



**Durham Convention Center Authority Meeting**  
Thursday, June 27, 2013  
Durham Convention Center Meeting Room II  
11:30 AM

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The meeting was called to order at 11:30AM with the following representatives present:  
*Authority:* Al Bass, Patrick Byker, Richard Ford, Bill Kalkhof, Rosemarie Kitchin, Dawn Paffenroth, and Billy Ruffin. *Owners:* Drew Cummings, Sharon DeShazo, Jina Propst, Joel Reitzer, Al Walker, and Karmisha Wallace. *Management Company* (Global Spectrum): Andrea Gliatta and Jen Noble. Rosemarie Kitchin made a motion to approve the May 30, 2013 meeting minutes, Al Bass seconded, and the minutes were approved with noted changes per Dawn Paffenroth, DCCA Finance Subcommittee.

**Action Items:** *(comments italicized)*

- Patrick Byker forwarded correspondence to the Durham Convention and Visitors Bureau (DCVB) formally requesting that Jen Noble, Global Spectrum be included as a stakeholder with McKinney firm to review process and product for re-branding. *(project in progress)*
- Request for Global Spectrum to provide a return on investment analysis on Convention Center FF&E recently purchased. *(project in progress)*
- Meeting to discuss objectives for short and long-term sales bookings. Owners to add, air rights formula with the Inter-local agreement to the discussion.
- The DCCA requested a one page report showing net revenue of peer city convention centers during the July 26 2012 meeting. *(project in progress)*

**Durham City and County Administration:**

- *Design and Construction Update:*
  - Pre-function Corridor doors:  
The project contract awarded to Morlando Construction for \$47,900 has been executed. Global Spectrum will coordinate installation which is scheduled during the month of August 2013.
  - Exterior Signage:  
Staff has received 80% of final signage drawings for review. The next step in the process is contingent upon funding.
  - Wall sconces project is near completion. Replacement sconces have been shipped and installation is forecast for mid July 2013.
  - Fireproofing investigation:

Contract with Terracon Engineers for \$9,633 has been executed. Next steps in the process involve investigation schedule, logistics, and scope of work bid to be coordinated with Global's event calendar. Updates will be provided as the project progresses.

- Skylights:  
A design contract for REI Engineers repairs at \$3,850 with a budget of \$6,000 has been executed. Estimated completion is set for August/September 2013.
- Pre-function Corridor heat issues:  
The project CMAR (Skanska) and sub contractor (Comfort Engineers) performed modifications to roof top units 11, 13 and 14 to provide the proper preheat and reheat features. Test and balance report has been received and it confirms that recently performed modifications meet airflow requirements. Additional confirmation of effectiveness will be determined in winter months.
- Convention Center Plaza fountain repairs remain on-going. Staff received two bids for waterproofing barrier application and is under evaluation. The lowest bid received is \$19,000.
- The Owners and the City/County Finance Departments met to discuss the status of the DCC enterprise fund, the Inter-local agreement and a three year – end reconciliation process. The DCC enterprise fund requires an amendment to the Inter-local agreement.
- Joel Reitzer presented Global Spectrum with a letter transmitting the FY2013/14 budget and congratulating them for successful management of the FY2012/13 operating budget and provided the operating budget for the next fiscal year. For FY2013/14 the operating revenue forecast is shown at \$2,200,786, the expenses at \$2,532,814 and the operating deficit is forecast at \$332,028. The FY2013/14 management fee is \$104,750; this is the maximum amount of incentive fee available to Global Spectrum. The Owners will use next fiscal year to prepare for contract extension. Rosemarie Kitchen inquired about the contract's ability to extend beyond five years.
- Joel Reitzer inquired about DCC's strategy in achieving long-term bookings for the facility. We need to identify short, mid-term and long-term objectives during discussions with the Owners. Bill Kalkhof noted that the development of the new hotels should assist in building long-term sales bookings. Additional hotels are expected to bring forward additional conventions.
- Global Spectrum's performance evaluation for their incentive fee is in process. The section within the management agreement explaining how the incentive fee is calculated was distributed to the Authority. DCVB along with staff, have been asked to provide their evaluation/opinion regarding Global Spectrum's performance.

**Global Spectrum Report:**

- In May, the DCC hosted 19 events with 6,883 guests and 25 event days. June currently has 23 events with an estimated 6,600 guests and 26 event days.
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|------------------|-----------|------------|
| Gross Revenue    | Budget    | Variance   |
| \$346,805        | \$144,806 | +\$201,999 |
| Indirect Expense |           |            |
| \$204,587        | \$139,911 | (\$64,676) |
- May generated a net profit of \$8,275.
- Projected year-end forecast net/loss of: approximately – (130,000) vs. budget of (\$573,267).
- Customer survey scores are 4.49 out of 5.
- Notable events:
  - IBC Single Use Vaccines - 600 guests; Room Revenue - \$47,730; DCC Revenue - \$49,664.65.

- Duke Hooding – 1800 guests; DCC Revenue - \$83,377.72.
- Duke Physical Therapy – 550 guests; DCC Revenue - \$34,853.
- Sales bookings for fiscal year 2012/13:
 

	Beginning July 2012	As of May 2013
○ Actualized:		\$2,387,758.56
○ Definite:	\$706,838	\$2,411,261
○ Tentative:	\$138,612	\$0
○ Proposals:	\$214,760	\$0
○ Grand Total:	\$1,060,210	\$2,422,114
- Global Spectrum Public Relations:
  - Attending Rotary Club on weekly basis.
  - Updated Facebook and website.
  - Advertisement in Triangle Business Journal.
- Upgrade for Wi-Fi system was successful and is complete. System is password protected and staff is currently being trained. Patrons are able to increase band width for an added fee.
- Website activity:
  - Visitors: 1,182 New: 79.36%
  - Demographic: 588 Google organic, 271 direct,
  - Page views: 2.84
  - Duration: 1.50 minutes
- Durham Convention Center Staffing:
  - Rafael Grey resigned as Sales Manager. Katy Cotton will replace his position beginning July 8, 2013.
  - Laura Bradstreet has resigned as Senior Convention Services Manager. Her end date is August 1, 2013.
  - Looking to fill Customer Service Manager and Banquet Manager positions.
- Budget: May 2013
 

○ Net Income (loss) for May:	\$8,275
○ May Budget Variance:	\$69,003
○ Year-to-date Budget Variance:	\$397,757
○ Year-to-date Actual:	(\$34,169)
○ Total Event Income (Actual):	\$212,218
○ Total Event Income (Budget):	\$78,349
○ Total Event Income (Variance)	\$133,869
○ Total Annual Budget:	(\$573,046)

### **Durham Convention Center Authority (DCCA):**

- Bill Kalkhof inquired about the objectives of long-term sales bookings for the DCC.
- The DCCA would like feedback on the rebranding meeting with DCVB and McKinney firm. The rebranding update will be included on the July's DCCA meeting agenda.

### **Subcommittees:**

- Finance Committee:
  - The Finance Committee was attended by representatives from Durham County Finance. The next Finance Committee meeting will be held at 10:00AM on Thursday, July 25 at the Convention Center.
- Hotel Task Force:
  - Concord hospitality hotelier pending.

- Two hotels; possibly three scheduled to open during the fall of 2014.
- Public Relations:  
Meeting with major facilities to discuss marketing opportunities is scheduled in July prior to the next DCCA meeting.

**New Business:**

- Status of re-branding per the McKinney firm (new logo design).
- DPAC hotel is anticipating a fall construction start – full service five story hotel (125 sleeping rooms).