

**Durham Convention Center Authority Meeting**

Thursday, January 26, 2017

Durham Convention Center

301 West Morgan Street

11:30 AM (Lunch)

**DCC Authority Members** Present: *Richard Ford*, *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, Todd Tingler and Karmisha Wallace.*

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 January 5, 2017, meeting minutes; seconded by Darah Whyte, motion carried; minutes approved.
3. **RESTAURANT OF THE YEAR:**

Craig Spitzer is the General Manager for the Durham Hotel which has been named restaurant of the year. The members of the DCCA congratulated Craig. He is assigned to the DCCA Marketing sub-committee.

1. **February and March DCCA meetings to be held at General Services:**

Due to the number of DCC events, the February and March 2017 DCCA meetings are held at City of Durham General Service’s department.

1. **UTILITIES ANALYSIS/SPLIT AND RETRO-COMMISSIONING:**
   * **Utilities analysis**: MBP presented a proposal to assist the City and DCC with the utilities monitoring project for the next 12 months at four hours per month. MBP will monitor the Periscope system, the chilled water BTU demand, meet with the team and provide training on a quarterly basis. Per the Third Modification of the Air Lease, Section 2, the electricity charges are split 50/50 until a just apportionment is determined and agreed. The data compilation favors the Owners and reveals a 60/40 share. 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:** City Staff has investigated the options presented for the cooling tower isolation that was one of the findings of the project. This isolation will allow for cleaning and other service of each of the two cooling towers independently without having to shut down the system. Energy savings will also result from the project. Staff contacted the engineer and contractor and awaits scheduling information. This item was specified for the original installation in 2011 but was not installed.
2. **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 are complete 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 – General Services staff is in discussion with Shaner/Marriott on how best to address the fireproofing conditions and future actions.

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

**Shared Public Space**:

Triple Crown is the contractor is awaiting the arrival of the new floor tile (scheduled for January 26th). Existing floor tile demolition is expected to begin Monday, January 23. A floor tile and grout sample mock-up will be prepared on January 26/27 for review and approval. The new entrance door is scheduled for installation later in February. Bi-weekly coordination meetings are ongoing with Shaner, DCC, and City representatives to ensure event and logistics coordination. Todd Tingler will meet with Shaner to walk through issues and scheduling matters. During the interim, DCC events will experience longer restroom lines while the lobby restrooms are being renovated.

Completion: March 2017.

1. **Durham City/County Administration Update: PRIORITY ITEMS**

* **FACILITY MAINTENANCE PLAN DCC AND SHARED EQUIPMENT:**

MBP has completed the contract for the mechanical equipment preventative maintenance services to divide the single current facility maintenance plan into the three components – DCC, Hotel, and shared equipment for the Owners review. Oshun Williams, Project Management, Paul Curd, MBP, and Ryan Byrnes, Facilities Operations Manager DCC, are scheduled to meet January 26 to consider the contract terms and move forward with the request for proposal for mechanical maintenance services. All findings will be shared with Shaner.

* **CAPITAL REPLACEMENTS PLAN:** A final review of the Capital Replacement Plan is scheduled on February 3rd with MBP, DCC and City Staff to ensure accuracy and completion. When finalized, the Capital Replacement Plan will be shared with the DCC Authority.
* **PFC FIREPROOFING DELAMINATION PROJECT**: No update to report: The project will be initiated and completed during the July/August 2017 shut down period**.** Todd Tingler, GSD Senior Project Manager, will undertake the next steps. The contract with Terracon has been executed, and design specifications finalized. Given extensive work and disruption with lobby improvements and scheduled events, it is recommended that work be initiated in July/August 2017 with pre-identified black-out dates so the entire PFC can be turned over to the contractor.

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

**EVENTS FOR THE MONTH OF December 2016**

SVM held 21 events with 32 event days’ booked and 8,441 guests.

**Notable events: DCC Revenue Guests**

* + - * Blue Cross Blue Shield $43,192 1,000
      * National Institute of Environmental $82,648 3,500
      * Duke Fuqua School of Business $13,372 550
      * Duke Financial Services $17,473 250
      * Banks, Rogers & Williams Law $17,222 500
      * Debutante Ball $15,756 500

**OCCUPANCY**: For the month of December 2016 is 45%.

**CURRENT FINANCES FOR THE MONTH OF DECEMBER**

**Actual Budget Variance**

Gross Revenues $246,735 $185,649 $61,086

Less Event Expenses ($132,535) ($81,133) ($51,402)

Less Indirect Expense ($135,190) ($138,164) $2,974

Net Income (Loss) ($20,990) ($33,648) $12,658

**Year to Date**

**Actual Budget Variance**

Gross Revenues $1,225,247 $1,032,348 $192,898

Less Event Expenses ($537,542) ($417,032) ($120,510)

Less Indirect Expense ($772,738) ($852,815) $80,078

Net Income (Loss) ($85,033) ($237,499) $152,466

**Sales Pace: FY2016/17**: Current Sales Bookings as of January 19, 2017.

|  |  |
| --- | --- |
|  |  |
| * + Definite Total | * + $1,906,969 |
| * + Tentative Total | * + $29,400 |
| * + Proposal Total | * + $66,533 |
| * + Grand TOTALS | * + $2,002,902 |

|  |  |  |
| --- | --- | --- |
| **Total Projection** | **Budgeted Total Gross Income** | **% of Gross Year-To-Date** |
| $2,002,902 | $2,260,530 | 89% |

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

**STAFFING:** Looking to replace Event Manager

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

**SVM PUBLIC RELATIONS:**

* Meeting with Durham Magazine
* Regular meetings with Marriott General Manager, Michael Melendez
* Scheduling photographer
* Website refresh

**WEBSITE ACTIVITY:**

* + Sessions (Visitors): 1,276 New Sessions: 85.03%
    - * Demographic: 859 Google organic, 214 Direct,

171 Referral, and 32 Social

* + Page views: 3,382
  + Pages/Session: 2.65
  + Average Session duration: 1:36 minutes

1. **PARKING GARAGE COMMUNITY VISIONING UPDATE:**
   * Discussion of the history of the timeline of the project
     + a parking study was conducted
   * 750 – 850 possible spaces
   * Project is currently in the design phase
   * Anticipate construction fall 2018/Possible winter 2019 delivery date
   * Ingress/egress points of discussion: entrances along Morgan, Rigsbee, and Mangum; and will accommodate the two-way loop
   * Morgan Street will house the new Transportation office and will not occupy the prime real estate in retail spaces
   * The deck will be seven stories to include appropriate retail businesses for the area (approximately 20,000 sq. ft.)
     + There will be spaces reserved for the retail businesses and the Transportation office
   * Approximate cost $27,058 per space (other elements contribute to this number)
   * Looking at compactors the area and ensure there are not negative impact on existing usage
   * An elevator project is underway
   * The goal is to have a facility that will thrive; currently, have maximum flexibility
   * What uses are needed?
     + There is a need for a centralized parking office
   * There is a plan for hourly parking

Information is available in the City of Durham’s website.

<http://durhamnc.gov/761/New-Downtown-Parking-Garage>

Following the presentation by GSD staff, the Authority raised questions. Will the hotel partners parking needs be met? How do we ensure facility parking demands are met and will there be functional signage for direction when the project is complete”? What is the scheduling of the Chapel Hill Street deck?

1. **DURHAM CONVENTION CENTER AUTHORITY (DCCA):**

* Discussion of the parking garage community visioning session led to questions related to needs and issues that might arise during the inception, and how it impacts DCC and downtown businesses globally.

**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 December 2016 financials. The income forecast for the year reveals that the DCC will meet budget requirements. The net loss for December is $20,990 with a positive budget variance of $152,466 for the fiscal year. There is a salary saving with the event manager vacancy. There was a higher per event attendance which led to over double the ancillary gross revenue. The facility booked an unanticipated event with BCBS which net $43,192 and hosted 1,000 attendees.

* **MARKETING & SALES COMMITTEE***: Bill Kalkhof, Darah Whyte, Craig Spitzer and Alice Sharpe*

The group agreed to compile a marketing plan and a method for working with hotel general managers. In addition, the group inquired about the broader effort of the DCVB and other major partners. Bill Kalkhof asked the team members to review the DCVB website that focused on “changing faces destination marketing.” It discusses why DCVB conducts its business the way that it does.