



## **Durham Convention Center Authority meeting**

Thursday, January 26, 2012

Durham Convention Center Meeting Room II

8:30 AM

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The meeting was called to order at 8:30AM with the following representatives present:

*Authority:* Joe Bowser, Patrick Byker, Bill Kalkhof, Rosemarie Kitchin, Dawn Paffenroth, and Billy Ruffin. *Owners:* Drew Cummings, Sharon DeShazo, Joel Reitzer, and Karmisha Wallace.

*Management Company* (Global Spectrum): Andrea Gliatta, Jennifer Noble, and Barry Strafacci.

Mr. Cummings raised a question regarding dates clarifying communications with Shaner. Mr. Byker duly noted that this discussion was held during the executive session. Ms. Kitchin made a motion to approve the January 5, 2012 meeting minutes, Ms. Paffenroth seconded, and the minutes were voted and approved by all.

### **Action Items:**

- Monument signage on Morgan Street to identify the Durham Convention Center.
  - Authority requests review of proposals. (Staff made contact with Mr. Kalkhof's reference).
- Downtown Parking issues.
  - (Mr. Kalkhof requested staff to notify the Authority on the amount of spaces needed for Durham Convention Center parking.)
- The Authority and staff requested that Global Spectrum produce a one page document to share with elected officials describing Global Spectrum's community involvement, and other items noted by elected officials during the RFP approval process.
- Investigate opportunity for a DCCA member to sit on DCVB board.
  - Ex-officio is a possible first step in the process.
  - Mr. Byker will collaborate with Mr. Kalkhof.
- Global Spectrum will produce a sequential matrix which gauges user feedback with the Authority.

### **Durham City and County Administration:**

- Consultants have reported costs and scope of work for the Convention Center Plaza fountain repairs. The estimate is higher than anticipated. The fountain may close due to costly repairs. Incorporating a landscape design is an alternate solution. Other costs are being investigated.
- Mr. Reitzer has requested an update from Global Spectrum on furniture and fixtures for the DCC kitchen build-out.
- Downtown landscape and litter clean-up.

- Mr. Reitzer has communicated with Mr. Brezinski on up fitting DCC administrative offices with new carpet and paint. The Owners will move forward with this plan. The hotel has indicated they no longer have use for the former S & H office space. The Owners and Global Spectrum will provide recommendations on use of this space.
- Videos marketing downtown Durham were noted as possible opportunities for display on DCC flatscreens.
- Mr. Reitzer has arranged a meeting with Architects to discuss design concepts and costs for DCC external signage. Electricity is available in a convenient location.
- As an incentive to promote sporting events for the DCC, Mr. Reitzer will introduce Carl Kimball, a PGA professional to Global Spectrum.

**Phase II Renovation Update:**

- Construction is 99% complete. Punch list work is on-going with Skanska.
  - The project costs are below the amended budget and carry a contingency balance of \$112,000.
  - Remaining scope of work:
    - Electrical corrections are in progress.
    - Waiting on replacement for wall sconces in the junior ballrooms.
    - Periscope system for utility monitoring is under review. Revisions to the programming are needed prior to training. The project is assuming costs for Check-metering expenses.
    - Investigating costs to design and construct a free standing exterior DCC sign.
    - Moving forward on a solution with the pre-function corridor issue involving security and liability. Staff is working diligently towards a design solution.

**Global Spectrum Report:**

- December had 23 events with 35 event days, and 4,992 guests. January currently has 17 events with 19 event days with an estimated 5,800 guests. Global Spectrum provided an occupancy report for December 2011.
- Notable December and January events:
  - Teddy Bear Ball -600 guests; - DCC Revenue - \$45,279.
  - Burt's Bee's – 510 guests; Room Revenue - \$2,380; DCC Revenue - \$39,437.40.
  - Banks, Rogers and Williams – 600 guests; DCC Revenue - \$19,022.40.
  - Debutante Ball – 400 guests; Room Revenue - \$11,900; DCC Revenue - \$15,588.08.
  - Delta Sigma Theta Sorority – 975 guests; DCC Revenue - \$31,886.40
  - Duke Electrical Computer Engineering: 250 guests; DCC Revenue - \$36,957.00
- Durham Convention Center projected revenue to date for fiscal year 2011/12: Total - \$1,291,825.72.
  - Definite bookings (total operational forecast) - contracted \$376,780.00.
  - Tentative bookings: - contracts distributed - \$70,007.00.
  - Proposals (other) - \$137,334.00.

- Global Spectrum will collaborate with DDI, Inc. and DCVB regarding development of a marketing video.
- Public Relations:
  - Advertising with Our State Magazine, Triangle Business Journal, Durham Magazine and more.
  - Placed an advertisement with the Association Executives of North Carolina.
  - Participated in reunion network.
  - Will participate in upcoming wedding show.
  - As a customer service effort, Global Spectrum’s proposal to operate the DCC facility revealed staff engaging patrons wearing buttons which ask “how you doing”. Ms. Wallace commented on the marketing value for the facility.
  - Global Spectrum is working with the Owners to remove remaining DCC assets from TROSA Storage. This effort will reduce monthly storage fees.
  - June is historically low performing and provides a great opportunity to produce events.
  - Global Spectrum is working to build associations-related events.
  - DCC customer survey scores revealed a 4.2 out of 5 satisfaction rating. The survey feedback is based on responses from event planners. Ms. Wallace commented on a Commissioner’s request for feedback from users of the facility. How are we gauging the feedback and how can it be produced formally? The Owners are interested in information on service from the user’s perspective. Global Spectrum will produce a sequential matrix on a monthly basis with assistance from Authority members.
- Durham Convention Center Staffing:
  - No update regarding Ray Paschall’s return to work.
  - New hire, January 9, 2012 - Virginia Ariel, executive assistant.
  - Using an on-call list for servers and bartenders.
  - 11 Permanent Full Time Equivalents; Sous chefs are part time.
- Budget: December
  - Net Income (loss) for December: \$3,538
  - Year to date Budget Variance: \$117,882
  - Net Income (loss) Year-to-date: (\$242,524)
  - Net Revenue (Actual): \$127,830
  - Net Revenue (Budget): \$87,699
  - Favorable Year to date balance: (\$242,524) budgeted at (\$360,406)
  - Total Annual Budget: (\$636,713)
  - Global Spectrum continues to control expenses. Mr. Reitzer noted his approval of cost control efforts. The financial report shows a 15% improvement in food and beverage margins.
  - Positive December net income can be attributed to delay in new hires.
  - Shaner has reduced sleeping room availability for DCC events from 90 to 40. Mr. Reitzer will address this issue with the hotel to maximize potential for both facilities.
  - Revenues at \$224,094 exceed the budget by \$59,411.
  - Proposed new Hampton Inn hotel – not within easy walking distance of the Convention Center. Hunden Strategic Partners provided a proposal for a hotel feasibility study. There is a pending proposal for a feasibility study in relation to building a hotel that is beneficial to the DCC and downtown Durham. Per Mr. Kalkhof, 700 rooms will be an adequate amount of downtown hotel rooms or 500 additional hotel rooms.

### **Durham Convention Center Authority:**

- Mr. Byker shared an article from the Wall Street Journal discussing the financial instability of Convention Centers nationwide. He recommended developing a marketing video showcasing entertainment options throughout downtown Durham. A video is hoped to stimulate interest for the public to invest in downtown Durham. Mr. Kalkhof suggested that this effort be a collaboration including Downtown Durham Inc., DCVB, and the Greater Durham Chamber of Commerce. As a marketing tool, Greensboro, NC has very attractive outdoor maps displaying downtown entertainment venues. The DCC Authority will focus on maximizing the customer's experience both inside and outside of the Convention Center.
- Additional parking spaces for downtown Durham may be needed. RFP's to conduct a parking study have been collected. The study will investigate current and future parking needs. Parking consultants will need to meet with Global Spectrum. General Services will participate on the parking committee.
- Mr. Byker suggested marketing the DCC during major sporting events.

### **Sub-committees:**

#### Sales and Marketing Sub-committee:

- The sales and marketing sub-committee expressed interest in the development of a marketing video to enhance the downtown experience.
- Debutante ball feedback follow-up was positive.
- Discussion to focus on social marketing due to a decrease in the availability of sleeping rooms.
- Meeting with event planners scheduled in February. More details to come.
- Need a follow-up plan with Authority action items.