

**Durham Convention Center Authority Meeting**

Thursday, June 30, 2016

Durham Convention Center

301 West Morgan Street

11:30 AM (Lunch)

**DCC Authority Members Present**: *Richard Ford,* *Bill Kalkhof, Gerry Link, Lew Myers, Dawn Paffenroth, Alice Sharpe and Darah Whyte – All were present for the DCCA annual photo; after which Lew Myers was excused.*

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

**City and County Representatives Present**: *Steven Hicks, Donna Maskill, Jina Propst, Karmisha Wallace and Sharon DeShazo*

1. The meeting was called to order at 12:00 PM by Bill Kalkhof, DCCA chairperson.
2. A quorum was established with meeting minutes approval. Alice Sharpe made a motion to approve May 26, 2016, meeting minutes; seconded by Dawn Paffenroth, motion carried; minutes approved.
3. The group stated the need for requesting Shelly Green, DCVB to attend a DCCA meeting to discuss business opportunities for the DCC. Alice Sharpe expressed interest in how DCVB is marketing the facility. Bill Kalkhof will invite Shelly Green to attend an Authority meeting to discuss how DCVB markets Durham and the Convention Center.
4. Jen Noble educated the Authority on a discussion held among hotel operators to create a joint proposal regarding a process to attract meeting planners to Downtown Durham. Bill Kalkhof requested that Ms. Noble provide the DCCA with updates on these discussions.
5. **HOTEL SHARED LOBBY IMPROVEMENTS:**
	* **Hotel guest room renovations:**Work is complete.

**First, Floor Lobby renovation of Shaner leased space and shared public space:**

Project 1 has been awarded construction date beginning July 25 with a kickoff meeting scheduled within the two weeks to extend approximately 16 weeks. Project 2-Shaner/DCC shared space project is expected to begin immediately following Project 1 as to avoid any potential conflicts resulting from multiple contractors conflicting schedules.  Project 2 anticipates beginning late Fall for approximately 10-12 weeks. Shaner has divided the design/construction into two packages so that public dollars used in the shared public space are in compliance with public bidding. The project is well coordinated as to prevent block out issues.

1. **Durham City/County Administration Update: PRIORITY ITEMS**
* **FIREPROOFING DELAMINATION:** The contract with Terracon has been executed; the next steps in the process include coordinating design specifications and RFP to contractors. The Owners and Spectra Venue Management will schedule repairs to DCC areas to occur during the least busy season for the DCC (summer).
* **GRAND BALLROOM DOORS:** The purchase order has been issued to order the doors for $26,000. Doors were delivered on June 29, but the color and finish were incorrect, and they were returned for a replacement at the vendors expense.
	+ **RETRO-COMMISSIONING:** GSD staff communicated with MBP on due dates to include an invoice for completed work. MBP is completing a final report and prioritization of recommendations. The Owners, DCC, and Shaner will provide prioritization for recommendations before a report is completed. A contract amendment for oversight and implementation of chiller system issues application is forthcoming. Shaner concurs with the amendment and participating in a reconciliation process for the shared equipment. A meeting will resume the first of June with Comfort Engineers, Shaner, and MBP. (The MOU outlines a 50/50 cost share with Shaner. The revised contract amount is $13,000.00)
	+ **UTILITIES ANALYSIS:** The project will involve adding Btu meters to the chilled water to determine the correct electric usage split between the Convention Center and the Hotel, and contracting with four vendors. A meeting was held with MBP and staff met with ActiveLogix for the Periscope programming.  On June 24, a pre-bid meeting was held with local electricians. Bids for the BTU meters are due July 19. (A Memorandum of Understanding) MOU outlines 50-50 cost share with Shaner. Project budget estimate, not to exceed is $60,000.)

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

* **FACILITY MAINTENANCE PLAN DCC AND SHARED EQUIPMENT:**  The reconciliation meeting was May 4, 2016, with MBP, DCC, and Shaner to discuss resolution of facility maintenance plan for shared equipment. Additional steps and a follow-up meeting was held on the 31st to finalize the scope of preventive maintenance for DCC, Hotel, and shared equipment. The Owners and Shaner agreed that one HVAC contractor would hold all agreements. The contract will be a three-way split to allocate appropriately scope of work to be completed. This work is on-going.
* **CAPITAL REPLACEMENTS PLAN:** MBP is finalizing the plan and will provide a customized software tool and a four-hour training session. The contract completion date is July 15, 2016, to include a walk through to ensure FF&E. The DCC Capital replacement plan is $14,900. Jina Propst will schedule a demonstration.

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

**EVENTS FOR THE MONTH OF MAY 2016**

SVM held 25 events with 39 event days’ booked and 7,533 guests.

**Notable events: Guests**

* NC Tech Association 6,000
	+ - * Moogfest 700
* Duke Phd. Hooding 1650
* Duke Dept. Computer Science 630
* Duke Weinstein Conference 1050
* BC/BS of NC 500

There may be additional expenses incurred this fiscal year associated with the Facility Maintenance Plan (FMP).

Jen Noble would like to move attention in future years by having 50% of business on the books prior to the beginning of that fiscal year. Adding downtown hotels and having marketing assistance from DCVB, and incorporating a walkable downtown which includes various activities for patrons. These items are appealing to meeting planners.

Jen Noble was voted to serve on the board for Downtown Durham Inc., (DDI).

**OCCUPANCY**: For the month of May 2016 is 47%.

**CURRENT FINANCES FOR THE MONTH OF APRIL**

 **Actual Budget Variance**

Gross Revenues $299,994 $278,261 $21,683

Less Event Expenses ($103,846) ($117,057) $13,210

Less Indirect Expense ($132,497) ($144,513) $12,016

Net Income (Loss) $63,494 $16,592 $43,909

**Year to Date**

**Actual Budget Variance**

Gross Revenues $2,437,343 $2,058,961 $378,392

Less Event Expenses ($995,810) ($857,789) ($138,020)

Less Indirect Expense ($1,443,369) ($1,607,652) $164,284

Net Income (Loss)  **(**$1,835) ($406,490) $404,655

**Sales Pace: FY2015/16**: Current Sales Bookings as of June 16, 2016.

|  |  |
| --- | --- |
|  |  |
| * + Definite Total
 | * + $2,2,621,023.39
 |
| * + Tentative Total
 | * + $0
 |
| * + Proposal Total
 | * + $0
 |
| * + Grand TOTALS
 | * + $2,621,023.39
 |

**CUSTOMER SURVEY SCORES:** Currently 4.46 out of 5 responses that have returned.

**STAFFING:**

* Director of Operations position filled – Ryan Byrnes. He begins work on August 1, 2016.

**SVM PUBLIC RELATIONS:**

* Weekly Rotary meetings and Board meetings
* Social media Facebook/Twitter/Pinterest and website updates
* Triangle Business Journal
* Regional Sales and Marketing Meeting with Spectra
* Durham Magazine advertisement
* Networking – Skall, Keep Durham Beautiful, and TAHMA Golf Tournaments

**WEBSITE ACTIVITY:**

* + Visitors: 1,803 New: 81.86%
		- * Demographic: 987 Google organic, 360 Direct,

448 Referral, 0 emails and 8 Social

* + Page views: 4,442
	+ Pages/Session: 2.46
	+ Average Session duration: 1.20 minutes

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

* **PARKING ISSUES and ACTION taken by the DCC AUTHORITY:** City Administration is moving forward with the design of an 800 space deck. The City Administration has been requested by the City Council to research the possibility of including affordable housing into the deck.
* Bill Kalkhof shared information regarding hotel data for May 2016 occupancy rates (70.8%), average daily rates ($114.54, and average revenue per room ($81.14) for hotels in this area as provided by Shelly Greene, president/CEO of the DCVB, in her weekly bulletin.
* **DCCA Appointments:**

The City has an upcoming DCCA vacancy to begin on August 1, 2016; The City Clerk’s Office has been advertising since April 2016. To date, no applications are received. Dawn Paffenroth will consider holding the position until filled; if not the remaining members will need to operate with six members. The Authority prefers a candidate with a financial background (CPA preferred) and willing to attend/participate regularly. Bill Kalkhof reached out to a potential candidate to apply for Dawn’s position.

Lew Myers, the Mayor’s appointee, upon contact from the City’s Clerk Office has agreed to re-apply for his first full term (07/31/2016 through 07/31/2019). A decision will be confirmed August 1, 2016, during the City Council meeting.

Bill Kalkhof, the DCCA’s appointee, was voted for reappointment during the June 30, 2016, DCCA meeting to serve for another three-year term ending 07/31/2019. Alice Sharpe moved to re-elect Bill Kalkhof; Gerry Link seconded; the motion was carried and approved by all.

Richard has confirmed his interest in serving a third term with the DCCA.

Bill Kalkhof initiated a congratulatory gesture for Spectra Venue’s achievements with DCC’s budgetary and marketing requirements and was well received by all.

**Project Graduation:**

Bill Kalkhof informed the Authority that Project Graduation, held at the DAP, was a very successful event this year. In 2017 the Project Graduation event will return to the DCC.

**VIII. 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 May 2016 financials. All continue to be pleased with the year-to-date positive variance and will share a fiscal year-end report in August or September.

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

As noted above, Bill Kalkhof will invite Shelly Green to a future Authority meeting to discuss the DCVB’s marketing efforts for Durham and the Convention Center.