

**Durham Convention Center Authority Meeting**

Thursday, January 5, 2017

Durham Convention Center

301 West Morgan Street

11:30 AM (Lunch)

**DCC Authority Members** Present: *Jason Friday, Bill Kalkhof, Lew Meyers, Alice Sharpe, Craig Spitzer and Darah Whyte.*

**Spectra Venue Management (SVM)** Present: *Andrea Gliatta and Rebecca Bolton*

**City and County Representatives** Present: *Steven Hicks,* *Sharon DeShazo, Jina Propst, and Todd Tingler.*

**Durham Convention & Visitors Bureau:** *Shelly Green, CEO, April Ellerbe, Director of Sales and Susan Amey, Chief Marketing Officer*

1. The meeting was called to order at 12:00 PM by Bill Kalkhof, DCCA chairperson.
2. A quorum was established for meeting minutes approval. Lew Meyers made a motion to approve December 1, 2016, meeting minutes; seconded by Darah Whyte, motion carried; minutes approved.
3. **WELCOME CRAIG SPITZER - NEW DCCA At Large MEMBER:**

Craig is the General Manager for the Durham Hotel and brings near twenty years of experience in the boutique hotelier business. He is a County appointee and sits on the board of the DCVB. He is also the Vice Chair of NCCU Hospitality School’s Advisory Board. His first term will expire July 31, 2018.

1. **PRESENTATION/DISCUSSION with Durham Convention & Visitors Bureau:**

Shelly Green, CEO, and staff – April Ellerbe, Director of Sales and Susan Amey, Chief Marketing Officer provided an informative session on how the DCVB sells and markets Durham; and determining the right fit and market for Durham. The agency is funded by 2% of the occupancy tax assumed and attracts approximately 9.7 million people to the area. The marketing budget for the DCVB is $3.2 million. The discussion is hoped to entail how the DCVB and the DCC can partner in marketing efforts for Durham and the Convention Center.

1. **UTILITIES ANALYSIS/SPLIT AND RETRO-COMMISSIONING:**
	* **Utilities analysis**: The programming of the new algorithm is complete. A meeting was held on December 13 with Bill Hoy, Shaner Management, MBP, City and DCC staff to review the first month of data collected with the new Chilled Water BTU meters and the new utility split algorithm for electrical use. Subsequently, MBP provided December 2016 data that shows the chilled water use at 23% DCC and 77% Hotel. The overall building split for the two months will be 41% DCC and 59% Hotel. According to the Third Modification of the Air Lease, Section 2, the electricity expenses are divided 50/50 until a just apportionment is determined and agreed. A rebate will be made retroactive to August 1, 2014. Discussions with Shaner on the method of calculation of the rebate as well as billing split going forward will be held when additional monthly data is gathered.
* **Retro-commissioning project:** The final payment has been made to MBP, and the project cost ($13,000) is shared with Shaner. The Owners received the response from the original design engineer and contractor regarding the cooling tower isolation. City staff is investigating the options presented.
1. **HOTEL SHARED LOBBY IMPROVEMENTS:**
	* **First, Floor Lobby renovation of Shaner leased space and shared public space:**

**Shaner Leased Space:**

**Phase I:** The Lobby renovation is complete, and the Marriot Club and Dining/Lobby areas are in service.

**Phase II:** The Main Registration Desk, Administrative Offices, Lobby Area and Fitness Room have been renovated and are in service.

**Phase III:** The new bar area is behind schedule due to the stone countertops. The structure is in place, and the tile flooring is being installed. Casework and stone tops anticipate completion by January 9.

**Phase IIIa:** The Loading Dock Fireproofing Repair – The condition of existing fireproofing material on the floor deck and structural members was assessed in December by FP Crossroads Construction, Inc. who recommend complete removal of all existing FP material and re-application. An additional investigation is recommended to determine if additional less extensive solutions are viable.

**Phase IV:** Both elevator interiors are fully upgraded and modernized.

**Shared Public Space**:

A contract has been awarded to Triple Crown Construction for the Shared Space Project. Triple Crown is the contractor for the current renovation work to begin on January 9th. The original tile flooring was rejected for use in the high-traffic areas of the Lobby, and City Staff has been working with Shaner/Baskerville to select a new tile and grout. A new tile – Jet Setter Dusk – was selected on January 3rd and ordered. The new tile is more expensive ($12,000) but will work much better than the original. A darker tile grout is also being selected. Samples are on-hand for review. Bi-weekly coordination meetings are ongoing with Shaner, DCC, and City representatives to ensure event and logistics coordination.

Construction: February 2017.

1. **Durham City/County Administration Update: PRIORITY ITEMS**
* **GRAND BALLROOM CARPET REPLACEMENT:** The carpet is installed; completed November 26, 2016.
* **FACILITY MAINTENANCE PLAN DCC AND SHARED EQUIPMENT:**

MBP provided the initial bid and scope documents for the mechanical equipment preventative maintenance services in addition to dividing the single current facility maintenance plan into the three components – DCC, Hotel, and shared equipment. The RFP (Request for Proposal) process for mechanical equipment services will be initiated by DCC in coordination with MBP. The target date is February 1st to solicit proposals for maintenance contracts. There are new contracts to be issued, based on a maintenance plan for the DCC, the Hotel, and the shared equipment. The City and the Hotel agreed that it would be preferred that one HVAC contractor will hold all three maintenance contracts.

* **CAPITAL REPLACEMENTS PLAN:**

Review and revisions were made by City Staff for inclusion in the plan. When finalized, the Capital Replacement Plan will be shared with the DCC Authority.

**VII. Spectra Venue Management (SVM) Update:**

**EVENTS FOR THE MONTH OF November 2016**

SVM held 23 events with 34 event days’ booked and 16,718 guests.

**Notable events: DCC Revenue Guests**

* + - * NC Comicon $38,417 9,000
			* Duke – Research Costing Compliance $26,981 1,000
			* Duke Navy ROTC $17,706 400
			* Asian American Hotel Owners $13,153 200
			* Global Knowledge $97,072.61 1250

**OCCUPANCY**: For the month of November 2016 is 46%.

**CURRENT FINANCES FOR THE MONTH OF NOVEMBER**

 **Actual Budget Variance**

Gross Revenues $265,789 $193,603 $72,186

Less Event Expenses ($107,245) ($79,271) ($27,973)

Less Indirect Expense ($132,649) ($135,910) $3,261

Net Income (Loss) $25,895 ($21,578) $47,474

**Year to Date**

**Actual Budget Variance**

Gross Revenues $978,512 $846,700 $131,812

Less Event Expenses ($405,007) ($335,899) ($69,108)

Less Indirect Expense ($637,548) ($714,652) $77,104

Net Income (Loss)  **(**$64,043) ($203,852) $139,808

**Sales Pace: FY2016/17**: Current Sales Bookings as of December 31, 2016.

|  |  |
| --- | --- |
|  |  |
| * + Definite Total
 | * + $1,822,054
 |
| * + Tentative Total
 | * + $44,432
 |
| * + Proposal Total
 | * + $58,375
 |
| * + Grand TOTALS
 | * + $1,924,861
 |

|  |  |  |
| --- | --- | --- |
| **Total Projection** | **Budgeted Total Gross Income** | **% of Gross Year-To-Date** |
| $1,924,861 | $2,260,530 | 85% |

**CUSTOMER SURVEY SCORES:** 4.55 out of 5.

**STAFFING:** Looking to replace Event Manager Position

* **Event Manager** – Position open; banquet experience preferred

**SVM PUBLIC RELATIONS:**

* Meeting with DCVB Director of Sales, April Ellerbe
* Meeting with Marriott Director of Sales, Pamela Crockett
* Meeting with new Marriott General Manager, Michael Melendez scheduled January 6, 2017.

**WEBSITE ACTIVITY:**

* + Sessions (Visitors): 1,714 New Sessions: 83.22%
		- * Demographic: 1,237 Google organic, 289 Direct,

161 Referral, and 27 Social

* + Page views: 4,433
	+ Pages/Session: 2.59
	+ Average Session duration: 1:16 minutes
1. **DURHAM CONVENTION CENTER AUTHORITY (DCCA):**
* Following the presentation by the DCVB staff noted above, the Authority discussed the information presented and raised questions related to marketing techniques that might be employed to attract an increased number of state level type association conferences, and how the DCC, DCVB, downtown hotels and other downtown partners (DPAC, Bulls, City & County governments, etc.) might collaborate market downtown and Durham in order to increase the number of state-level association and business overnight visitors to Durham. As an action, the Authority requested its Marketing Subcommittee and the Spectra Marketing team to:
	+ - To discuss and develop a marketing effort that includes forming a collaborative group of Downtown Hotels and other stakeholders who have a similar interest to look at how we utilize the DCC to generate increased state-level association and other business related opportunities;
		- How best to partner with the DCVB;

**VIX. SUBCOMMITTEES**

* **FINANCE COMMITTEE**: *Lew Myers, Richard Ford, and Jason Friday*

City and County staff, the DCCA Finance Committee and members of SVM reviewed and discussed the DCC November 2016 financials. The income forecast for the year reveals that the DCC will meet budget requirements. The facility yields a favorable budget variance of $47,474 for the month of November and $139,808 for the fiscal year. Seven event days brought in $93,000 in ancillary gross revenue.

* **MARKETING & SALES COMMITTEE***: Bill Kalkhof, Darah Whyte, and Alice Sharpe* See items noted in the minutes above.