



Durham Convention Center Authority meeting

Thursday, March 22, 2012

Durham Convention Center Meeting Room II

8:30 AM

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

Authority: Al Bass, Joe Bowser, Patrick Byker, chairman, Bill Kalkhof, Rosemarie Kitchin, and Dawn Paffenroth. *Owners:* Drew Cummings, Sharon DeShazo, Jina Propst, Joel Reitzer, Al Walker, and Karmisha Wallace. *Management Company* (Global Spectrum): Jennifer Noble. Ms. Kitchin made a motion to approve the February 23, 2012 meeting minutes with edits, Mr. Bass seconded, and the minutes were voted and approved by all.

Action Items: *(Comments italicized)*

- Proposals for interior and exterior signage to identify the Durham Convention Center.
Mr. Reitzer provided sketches of preferred visuals to the architect.
A contract has not yet been approved.
Mr. Reitzer will advise on a timeline.
- *A consultant to perform a parking study has been selected. The parking study contract will be submitted to City Council for approval.*
- 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.
Sufficient data was provided during the presentation for the March 13 Joint City/County meeting.
- Global Spectrum will produce a sequential matrix which gauges user feedback with the Authority's assistance.
Global Spectrum has provided data and the Authority will decide next steps.
Mr. Byker suggested Global Spectrum retain a record of customer feedback.
- Ms. Kitchin requested additional information on Global Spectrum's incentive allowance for this fiscal year.

Durham City and County Administration:

- Staff is working to complete the Convention Center Phase II reconciliation. Durham County will be invoiced for its cost share obligations to date. In addition, Shaner will be invoiced for their remaining cost share. Shaner forwarded payment for 60% of their cost share for \$359,000. A remaining balance has increased from \$159,000 to approximately \$200,000. Costs have increased due to change orders for the roofing and fire systems. Mr. Reitzer will provide an update.

- Mr. Reitzer requested the Authority to consider a facilities improvement plan for the convention center. Global Spectrum has provided for immediate operational needs from operating revenues in its request to purchase FF&E with savings from operations. There are potential resources available to fund this project: funds remaining in the Phase II construction budget; savings from Global Spectrum's year-end operating budget; and Shaner's remaining share of the Phase II construction cost. Staff is currently tracking approximately \$286,000 in savings from Global Spectrum's budget. Ms. Kitchin suggested adding a timeline to the plan. A resolution to fund the facilities improvement plan will be forwarded to the City and County Managers upon approval by the Authority.
- Shaner also has a facilities plan scheduled for implementation in 2012. It is based on a grand room concept. They will submit this plan to the Owners prior to implementation. They may propose use of some shared areas. The air lease references cost share components for repairs.
- On behalf of the Authority, Mr. Byker requested a motion to adopt a resolution to support the Owners facilities improvement plan for operational needs funded from accrued savings. Ms. Kitchin stated the need to include a timeline in the plan. Mr. Kalkhof moved approval and Ms. Kitchin seconded the motion. The motion was voted on and approved by five members, and one member abstained (Mr. Bowser).

Phase II Renovation Update:

- Staff is currently working on construction close-out.
 - Remaining scope of work:
 - Replacing wall sconces in the junior ballrooms which will coordinate with the dimming system.
 - Grease trap covers
 - Exit lights
 - Additional scope of work:
 - Staff reported a pending contract for schematic design and design development for a glass enclosure at the pre-function corridor entrance and interior and exterior signage.
 - Repairs for the exterior water fountain in the convention center plaza are in process and scheduled for completion by the end of March. Repairs will be completed at an estimated \$26,000 from a \$30,000 budget.

Global Spectrum Report:

- February held 24 events with 29 event days, and 5,589 guests. March currently has 27 events with 31 event days booked, with an estimated 6,854 guests. The occupancy report for February is showing 28%.
 - Notable February and March events:
 - East Coast Asian Student Association – 800 guests; DCC Revenue - \$36,020.10
 - Duke Technical Services – 2,195 guests; DCC Revenue - \$112,502.00
 - Duke Technical Services – 700 guests; DCC Revenue - \$75,861.11
- Durham Convention Center projected revenue to date for fiscal year 2011/12: Total - \$1,553,283.89.
 - Definite bookings: (total operational forecast) - contracted \$322,364.00.
 - Tentative bookings: - contracts distributed - \$34,140.00.

- Proposals: (other) - \$108,099.00.
- Budget forecast reveals \$209,000 under-budget target by the end of the fiscal year.
- Public Relations:
 - Advertising with Duke Magazine and AENC.
 - Attended Triangle Area Hotel/Motel Association luncheon and hosted an event on March 20 returning \$675 in revenues.
 - Smart Meetings advertorial.
- Working with the DCVB on the advertisers guide.
- DCC customer survey scores revealed a 4.3 out of 5 customer satisfaction rating. The Durham Rotary Club was also surveyed. All comments returned ranging from good to excellent.
- Durham Convention Center Staffing by Global Spectrum:
 - Restructuring of the sales department is on-going
 - Richard Hart has been hired as Sales and Marketing Coordinator.
 - Working on an on-call list for servers and bartenders for events. This will assist in reducing costs.
- Budget: February
 - Net Income (loss) for February: \$41,872 (*Includes accrual from utilities*)
 - Year to date Budget Variance: \$286,288
 - Net Income (loss) Year-to-date: (\$229,641)
 - Total Events Income (Actual) February: \$125,704
 - Total Events Income (Budget) February: \$51,272
 - Total Annual Budget: (\$636,713)

Durham Convention Center Authority:

- Ms. Green responded to the letter addressing an opportunity for representation on the DCVB board. The letter states that the DCVB will give the opportunity consideration at their next meeting. In the meantime, there are existing seats on the DCVB board available for representatives from an entity that generates visitor demand. The Authority discussed the elected officials amending the interlocal agreement to allow a seat on the DCVB board.
- Mr. Byker shared a marketing video with the committee which was produced in Charlotte, NC. Duplicating the marketing efforts of this video will help promote the Durham Convention Center. Mr. Reitzer will communicate with Beverly Thompson, City Public Affairs, to discuss marketing ideas. A public relations program may need approval from the Managers.