

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 329th
MEETING OF THE BOARD OF COMMISSIONERS June 25, 2009**

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 25, 2009 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 Duffy, Commissioners, Jeff Hirsh, William Daugherty, Dale Venturini, Letitia Carter, Paul MacDonald and Jason Fowler.

Mr. Gavitt, Mr. Buonanno, Mr. Nee and Mr. Butler were unable to attend.

Also present were James P. McCarvill, Executive Director, Betty Sullivan, Ken Mancuso and Kim Keough, Rhode Island Convention Center Authority; Bruce Leach, Legal Counsel; Tim Muldoon, Deb Tuton, and Nancy Beauchamp, SMG/RICC; Larry Lepore, Bob Capalli, Cheryl Cohen and Jodi Duclos, SMG/DDC; Steve Habl, VMA; Neil Schriever, PWCVB; Joseph Solomon, House Policy Office; Meredith Thurston, Senate Fiscal Office; Tom Crocker, DDC/Sportservice and Eileen Smith, Recording Secretary.

CALL TO ORDER

Chairman Duffy called the meeting to order at 9:05 a.m.

APPROVAL OF MINUTES

Mr. Duffy entertained a motion to accept the minutes of the 328th meeting, May, 2009. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Daugherty it was unanimously VOTED: to approve the minutes as distributed

Mr. Duffy instructed the Authority office to send the approved minutes to the Secretary of State's Office via electronic mail. Mr. Duffy announced that the next meeting would be held on Thursday, July 30, at 9:00 AM.

Mr. Duffy welcomed Leticia Carter whose appointment to the Board received the Advice and Consent of the Senate. Mr. Duffy noted that Ms. Carter has a great deal of history with the VMA and the VMA Foundation and that she will be a valued addition to the Board. Mr. Duffy said that Mr. Gavitt sends his regards. He is feeling better but is not yet up to attending the meetings. Mr. Duffy noted a change to the meeting schedule. He said that the Dunkin' Donuts Committee will meet in July and the Convention Center Committee in August.

Mr. Duffy asked Mr. McCarvill to present the consolidated financial review. Mr. McCarvill noted that the VMA net income for the month of May was (\$8,577) to budget and year to date net income was (\$29,949) to budget. Mr. McCarvill reported that management continues to seek new presenters and other creative ways to utilize

the venue for next year. Mr. McCarvill said that a liquor license for the VMA and expansion of the concession area will improve net income. Mr. McCarvill reported that for the month of May, Convention Center net income was \$112,659 to budget and \$112,028 to the prior year. Mr. McCarvill noted that the positive variance is the direct result of strong food and beverage revenue as well as continued cost cutting measures. Mr. McCarvill noted that Year to Date Net Income was (\$397,727) to budget and (\$705,144) to the previous year. He said that the unfavorable variance continues to be the result of reductions in income in the areas of food and beverage, ancillary and parking income. He said that strong rent and services billed helped to reduce the impact to the bottom line during this economic downturn. Mr. McCarvill said that again in May events were up but attendance was down. Mr. McCarvill reported that for the month of May the Dunkin' Donuts Center net income was negative (\$76,645) to budget and (\$181,777) to the prior year. Mr. McCarvill stated that Year to Date Net Income was (\$314,411) to budget and (\$161,992) to the previous year. Mr. McCarvill noted that event expenses were higher this year. He said that the P. Bruins were playing hockey later in the season which resulted in greater demand for air conditioning to keep the ice in good skating condition. Mr. McCarvill said that management continues to reduce costs but the lack of revenue producing concerts and events has had a significant impact on the bottom line. Mr. McCarvill noted that management of both the Convention Center and the Dunkin' Donuts Center are doing a good job of controlling expenses. Mr. McCarvill noted that a decrease in attendance impacts

the associated parking revenue. Mr. MacDonald asked how we do compared with other SMG managed hockey arenas. Mr. McCravill said that SMG had prepared a comparison and we are in the middle.

MARKETING COMMITTEE

Ms. Venturini reported that the Marketing Committee had discussed the airport expansion and the role that the Authority should take in the. Ms. Venturini said that as part of the Customer Forum a suggestion was made that we educate our guests in getting to Providence through Boston because we do not have enough direct flights into or out of Green. Mr. McCarvill said that the participants in the forum loved our airport for its ease of use but travelers do not want to make one or two stops. Mr. McCarvill said that the airport expansion is very important to visitors to the State. He said that the Airport Corporation is trying to attract more carriers and flights. Mr. Fowler said that we need to be able to fly directly from Green to the west coast. Mr. Duffy stated that the airport expansion is an important to the business community and tourism industry. He said that we should do what we can to support the expansion. Mr. Duffy said that we need inform the Airport Corporation and the Mayor of our support and urge to Airport Authority to move forward with the recommendations of the FAA. Mr. MacDonald said that it would be his pleasure to make a motion to that effect seconded by Ms. Venturini. It was unanimously

VOTED: To urge to Airport Authority to move forward with the recommendations of the FAA.

Ms. Carter asked how difficult it is to travel to Boston from the airport.

Mr. Duffy said that there will soon be a train station at the airport that will take passengers to Boston as well as several car rental agencies.

Mr. Schriever began his report. He noted that sales activity and room night production saw a significant increase in roomnights associated with events at the Convention Center. Mr. Schriever reported on new tentative or prospective events at the complex. Mr. Schriever noted that the Northeastern Retail Lumber Association is interested in the facility for tradeshow in February 2011 and 2012. Mr. Schriever also noted that the United States Figure Skating Association is seeking proposals for the championship event in 2012. Mr. Schriever reported that there site inspections included Labs21, USPRA, Ameriprise Financial , United Natural Foods, Inc., National Youth Crime Prevention and the Association of State Floodplain Managers. Mr. Schriever stated that the sales team made sales calls in Denver, Vermont, Chicago and Cleveland as well as Providence and held client events here in Providence. Mr. Schriever reported that we had significant media placement in Coastal Living, Preservation and the Boston Globe. Mr. Schriever informed the Board that Restaurant Week was coming up beginning on July 12th. Mr. Duffy said that he is aware of how hard the CVB is working to book meetings and

events at the complex.

Mr. Schriever stated that the results of the Customer Forum would be presented next month. Ms. Keough said that the forum was very helpful especially with the web design. She said that the attendees liked the site that we already have because of its simplicity. Ms. Keough noted that Nail Communications participated in the forum and paid close attention to the discussion. Ms. Keough reported that the discovery phase of the project is over and we are now in the creative phase and looking for a name for the complex. Mr. Fowler asked that she explain the name for the complex. Ms. Keough said that it has to do with search engine optimization.

Ms. Keough reported that the Athletic Directors luncheon has been tentatively scheduled for September when school is back in session. She noted that a committee is being formed to coordinate all aspects of the NCAA Tournament.

Mr. Muldoon reported that new meeting prospects include the WB Mason National Sales Meeting and Tradeshow the National Association of Oil Heating Managers, and GI Joe Collectors. Mr. Muldoon noted that a local software company, SIMULIA, has plans to stay at home and hold their Spring meeting at the Convention Center. Mr. Fowler noted that AFLAC was a good piece of business and asked what made them choose the Convention Center. Mr. Muldoon said that corporate business appreciates good customer service at a

reasonable fee and that is what they received from the Convention Center. Mr. Schriever reported that the CVB is aggressively working the insurance market. Mr. Muldoon noted that participation and attendance at the Business Expo was down this year. Mr. Duffy informed Mr. Muldoon that we are very concerned but understand that the economy is hurting business.

Ms. Cohen reported on marketing efforts for in the Boston market for Cirque du Soleil and thanked the CVB for their assistance. Ms. Cohen thanked Mr. Hirsh for putting the sales team in touch with the Bristol Fourth of July Parade Committee. She said that both representatives of Cirque du Soleil and Spirit of America will take part in the parade. Ms. Venturini said that the parade gets a great deal of exposure. Mr. Duffy sent the Authority's best wishes to Cheryl's husband and wished him a speedy recovery.

Mr. Lepore distributed a report comparing the Dunkin' Donuts Center's event days to the venues in Worcester, Manchester and Hartford. (attached) He stated that the Dunkin' Donuts Center compared very well to these venues. Mr. Lepore stated that this has been a very difficult year. He said that the acts are not being reasonable in their demands. Mr. Duffy said that he wonders if SMG is helping us as much as they should. Mr. Lepore said that he understood that Live Nation is comping tickets to Jimmy Buffet and that Bionce tickets are not selling. Mr. Hirsh asked if American Idol would add dates. Mr. Lepore said that it was unlikely because they

play every building. Mr. Lepore said that the indoor concert business is no existent in the Summer because the performers want to be outside. Mr. Lepore said that he is working with the CVB to attract religious groups, choir competitions, etc. for the Summer.

Mr. Lepore reported that layoffs in the building have taken place. He said that everyone, including himself, has been asked to take 26 days off either as vacation time or without pay. Mr. Duffy asked what that would mean in savings. Mr. Lepore said that the furlough time would save approximately \$200,000. Mr. Lepore said that he is looking at everything especially energy costs. He said that Ms. Tuton has been using an allocation method of distributing the costs but that a meter is being installed to more accurately reflect the amount of energy being used by each building.

Mr. Fowler said that the Dunk people had done a wonderful job with Professional Bull Riding. Mr. Lepore noted that Sportservice had done a fantastic job with the Mayor's Conference diner. He recognized the difficulty in serving diner while elephants were in the isles. Ms. Carter asked if the Mayor's Conference would attract other business. Mr. Lepore stated that there were meeting planners in attendance. Mr. Duffy noted that both building were utilized to their fullest. Mr. Muldoon noted that the food and beverage department had provided offsite catering at the Bank of America Skating Center for about 1,200 people. Mr. Muldoon also noted that the RI Bar Association had held an event and used the west end of the lobby.

Mr. Leach reported that it was a very nice event and that the food was excellent.

Mr. Muldoon reported that business is fairly flat but that he hopes to do better next year. Mr. Muldoon reported that layoffs had occurred at the Convention Center. He said that seven fulltime people were laid off and several positions will remain unfilled. Mr. Muldoon said that he expects to save approximately \$360,000. Mr. Duffy asked if Mr. Muldoon could foresee bringing any of the people back. Mr. Muldoon said that it would not happen in the next ten or twelve months.

Mr. Hahl addressed the Board. He said that graduation season is over and the venue had increased the number. Mr. Hahl distributed collateral that will be included in PPAC's mailer. He also noted that the VMA will now be offering group sales opportunities. Mr. Fowler asked if the VMA was growing their supply of e-mail contacts. Mr. Hahl said that they share PPAC's contacts and are capturing data from the web site. Mr. Hahl reported that he had sent letters to past tenants letting them know that we are open and anxious to have them back. Mr. Hahl said that he is working with Brown University Music Department to increase awareness of the theater. Mr. McCarvill said has reasonable list of projects needed at the VMA. He said that we need to get through 09 and look to borrow in 2010. Mr. McCarvill said that we will look at energy savings with HVAC upgrades, windows and doors. Mr. Duffy asked how much the full capitol plan

would cost. Mr. McCarvill said \$15 million. Mr. McCarvill noted that we will most likely not be profitable but the theater needs to be preserved as a fine arts connection to the community, quality of place and the quality of life. Ms. Carter asked about the office space. Mr. McCarvill stated that the office space is the worst part of the facility. He said that there is no parking for the tenants. He said that he envisions the entire building being a center for the arts.

Mr. McCarvill noted that the War Memorial is not going as well as we would like. He said that Bruce Leach is working on the problems and that everything will be resolved. There is a problem with underground utilities.

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

VOTED: to adjourn at 10:40 AM