

**Durham Convention Center Authority Meeting**

Thursday, October 27, 2016

Durham Convention Center

301 West Morgan Street

11:30 AM (Lunch)

**DCC Authority Members Present**: *Jason Friday, Richard Ford,* *Bill Kalkhof, and Darah Whyte.*

**Spectra Venue Management (SVM) Present**: *Andrea Gliatta*

**City and County Representatives Present**: *Drew Cummings,* *Sharon DeShazo, Jina Propst, and Todd Tingler.*

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. Richard Ford made a motion to approve September 29, 2016, meeting minutes; seconded by Darah Whyte, motion carried; minutes approved.
3. **REPLACEMENT OF VACANT DURHAM COUNTY AT-LARGE DCCA POSITION:**
	* Gerry Link’s DCCA position is vacant. Durham County Clerk’s Office has been notified for advertisement. The Durham County website is updated for immediate notification. Members of the Authority discussed reaching out to other local hotel general managers to apply for the position, specifically Craig Spitzer of The Durham Hotel. Kalkhof will reach out to Spitzer to complete an application. If applicants apply by November 30, appointments can be considered by the County Commissioners on Monday, December 12 at 7:00 pm. The Authority members are encouraged to search for qualified candidates to apply.
4. **UTILITIES ANALYSIS/SPLIT AND RETRO-COMMISSIONING:**
	* **Utilities analysis**: The new Btu meters are installed and working properly after one of the meters was replaced by the manufacturer. The programming of the new algorithm is complete, and MBP is verifying that it is calculating the utilities split correctly.
* **Retro-commissioning project:** A contract amendment is in the process to add $3,000 to the MBP contract for additional oversight that they provided for the Chilled Water Project. City Staff met with Skanska and Comfort Engineers (from the Phase 2 renovation project in 2013) regarding several HVAC items that were identified in the MBP final report.  The additional technical investigation is being conducted on the need for the cooling tower isolation that MBP identified. City staff is reviewing the other recommendations and attendant cost recommendations for further discussion with Shaner.
1. **HOTEL SHARED LOBBY IMPROVEMENTS:**
	* **First, Floor Lobby renovation of Shaner leased space and shared public space:**

The project is broken into four Phases and includes a full renovation of leased lobby spaces and elevators, as well as the ninth-floor Concierge Lounge.

**Shaner Leased Space:**

**Phase I:** The Lobby renovation is complete, and the Marriot Club and Dining/Lobby areas are in service. The temporary Reception Desk has been set-up directly across for the main entrance. Kalkhof noted that the white tile lobby floor shows foot prints during inclement weather and requested the staff to discuss this issue with the Shaner team in terms of insuring a welcoming environment in the new lobby space.

**Phase II:** The Main Registration Desk, Administrative Offices, Market Area and Fitness Room are being renovated, and work began on September 28.

**Phase III:** The Bar area, Business Center and Bellman’s Closet work is behind schedule. The contractor is working to compress the timeline for completion by November 21.

**Phase IV:** Both elevator interiors will be fully upgraded and modernized one-at-a-time to limit the impact on hotel guests. This work will be scheduled off-hours during the other three Phases as it can be completed independently.

**Shared Public Space**:

The initial bid meeting was delayed until October 11 to allow all six general contractors the ability to review the construction documents. Several contractors failed to submit bids in accordance with bidding requirements. The Project was re-bid on October 20 with four contractors submitting bids in-accordance-with the requirements. Shaner/MGAC and the City are in the process of reviewing the bids, and intend to give an award by October 28.

Construction period: Mid-January 2017 through April 1, 2017.

1. **Durham City/County Administration Update: PRIORITY ITEMS**
* **FIREPROOFING DELAMINATION:** Todd Tingler, GSD Project Management will continue next steps with this project during the July/August 2017 shut-down period. The contract with Terracon has been executed and design specifications finalized. Given extensive work and disruption with lobby improvements and scheduled events, it was recommended that work is initiated in July/August 2017 with pre-identified black-out dates so entire PFC can be turned over to the contractor**.**
* **GRAND BALLROOM CARPET REPLACEMENT:** The carpet is on order and installation is scheduled during Thanksgiving week.
* **FACILITY MAINTENANCE PLAN DCC AND SHARED EQUIPMENT:**

MBP has provided a fee proposal to assist with the scope and bid process for mechanical equipment preventative maintenance services.   Additionally, MBP provided a fee proposal to split the single current facility maintenance plan into three components – DCC, Hotel, and shared equipment. The staff has negotiated the fee with MBP and is preparing two purchase orders.

The reconciliation of the facility maintenance plan in progress is in conjunction with the capital replacement plan work. The Request For Proposal (RFP) process for mechanical equipment services will be initiated in coordination with MBP. New contracts to be issued based on a maintenance plan for DCC, Hotel and shared equipment. City and Shaner agreed that it would be preferred that one HVAC contractor holds all three maintenance contracts.

* **CAPITAL REPLACEMENTS PLAN:**

MBP has prepared a draft for review with final revisions made along with final vetting of FFE inventory as part of the replacement plan. First draft review meeting occurred on August 4. City Staff and DCC provided updates in October to MBP.

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

**EVENTS FOR THE MONTH OF SEPTEMBER 2016**

SVM held 18 events with 34 event days’ booked and 8,096 guests.

**Notable events: DCC Revenue Guests**

* + - * Veritas $32,793.70 1050
			* NC-AWWA-WEA $34,418.40 1600
			* Pulp Paper 2016 $33,774.40 425

**OCCUPANCY**: For the month of September 2016 is 43%.

**CURRENT FINANCES FOR THE MONTH OF SEPTEMBER**

 **Actual Budget Variance**

Gross Revenues $204,704 $200,921 $3,783

Less Event Expenses ($90,907) ($79,631) ($11,276)

Less Indirect Expense ($135,622) ($165,457) $29,835

Net Income (Loss) ($21,826) ($44,168) $22,342

**Year to Date**

**Actual Budget Variance**

Gross Revenues $478,745 $377,854 $100,891

Less Event Expenses ($198,749) ($148,726) ($50,022)

Less Indirect Expense ($378,409) ($440,825) $62,416

Net Income (Loss)  **(**$98,413) ($211,698) $113,285

**Sales Pace: FY2015/16**: Current Sales Bookings as of October 20, 2016.

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| --- | --- |
|  |  |
| * + Definite Total
 | * + $1,346,057.00
 |
| * + Tentative Total
 | * + $111,300.00
 |
| * + Proposal Total
 | * + $99,950.00
 |
| * + Grand TOTALS
 | * + $1,557,307.00
 |

**CUSTOMER SURVEY SCORES:** 4.94 out of 5.

**STAFFING:**

* **Director of Sales and Marketing** – Nick Hancock to begin November 2, 2016.
* **General Manager** – Kalkhof informed the Board that Rebecca Bolton will begin December 1, 2016 as the new GM of the Center. . Bill Kalkhof, Drew Cummings, and Jina Propst were able to interview her and review her background and experiences. Kalkhof, Probst and Cummings were in agreement that Ms. Boltion appears to be a strong candidate for the general manger position. Ms. Bolton was highly recommended by Spectra Venue Management and Jen Noble, a former general manager along with having a strong record of performances.

**SVM PUBLIC RELATIONS:**

* Weekly Rotary meetings and Board meetings
* Social media Facebook/Twitter/Pinterest and website updates

**WEBSITE ACTIVITY:**

* + Visitors: 3,363 New: 79.39%
		- * Demographic: 1586 Google organic, 1027 Direct,

731 Referral, 1 other and 18 Social

* + Page views: 7,899
	+ Pages/Session: 2.35
	+ Average Session duration: 1:32 minutes

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

* The Durham Sports Commission is currently operating and is advertising for an executive director. The Durham Sports Commission Interlocal agreement between Durham County, the City of Durham and the Durham Convention and Visitors Bureau specifies a joint relationship for setting goals and evaluating the executive director.
* **PARKING ISSUES:** No update to report.

**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 September 2016 financials. A favorable outcome reveals the net income loss being under budget by $22,342.

* **MARKETING & SALES COMMITTEE***: Bill Kalkhof, Darah Whyte, and Alice Sharpe,* Bill Kalkhof will invite Shelly Green to a future Authority meeting to discuss the DCVB’s marketing efforts for Durham and the Convention Center.