

**Durham Convention Center Authority Meeting**

Thursday, March 30, 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 Jason Friday.*

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

**City and County Representatives** Present: *Steven Hicks,* *Sharon DeShazo, Donna Maskill, Jina Propst, Todd Tingler, Carl Deckard, and Karmisha Wallace.*

**MBP** *Paul Curd*

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 February 23, 2017, meeting minutes; seconded by Alice Sharpe, motion carried; minutes approved.
3. **CAPITAL FORECASTING PLAN:**

Paul Curd of MBP presented the DCC Capital Plan that MBP developed in response to DCC needs based on the assets. This is not the maintenance plan. It is a five-year plan based on 2017 existing assets, lifetime expectancy, and escalation rates (the cost of capital or inflation). This tool operates from a Microsoft environment and will allow the ability to edit any asset and has a place holder for notes. It will calculate every asset in the facility and update it. Some assets can be spread out over a number of years, prioritized earlier or pushed back later.

Paul and Donna Maskill were able to identify several energy opportunities.

1. **DCCA meeting start time:**

Alice Sharpe made a motion to increase the DCCA meeting time by fifteen minutes to reflect 11:45 AM instead of noon. This will still provide time for lunch and allow extra time for meetings. The motion was seconded and approved by all.

1. **UTILITIES ANALYSIS/SPLIT AND RETRO-COMMISSIONING:**
	* **Utilities analysis**: MBP continues to monitor the Periscope system and the chilled water BTU demand on a monthly basis. A brief update of the first four months of data was presented at today’s meeting. 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 met with the contractors and engineers to discuss fee proposals that have been received for the cooling tower isolation and the controls upgrade to the existing system for the cooling tower isolation and the controls upgrade to the existing system. The cooling tower 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 IIIa:** The Loading Dock Fireproofing Repair (No Update) – After reviewing the cost proposal from FP Crossroads Construction Inc. and the field report from ECS, Inc., the decision has been made to wait and execute this repair with the fireproofing repair work scheduled for the DCC Pre-function Corridor in July/August. There should be a benefit in cost combining the work.

**Shared Public Space**:

The shared Space Renovation work is approximately 80% complete. The tile flooring is complete except for a small area adjacent to the Chapel Hill Street entrance. This is being grouted and should be complete by March 31. The tilework along the stairs at the Chapel Hill and Morgan Street entrances is complete. The walk-off mats in each vestibule are being installed. The public restrooms are complete and awaiting final inspection approval. Triple Crown is awaiting delivery of the Banquette (sofa) for installation in the old fountain location. The new revolving entrance is 50% installed. Triple Crown is working to schedule the entrance drive concrete work for the next few weeks. Todd and Rebecca Bolton did a punch list walk through to note any items that may need addressing.

Completion: April 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, met to review the facility maintenance and mechanical equipment scope of work on February 16 and are working toward next steps with securing proposals for new HVAC maintenance agreements.

* **CAPITAL REPLACEMENTS PLAN:** The Capital Replacement Plan tool has been submitted to the City, and a demonstration will be shared with the DCCA. An internal review with Spectra and analysis is forthcoming. 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.
* **MODERNERIZING ELEVATORS DOWNTOWN PARKING GARAGES:**

New project for Todd Tingler. Elevators on Corcoran Street will be shut down for a month to six weekes for upgrades. The project will begin with the single elevator on Morgan Street. The interior elevators will be accessible for patrons. Signage will be available to alert users on process.

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

**EVENTS FOR THE MONTH OF February 2017**

SVM held 12 events with 22 event days’ booked and 7,513 guests.

**Notable events: DCC Revenue Guests**

* + - * NC Cares Transitions Summit $34,354 375
			* Duke Graduate Student Formal $27,220 1,600
			* NC Alliance for Healthy Communities $41,532 325
			* Inis Cairde School of Irish Dance $17,018 1,500
			* Duke Model UN Conference $24,750 1,350
			* NC Counseling Association $32,983 843
			* Cystic Fibrosis $9,742 450

**New Bookings: Date**

* + - * Durham Nativity School April 2017
			* Duke Eye Center June 2017
			* Middle District Bankruptcy Seminars April 2018 & 2019

**OCCUPANCY**: For the month of February 2017 is 51%.

**CURRENT FINANCES FOR THE MONTH OF FEBRUARY**

 **Actual Budget Variance**

Gross Revenues $212,280 $197,153 $15,127

Less Event Expenses ($86,221) ($83,334) ($2,887)

Less Indirect Expense ($124,258) ($139,918) $15,660

Net Income (Loss) $1,801 ($26,099) $27,900

**Year to Date**

**Actual Budget Variance**

Gross Revenues $1,585,977 $1,410,427 $175,550

Less Event Expenses ($683,674) ($569,115) ($114,558)

Less Indirect Expense ($1,021,800) ($1,132,475) $110,675

Net Income (Loss) ($119,497) ($291,163) $171,667

|  |  |
| --- | --- |
|  |  |
| * + Definite Total
 | * + $2,159,997
 |
| * + Firm Total
 | * + $47,740
 |
| * + Proposal Total
 | * + $15,751
 |
| * + Total Projection
 | * + $2,223,488
 |

|  |  |  |
| --- | --- | --- |
| **Total Projection** | **Budgeted Total Gross Income** | **% of Gross Year-To-Date** |
| $2,223,488 | $2,260,530 | 99% |

**CONVENTIONS**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | FY 12/13 | FY 13/14 | FY 14/15 | FY 15/16 | FY 16/17Projections | FY 17/18ProposedBudget |
| Event Days | 36 | 8 | 16 | 42 | 49 | 45 |
| Attendance | 7,845 | 3,546 | 4,966 | 11,782 | 11,000 | 11,310 |
| Gross Rev | $431,771 | $42,159,550 | $159,550 | $331,929 | $476,776 | $382,605 |
| Net Rev | $273,201 | $31,541 | $93,992 | $193,083 | $308,552 | $229,090 |

**CUSTOMER SURVEY SCORES:** 4.53 out of 5.

**STAFFING:** Looking to replace Event Manager

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

**SVM PUBLIC RELATIONS:**

* March Madness – Partner Lunch (will repeat this event next year) Scott Brown provided free A/V service for this event.
* Sales Calls – DCC and Marriott, RCMA
* Regular meetings with Marriott General Manager, Michael Melendez
* Taste of Durham
* Website refresh – needs photography

**WEBSITE ACTIVITY:**

 **2017 2016**

* + Sessions (Visitors): 1,618 1,299
		- * New Sessions: 79.79% 81.37%
			* Page Views 4,299 3,301
	+ Page/Session: 2.66 2.54
	+ Average Session duration: 1.35 minutes 1:27 minutes
	+ Organic Search 1,048 905
	+ Direct Search 414 304
	+ Referral Search 125 74
	+ Social Search 15 16
1. **DURHAM CONVENTION CENTER AUTHORITY (DCCA) ACTIONS:**
* **BOOKING GUIDELINES:** In February the Spectra Venue Management team provided the DCCA with detailed Booking Guidelines for the Convention Center. Members were asked to review these guidelines for discussion at the March meeting. Following consideration in this meeting, the DCCA voted to endorse the Booking Guidelines for the Convention Center. These guidelines are both explicit to the industry and customized for Durham.
* **POSSIBLE FUTURE EXPANSIONOF THE CONVENTION CENTER:** In light of the ongoing success of the Convention Center, accompanied with applauding a strong partnership with the owners, Spectra Venue Management, the DCCA, Kalkhof, and Meyers raised concern regarding possible expansion and upgrades to the Convention Center. Issues to be researched would include what is the niche for the Durham Convention Center? What is the appropriate sizing for the Convention Center given our niche? What are current and future capital improvements that will be required to keep the Convention Center competitive in the market place? Etc. Should we expand to stay competitive in the marketplace? The previous such research accompanied the findings of the Hunden Report from some years ago.

**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 February 2016 financials. The income forecast for the year reveals that the DCC will meet budget requirements. The net loss for February is $1,802 with a positive budget variance of $27,901. There is a salary saving with the event manager vacancy. The Finance Committee decided to reduce the number of financial pages received per month.

* **MARKETING & SALES COMMITTEE***: Bill Kalkhof, Darah Whyte, Craig Spitzer and No Update to report*.