

**Durham Convention Center Authority Meeting**

Thursday, February 25, 2016

City of Durham General Services Department

2011 Fay Street

11:30 AM (Lunch)

**DCC Authority Members Present**: *Richard Ford,* *Bill Kalkhof, Gerry Link, Lew Myers, Dawn Paffenroth, and Alice Sharpe*

**Spectra Venue Management (SVM) Present**: *Andrea Gliatta and Jen Noble*

**City and County Representatives Present**: *Steven Hicks (General Services Department Director), David Ades,* *Henri Prosperi*, *Drew Cummings, Sharon DeShazo, and Al Walker*

1. The meeting was called to order at 12:00 PM by Bill Kalkhof, DCCA chair.
2. A quorum was established with meeting minutes approval. Lew Myers made a motion to approve the January 28 meeting minutes; seconded by Alice Sharpe, motion carried; minutes approved with one variation to update Gerry Link’s attendance.
3. Bill Kalkhof thanked all who assisted with resolving the plumbing challenge (collapsed pipe) at the DCC. Shaner was additionally instrumental in helping with resolving the emergency by allowing DCC operations temporary use of the Shaner kitchen.
4. **CAPITAL PLAN**

A request has been submitted to City and County Finance Directors to adjust the capital budget for FY 15/16 and the fund contract with MBP for DCC capital replacement plan of $14,900.



Bill Kalkhof, on behalf of the DCCA, made a motion to recommend written correspondence from the Owners that list the total capital needs to include the $702,000 amount. The DCCA acknowledges two things: the discussion on budget resources to support capacity and priority items from within General Services Department to deliver these products with the understanding of possible adjustments; the second caveat is the DCCA understands that the operating performance of SVM and the Owners will produce potential revenues which can be placed towards the capital request of the aforementioned $702,000. Upon that correspondence, the DCCA will vote electronically and advises execution be sooner rather than later; but we recognize the reality of limited resources and priorities within the City of Durham, and due to the DCC’s excellent performance, the figures may be lower upon the Owners discretion; seconded by Dawn Paffenroth, motion carried; recommendation approved.

**DCC Capital Improvements Request FY2016/17**



1. **HOTEL SHARED LOBBY IMPROVEMENTS PRESENTATION:**
	* **Hotel guest room renovations*:*** Work is ongoing. The plan includes phasing of hotel room upgrades with completion slated for the end of March 2016.
	* **First Floor Lobby renovation of Shaner leased space and shared public space*:*** The team received an update on the proposed improvements and schedule duration of approximately +/- 8 weeks. Renovations/Upgrades are part of the Marriott franchise agreement requirements. Shaner has revised the improvements plan so that remaining public shared space will not change in square footage. Shaner recommends proceeding with the retail area construction package first, (as no public dollars are required for those improvements). Shaner has divided the design/construction two packages so that where public dollars are used in the shared public space, compliance with public bidding can occur. The current cost estimate for shared space improvements is approximate $420,000, with the City/County share being 50% at approximately $210,000. The Owners previously forecast in the budget process last fiscal year, which the city/county share would be up to $300,000. The Owners are also discussing with Shaner additional scope items (piping and delaminating fireproofing on the loading dock to incorporate into the shared space project, since the loading dock is shared).
2. **Durham City/County Administration Update: PRIORITY ITEMS**
* **FIREPROOFING DELAMINATION:** Shaner, City staff, and Spectra discussed delamination of fireproofing on loading dock which is a shared space at a meeting held on January 20, 2016. Shaner will explore the option of including the scope of work in the lobby renovation project as it is a shared expense. The Owners and SVM will assign repairs to other DCC areas when time permits (summer). Once repairs are complete, tests will be administered.
* **GRAND BALLROOM DOORS:** GSD staff and SVM will coordinate the Grand Ballroom door replacement. Contact has been made with the vendor. The Grand ballroom door replacement is anticipated before the end of fiscal year.
* **RETRO-COMMISSIONING:** The contract with MBP for the Retro-Commissioning of the shared chiller plant has been approved. A kick-off meeting was held for the Retro-Commissioning of the shared chiller plant with MBP, Comfort Engineers, the City, and the DCC. The next scheduled meeting is March 2, 2016, to include Shaner, DCC, GSD, and MBP. The timeline for completion of this project is three months. Shaner has agreed to share 50% of the project contract cost; not to exceed $10,000.
* **UTILITIES ANALYSIS*:*** Shaner has agreed to proceed with the utilities split analysis as suggested by MBP. A Memorandum of Understanding (MOU) has been written and signed with the understanding that costs will be split 50-50 with Shaner:

MBP – Project Management – Flat Fee: $20,000

BTU Meter Acquisition – Materials Estimate: $25,000

Wiring – Materials and Labor Estimate: $ 5,000

Jace Programming Contractor Estimate: $ 5,000

Subtotal $55,000

Contingency $ 5,000

Project Budget Estimate $60,000

Contract finalization and execution is underway.

* **FACILITY MAINTENANCE PLAN DCC AND SHARED EQUIPMENT:**  The Owners and Jen Noble met with MBP on January 12, 2016, to review existing facility maintenance plan, develop a plan for implementation, and divide Hotel only space from existing plan. On January 20, 2016, the team reviewed the draft maintenance plan for the DCC and the shared equipment. Following meetings will occur within the next few weeks to finalize plans for the shared equipment and to issue Requests for Proposals (RFPs) for new maintenance contracts for shared equipment. The February 25, 2016, meeting will discuss chillers and potential warranty issues.

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

**EVENTS FOR THE MONTH OF JANUARY 2016**

SVM held 22 events with 37 event days booked and 11,330 guests.

**Notable events: Guests**

* Duke Sorority Rush Week (two weekends) 6000
	+ - * Duke Winter Formal 1,200
* Star Quest International (dance company) held for 2 years 200
* APSAF 400

**OCCUPANCY**: For the month of January 2016 is 44%.

**CURRENT FINANCES FOR THE MONTH OF JANUARY**

 **Actual Budget Variance**

Gross Revenues $210,376 $145,963 $64,413

Less Event Expenses ($77,347) ($49,972) ($27,375)

Less Indirect Expense ($120,710) ($143,509) $22,800

Net Income (Loss)  **(**$12,319) ($47,519) ($59,838)

**Year to Date**

**Actual Budget Variance**

Gross Revenues $1,356,303 $1,217,569 $138,735

Less Event Expenses ($572,011) ($491,936) ($80,075)

Less Indirect Expense ($878,212) ($1,008,970) $130,758

Net Income (Loss)  **(**$93,919) ($283,337) $189,418

**Sales Pace: FY2015/16**: Current Sales Bookings.

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| * + Definite Total
 | * + $2,183,430.04
 |
| * + Tentative Total
 | * + $21,150.00
 |
| * + Proposal Total
 | * + $58,950.00
 |
| * + Grand TOTALS
 | * + $2,263,530.04
 |

**CUSTOMER SURVEY SCORES:** Currently 4.43 out of 5 responses that have returned.

**STAFFING:**

* Fully staffed.

**SVM PUBLIC RELATIONS:**

* Weekly Rotary meetings and Board meetings
* Social media Facebook/Twitter/Pinterest and website updates
* Triangle Business Journal advertisement
* Small Meetings Market
* Venues Today
* Durham Magazine

**WEBSITE ACTIVITY:**

* + Visitors: 1940 New: 81.65%
		- * Demographic: 1,230 Google organic, 343 Direct,

244 Referral, and 123 Social

* + Page views: 5,098
	+ Page Visits: 2.63
	+ Average Session duration: 1.46 minutes

As a result of an issue with a pipe bursting within the Junior Ballroom earlier this year, Comfort Engineers was called and they recommended relocating the shut-off valves on the roof for easier access to make repairs.

* Digital signage and software upgrades are needed for the Pre-Function Corridor. The current signage is obsolete being five years old.
* LED Lights (Phase III) – Pre-Function Corridor, meetings, and boardrooms
* Carpet replacement for the Grand Ballroom
* LCD projectors and audio-visual upgrades
* Exterior building signage

SVM has committed to completing three of the above projects on their capability.

**VII. Durham Convention Center Authority (DCCA):**

* **PROJECT GRADUATION:** The committee will continue this discussion at the March 31, 2016, DCCA meeting. Bill Kalkhof was asked to contact Project Graduation to discuss possible dates and location for 2017 event.
* **PARKING ISSUES:** All will continue this discussion at the March 31, 2016, DCCA meeting. Steven Hicks provided an update on a meeting with the Transportation Department and GSD administrators on DCC’s parking stresses and potential revenue source. There is currently an RFQ (request for proposal) out for the deck running parallel to City Hall. The DCC’s present and future parking capacity dilemma is a priority with the City Manager’s Office, Transportation Department, and General Services. It’s an investment the City of Durham is willing to make.
* **DCCA Appointments:**

The City has an upcoming DCCA vacancy. All City representatives are eligible to serve three years per term, with two consecutive terms. (The County representatives can serve three consecutive terms).

* City appointee: Lew Meyers – 07/31/2016
* City appointee: Darah Whyte – 07/31/2017
* City appointee: Dawn Paffenroth’s second consecutive full term expires on July 31, 2016; The City will need to advertise for Dawn’s seat which happens in April per the City Clerk’s Office.

Lew is the Mayor’s appointee. When Lew applied, his term completed Al Bass’ final term which ends 07/31/2016. Lew applied and was approved 09/2015. Lew will need to re-apply to begin his first full term beginning 07/31/2016 through 07/31/2019. The re-application process for Lew consists of a simple phone call to express his interest in continuing his tenure since he has an application on file that is less than a year old. LaVerne Brooks of the City Clerk’s Office will notify him. The Mayor will review Lew’s attendance, and City Council will need to approve.

Bill Kalkhof is the DCCA’s appointee. The Authority mandates his appointment, and not the City and County. His name is not on file with either entity. He began in 2010 and his first term ended 07/31/2013. He was reappointed with the Authority’s vote at the May 30, 2013, meeting. His second term ends on 07/31/2016 and will need to be re-appointed by vote and recorded in the meeting minutes by 07/31/2016 to serve for another three-year term ending 07/31/2019.

1. **SUBCOMMITTEES**
* **FINANCE COMMITTEE**: *Lew Myers, Richard Ford, and Dawn Paffenroth*

City and County staff, the DCCA Finance Committee and members of SVM reviewed and discussed the DCC January 2016 financials. All were pleased with the positive year-to-date variance.

* **MARKETING & SALES COMMITTEE***: Bill Kalkhof, Darah Whyte, Alice Sharpe, and Gerry Link*

The Committee will schedule a meeting before the Authority meeting in March. Updates will be discussed at the March 31, 2016, meeting.

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