

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 369th  
MEETING OF THE BOARD OF COMMISSIONERS January 31, 2013**

**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 January 31, 2013 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 James Bennett, Commissioners, Bernie Buonanno, Patrick Butler, Joseph DeLorenzo, Letitia Carter, Jeffery Hirsh, Paul MacDonald, Scott Gunn and Stan Israel.**

**Mr. Nee and Ms. Venturini were unable to attend.**

**Also present were James P. McCarvill, Executive Director, Kim Keough and Betty Sullivan, Rhode Island Convention Center Authority; Tim Muldoon, Debbie Tuton, Kathy Masino and Nancy Beauchamp, Convention Center; Larry Lepore, Cheryl Cohen, Beth Johnson, Dunkin' Donuts Center; Dan Schwartz and Alan Chille, VETS; Martha Sheridan , PWCVB; Tom Faust, Vice President of Sales and Josh Heidenreich, General Manager, OMNI Hotel; Bruce Leach, Legal Counsel; Paul Grimaldi, Projo and Betty Sullivan acting as Recording Secretary.**

**Chairman Bennett called the meeting to order at 9:10 AM. Chairman**

**Bennett asked for a motion to approve the minutes of the December Board Meeting. Upon a motion duly made by Mr. Butler and seconded by Mr. Gunn it was unanimously**

**VOTED: to approve the minutes of the December meeting.**

**Chairman Bennett asked Mr. McCarvill to present the financial information. Mr. McCarvill reported that for the month of December the Convention Center's net income variance was (\$104,937) to budget and (\$116,808) to the prior year. Year to date net income variance at the Convention Center was \$22,146 to budget and \$110,005 to the prior year. Mr. McCarvill stated that the unfavorable variance is due to unfavorable Event, Food and Beverage and Ancillary Revenues due to the non-occurrence of budgeted events; in addition to increased labor costs. Mr. McCarvill was pleased to report the return of Fidelity for their annual Holiday event. At the VETS, December net income variance was (\$79,869) to budget and \$29,087 to the previous year. Mr. McCarvill stated that year to date net income variance was (\$89,820) to budget but \$4,267 to the prior year. Mr. McCarvill stated the period loss was mainly attributed to the loss of the originally planned Nutcracker event due to delays in set design. The program mix is getting better and the balance of the year looks promising. Mr. McCarvill reported that for the month of December the Dunkin' Donuts Center's net income variance was (\$189,639) to budget but \$190,602 to the prior year. Year to date net income variance at the Dunk was (\$115,991) to budget and \$506,898 to the**

prior year. Mr. McCarvill said that the Dunkin' Donuts Center's loss for the period was due to the timing of a Providence College Basketball game timing that was budgeted for the month but will occur later in the season. Mr. McCarvill asserted that he remains hopeful that with robust ticket sales by Providence Sports and Entertainment and the exploration of possible new events the Dunkin' Donuts Center will see a positive trend upward; The RI Convention Authority's net income variance for the month of December was \$13,160 to budget and (\$29,838) to the prior year. Year to date net income variance is \$84,639 to budget and \$1,030,002 to the prior year. Mr. McCarvill stated that Westin Hotel Room Tax Revenue was not received during the period. McCarvill stated that consolidated net income variance for the month of December was (\$361,286) to budget and \$73,043 to the prior year. Consolidated Year to date net income variance is (\$99,588) to budget and \$1,651,179 to the prior year. Mr. McCarvill said that although events and attendance are up all venues remain almost flat to last year. Ms. Carter asked if the Vets can rely upon the return of the Nutcracker to the Vets for the next holiday season. Mr. McCarvill stated that with set design underway, the introduction of the Nutcracker on the Vets stage remains hopeful but not certain.

Discussion ensued regarding the current remarketing initiative of the Authority's 1993 and 2003 bonds. Mr. McCarvill stated that the Financial Advisor and remarketing agents have been selected and the initial kick-off call will be held February 4th.

**Ms. Martha Sheridan of the PWCVB delivered a positive report regarding the current room statistics and the favorable trend upwards. Ms. Sheridan further noted the very strong increase in weekend occupancy, thanks to the hard work by Kristin Adamo and her team in promoting Providence. Ms. Sheridan also introduced our new partners from the OMNI Hotel who assumed ownership of the Westin Hotel: Tom Faust, Vice President of Sales and Josh Heidenreich, the new General Manager. Mr. Faust presented an overview of the OMNI Hotel brand and outlined their plans for infrastructure improvements to the venue.**

**Mr. Buonanno asked what was going on prior to the Westin sale and what OMNI's strategy was for improvement. Mr. Faust replied that their intentions were for a cleaner, upscale venue with improved service levels and considerable infrastructure improvements.**

**Ms. Carter asked about their strategy for dining room upgrades to the current facilities. OMNI is currently reviewing the contracts of each of the dining venues, which are currently outsourced, and will determine the future of providing upscale dining.**

**Chairman Bennett asked what the current budget was for CAPEX. OMNI could not respond since they have only been on site for two weeks and they need to evaluate their needs. Chairman Bennett commented on the need to upgrade to a four star hotel providing**

economic impact for the city and meeting the variability of price points for different groups from conventioners, leisure travelers, etc. OMNI responded with an overview of their expertise in meeting the needs of different market segments especially their expertise with convention centers in their hotels across the country. Chairman Bennett asked whether they were involved in the acquisition of the hotel and why Providence was selected. OMNI responded that the Hotel is a jewel, has great bones and fit their strategy to expand into the New England market. Mr. Gunn expressed his thanks for their investment and asked why OMNI decided to invest here instead of other market areas. OMNI responded that by purchasing the Providence location it allowed for a fantastic opportunity due to the location between Boston and DC. Furthermore, Mr. Faust and Mr. Heidenreich expressed their appreciation of the City of Providence. They were also impressed by the three tiers of visitors: business travelers, leisure and events. Mr. MacDonald stated his opinion regarding the sale of the Westin by the State and the reduced level of communication and cooperation that resulted. He expressed his hopes that now there would be increased relationship building between the hotel and the board. OMNI responded that each of their hotels focus on the particular locale and reflect the location that they are in and expressed their interest in partnering with the board. Mr. Israel asked about their experience with labor and employees. The OMNI representatives stated that they possessed significant expertise with union environments. Chairman Bennett indicated to OMNI that the Authority was a committed board which can provide

**access for OMNI to key decision makers in the State and the City.**

**Mr. Lepore indicated that the Dunkin' Donuts Center is slowing closing the gap on budget with high expectations for year end positive results. Recent sporting events have exceeded attendance expectations with the All Star Game as a major success for the venue with significant food and beverage revenue gains. Mr. Buannano asked what the formula was for PSE and why they are doing so well. Mr. Lepore responded that the group is a non-stop aggressive sales force not only promoting group sales but increasing revenue trends with the area schools, teams, choirs and bands. Chairman Bennett, who attended the All Star event, was quite impressed by the singing and lobby entertainment. Mr. Lepore responded that family groups love it. Mr. McCarvill said that this was a first for the Authority. He noted that the All Star Event had events at each of its venues. Mr. Butler asked if the NHL strike helped attendance at the Dunk. Mr. Lepore responded that there was no significant impact.**

**Mr. Lepore reported that they continue to look for new options for entertainment due to an ongoing weak concert business. He commented that without knowing the participating teams for the NCAA Hockey Tournament we already have 2,000 tickets sold. Mr. Butler asked when the event would take place. Mr. Lepore responded that the Tournament will be held over Easter Weekend. Further discussion ensued relative to how the NCAA works at the request of Chairman Bennett. Mr. Lepore commented that PSE will be in attack**

mode once the teams are determined. Mr. Lepore noted that over 6,000 tickets have been sold for the Who and dates are being held for Electronic Dance Music. Mr. Lepore reported that an RFP for the sound system is ready to be issued. Mr. Butler asked whether you would be able to hear better from the suites once a new sound system is installed. Mr. Lepore indicated that the sound would be better for every area of the arena. Mr. Gunn asked about the reverse stage scenario. Mr. Lepore responded that it is currently in place and ready to be utilized. Mr. Gunn asked if this would increase attendance. Mr. Lepore responded most definitely yes. Mr. MacDonald congratulated Mr. Lepore and his staff on the success of the recent hockey events.

Mr. Hirsh asked Mr. Muldoon to update the Board on activity at the Convention Center. Mr. Muldoon reported even though December was not a terrific month, because of the loss of the dog show, Fidelity has returned as a Holiday Event. Operationally the fire alarm upgrade wiring is complete, additional software is on order from Siemens; the façade restoration is 95% complete. The next five months for the Convention Center look positive with new events booked. Mr. Hirsh asked if it would make sense for Mr. Muldoon to speak with Mr. Lepore regarding the sound system. Mr. Muldoon responded that the conversation has already taken place since the Dunk used Ambient to consult on their RFP for their sound system. The Convention Center is also utilizing Ambient. Mr. Israel asked if they had listened to the system. Mr. Muldoon noted that the sound system was of very high

quality and the installation occurring at an opportune time with upcoming events we are hosting. .

Chairman Bennett called upon Dan Schwartz to address the board. Mr. Schwartz reported that December was strong with 5 events and great press even with the loss of the Nutcracker. He further indicated that January was yet again a very strong period with sold out events, increased food & beverage revenue and increased attendance. Mr. Schwartz gave a brief overview of the nuances of the new Paciolan ticketing system for the venue and projected events for the spring and fall seasons. Ms. Carter asked about long range thoughts for next season. Mr. Schwartz spoke about the value add of the Phase II improvements which will attract new events and increase outreach to varied groups. Mr. McCarvill reported on the positive interchange with the Renaissance Hotel's new owners the Procaccianti's and the need for cross-pollination with the two venues. Ms. Carter asked about access from the hotel to the Vets. Mr. Schwartz said that he will continue with the strong relationship building to ensure the entrance issue to the Vets is resolved. Mr. MacDonald expressed his thanks to both Mr. Schwartz and Mr. Chille. He noted a couple of concerns regarding the \$4K for advertising during December for a promoter and the cost associated with the fire detail during construction. Both Mr. MacDonald and Mr. Israel expressed their concerns relative to just in time workforces and temporary staffing agencies.

**Chairman Bennett asked if there was any other business. Hearing none Chairman Bennett asked for a motion to adjourn. Upon a motion duly made by Mr. Butler and seconded by Mr. Hirsh it was unanimously**

**VOTED: to adjourn at 10:25 am**