

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 419th
MEETING OF THE
BOARD OF COMMISSIONERS May 25, 2017**

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 May 25, 2017 pursuant to notice, at the Rhode Island Convention Center, One Sabin Street, Providence, Rhode Island.

Board members present were George Nee, Paul MacDonald, Stan Israel, Catherine Parente, Tony Mendez, Jeff Hirsh and Dale Venturini.

Mr. Buonanno Mr. Hooper and Mr. Butler were unable to attend.

Also present were James P. McCarvill, Executive Director and Donald Nadeau, Rhode Island Convention Center Authority; Larry Lepore, Amanda Wilmouth and Pamela Bacon, the Convention Center and the Dunkin' Donuts Center; Thomas Riel, PWCVB; Dan Schwartz and Michael Gravison, the VETS; Alan Chille, PPAC/PFM; Michael Crawley, Citrin Cooperman; Robert Bromley, Senate Fiscal Office, Burnell Goldman, Omni Providence; Bruce Leach, Legal Counsel and Eileen Smith, Recording Secretary

Mr. Nee called the meeting to order at the meeting at 9:00 AM and asked for a motion to approve the minutes of the April Board Meeting.

Upon a motion duly made by Mr. MacDonald and seconded by Ms. Parente it was unanimously

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

Mr. Nee stated that the next meeting would be held on Thursday, June 29th at 9:00 AM.

Mr. Nee noted that in the Board handout today was a picture of John Ciolfi who was honored with the Gen Next “Social Butterfly” award. Mr. MacDonald said that we are all proud of John and that he is a great person.

Mr. Nee asked Mr. Schwartz to present the financial and operations information for the VETS. Mr. Schwartz reported that April was a good month and that the facility is close to breakeven. He said that for the month of April Net Income was \$49,964 to budget and \$35,122 to the previous year. Mr. Schwartz stated that year to date net income was \$48,275 to budget and \$88,769 to the prior year. Mr. Schwartz noted that we are closer to break even and we are not looking at any loses in upcoming events. Mr. Schwartz noted that there were several profitable events during the month of April. Mr. MacDonald asked how parking was working out now that the legislature is in session. Mr. Schwartz noted that the events are mostly on weekends and the session has not had any effect. Mr. Schwartz stated that May should be an incredible month and the VETS will be close to

breakeven for the year. Mr. Nee told Mr. Schwartz that he had done a good job.

Tom Riel presented the CVB report. He stated that USA Gymnastics has been coming to us often and we are pleased to have them here. Mr. Riel noted that direct spend for the Convention Center was \$45 million and we should not let anyone tell us that we are not an important building. Mr. Riel stated that Frontier Airlines has announced that they will be flying into Denver from Providence beginning in August. He said that this is big news.

Mr. Nee recognized Mr. Lepore and asked that he update the Committee regarding the Convention Center and the Dunk. Mr. Lepore reported that the Convention Center net income for the month of April was (\$286,821) to budget and (\$163,558) to the prior year. Year to date net income is (\$427,313) to budget and (\$1,238,933 to the prior year. Mr. Lepore noted that food and beverage net income was lower than budget in March. He noted that Kathy is looking at pricing but large public catered events are not very popular. Mr. Lepore noted that we have had trade shows that are using more space and therefore taking up room that would, in the past be occupied by catering stations. He also noted that seating is limited in the area and show patrons are more likely to go to the Mall. Mr. McCarvill said shows are using pre-function areas and there is no room for food and beverage. Mr. Lepore stated that he does not anticipate that the Convention Center will meet budget this year.

Mr. Lepore continued with the income statement for the Dunk. He said that for the month of March the Dunkin' Donuts Center's net income was (\$36,029) to budget and \$53,005 to the prior year. Mr. Lepore reported that year to date net income for the Dunk was (\$363,334) to budget and (\$42,892) to last year. Mr. Lepore noted that the timing of events makes a great deal of difference in our budget. Mr. Lepore stated that we have more concerts on sale or about to go on sale than we have had in several years. Mr. Lepore reported on the Live Nation negotiations. He said that the old deal was a 50/50 split and the new deal will be no rent and we keep all food and beverage. Mr. McCarvill stated that we have no Live Nation shows scheduled.

Mr. Lepore stated that he has a signed agreement with Peter Pan and Greyhound Bus Lines to locate their ticket sales to the Convention Center. Mr. Lepore noted that he they will be renting the box office at the Convention Center for \$3,000 per month. Mr. Lepore reported that he is looking at a parking package to go along with the bus ticket.

Mr. Lepore reported that we are seeing increased costs in repairs and maintenance. He noted that equipment is getting old and in need of replacement.

Mr. Lepore stated that and RFP for Net Metering was included in the handout for the meeting. Mr. Lepore noted that there were 2

questions asked after the deadline and if we answer them it would mean extending the deadline for responses. Mr. McCarvill suggested that we find out what the questions are before we decide what to do. Mr. Lepore discovered what the questions were and it was decided to move forward without answering the questions. Mr. MacDonald asked why we are looking at both wind and solar. Mr. Lepore stated that we want to know what are options are before we make a decision and it might be better to have access to both options. Mr. MacDonald noted that wind is constant and the sun only shines so many hours a day.

Mr. McCarvill presented the financial statements for the Authority and all facilities combined. Mr. McCarvill stated that for the month of April net income for the Authority was \$22,625 to budget and \$913 to the prior year. Mr. McCarvill said that year to date the Authority's net income was \$234,664 to budget and \$14,150 to the prior year. Mr. McCarvill reported that consolidated net income for April was (\$326,289) to budget and (\$107,367) to the prior year. Year to date consolidated net income was (\$579,646) to budget and (\$1,214,775) to the previous year. Mr. McCarvill noted that the first quarter put us in a hole that we have not been able to dig out of.

Mr. McCarvill explained the refunding opportunity that has been presented to us. He said that there is nothing certain but he would like the Board's suggested goal before we move forward. Mr. McCarvill said that the refunding of our Series 2009 A bonds could

result in a savings of \$5 million. It was the consensus of the Board to watch for an opportunity that would be in our best interest.

Mr. McCarvill stated that there has been some interest in naming rights for the Convention Center. Mr. McCarvill cautioned that any naming rights could interfere with competing businesses renting the facility. Discussion ensued.

Mr. McCarvill reported that there has been no movement on the Garrahy Garage but we continue to work towards a solution. We are still waiting for Wexford and we can't issue bonds until the land is ours. Mr. McCarvill noted that Liz Keithline had been in contact with him and assured him that they would work with us on the garage art.

Mr. McCarvill noted that conversations have taken pace with the URI to secure parking for the Nursing School. Mr. McCarvill said that we are trying to be good neighbors but we are looking for a reasonable parking rate.

Discussion ensued regarding our participation in bidding with Gillette Stadium for the Army vs Navy Game. Mr. Lepore said that we are aggressively trying to secure the game. Mr. Lepore noted that if Gillette is successful in their bid we would house the cadets at the Convention Center. He noted that with Gillette and help from Senator Reed this would be a fantastic opportunity for the State.

Mr. Crawley addressed the Board and stated that the transition to Webster Bank is underway. He said that Webster has been more than accommodating and is looking forward to serving the facilities.

Ms. Parente asked Mr. Crawley to review the supporting documentation for the items noted in the 2016 audit that we gave assurance to the State that we were up to date with reconciliations. Mr. Crawley said that he would contact Ms. Bacon and request the documentation.

Mr. Hirsh asked what the status is of the PC Contract. Mr. Lepore said that he had sent a contract to them several weeks ago but has not heard back. Mr. McCarvill said that we can negotiate a better deal for both of us. He said that we should encourage PC to bring in at least one big game early in the season other than URI. Discussion ensued regarding the amount of money spent to renovate the arena with PC being the biggest reason for improvements. When asked to participate they showed no interest and left it all up to the taxpayers. Mr. Israel suggested that someone speak to Ed Cooley.

Mr. Nee asked if there was any other business. Hearing none he asked for a motion to adjourn. Upon a motion duly made by Ms. Venturini and seconded by Mr. MacDonald it was unanimously

VOTED: to adjourn at 9:45 AM