ambassador program is working with the Rhode Island Higher Education Association to increase awareness of the opportunities here for meetings and events. Mr. Schriever reported on the sales activity for the month of April. Mr. Schriever stated that there were five bookings for the complex and that 39% of the hotel room nights are a result of the complex. Mr. Schriever said that the complex bookings include the Botanical Society of America, the National Senior Games and the American College of Healthcare Administrators. Mr. Schriever said that several site inspections took place during the month. He noted in particular Promise Keepers**

looking at cities and facilities for their meetings during Summer months for 2009, 2010 and 2011. Mr. Schriever reported that the sales team had attended several trade shows and made numerous sales calls. Mr. Duffy stated that it was emphasized at the Committee meetings that we would like the focus of the CVB report to be on sales relating to the complex.

Mr. Muldoon reported that a key event for the month of June is Stop & Shop. He noted that Stop & Shop will be launching a new Choose and Cook product line at the meeting. Mr. Duffy asked the difference in what is sold by the Convention Center sales staff and the CVB. Mr. Muldoon explained that there is some overlap but for the most part the Convention Center staff concentrates on stand alone business while the CVB deals with meetings and events that include room nights, entertainment, special requests, etc. Mr. Muldoon reported that there was a good turnout for Everyday Edisons. Mr. Muldoon informed the Board that Everyday Edisons is a nationally televised PBS reality series that held an open casting call in the building. Mr. Buonanno asked if we would another opportunity to have CVS Classic events in the Convention Center. Mr. Muldoon responded that eventually it would come back to Providence but that right now the Classic Board is happy in Newport.

Ms. Schadone reported that the circus was a huge success. She noted that the blue unit was here in Providence and up against Worcester that had the red show. Ms. Schadone said that family

entertainment continues to do well in the arena. Ms. Schadone reported that the Van Halen concert was a sell out. Ms. Schadone reported that American Idol, the 1st show of the grand re-opening is sold out. Ms. Schadone noted that plans are moving forward for the grand re-opening. She said that there will be a public open house to showcase the renovations. Representatives from the Harlem Globetrotters, RBB&B Circus and WWE will participate. Mr. Duffy said that this will be a thankyou to the taxpayers and we should expect a huge crowd.

## **DUNKIN' DONUTS CENTER**

Mr. Duvel distributed Gilbane's monthly report and noted that the demo crew is lined up and ready to remove the seats following the Hot Night concert. Mr. Duvel stated that paint samples have been applied exterior painting will be started as soon as a decision is made on the color and will be complete in September. Mr. Duffy asked when the cleaning would be done. Mr. Lepore said that after the seats are out the floors will be cleaned and sealed. Mr. Duffy asked Mr. Duvel what the summer workforce will be. Mr. Duvel said approximately 50 workers will be on site which is a much lower number than in the past. Ms. Bennett reported that the new owners of the Blue Cross building, Berkley Investments are on board with putting the War Memorial in the courtyard. Ms. Bennett reported that Randy Rosenbaum would be holding an open call for artists for the public art project at the facility. She also noted that a press release

on phase 3 of the renovations would be going out today. Mr. Ahlborg noted that a copy of his report was included in the Board package. Mr. Ahlborg stated that the month was very quiet and that there were no issues. Mr. Lepore reported that the Van Halen concert had a great economic impact on local businesses. He said that area restaurants reported a brisk business prior to the show. Mr. Lepore noted that for safety reasons beer sales were stopped at 9:30. Mr. Lepore also stated that there will be no alcohol sold at the Hot Night concert. He stated that arrangements have been made for extra police detail for the hip hop concert. Mr. Lepore reported that the promoter has a lot of experience and runs a tight ship. Mr. Duffy asked why this show will not attract area gangs. Mr. Lepore stated that the headline artist has no history of gang activity or gang related incidents. He also said that the radio station will announce that it is sold out. Discussion of the re-opening resumed and Mr. Lepore reported that this September there will be six concerts. Mr. Lepore also discussed events that are being sought for the summer of 2009. Walking with the Dinosaurs and Cirque de Sole are possible family events that are being pursued. Mr. Lepore said that RI Interscholastic League is bringing back high school basketball and cheerleading to the complex. Mr. Lepore introduced Lou Aurelio and John Valez from Sportservice. Mr. Lepore reported that Robin Anderson would be returning to the Tweeter Center now that the restaurant and catering were in good hands. Mr. Lepore noted that both gentlemen were looking forward to marketing food service at the Dunk. Mr. Duffy asked if the food service issues had been dealt with. Mr. Lepore

answered that they have. He said that Mr. Valez is working on a new adjustable menu for the restaurant. Mr. Lepore said that he had not heard any complaints from suite holders and was pleased at the response to the Board's concerns. Mr. McCarvill addressed Mr. Valez and Mr. Aurelio and informed them that patrons do not differentiate between Sportservice and the Dunkin' Donuts Center. Therefore the food and service shortcomings were pointed out to us. Mr. Duffy welcomed Mr. Aurelio and Mr. Valez.

## **CONVENTION CENTER COMMITTEE**

Mr. Muldoon reported on a project that was approved to upgrade the lighting in the ballroom. Mr. Muldoon said that the project will begin in July and we should realize significant energy savings. Ms. Tuton reported that the building would undergo intensive cleaning during the summer. She said an RFP has been issued for window washing for the complex. Ms. Tuton also noted that the plazma screens throughout the building are in need of upgrading and that she would look into replacing them in 2009. Mr. McClintock addressed the Board and thanked Mr. Duffy for inviting him to the meeting. Mr. McClintock informed the Board of the role of SMG Corporate. He said that it is the job of SMG Corporate to provide leadership, resources and oversight. Mr. McClintock informed the Board that leadership consists of recruiting, training and motivating people to assume management positions in the facilities. The resources that SMG

brings to management are lead sharing and cross selling and they provide oversight of financials, mystery shoppers, customer surveys and third party reports. Mr. MacDonald told Mr. McClintock and the Board of an incident while pulling into the garage. He said that he dropped his ticket and the attendant was very helpful retrieving it. Mr. MacDonald said that he finds the employees are always ready to assist patrons. Mr. Duffy asked Mr. McClintock if he was satisfied and if he could see any problems. Mr. McClintock said that he was happy with the way things were going but that he was never satisfied. Mr. Fowler asked if there were any criteria for measuring success. Mr. McClintock said that there are several but that SMG is cautious in measuring one building over another. Mr. Nee asked if energy costs will impact the industry. Mr. McClintock said that the industry tends to lag but high energy costs will have an impact on the exhibitor. Mr. Duffy asked if SMG interfaced with the other CVB's. Ms. Sheridan answered yes and Mr. McClintock said that what has been done here in Rhode Island is a model for others.

Mr. Duffy began discussions of the VMA. Mr. McCarvill stated that the VMAF is reportedly ready to work with the State to transfer management to the Authority. Mr. McCarvill noted that some of the concerns are that the facility would remain true to its mission of providing a venue for the fine arts, have a community focus and provide for welcome but secondary entertainment. Mr. McCarvill reported that Gilbane Building Company had done a walk through

and provided estimates for a renovation projects using a combination of VMAF vision and input from PFM, SMG and RICCA. Mr. McCarvill noted that the report is not final but is detailed and useful. Mr. McCarvill stated that he had met with PFM and SMG regarding their management proposal. He said that events, attendance, revenue and customer service are all areas that provide for significant growth. Mr. McCarvill stated that the pro-forma, management philosophy, etc. should be a good fit for the facility. Mr. McCarvill said that the State Budget office and House Finance are aware, engaged and interested and will attention to the issue. Mr. McCarvill said that we may need legislation, including a Kushner amendment to authorize bonds in support of the project. Mr. McCarvill said that we could ask for a presentation by SMG and PPAC or if the initiative fast tracked the staff and chair could prepare a full package after consultation with the Budget Office, House Finance and Senate Finance. Mr. McCarvill said that ideally we would like to resolve the legislation and borrowing authority develop a management contract for the Board's consideration in the next 30 days. He said that a special meeting is a possibility to deal with issues regarding legislation before they adjourn. Mr. McCarvill summarized the opportunity and said that the arts community is very supportive as well as the CVB and the City of Providence. Mr. McCarvill noted that the Administration and the Legislature is very busy but are engaged. He said that the economic impact, quality of life, the protection of a significant State asset must be made clear to maintain support for the initiative especially the bonds. Mr. Duffy said that he would appreciate a vote by the Board

to proceed. Upon a motion duly made by Mr. MacDonald and seconded by Ms. Venturini it was unanimously

**VOTED:** To allow Mr. McCarvill to proceed with the steps necessary to have the Rhode Island Convention Center Authority assume responsibility for the VMA if the Department of Administration and the Legislature ask us to do so.

Mr. Duffy asked Mr. McCarvill to address the Board regarding our bonds. Mr. McCarvill said that we have variable rate bonds that are showing signs of volatility. Mr. McCarvill said that a meeting was held with First Southwest, UBS, Merrill Lynch and Morgan Stanley to discuss options to deal with the situation. Options include the hiring of a new remarketing agent, pursuing a direct pay letter of credit to overlay the MBIA insurance and/or a complete refunding of the SWAP into fixed or variable debt.

Ms. Venturini said that she would make herself available if a special meeting was necessary for the VMA.

Mr. MacDonald expressed the Board's good wishes to Cheryl on her upcoming marriage.

Hearing no other business Chairman Duffy sought a motion to adjourn. Upon a motion duly made by Mr. Nee and seconded by Mr. MacDonald it was unanimously

**VOTED: to adjourn at 10:35 a.m.**