

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 373rd
MEETING OF THE BOARD OF COMMISSIONERS June 27, 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 June 27, 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 Jim Bennett, Patrick Butler, George Nee, Joseph DeLorenzo, Letitia Carter, Jeffrey Hirsh, Scott Gunn, Stan Israel, Dale Venturini, Paul MacDonald and Tony Mendez.

Also present were James P. McCarvill, Executive Director, Kim Keough and Betty Sullivan, Rhode Island Convention Center Authority; Tim Muldoon, John McGinn, Kathy Masino, Debbie Tuton and Nancy Beauchamp, Convention Center; Larry Lepore and Beth Johnson, Dunkin' Donuts Center; Dan Schwartz, The VETS; Martha Sheridan, PWCVB; Alan Chille, PFM; Bruce Leach, Legal Counsel; Rob Eaton, State Budget Office and Eileen Smith, Recording Secretary.

Mr. Bennett called the meeting to order at 9:15 am and asked for a motion to approve the minutes of the May Board Meeting. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Butler it was unanimously

VOTED: to approve the minutes of the May meeting.

Mr. Bennett stated that the no meetings will be held in July and the August Board meeting may be moved off site. He said that Ms. Venturini is looking at venues that would be willing to host our meeting.

Mr. Bennett asked Mr. McCarvill to present the financial information. Mr. McCarvill reported that for the month of May the Convention Center's net income variance was (\$75,603) to budget and (\$230,887) to the prior year. Year to date net income variance at the Convention Center was (\$735,744) to budget and (\$463,731) to the prior year. Mr. McCarvill stated that the unfavorable variance is due to lower parking revenues because of the loss of 38 Studios. He said that we anticipated making up the lost revenue with Hasbro parkers but that did not materialize. At the VETS, May's net income variance was (\$11,498) to budget and (\$30,645) to the previous year. Mr. McCarvill stated that year to date net income variance was (\$104,727) to budget and (\$4,012) to the prior year. Mr. McCarvill said that Festival ballet is breathing again and has repaid all and that they owed to us and still made a small profit. Mr. McCarvill reported that for the month of May the Dunkin' Donuts Center's net income variance was \$13,900 to budget and (\$190,260) to the prior year. Year to date net income variance at the Dunk was (\$422,015) to budget and \$460,749 to the prior year. Mr. McCarvill said that the Dunkin' Donuts Center is in a position to hit their numbers next year. Reduced rental income,

Ticketmaster rebates and facility fees are the primary reasons for the negative variance. The RI Convention Authority's net income variance for the month of May was \$1,499,567 to budget and \$1,525,982 to the prior year. Year to date net income variance is \$1,569,764 to budget and \$2,805,026 to the prior year. McCarvill stated that consolidated net income variance for the month of May was \$1,426,366 to budget and \$1,074,190 to the prior year. Consolidated Year to date net income variance is \$306,986 to budget and \$2,423,043 to the prior year. Mr. McCarvill noted that we will meet our cash requirements this year because of the restructuring of our debt. Mr. Gunn asked when the Commissioners would be able to see the budget so that the Board can see what can be done to improve our situation. Mr. McCarvill said that we will be prepared in July to distribute the budget. Mr. Nee said that in the past there has been some tension with the State and asked if that has improved. Mr. McCarvill said that the state is reluctant to appropriate anything over our debt service. Mr. McCarvill noted that the legislature has been very fair in working with us. Mr. McCarvill said that RICAP funds have been made available as long as we are enhancing state owned facilities.

MARKETING

Ms. Martha Sheridan of the PWCVB reported that business travel is trending down. She noted that we no longer have a Starwood property with their rewards program. Ms. Sheridan stated that the

Omni does not have a rewards program. Ms. Sheridan reported that her team has been working very hard to secure a soccer group for the area. She noted that the event will be great for the state and the city and all the bells and whistles are being brought out to impress the organizers. Ms. Sheridan reported that sensitivity training is being arranged through local hospitals for the upcoming meeting of burn victims. Ms. Venturini reported that she had met with representatives of the Airport Corporation and the Rhode Island Foundation to promote a campaign to make people aware of what is in their own back yard. Ms. Sheridan stated that she is attempting to energize through the ambassador program a celebration of all of Rhode Island.

Mr. Nee asked if Waterfire would have to be cancelled for the group in July. Ms. Sheridan stated that the hurricane barrier will not be closed therefore the lighting will need to be accomplished by getting into the water.

Ms. Venturini stated that the PWCVB contract was discussed at length at the Marketing Committee meeting and the committee is recommending approval of an increase in our contribution. Mr. McCarvill stated that the contract includes addition scope of services.

Ms. Venturini noted that there has been a significant increase in creative services that we take advantage of. Ms. Venturini also noted that the CVB has not had an increase since inception although we have added two facilities. Mr. Bennett sought a motion to increase the RI Convention Center Authority's contribution to the PWCVB. Upon a motion duly made by Mr. Butler and seconded by Mr. Nee it

was unanimously

VOTED: to approve a three year contract with an increase in our contribution to the PWCVB.

Mr. MacDonald said that he certainly supports this action but would like someone to clarify the language in Section E that says “where appropriate” Ms. Sheridan stated that the PWCVB does not pursue concert business.

Ms. Keough distributed a matrix supporting the choice of Carbon House to upgrade the Complex web-site. Ms. Keough reported that we have had multiple problems with our current site. Ms. Venturini noted that there was a huge learning curve when the site was first created. Ms. Keough said that the site will be upgraded not recreated and should be easy to navigate. She stated that our site is inefficient.

Discussions ensued regarding the three firms that submitted bids. Ms. Keough noted that the marketing team had interviewed and checked references of the three firms that submitted bids. Ms. Keough said that the firm that most met their need is Carbon House. Ms. Keough asked that the Committee recommend to the Board awarding the contract to Carbon House. Discussion ensued regarding what will be included in the contract and its length. Mr. Nee asked if there is a projected amount of increased traffic to the site. Ms. Kough said that Carbon House does not have any case studies. Mr. Mendez asked if Carbon House uses open sources. Ms. Carter

asked if Carbon House would work exclusively with us. Ms. Venturini answered that there are no exclusive contract within the industry. Ms. Keough said that she did not know the answer. Mr. Nee asked if PPAC uses Carbon House. Mr. Chille answered that they do and are very pleased with the results. Mr. DeLorenzo asked if they have a local presence. Ms. Keough said that they do not but reminded the Board that a local firm did not do well by us last time. Mr. McCarvill noted that we need an upgrade. Mr. McCarvill noted that the Board has some very good questions. He suggested that Ms. Keough look for approval to negotiate. Chairman Bennett sought a motion to approve moving forward with negotiations with Carbon House for web-site upgrades and improvements. Mr. Mendez said that the team should make sure that all of these issues are address before entering into an agreement. Mr. Butler asked what PPAC pays for their services. Ms. Keough said that she did not know but technology prices have come down. Upon a motion duly made by Mr. Hirsh and seconded by Ms. Carter it was unanimously

VOTED: approve negotiating with Carbon House for web-site upgrades and improvements.

DUNKIN' DOUNTS CENTER

Mr. Bennett recognized Mr. Lepore and asked that he address the Board. Mr. Lepore reported that a contract has been sent to an artist to perform for our 40/20 anniversary event and that he has a verbal

commitment. Mr. Lepore stated that American Idol and WWE Wrestling are currently on sale. He noted that American Idol has dropped some shows because of lack of sales. Mr. Lepore stated that an electronic dance party and Jeff Dunham have been booked. Mr. Lepore stated that a launch party is being planned for the Paula Abdul venture. He said that Ms. Abdul is the real deal and has been working hard along with our staff to make this event a success. Mr. Lepore said that cheerleading and dance groups will be competing on a National stage.

Mr. Lepore said that the Dunk staff is in maintenance mode. He said that the sway beam is being repaired and we are looking at the logo for the new basketball floor. Mr. Butler asked if we are doing anything regarding NCAA Basketball. Mr. Lepore said that we had bid but lost out to Madison Square Garden. Mr. Bennett asked if we were bidding on NCAA Hockey. Ms. Sheridan said that we are bidding on every event. Mr. Lepore said that both PC and Brown have agreed to act as host for these tournaments.

CONVENTION CENTER

Mr. Hirsh reported that the Convention Center is seeking approval to increase rates in the garage. Mr. Muldoon said that with all the repairs and upgrades plus increased security and the fact that we have not raised the event rate in several years it is time to do so. Mr.

Muldoon distributed a comparison of the surrounding parking facilities and said that an increase would keep us current. Mr. Muldoon said that a \$2.00 increase in the event rate would have a \$150,000 yearly impact. Mr. McCarvill said that we should look at all rates and timing because early bird poaches on the event rate. Mr. Muldoon said that he is looking at options. Mr. Gunn said that since we have a revenue problem we should make early bird truly early bird. Mr. Butler asked kid shows and family events would still be \$10.00. Mr. Muldoon said that \$12.00 would be the rate for all events. Upon a motion duly made by Mr. Nee and seconded by Mr. Mendez it was

VOTED: to approve increase the event parking rate by \$2.00 to \$12.00.

The vote was 10 yes

Mr. Butler expressed his disapproval saying that family and kid shows should remain \$10.00.

Mr. Schwartz noted that the progress is finally being made on the renovations. Mr. Butler asked when the street would re-open. Mr. Schwartz said that as soon as the heavy equipment is gone the street will re-open. Mr. Butler asked if the job is on schedule. Mr. Schwartz answered that the project is behind schedule but we expect the street to re-open within the next couple of weeks.

Mr. McCarvill said that we are closing in on Phase II and that Phase III includes everything that is left such as HVAC and painting. Mr. McCarvill said that Phase III bids will be posted in July and we will bring the results to the Board in August.

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

VOTED: to adjourn at 10:50 AM