

THE RHODE ISLAND CONVENTION CENTER AUTHORITY
441st MEETING OF THE
BOARD OF COMMISSIONERS
April 25, 2019

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 25, 2019, pursuant to notice, at the Rhode Island Convention Center, One Sabin Street, Providence, Rhode Island.

Board members present were Bernard Buonanno, George Nee, Tony Mendez, Peri Ann Aptaker, Catherine Parente, John Hooper and Stan Israel.

Patrick Butler, Paul MacDonald, Jeff Hirsh and Dale Venturini were unable to attend.

Also present were James P. McCarvill, Executive Director, Rhode Island Convention Center Authority; Larry Lepore, Beth Johnson, Amanda Wilmouth, Chris Spolidoro, Cheryl Cohen and Kristin Murphy the Convention Center and DDC; Tom Riel, PWCVB; Dan Schwartz and Michael Gravison, the VETS; Alan Chille, PPAC/PFM; Rick Hall, Keough Construction; Michael Crawley, Consultant CFO, Citrin Cooperman; Robert Bromley, Senate Fiscal Office; Bernard Lane, OMB-DOA; House Finance; Mark Liff and Steven Wendebon, JP Morgan; Bruce Leach, Legal Counsel and Eileen Smith, Recording Secretary.

Mr. Buonanno called the meeting to order at 9:08 AM. **Mr. Buonanno** asked for a motion to approve the minutes of the March Board Meeting. Upon a motion duly made by **Mr. Israel** and seconded by **Mr. Nee** it was unanimously

VOTED: to approve the minutes of the March meeting.

Mr. Buonanno asked Mr. Hall to update the Board on the construction of the Courthouse Garage. Mr. Hall presented pictures of the construction site showing progress with the concrete. Mr. Hall reported that the design team and contractor are 98% complete with all submittal reviews. He said that security and PARCS system remain. A mockup of the exterior materials will be assembled at the marshaling yard in May. Mr. McCarvill said that we could arrange a walk around in mid May once the samples are on site. (Project Summary and weekly look ahead attached).

Mr. Buonanno asked Mr. Riel to address the Board. Mr. Riel was pleased to report that Kristen Adamo had been selected to as the new CVB President. The Board expressed their support of Ms. Adamo and said that although Kristen has some big shoes to fill we are confident that she is up for the challenge.

Mr. Riel distributed his report which included the Providence Smith Travel Research data. Mr. Riel stated that the CVB had dynamite sales activity last month. Mr. Riel noted that we have had

tremendous demand in 2021 and not so much in 2022. Mr. Riel also noted that we are seeing success in the number of Rhode Islanders bring in business. Mr. Riel explained that demand is an important detail to look at because of the number of rooms that have been added to our inventory or will come on line in the near future. Mr. Riel reported that definite bookings and room nights for the destination are up for the month compared to 2018. Tentative bookings related to the Complex are consistent to last year. Mr. Riel reported that the direct spend number connected to Convention Center bookings was \$10,515,878. Mr. Riel highlighted the booking activity for the month. He stated that Business Network for Offshore Wind will be here in April of 2020, the American Association of Motor Vehicle Administrators in May of 2020, Enel Green Power North America in May 2019, National Technical Investigators Association in Jul 2020 and the State Science and Technology Institute for September 2019. He said that we continue to attract green business because of Block Island.

Mr. McCarvill and Mr. Riel brought to the Boards attention the growth in the sports market. Mr. Riel noted that the market has grown 15% over the last three years. Mr. McCarvill stated that this would be a different clientele and attract family tourism to the State. Mr. McCarvill reported that they had visited a site in Warwick connected to the Crowne Plaza that has enough space and has utilities already in place to accommodate an indoor facility. **Mr. Nee** asked if there is any land close to us here in the City. Mr. McCarvill said no because we would need about 5 acres and that is not an option in the City. Lengthy discussion took place. **Mr. Mendez** asked if we are anticipating any negative reactions from existing facilities. Mr. McCarvill said yes we are but we can work with them to ease their concerns. **Mr. Mendez** stated that the facility in Quonset is used by every community in the State. Mr. Riel acknowledge that Quonset is usually occupied and said that we have difficulty getting access to the existing facilities when an opportunity comes along to host a competition or tournament for outside the State. **Mr. Nee** asked if there was any speculation on cost. Mr. Lepore said that he thought Buffalo had spent about \$20 Million. **Mr. Nee** said what about McCoy. Mr. McCarvill noted that proposals for that site were due today but we could take a look. **Mr. Nee** said that our discussions with the Legislature would be that it would bring in outside dollars into the State. Mr. Lepore noted that attending your child's sporting event is becoming the way families take vacations together.

Mr. McCarvill reported that we have been looking for ways to increase our meeting space. He stated that the room that we are using for this meeting was recently constructed using existing meeting space plus some storage area. Mr. McCarvill said that we continue to look at building over the loading docks and taking more space on level 5. Mr. McCarvill noted that we hold several events in the Convention Center that might move to a new sports venue freeing up space in this facility.

Mr. Buonanno asked Mr. Schwartz to give an update the Board on activity at the VETS. Mr. Schwartz stated that for the month the VETS is tracking better than last year. Mr. Schwartz stated that Net Income for March was (\$30,492) to budget and \$12,841 to the prior year. Year to date Net Income was (\$43,638) to budget and \$9,593 to the prior year. Mr. Schwartz said that he is confident that the VETS will be profitable by the end of the year. Mr. Schwartz noted that there are lots of swings and a great deal of competition. Mr. Schwartz reported that The Best of Rhode Island Party will be held at the VETS in July because PPAC has Hamilton. Mr. Schwartz stated that he thinks Vince Gill will likely sell out. Mr. McCarvill reminded Dan that his RICAP

submittal for 2020 through 2025 is due. Mr. Lane said that a training session will take place soon and the submittals are due on July 1st.

Mr. Buonanno asked Mr. Lepore to address the Committee. Mr. Lepore presented the financial statements for the Convention Center and the Dunkin' Donuts Center. Mr. Lepore reported that the Net Income for the Convention Center for the month of March was (\$71,896) to budget and \$184,296 to the prior year. Year to date Net Income was (\$63,788) to budget and (\$586,103) to the prior year. Mr. Lepore was pleased to report that the newly installed equipment resulted in energy savings of approximately \$100,000. Mr. Lepore also noted that we are seeing savings from the turbines. **Mr. Hooper** asked what the savings amount to. Mr. McCarvill answered that at this time it is difficult to know how much we are saving because we continue to have issues with credits from National Grid.

Mr. Lepore reported that it is a much different story at the Dunk. He said that Cheryl and Debbie have done a spectacular job reaching out to promoters. He said that the concert business is strong at the moment. Mr. Lepore noted that talent can only make money by touring because of ease of downloading their music. **Mr. Nee** said that the rolling forecast still shows a negative. Mr. Lepore said that a loss was budgeted but we are hoping to break even. Mr. Lepore stated that we have a lot of work ahead of us. He said that we do almost all college graduations and two high schools. Discussion ensued on celebrities and what they are paid. Mr. Lepore stated that there is an opportunity for us to host a boxing match that would have a major lineup.

Mr. McCarvill reported on the Authority and the Consolidated Financial Statements. He stated that the Authority's net income for the month of March was (\$5,512) to budget and (\$7,245) to the prior year. Year to date net income was \$56,831 to budget and (\$231,050) to last year.

The Consolidated net income results for the month of March were (\$77,226) to budget and \$196,779 to the prior year. Year to date consolidated net income was \$370,837 to budget and \$408,450 to the prior year. Mr. McCarvill stated that he thinks with the changes that have been made to our utility package and the increase in parking rates will get us close to a profit.

Mr. McCarvill reported that the 2019 Capital Projects are nearing completion and we are getting ready for the 2020 projects. He also noted that we are beginning to see some credits from our turbines and improvements in energy consumption.

Mr. Crawley presented his report and stated that there have been no issues with reporting. He brought the Board's attention to the latest quarterly report. **Ms. Parente** asked how we determine the amount of parking for the Dunk. Mr. Crawley said that it is a reasonable estimate based on attendance. **Mr. Hooper** stated that this report is great. He said it helps us to recognize where we are making money and where we are not. He said that in some instances the events that are not profitable have a reason for us to continue to support them. **Mr. Hooper** said that it is a great tool. **Mr. Mendez** asked if the VETS could be added to the report. Mr. Crawley said that it will be added. Mr. Crawley noted that accounts receivable is clean.

Mr. McCarvill reported that there was little to report on the SMG contract. **Mr. Hooper** requested that Mr. McCarvill emphasize that we are anxious to put this behind us. Therefore, they should think about the last and best proposal that was presented. **Mr. Buonanno** said that

he thinks we are close and that SMG is willing to amend the contract and has only minor issues to be ironed out.

Mr. McCarvill reported that we would like to engage a Commercial Real Estate Firm to assist us in the rental of retail space at the new garage. Mr. McCarvill noted that one firm, C.B. Richard Ellis, gave us the most reasonable terms therefor he would like hire them for our agent. **Mr. Israel** asked how much we have to pay them. Mr. McCarvill answered it is a percentage of rents generated. Upon a motion duly made by **Mr. Nee** and seconded by **Mr. Israel** it was unanimously

VOTED: to select C.B. Richard Ellis as our rental agent.

Mr. Buonanno asked if there was any new business. Hearing none he asked for a motion to adjourn. Upon a motion duly made by **Mr. Mendez** and seconded by **Mr. Hooper** it was unanimously

VOTED: to adjourn at 10:30 AM