



Durham Convention Center Authority Meeting

Thursday, March 28, 2013

Durham Convention Center Meeting Room II

11:30 AM

The meeting was called to order at 11:30AM with the following representatives present:

Authority: Al Bass, Patrick Byker, Richard Ford, Bill Kalkhof, and Billy Ruffin. *Owners:* Drew Cummings, Sharon DeShazo, Joel Reitzer, Al Walker, and Karmisha Wallace. *Management Company* (Global Spectrum): Andrea Gliatta, Jen Noble, and Barry Strafacci. Mr. Kalkhof made a motion to approve the February 28, 2013 meeting minutes, Mr. Bass seconded, and the minutes were approved unanimously.

Action Items:

No action items to report.

Durham City and County Administration:

- *Design and Construction Update:*
 - Pre-function Corridor doors (PFC):
Bid opening will begin April 30, 2013. Anticipated completion for bidding and construction is scheduled for September 2013. Joel Reitzer distributed copies of the architect's final portrayal of the PFC doors for the Authority's review. The photocopies Joel provided depict a frameless look currently used at the Durham Performing Arts Center (DPAC). A mechanism for locking the PFC doors is currently under review. Staff is investigating the most appropriate method. The cost estimate is below the forecast of a more elaborate scheme. Global Spectrum will determine and coordinate installation.
 - Exterior Signage:
Anticipated completion for bidding and construction is December 2013. Staff is scheduled to work with the Historic Preservation Commission for approval on May 1. The submittal date for advertising is in June 2013.
 - Wall sconces project is complete. Replacement for some sconces is forecast for April 2013 due to minor deficiencies.
 - Fireproofing investigation is forecast for April 2013.
- Two roof top units (13 and 14) located above the PFC remain cold during the winter weather but cannot reach set points. Staff is working with the engineers and Skanska to resolve this issue.
- Convention Center Plaza fountain repairs are on-going. There are issues with leakage. A new liner is scheduled for installment prior to the Fullframe Festival. The installment will

incur additional cost. In addition, landscaping is scheduled for completion prior to Fullframe.

- The Facilities Maintenance Plan cost proposal received from MBP is \$14,600 for the Durham Convention Center (DCC). The plan will be funded from DCC fiscal year savings.
- The interlocal agreement draft regarding the DCC fund is a work in progress. Al Walker, General Services Finance Manager met with City Finance during these discussions. City Finance has completed its reconciliation of the internal fund. Next steps include:
 - Prepare an amendment to the interlocal agreement:
 - Owners to continue managing the separate fund.
 - Provide all proceeds from air lease and the operating account to include in the fund balance statement.
 - Provide a consolidated balance sheet and income statement report to the DCC Authority on a monthly basis.
 - Provide a statement of capital project costs and assets.
 - Provide for review by DCC and City and County Managers.
- The City and County filed separate answers and counterclaim to the Shaner lawsuit. The County filed on March 20, 2013 and the City filed March 21, 2013.
- The DCC Finance Sub-committee will provide its analysis in committee reports. Global Spectrum continues to perform significantly under budget.
- The City of Durham received an IPI (International Parking Institute) award of excellence for the Centre Parking Deck in 2011. Joel will speak to the IPI this May on the Centre Deck project success. This event is an opportunity to showcase successes and investments made in downtown Durham.

Global Spectrum Report:

- In February, the DCC hosted 20 events with 5,726 guests and 32 event days. March currently has 22 events with an estimated 5,326 guests and 30 event days.
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|--------------|----------|-----------|
| Gross Income | Budget | Variance |
| \$162,972 | \$82,948 | +\$80,025 |
- | | | |
|------------------|-----------|----------|
| Indirect Expense | | |
| \$109,949 | \$114,376 | +\$4,425 |
- Customer survey scores are 4.5 out of 5.
- Notable events:
 - Duke Model UN Conference - 1950 guests; DCC Revenue - \$31,017.48; Room Revenue - \$39,389.00.
 - NC Augmentative Community Assoc. – 450 guests; DCC Revenue - \$19,996.30.
 - Biogen Idec – 325 guests; DCC Revenue - \$37,979.20.
 - American Assn. for Psychoanalysis – 325 guests; DCC Revenue - \$27,578.10; Room Revenue - \$72,000.00.
 - Varrow – 500 guests; DCC Revenue - \$82,131.00.
 - SH Worldwide – 300 guests; DCC Revenue - \$20,650.00

- Sales bookings for fiscal year 2012/13:

	Beginning July 26 2012	As of March 26 2013
○ Actualized:		\$1,566,153.06
○ Definite:	\$706,838	\$2,071,273
○ Tentative:	\$138,612	\$30,950
○ Proposals:	\$214,760	\$26,800
○ Grand Total:	\$1,060,210	\$2,129,023
- Global Spectrum Public Relations:
 - Smart Meetings Magazine for the March issue.
 - Attending Rotary Club on weekly basis.
 - Updated Facebook and website.
- Durham has experienced a large number of sales bookings within a thirty to ninety day window. Distribution costs are lower with long term bookings.
- Website activity: (December)
 - Visitors: 1,737 (New: 1379)
 - Demographic: NC, GA, VA, NY
 - Page views: 2.73
 - Duration: 1.42 minutes
- Durham Convention Center Staffing:
 - No new hires to report. Global Spectrum now fully staffed is considering additional part-time staff to decrease temporary staff costs.
- Budget: February 2013

○ Net Income (loss) for February:	(\$5,564)
○ February Budget Variance:	\$63,187
○ Year-to-date Budget Variance:	\$254,033
○ Year-to-date Actual:	(\$91,721)
○ Total Event Income (Actual):	\$104,015
○ Total Event Income (Budget):	\$44,792
○ Total Event Income (Variance)	\$59,223
○ Total Annual Budget:	(\$573,046)

Durham Convention Center Authority (DCCA):

- Rosemarie Kitchin, Dawn Paffenroth, and Richard Ford attended the Durham Convention and Visitors Bureau (DCVB) long range planning retreat on March 26. The group held a brainstorming session to discuss a myriad of topics. Among those topics:
 - A replacement for the Durham marketing tag, “where great things happen”.
 - Travel trends and improving Durham’s image. The number of citizens with a positive view of Durham has grown from one-in-five to four-in-five. One statistical fact made known that 86% of Durham visitors are day travelers and only 10% travel by plane.
 - Positive reinforcement of visitors received from local citizens.
 - The DCVB plans to target cultural travelers, restaurant patrons, those ready to retire, gay and lesbian groups, and meetings and conventions for marketing efforts.
 - Improved signage visibility was recognized as an issue.
 - Other cities’ marketing tactics were studied and discussed.

A second planning session will be held in six weeks.

- Bill Kalkhof noted that Durham's positive image is partly credited to destinations such as the American Tobacco complex and the DPAC. He added four pertinent actions that will assist in boosting Durham's image.
 - Branding.
 - Authority members seat on the DCVB board.
 - Knowing how marketing funds are distributed.
 - Professional marketing campaign to showcase Durham's cultural aspects.
- Patrick Byker plans to meet with the City Manager to address an aggressive marketing campaign for the DCC.
- The DCCA would like to sponsor a table at the annual tribute luncheon honoring Shirley Caesar on April 24 at the committee members' expense to increase the Convention Center's visibility. Jen Noble will coordinate the table, which will include visibility for the Global Spectrum.
 - The City of Durham's downtown parking study is complete.

Subcommittees:

- Finance Committee:
 - The Finance Committee meetings will return to its prior meeting schedule to allow more time for discussion. The next Finance Committee meeting will be held at 10:30AM on Thursday, April 25 at the Convention Center.
- Hotel Task Force:
 - DCVB is committed to assist with marketing. The 21c Hotelier will be high end and the Holland Hotelier will be compatible with the Marriott. Price points may not help with new incoming hotels.
- Public Relations:
 - Patrick plans to contact Tom Bonfield, City Manager to discuss formalizing a relationship between the Convention Center and the Armory for increased usage and an aggressive marketing campaign for the DCC.

New Business:

- None to report.