

THE RHODE ISLAND CONVENTION CENTER AUTHORITY 343rd MEETING OF THE BOARD OF COMMISSIONERS September 30, 2010
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 30, 2010 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, Paul MacDonald, Jeff Hirsh, Bernie Buonanno, Patrick Butler, Letitia Carter, Dale Venturini, Jason Fowler and George Nee,

Mr. Gavitt and Mr. Daugherty were unable to attend.

Also present were James P. McCarvill, Executive Director, Betty Sullivan, Ken Mancuso and Kim Keough, Rhode Island Convention Center Authority; Tim Muldoon, Debbie Tuton, Nancy Beauchamp, and Kathy Masino, Convention Center; Larry Lepore, Robert Cappalli, and Cheryl Cohen, Dunkin' Donuts Center; Steve Habl and Alan Chille, VMA/PFM; Neil Schriever and Martha Sheridan, PWCVB; Richard Beretta, AP&S; Bruce Leach, Legal Counsel; Susan Johnson and Michael Crawley, LGC&D; Robert Bromley, Senate Fiscal Office; Joseph Solomon, House Policy Office; Jenna Carlin, Local 217, Unite HERE and Eileen Smith, Recording Secretary.

Mr. Duffy called the meeting to order at 9:02 AM.

APPROVAL OF MINUTES

Mr. Duffy entertained a motion to accept and approve the minutes of the 342nd meeting, August, 2010. Upon a motion duly made by Mr. Fowler and seconded by Ms. Venturini it was unanimously VOTED: to approve the minutes as distributed

Mr. Duffy asked Mr. McCarvill to present the financial information. Mr. McCarvill stated that the VMA for the month ended August with a net income variance of (\$17,605) to budget. Year to date net income variance was \$32,932 to budget and \$14,848 to the prior year. Mr. McCarvill reported the Convention Center net income for August is \$28,081 to budget and (\$702,152) to the prior year. Mr. McCarvill reported that the Convention Center year to date net income for was \$185,672 to budget and (\$503,766) to the prior year. Mr. McCarvill stated that the Dunkin' Donuts Center net income for the month of August was \$72,700 to budget and (\$65,376) to the prior year. Year to date net income was \$177,015 to budget and (\$124,739) to the prior year. Mr. McCarvill reported that the Authority net income for August was (\$20,588) to budget and (\$271,518). For the year net income for the Authority was (\$33,946) to budget and (\$305,807) to last year. Mr. McCarvill reported that consolidated net income for the month of August was \$97,798 to budget and (\$1,029,800) to the prior year. Year to date consolidated net income was \$361,673 to budget and (\$919,463) to the prior year.

Mr. Duffy asked Ms. Sullivan to update the Board on the status of the June 30, 2010 audit. Ms. Sullivan was pleased to report that the audit was complete. She noted that Ms. Johnson and Mr. Crawley were present and would be pleased to answer any questions. Ms. Sullivan said that the team did a fantastic job on this year's audit. She noted that there were no audit adjustments this year. Mr. Crawley reported that the audit team had found no material weaknesses. Ms. Johnson congratulated Betty Sullivan on having no audit adjustments this year. Ms. Johnson stated that this year's audit was very smooth and that everyone was well prepared. Mr. Duffy asked if there were any comments or questions. Hearing none he asked for a motion to accept the Fiscal Year 2010 Audit report pending approval by the Auditor General. Upon a motion duly made by Mr. Buonanno and seconded by Mr. MacDonald it was unanimously

VOTED: to accept the 2010 Audit Report.

Mr. Fowler told Ms. Sullivan that she had done a nice job.

Discussion ended regarding the management contract. Mr. McCarvill stated that we are working on the contract daily and that some clarifications are needed. Mr. McCarvill noted that there have been no disagreements regarding Dunkin' Donuts presents. He said that SMG will act as the promoter and the risk will be shared. Mr. McCarvill said that Dunkin' Donuts Presents is headed in the right direction and that good, legitimate offers have been made. Mr.

McCarvill noted that we are looking at the concession stands because both proposers identified those areas as possible increased revenue generators. Mr. Duffy asked if we could get this signed next month. Mr. McCarvill noted that SMG legal team is thorough and it could take some time.

DUNKIN' DONUTS CENTER

Mr. Lepore was pleased to note that the Phish concert sold out. Mr. Lepore reported that he is working on a new project called Inside the Game. He noted that Bryant Gumble, Dan Marino and others will host the show and broadcasting will be from the arena. Mr. Lepore said that he hopes to have more information soon. Mr. Fowler asked when that would happen and Mr. Lepore responded that they are looking at November. Mr. Lepore reported that the Dunkin' Donuts Center had declined an opportunity to host the Boston Pops Christmas Show. He said that competition with the Rockettes performing at PPAC and other Christmas productions would put a strain on people's entertainment dollar. Mr. Lepore also noted that we decided to pass on a show that was requesting a 3:00 AM end time to their event. Mr. McCarvill asked about Furthur. Mr. Lepore said that we are holding dates for that show. He said that he is chasing a lot of stuff and pounding away at anything that would be the right fit for the building. Mr. Lepore mentioned that the creators of Walking with Dinosaurs are working on a new project with dragons and is interested in returning

to the Dunk. Mr. Lepore reported that SMG continues to look for co-promote opportunities but have not gotten any commitments yet. Mr. Lepore stated that the Celtics will be playing in Hartford.

Mr. Lepore reported that the team store is progressing well. He said that everyone hopes that the store will be a success now that P. Bruins and PC merchandise will be available. Mr. Lepore reported that expansion of the team store is being done in-house. He also noted that the remainder of the space will be used as swing space for a party or meeting room. He stated that if Dunkin' Donuts decides to open a store the space can be easily converted. Mr. Lepore stated that the P Bruins have done a remarkable job in promoting hockey in the area. He noted that last year attendance was the second highest in all of minor league hockey.

Mr. Duffy asked Mr. Leach to update the Board on the marquee. Mr. Leach stated that we received Zoning Board approval and we are now waiting for the written permits. Mr. Lepore said that Daktroniks is ready to go.

CONVENTION CENTER COMMITTEE

Mr. Muldoon reported that the pre-function furniture has been delivered and is in place. He encouraged the Commissions to view the area. Mr. Habl stated that the VMA will take all of the old furniture for the VMA. Mr. MacDonald suggested that the furniture be donated

to Community Action or another charitable institution. Mr. Habl said that if there is anything that the VMA cannot use it would be donated.

Mr. Muldoon reported that negotiations for natural gas have concluded. He said that we locked in for an additional 12 months at a very good rate. Mr. Muldoon noted that the new 27 month contract begins in October and is expected to save \$125,000 per year. Mr. McCarvill reported that discussions are ongoing concerning solar. He stated that it looks promising.

Mr. Habl reported on the VMA. He noted that the theater had three good Summer events and that 85 events have been confirmed for this year. Mr. Habl noted that he is concerned about the ballet but will wait until the dust settles before discussing the situation with them. Ms. Carter said that everyone is trying very hard to see that the season continues. Ms. Carter reported that the RI Foundation had discussed presenting a festival of local talent from every neighborhood throughout Rhode Island. She noted that with a grant from the Foundation we could bring different talent to the VETS. Mr. Duffy asked Ms. Carter to bring our thanks to the VMAF and he noted that they are doing exactly what we needed them to do.

He said that an RFP was issued for Architectural/Engineering Services and 9 responses were submitted. Mr. McCarvill stated that a selection committee consisting of Steve Habl, Allen Chille, Dave Duffy and himself had reviewed the proposals and chose 4 firms to

interview. Mr. McCarvill noted that of the 4 interviewed candidates the selection team decided that 2 were strong contenders. Mr. McCarvill reported that Newport Collaborative was chosen because of their history of projects at PPAC and the VMA and their knowledge of the theater. Mr. Duffy stated that Newport Collaborative fee proposal was in the low range and are a local firm. Mr. Duffy noted that the job will be a challenge because of incremental financing. Mr. Fowler asked what will be worked on first. Mr. McCarvill listed general building conditions, conceptual drawings, backstage, the loading dock and other renovations. Mr. Hahl reported that Newport Collaborative was responsible for the extra wide sidewalk beside the loading dock and that they have been waiting for this project for years. Mr. Duffy requested a motion to recommend to the Board retaining Newport Collaborative as the Architectural/Engineering firm for renovations of the VMA. Upon a motion duly made by Ms. Carter and seconded by Mr. Hirsh it was unanimously

VOTED: to retain Newport Collaborative as the Architectural/Engineering firm for renovations of the VMA.

Discussions ensued regarding the need for a Construction Manager for the project. It was suggested that an RFP for a pre-construction consultant be advertised at this time. Mr. Chille noted that PPAC had on different occasions used both a Construction Manager and a General Contractor. He said that there is more protection for the owner using a Construction Manager. Mr. McCarvill stated that we

could issue an RFP for Construction Manager through pre-construction. Ms. Carter asked if Michael Abbot of Newport Collaborative could be of any assistance. Upon a motion duly made by Ms. Carter and seconded by Mr. Butler it was unanimously

VOTED: to issue an RFP for Construction Manager through pre-construction.

MARKETING

Ms. Keough reported that we will be teaming up with the CVB to have aerial photos taken of the buildings. Ms. Keough also reported that photos were taken recently of the dinner served on stage that Mr. Duffy hosted at the VMA. She said that the photos will highlight the diversity of events that can be held at the theater. Ms. Keough stated that she has negotiated an hourly rate for web upkeep and consulting with Art Lab. Mr. Hirsh asked why Ms. Keough would be using someone other than NAIL. Ms. Keough explained the difficulties that she has encountered with NAIL and their unwillingness to support our site unless we enter into a maintenance agreement. Ms. Keough noted that Art Lab is in the process of creating a calendar for the web site. Ms. Keough reported that she has been working with Brian Hodge of the CVB on social media. Ms. Keough stated that the Annual Report is nearly complete and that she is waiting for a letter from the Governor. Ms. Keough noted that Ms. Carter is planning a reception at the VMA following the performance by Sweet Honey.

PWCVB

Ms. Sheridan reported that the CVB had recently completed their annual audit. Ms. Sheridan was pleased with the recent gubernatorial forum and reported that Brown University is considering using it as a model for their forum.

Ms. Sheridan noted that her staff is developing a “Providence for the Holidays” program as well as getaway packages that include promotions for Black Friday. Ms. Sheridan stated that marketing for the dog show has begun. Ms. Sheridan reported that the first meeting of the R.I. Sports Marketing Commission will be held this week. She said that this will be a Statewide effort and will include all colleges and universities.

Dunkin’ Donuts Center

Ms. Cohen reported that it appears that the advertising purse strings are beginning to loosen. She noted that advertising on the scoreboard is now completely sold. Ms. Cohen said that Panera Bread, the Providence Bruins, Marra Restaurant Group, WCTK and RIPTA have signed advertising contracts and under negotiations are Blue Cross, Providence College, Ketel One, Cuervo Tequila and Kayem. Ms. Cohen reported that the Party Suite has been sold for the Phish concert but that there is availability for TSO, PC Basketball

games and Indoor Auto Racing. Mr. Duffy asked what the outlook is for luxury suite renewals. Ms. Cohen said that incentives have been established to reward suite holders for renewing their contract as well as payment and term options.

Convention Center

John McGinn reported a positive trend in the meetings market. Mr. McGinn noted that the fiscal year 2011 revenue goal is \$8.5 million and currently \$1,303,398.29 is required to reach that goal. Mr. McGinn stated that the sales team is working to secure 22 tentative events and have contracted 15 events that include 1 convention, 9 meetings and 5 public shows. Mr. McGinn said that there were 9 site tours from August 21st through September 17th. Mr. McGinn noted that the team will travel TEAMS (Travel, Events and management in Sports) and Rejuvenate in October. The team will also attend events in South Jersey and a Philadelphia sales mission. A sales mission to the DC area will take place in November. Mr. McGinn reported that attendance at the ASAE Annual Meeting in August resulted in the Convention Center receiving 5 RFPs.

VMA

Mr. Habl reported that building rental is up 16% over last year. He noted that there are 47 rehearsal days, 19 tech days, 25 pending holds and 3 second holds. Mr. Habl reported 151 total rental days out

of 214 available days. Mr. Habl announced new business from the RI International Film Festival, RI PBS and the RI Philharmonic Pops Series. Mr. Habl noted several shows booked for the coming months that include Tim Grey Media – Band of Brothers which will be of great interest to our veterans, Celtic Thunder, the Kingston Trio and dance and cheerleading competitions. Mr. Habl reported that Providence Equity, Hasbro, US District Court, Firstworks, Chamber Theater, Celtic Sojourn, Starbound Dance Competition and the International Dance Challenge will return to the VMA this year. Mr. Habl reported that the Victoria Stilwell show had been cancelled because of weak ticket sales. Ms. Carter reported that the new logo for the VMA (VETS) has been approved by the VMAF. She stated that a soft rollout is being planned and that she would like to see the logo projected on the curtain at the theater. Mr. Duffy cautioned that we need to agree on a comprehensive plan before any rollout is done.

]Mr. Duffy recognized Richard Beretta of Adler Pollock & Shehan who explained the status of the Providence Ordinance. He stated that the City Council is working on a revised Ordinance release the Authority from the suite. Mr. Duffy asked Mr. Beretta to keep us informed. Ms. Karlin asked to address the Board. She pointed out that the hotel workers have had their wages and benefits cuts and they need some protections. She said the union has a good relationship with the Authority and hopes that it continues. Mr. MacDonald said that these people are fighting for a little respect.

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

VOTED: to adjourn at 10:25 a.m.