

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 344th
MEETING OF THE BOARD OF COMMISSIONERS October 28, 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 October 28, 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, William Daugherty, Jason Fowler and George Nee,

Mr. Gavitt and Ms. Venturini 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, Norbert Mongeon and Alan Chille, VMA/PFM; Neil Schriever, PWCVB; Bruce Leach, Legal Counsel; Robert Bromley, Senate Fiscal Office; Joseph Solomon, House Policy Office; Colleen Halloren-Villandry, State Budget Office; Jenna Carlin, Rayanne Ramsey, Carlota Lopes, Joel Murez, Kristina A. Fox, Aubine Remsay, Local 217, Unite HERE and Eileen Smith, Recording Secretary.

Mr. Duffy called the meeting to order at 9:05 AM.

APPROVAL OF MINUTES

Mr. Duffy entertained a motion to accept and approve the minutes of the 343rd meeting, September, 2010. Upon a motion duly made by Mr. Butler and seconded by Mr. Fowler it was unanimously VOTED: to approve the minutes as distributed

Mr. Duffy thanked everyone that participated in making the visit by President Obama a smooth and safe experience. He noted that the building was occupied at the time by an annual trade show of hairdressers.

Mr. Duffy asked Mr. McCarvill to present the financial information. Mr. McCarvill stated that net income for the VMA for the month of September was \$17,825 to budget. Year to date net income variance was \$50,757 to budget and \$12,514 to the prior year. Mr. McCarvill stated that the VMA should attract new promoters once the renovations are complete. Mr. McCarvill reported the Convention Center net income for September was (\$228,164) to budget and \$51,860 to the prior year. Mr. McCarvill reported that the Convention Center year to date net income was (\$42,492) to budget and (\$451,906) to the prior year. Mr. McCarvill reported that the negative variance was due mostly to the timing of events. Mr. McCarvill stated that the Dunkin' Donuts Center net income for the month of September was (\$49,815) to budget and (\$254,648) to the prior year.

Year to date net income was \$127,200 to budget and (\$379,387) to the prior year. Mr. McCarvill reported that the Authority net income for September was (\$14,677) to budget and \$109,866 to the prior year. For the year, net income for the Authority was (\$48,623) to budget and (\$251,906) to last year. Mr. McCarvill stated that the room tax revenue is down considerably from last year. Mr. MacDonald asked why that is. Mr. McCarvill said that it could be because of cash flow at the State. Mr. McCarvill reported that consolidated net income for the month of September was (\$274,831) to budget and (\$95,256) to the prior year. Year to date consolidated net income was \$86,842 to budget and (\$1,033,710) to the prior year.

Mr. Duffy noted that the 2010 Audit has been sent to the required various agencies. He noted that the Audit Committee would most likely not meet again until it was time to prepare for the 2012 audit. Mr. Duffy asked for a motion to approve the minutes of the Audit Committee meeting held in September. Upon a motion duly made by Mr. Buonanno and seconded by Mr. MacDonald it was unanimously

VOTED: to approve the minutes of the September Audit Committee meeting.

Mr. Duffy asked Mr. McCarvill to update the Commissioners on the status of the management contract with SMG. Mr. McCarvill stated that a draft copy of the contract was sent to SMG and it included everything that was in their proposal and also everything has they

agreed to subsequent conversations.

DUNKIN' DONUTS CENTER

Mr. Lepore reported a disappointing month but noted that ticket sales are down everywhere and in all venues. Mr. Lepore reported that his staff and SMG continue to look for co-promote opportunities. He noted that the first co-promote offer has been made and we will host a Hip Hop Show in December. Mr. Lepore also noted that he is looking to attract Furthur and the DropKick Murphys close to St. Patrick's Day. Mr. Buonanno asked if Mr. Lepore had looked into Deer Tick as Mr. Butler suggested. Mr. Lepore said that Deer Tick is now touring in Europe but that he would keep them in mind for the future. Mr. Fowler stated that Prince is touring. Mr. Lepore said that he is only playing theaters at this time but perhaps would expand to arenas in the next few years. Mr. Lepore said that he had heard that Aerosmith may be going on tour. Mr. Lepore said that he is looking into another Latin show. Mr. Lepore stated that there has been a change at Live Nation that could be good for the Dunk.

Mr. Lepore reported that he is trying to keep expenses down while still maintaining the building. He said that in order to repair the leak in the sprinkler system a piece of equipment had to be rented to reach the valve at a cost of \$2,900 a day. Mr. Lepore stated that all the valves in the arena should be checked as part of a preventative maintenance program. Mr. Lepore reported that the team store has

opened and the P. Bruins sold three times the amount of merchandise. He stated that P.C. merchandise will be available before their first game. Mr. Butler asked how ticket sales were doing for Providence College. Mr. Lepore said that sales have been slow. 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 Daktronics has begun work on the marquee.

CONVENTION CENTER COMMITTEE

Mr. Muldoon reported that the numbers for September were not as good as expected due in part to an event that had been budgeted that didn't happen and the timing of other events. He said that October looks strong. Mr. Duffy inquired if Mr. Muldoon anticipates a good long range forecast. Mr. Muldoon said that he thinks that the Convention Center will reach this year's goal. Mr. Muldoon reported that he has conversations with Macy's regarding parking for their employees during the Holidays. He stated that a special rate will be offered in order to free up space in the Mall for shoppers. Mr. Butler asked if there had been any problems following the Phish concert. Mr. Muldoon said that the Garage was very full and there were some delays emptying onto the street. Mr. Muldoon said that the pedestrians trying to cross the street cause a backup exiting the Garage. He stated that it can't be helped and that most people are patient. Mr. Butler asked if we should have a police detail for those

situations. Mr. Muldoon said that we normally have a detail. He assured Mr. Butler that he would look into it.

Mr. Muldoon reported that an RFP had been issued for a firm to make necessary repairs to the building's façade. Mr. Hirsh noted that the Convention Center Committee had voted to recommend the Board approve CAL Restoration as the firm to complete the façade sealants and waterproofing. Mr. Duffy asked for a motion to accept the Committee's recommendation. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Butler it was unanimously

VOTED: to accept the Convention Center Committee's recommendation to authorize funding for the building façade sealant and waterproofing project for a base fee of \$178,960.95. All work beyond the base fee will be subject to management approval.

Mr. Butler asked about the timing of the project. Mr. Muldoon said that it had been brought to his attention by a customer survey that the building was in need of some repairs. Mr. Duffy informed the Board that we have not received renewal and replacement money since 2006. Mr. McCarvill explained that in the past, funding renewal and replacement was included in our bond documents. He said that when the bonds were refunded that clause was not included. He said that is imperative that our renewal and replacement account is replenished. Mr. Muldoon noted that the building is getting older and we have to focus on upkeep.

Mr. McCarvill reported that we had received a report from a consultant concerning solar energy panels to be installed on the Convention Center Garage roof. He said that we could produce 2.5 mega watts and that it may be a project that we should pursue. Mr. McCarvill noted that grant money may be available. Mr. MacDonald asked why the Dunk was not included. Mr. McCarvill said that the Dunk needs an entire new roof. Mr. Duffy commented that a new roof for the Dunkin' Donuts Center is another reason to get renewal and replacement funds.

Mr. Habl reported on the VMA. He noted that the theater has 117 events confirmed for this year. Mr. Habl noted that the building will go off line in June following graduations. Mr. Habl stated that renovations will take place during the Summer. Ms. Carter said that she understood that there was a group that wanted to rent the space during that time. Mr. Habl stated that the potential rental is in January. Mr. Habl reported that interest in Curt Shilling and the Band of Brothers is picking up. He said that Ms. Keough is working hard to get the public's attention for what should be a very nice event.

Mr. McCarvill reported that Mr. Leach is working on the contract with Newport Collaborative. Mr. McCarvill noted that we had issued an RFP for Pre-Construction Manager. He said that four responses were received and that the lowest bidder was Dimeo Construction. Mr. McCarvill stated that Dimeo's bid was \$19,800 for 325 hours of

pre-construction consulting. Mr. McCarvill explained that because it is a State building and under \$25 million we cannot use a Construction Manager for delivery of the project. He said that a pre-construction manager to work with Newport Collaborative on a schedule and renovation plan would be helpful but the scope would be limited. He said that he would like to interview Dimeo to determine if the number of hours and fee are reasonable and get us to where we can manage the project on our own. Mr. Duffy said that we need to cap the fee at the bid amount. Mr. Duffy asked for a motion to authorize Mr. McCarvill to interview and enter into a contract with Dimeo Construction for pre-construction consulting for a fee to be capped at the bid amount. Upon a motion duly made by Mr. Butler and seconded by Ms. Carter it was unanimously

VOTED: to authorize the Executive Director to interview and enter into a contract with Dimeo Construction for pre-construction consulting for a fee to be capped at the bid amount.

Ms. Carter reported that the Rhode Island Foundation is interested in bringing to the theater a diverse selection of events. In particular, Shakespeare for Kids and a mixed magic theater have been discussed. Mr. Hahl reported that he is negotiating for a play based on the life of Mahalia Jackson to be performed in 2011.

Ms. Carter reported that new stationery art work has been received and will be ready for the rollout of the new logo. She stated that the

VMAF is receiving support from Bank of America. Ms. Carter encouraged everyone to purchase tickets to see Sweet Honey in the Rock saying that she is sure that the performance will be enjoyed.

Mr. Buonanno asked Mr. McCarvill to explain again where the money is coming from for the renovations of the VMA. Mr. McCarvill said that the financing for the project will be in incremental payments from the State. Mr. Buonanno asked if the other two buildings have the same funding mechanisms. Mr. McCarvill said that they do not. He said that the VMA remains a State asset. He reiterated that the Dunkin' Donuts Center and the Convention Center have a renewal and replacement account that should be funded by the State.

MARKETING

Ms. Keough reported that the Authority's Annual Report was nearing completion and that she is waiting for a letter from the Governor. Ms. Keough stated that the roll out for the new VETS logo is being planned for March. Ms. Keough also stated that Ellerbe Beckett will be taking aerial and other photos of the buildings and has agreed to share them with the Authority. Ms. Keough reported that attendance for the Fine Furnishing show was up significantly over last year. Mr. Muldoon thanked Ms. Keough for assisting with publicizing the show. He said that the show was struggling and needed a boost. Ms. Keough noted that Art Lab had created a calendar of events for the web site. She said that the Dunkin' Donuts Center's and the

Convention Center's calendars are up and running and the VMA's will be ready soon.

Mr. Duffy noted that Ms. Venturini was unable to attend this meeting but that the Marketing Committee had met on Tuesday. Mr. Duffy said that all facilities had covered their marketing reports during their facility reports.

Mr. Duffy asked Mr. McCarvill to update the Board on the City Ordinance. Mr. McCarvill stated that the Ordinance had been amended and the Complex had been removed from the process. Mr. McCarvill said that the Convention Center facilities have been specifically exempted from the Ordinance and therefore the Authority's continuing to participate in the legal actions should be considered. Mr. Duffy said that since we have nothing left to win and no longer have a stake in the action he asked for a motion to eliminate the Convention Center facilities from the law suit. Mr. Nee stated that since we have been removed from the City Ordinance and because of our relationship with Local 217 he would make a motion that was seconded by Mr. Butler to remove ourselves from the litigation. It was unanimously

VOTED: to discontinue participation in the litigation.

Mr. McCarvill stated that he and Ms. Sullivan have had several meetings at the Veteran's Cemetery in Exeter to discuss the

installation of the Medal of Honor Wall. He said that he would keep the Board informed.

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. Butler and seconded by Mr. Fowler it was unanimously

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