

THE RHODE ISLAND CONVENTION CENTER AUTHORITY 354th MEETING OF THE BOARD OF COMMISSIONERS September 29, 2011
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, 2011 at 9:00 am at the Rhode Island Convention Center, pursuant to notice, at the Rhode Island Convention Center Boardroom, One Sabin Street, Providence, Rhode Island.

Board members present were Chairman, Jim Bennett, Commissioners, Paul MacDonald, Jeff Hirsh, Dale Venturini, Patrick Butler, Scott Gunn, George Nee, Letitia Carter and Bernie Buonanno.

Mr. Daugherty was unable to attend.

Also present were James P. McCarvill, Executive Director, Betty Sullivan and Kim Keough, Rhode Island Convention Center Authority; Tim Muldoon, Deb Tuton, Kathy Masino and Nancy Beauchamp, Convention Center; Larry Lepore, Kaitlyn Bizier and Bob Cappalli, Dunkin' Donuts Center; Steve Habl and Lynn Singleton, VMA; Kristen McGrath and Martha Sheridan, PWCVB; John Velez, Sportservice; Hank Abate and Bob McClintock, SMG; Michael Crawley, LGC&D; Bob Bromley, Senate Fiscal Office and Eileen Smith, Recording Secretary. Mr. Bennett called the meeting to order at 9:08 AM. He asked Mr. Buonanno to say a few words in memory of Commissioner Dave Gavitt followed by a moment of silence. Mr. Buonanno spoke of Mr.

Gavitt's love of Rhode Island and his contribution to all of our lives. He said that without him the Dunkin' Donuts Center would not be what it is today.

Following the moment of silence, Mr. Bennett asked for a motion to approve the minutes of the August meeting. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Gunn it was unanimously

VOTED: to approve the minutes of the August meeting.

Mr. Bennett asked Mr. McCarvill to present the financial information. Mr. McCarvill said that for the month of August the VETS was \$22,779 to budget and (\$1,365) to the previous year. Mr. McCarvill stated that year to date net income was \$46,564 to budget and \$66 to the prior year. Mr. McCarvill noted that the building is undergoing renovations and was dark for most of the Summer. Mr. McCarvill stated that he would like to see Mr. Habl expand his staff. Mr. McCarvill reported the Convention Center net income for August was (\$78,842) to budget and (\$43,512) to the prior year. Year to date net income was \$77,976 to budget and (\$333,041) to the prior year. Mr. McCarvill reported that the Dunkin' Donuts Center net income variance for the month of August was (\$37,355) to budget and (\$94,810) to the prior year. Year to date net income for the Dunk was (\$89,136) to budget and (\$148,357) to the prior year. Mr. McCarvill reported that net income for the Authority income was \$17,945 to budget and \$311,261 to the

prior year. Year to date net income is \$8,016 to budget and \$314,817 to the prior year. McCarvill stated that consolidated net income for the month of August was (\$75,474) to budget and \$171,573 to the prior year. Year to date consolidated net income is \$43,416 to budget and (\$166,516) to the prior year. Mr. Bennett asked Mr. Lepore about the billing for National Grid for their use of the building. Mr. Lepore said that the accounting department is working on the invoice.

MARKETING

Mr. Bennett asked Mr. Lepore to discuss Providence Sports & Entertainment Group. Mr. Lepore stated that PSE is now responsible for suite and group sales. He said that PSE has a large support staff dedicated to this project. Mr. Lepore described a room full of associates all cold calling companies and individuals for the purpose of selling tickets and suites. Mr. Lepore stated that today we have 5 suites that are unsold but PSE is working on getting them sold. Mr. Lepore also stated that they have created a promotion that includes midget car racing tickets that are selling well. Mr. Buonanno asked if Providence College has agreed to join the group. Mr. Lepore said no but maybe they will after this year. Mr. Bennett asked Mr. Buonanno to speak with Fr. Shanley. Mr. Bennett said that he always questioned why not mimic the Paw Sox but the P. Bruins have been doing that and we are expecting that approach to increase ticket sales for all events. Mr. Lepore said kudos go to Bruce Leach for turning this around so quickly. Mr. Lepore noted that some State

Representatives attended an event in the building and the food was fantastic. He said that working together will put more people in the seats.

Ms. Venturini called upon Mr. Muldoon to update the Board on the Convention Center's marketing efforts. Mr. Muldoon stated that he had a meeting with Hasbro and anticipates developing a positive relationship for the future. Mr. Muldoon thanked his staff for all their hard work. Mr. Bennett reminded Mr. Muldoon that the Commissioners have varied field of expertise and could be used as tools. He stated that he and the Board would be pleased to meet with any prospective group interested in using our facilities.

Ms. Venturini reported that the Marketing Committee had voted to recommend the re-appointment of our representative, Tom DiMasi to the PWCVB Board. She asked for a motion to approve the re-appointment. Upon a motion duly made by Mr. Bennett and seconded by Mr. Butler it was unanimously

VOTED: to approve the reappointment of Tom DiMasi to the PWCVB Board.

Ms. Sheridan thanked the Commissioners. Ms. Sheridan noted that the CVB Board had a new slate of officers. She stated that John Palumbo was elected Chair and Jeff Hirsh is the new Vice Chair.

Mr. Bennett asked Ms. Sheridan if the PWCVB is moving from the current office space. Ms. Sheridan stated that she is looking at options for new space. She said that the CVB would like to be closer to the Convention Center.

Mr. Bennett again offered the assistance of the Board members whenever needed. Mr. Bennett also recalled that the Board had on occasion met in Newport. Ms. Venturini said that it is good idea to convene in different locations and that she would speak with Evan Smith.

Mr. Hahl reported that this month there is a great mix of events at the VETS. Mr. Hahl noted that the Philharmonic season has begun as well as a performance by the ballet.

Ms. Keough stated that Providence College seems to be a little more cooperative this year in accepting our help with marketing and promotions. Ms. Keough reported that this is the 20th anniversary of the P. Bruins and a special celebration is being planned.

Ms. Venturini congratulated all participants in getting the word out regarding the Get Motivated event taking place on October 3rd. Mr. McCarvill said that Providence School openings have been delayed 2 hours to relieve some of the expected traffic congestion.

Ms. Venturini reported that the Welcome Center on Route 95 has been

closed for lack of funding. Discussions ensued regarding the closing.

DUNKIN' DONUTS CENTER

Mr. Bennett stated that as discussed at the Dunkin' Donuts Committee meeting on Tuesday we have been approached by SMG and Delaware North with a proposal to extend their contracts. He said that Sportservice and the Boston Bruins are Delaware North Companies and therefore have a stake in the Providence Bruins. Mr. Bennett said that we could possibly be without the franchise. He said that because the Bruins won the Stanley Cup there has been more interest from our competition. Mr. Bennett stated that we need to keep the P. Bruins and the new proposal calls for an infusion of cash for the building. Mr. MacDonald agreed that the Dunk would be severely impacted without the P. Bruins. Ms. Venturini asked if we can fire them for lack of performance. Mr. Bennett answered that we will have enough outs if we need them. Discussion ensued regarding the negotiations with SMG and Sportservice. Mr. Bennett asked for a motion to approve a contract extension with SMG and Sportservice. Mr. Buonanno read a resolution prepared by Mr. Leach. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Nee it was unanimously

VOTED: to accept the following resolution.

RESOLUTION

Whereas, the Providence Bruins are a prime tenant of the facility playing approximately 40 of their games at the Dunkin' Donuts Center each year, and under their lease with the facility they may terminate the lease if they lose their affiliation with the Boston Professional Hockey Association, Inc.; and

Whereas, if Providence Sportservice, Inc. is no longer the concessionaire at the Dunkin' Donuts Center there is a possibility of that happening, and if that were to happen that would effect the naming rights agreement with Dunkin' Donuts and relationships with other advertisers and suite holders under the naming rights agreement; and

Whereas, there has been concern regarding the operation of the concessions by one entity and management of the Dunkin' Donuts Center by another, and Sportservice and SMG have approached the Authority with the proposal reviewed by this Board for them to form a joint venture to better co-ordinate such operation; and

Whereas, the Board feels it is the Authority's best interest to enter into such a transaction in order to maintain the Bruins as a tenant, better manage the facility, stabilize the Authority's expenses, and provide for needed funds for repairs;

Now, therefore, be it resolved that:

The Chairman and Executive Director of the Authority are authorized and directed to negotiate with a joint venture of SMG and Sportservice and enter into a contract with such venture substantially in accordance with the proposal presented to the Board, and such other terms as they deem in the Authority's best interest, a copy of which is attached hereto.

Ms. Venturini asked if SMG and Sportservice had ever done this before. Mr. Abate said that this will be the first. Mr. Gunn questioned the financial structure. Mr. McCarvill stated that we will be very sure that this is in the best interest of the Authority.

Mr. Hirsh reported that the Audit Committee had also met on Tuesday and that a draft audit report was presented. Mr. Hirsh was pleased to note that there were no audit adjustments again this year. Mr. Hirsh stated that the Committee had voted to recommend acceptance of the annual audit as presented. Upon a motion duly made by Ms. Carter and seconded by Mr. Buonanno it was unanimously

VOTED: to accept the fiscal year 2011 annual audit as presented.

VETS

Mr. Bennett reported that discussions are ongoing regarding the

property adjacent to the VETS and we will keep you informed of any resolution. Mr. Bennett said that in order to move forward with the renovations we need a traffic study. He stated that it seems like we have to push to get it accomplished. Ms. Carter asked if the restoration will continue. Mr. McCarvill said that the funds have already been allocated to the project from RICAP.

Mr. Buonanno asked the status of the ECAC Hockey Bid. Mr. Bennett stated that it does not make economic sense at this time to pursue the tournament. He said that we would have to buy out the contract from Atlantic City. Mr. Bennett said that we would bid again when the current contract expires.

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

VOTED: to adjourn at 10:38 AM