

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 394th
MEETING OF THE
BOARD OF COMMISSIONERS April 30, 2015**

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 April 30, 2015 pursuant to notice, at the Rhode Island Convention Center, One LaSalle Square, Providence, Rhode Island.

Board members present were Chairman Bernie Buonanno, George Nee, Paul MacDonald, Patrick Butler, Joseph DeLorenzo, Tony Mendez, Dale Venturini, John Hooper, Stan Israel and Jeff Hirsh.

Letitia Carter was unable to attend.

Also present were James P. McCarvill, Executive Director, Kim Keough and Betty Sullivan, Rhode Island Convention Center Authority; Larry Lepore, John McGinn, Kathy Masino, Amanda Wilmouth, Rachel Martelly, Howard Allen, Pamela Bacon, Cheryl Cohen and Susan Catanzaro from the complex; Dan Schwartz , The VETS; Thomas Riel, PWCVB; Alan Chille, PFM; Harry Cann, SMG Corp; Robert Bromley, Senate Fiscal Office; Bruce Leach, Legal Counsel and Eileen Smith, Recording Secretary.

Mr. Buonanno called the meeting to order at the meeting at 9:05 AM. Mr. Buonanno asked for a motion to approve the minutes of the March Board Meeting and the Special meeting held to elect officers

and review the Economic Impact Study. Upon a motion duly made by Mr. MacDonald and seconded by Mr. DeLorenzo it was unanimously

VOTED: to approve the minutes of the March Board meeting.

Upon a motion duly made by Mr. Mendez and seconded by Mr. Butler it was unanimously

VOTED: to approve the minutes of the Special Meeting to elect officers and review the Economic Impact Study.

Mr. Buonanno asked Mr. McCarvill to present the financial information for the month of March. Mr. McCarvill reported that the Convention Center's net income for the month of March was (\$61,811) to budget and (\$78,175) to the prior year. Year to date net income for the Convention Center was (\$1,713,197) to budget and (\$2,292,376) to the prior year. Mr. McCarvill stated that reduced revenue in event and food & beverage as well as increased service expenses contributed to the negative variance at the Convention Center. McCarvill reported that for the month of March the Dunkin' Donuts Center's net income variance was (\$130,937) to budget and \$48,485 to the prior year. Mr. McCarvill noted that year to date net income for the Dunkin' Donuts Center was (\$218,692) to budget and \$201,645 to the prior year. Mr. McCarvill reported that the unfavorable variance is in part the result of the high guarantee for Neil Diamond. On a positive note Mr. McCarvill reported that the NCAA Hockey Tournament was

successful as well as an unbudgeted Stars on Ice and two sold out Providence College Basketball games. Mr. McCarvill reported that for the month of March the VETS net income variance was \$78,358 to budget and \$41,785 to the prior year. Year to date net income for the VETS was (\$119,742) to budget and (\$61,733) to the prior year. Mr. McCarvill stated that although the VETS down for the year Mr. Schwartz assures the Board that they will end the year with a profit. Mr. McCarvill said that we have to keep in mind that the theater was closed for renovation during the Summer. Ms. Venturini commented that the VETS staff do a great job and that the theater is a pleasant place to go. Mr. McCarvill reported that the Convention Center Authority's net income variance for the month of March was \$12,807 to budget and \$27,627 to the prior year. Year to date net income for the Authority was \$375,817 to budget and \$632,127 to the prior year. Mr. McCarvill stated that consolidated net income variance for the month of March was (\$101,583) to budget and \$39,722 to the prior year. Year to date consolidated net income was (\$1,676,634) to budget and (\$1,521,157) to the prior year. Mr. McCarvill stated that we will close the gap with the recent re-funding. Discussion ensued regarding the Neil Diamond Concert. Mr. McCarvill noted that if we didn't have the loss from the concert we would have had a profitable month. Mr. Nee asked if the Neil Diamond Concert was our event alone or a co-promote with SMG. Mr. McCarvill replied that it was a co-promote with Live Nation and they also lost a significant amount. Mr. DeLorenzo suggested that we should have lowered the ticket price. Mr. Lepore said that we would most likely not have sold any

more tickets and we would not have been able to cover the guarantee.

Mr. DeLorenzo asked why the show was booked. Mr. Lepore responded that we are under a lot of pressure to fill the building for suite holders and Neil Diamond has had strong sales in New England.

Mr. Buonanno asked for a motion to accept the financial report as presented. Upon a motion duly made by Mr. Butler and seconded by Mr. Mendez it was unanimously

VOTED: to accept the financial report as presented.

Mr. Buonanno asked Mr. Hirsh to report on the Finance/Audit Committee meeting. Mr. Hirsh explained that the Committee had met to interview candidate firms for our annual audit. Mr. Hirsh stated that our former audit firm, LGC&D, had done a great job for us for over ten years and therefore there was no need to have them interviewed. Mr. Hirsh stated that the Committee had interviewed Blum Shapiro and O'Connor & Drew. Mr. Hirsh reported that the Committee was recommending Blum Shapiro be contracted to complete the Authority's annual audit. Upon a motion duly made by Mr. Butler and seconded by Mr. MacDonald it was unanimously

VOTED: to select Blum Shapiro as the Authority's auditing firm.

Ms. Venturini brought to the to the Board's attention the inclusion of the Economic Impact Study and the accompanying Executive

Summary to the Study in today's package. Mr. McCarvill thanked Mr. MacDonald for his observation that non-event parking was not included in the calculation. Mr. McCarvill noted that Mr. MacDonald's question resulted in a significant increase to the study. Discussion ensued regarding the Study and it was mentioned that some people did not like the color of the report and it contains no pictures of the facilities in operation. Mr. McCarvill said that the work was done by CSL and we cannot change the color. He did say that we will include some pictures with the Executive Summary. Mr. McCarvill stated that all items that were brought to his attention were addressed by CSL. Mr. Buonanno asked if the Commissioners were in agreement that the Study should be accepted. Upon a motion duly made by Mr. Nee and seconded by Mr. Hirsh it was unanimously

VOTED: to accept the Economic Impact Study as presented.

Mr. Nee asked what the distribution plan is for the study. Ms. Keough said that she would be sending the report to any press that have requested it. Mr. Nee suggested that a copy go to the Governor, Mayor and all members of the Legislature. Mr. Butler volunteered to distribute the report to the Legislature.

Ms. Keough said that there have been talks about continuing the process moving forward to track our impact. Mr. Hooper asked if a committee would be set up to investigate ways to use the data that was collected to make long term decisions. Mr. Mendez requested

that Ms. Keough calculate attendance for us on a monthly basis for all venues. Ms. Keough said that she would do that. Mr. Butler asked if we could continue the impact study by using what the CVB already does. Ms. Sheridan stated that the CVB's calculator will not do what the Authority needs. Mr. Hooper said that we need to find the right business for us. Mr. Nee said that he thinks we have to get over our fixation with concerts. Mr. Butler noted that without big name concert performances the suites would be difficult to sell.

Mr. Cann spoke to the Commissioners and stated that this facility does very well in comparison to other venues. He said that we still need big shows but we have to be smart and pick our spot. Mr. Cann stated that the shows and events that in the past made \$100,000 are gone. Mr. Mendez noted that we have a responsibility to the City and State. He suggested that we start small and grow by taking advantage of our diversity and demographics. Mr. Lepore said that we investigate each event and thinks we can impact the area and break even. Mr. Cann stated that the Economic Impact Study is extremely important and it should be made known what these facilities mean to the area. Mr. Hooper asked if SMG has a strategic plan for these facilities. Mr. Cann answered that they do. Mr. Butler asked if we should make a profit following next week's concerts. Mr. Lepore said that we are guaranteed to cover the rent.

Ms. Keough reported that there would be huge numbers of people in the city over the next few weekends because of events and

graduations. Ms. Keough also reported that the CVB is making a new video of the complex that can be used in advertising the facilities.

Mr. Schwartz addressed the Board and presented a list of events. Mr. Schwartz stated that he was pleased that the theater is not closing for renovations this summer and several events have been booked. Mr. Schwartz said that he expects a big summer.

Mr. Lepore stated that Providence Bruins Hockey is not done yet. He said that if the season continues we will put the ice back after the Circus. Mr. Lepore noted that WWE is a sellout. He noted that wrestling does extremely well here. Mr. Lepore continued that it is entertaining. Mr. Lepore noted that they have an enormous amount of support staff.

Mr. Lepore reported that Pam Bacon and the accounting staff is working on a combined financial statement. Mr. Lepore said that with the change in staff and the complication of taxable and non-taxable is process has taken some time.

Mr. Lepore reported that he had presented Ice Kingdom to the Mayor who was very supportive. Mr. Lepore noted that even with the assistance of Arthur Robbins, Marriott would not relent on the 600 mile non-compete clause. Mr. Lepore stated that in attempting to pursue Ice Kingdom we have come across another firm originally associated with Ice Kingdom that is doing something similar and we

are meeting with them to look into the possibility of bringing the event to Providence. Mr. Hooper asked what other cities has this company done since the breakup of the original company. Ms. Wilmouth stated that they have not done any as yet but are working with sand in Texas. Mr. Lepore noted that the company stated that they would accept all risk.

Mr. McCarvill updated the Board on the Garrahy Garage project and said that the co-chair would call a meeting soon to short list the responders to our RFP. Mr. MacDonald asked about the proposed parking garage at the new ball park. Mr. McCarvill said that he didn't think it would hurt us but it might.

Mr. McCarvill reported that Buff Chase had been in contact with him to discuss converting some space in the Journal building to meeting space. Mr. Butler stated that he would rather find more space in our own facility. Mr. Hirsh asked with is the temperature at the State House regarding meeting space. Mr. McCarvill said that we would have to make our case. Mr. Butler asked if anything is going on with the Fogarty Building. Mr. McCarvill said that Proccacanti Group is still anticipating a hotel.

Mr. Buonanno 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. Mendez unanimously

VOTED: to adjourn at 10:45 AM