

**CIVIC CENTER COMMISSION
MEETING MINUTES
September 27, 2012**

Attendees:

CCC Members: Commissioner Jim Knowlton, Commissioner Scott Najarian, Vice-Chair Ed Pietrewicz, Commissioner John Budd & Commissioner John Harrity

City: Heather Gould, Paul Moosey

SMG: Sandy Dunn

Guest: Bob Murdock, Destination Worcester

Minutes Prepared by: Paige Williamson, SMG

1. Call to Order:

Vice Chair Pietrewicz brought the meeting to order at 12:05pm and re-welcomed Commissioner John Harrity to the Civic Center Commission after an approximate 10 year hiatus.

2. Acceptance of Meeting Minutes – June 14th, 2012 and August 1st, 2012

Commissioner John Budd motioned to accept the minutes from the June 14th, 2012 meeting; seconded by Commissioner Scott Najarian (5 yeas, 0 nays). *Motion passed.*

Commissioner Jim Knowlton motioned to accept the minutes from the August 1st, 2012 meeting; seconded by Commissioner John Budd (5 yeas, 0 nays). *Motion passed.*

3. Rent Credit Request – N/A

4. Major Projects

a. Capital Projects

Heather Gould reported that the scoreboard upgrades will need to go out to bid as this requires custom upgrades.

Rick Trifero is scheduling an architect to view the air wall in the Grand Ballroom. Sandy Dunn reported that this piece is of highest priority as just this past week, the air wall suffered another major failure. Heather stated that she and the City recognize the importance and that this is a safety matter. The ballroom lighting system will also be reviewed in this year's capital discussions.

b. DCU Center Expansion & Refurbishment Project

Paul Moosey reported that the selected Construction Manager at Risk is going well and has approximately 60% of the plans complete and are anticipating 90% to be complete by Oct 2nd. Final plans are expected by mid-October which will keep us on schedule for construction to begin. Based on the most recent estimates, the project is over budget by approximately 1.5 million but it is still early and changes are being made to make up the differences. Cooling towers have been reduced from 3 to 2, exterior landscaping is being changed to more cost effective products and options for the flooring are being reviewed. Mr. Moosey stated that no major programming elements have needed to be cut that were desired by the Commission. Also, Paul emphasized that the items being cut could be added back later if sub bids come in lower than expected. Over 100 sub bids have been received and he expects this process to be very competitive. The critical timing phase is now.

Final pricing should be secured by early to mid-November. By February, Consigli will be on site working around the DCU Center's event schedule. The next major update will be provided in November.

Vice-Chair Pietrewicz stated that the exterior landscaping would be his choice for downgrading to make up for some of the shortage.

Commissioner Harrity requested of the Commission to be able to meet separately with either Heather Gould/Paul Moosey or Sandy Dunn to be briefed on the Renovation Project to this point as he is newly appointed. This will be coordinated.

Operation of the retail space is still in active discussion. The DCU Center will lose two concession areas which are replaced with the interior operation of the retail space. If lease discussions fail with third party operators, Savor Catering can operate the space but build out monies will be necessary.

5. SMG Reporting

a. Monthly Highlights

Bob Murdock of Destination Worcester was introduced as a guest at today's lunch meeting.

Sandy Dunn provided a brief overview of the monthly report specifically highlighting the recent Woo Food Certification by Savor Catering (with the DCU Center being the first meeting/catering venue to be certified as offering Healthy Choice Menu Items).

The 30th Year Anniversary of the arena has been receiving great media/press coverage. Additionally, the DCU Center Mobile Application for smartphones is due to be launched during this year's Business Expo Event – November 1st.

The School Committee recognized the DCU Center for their participation and support with the Barry Manilow Instrument Donation Program for the benefit of City of Worcester Public Schools.

DCU Center's Operations Director attended an OSHA focused conference this past summer in Florida with other SMG staff.

Vice Chair Pietrewicz inquired about a previous concern of how the Worcester Sharks Playoff scheduling during the Phase I Construction period, May 1 – September 30th, 2013 would be handled. Sandy stated that the first round of playoff activity should be a non-issue as that occurs mid-late April. Should the need go beyond that, Holy Cross would be the first choice as backup for the Sharks, followed by the Tsongas Arena facility.

b. Sales Report

Event/Proposal Highlights provided by Jim Moughan: New England Water Works Convention has contracted through the year 2017; Video Educators of New England has returned to our facility with significant hotel room use; Mosaic Traveling Show new event to the Convention Center; and the Basketball Hall of Fame (no connection to the Springfield attraction) along with Destination Worcester and Dennis Irish are working on a 1500 person banquet dinner.

c. Financial Statements (April, May, June – FY '12)

April, May & June Financials were provided along with a summary budget sheet to the Commission. Vice Chair Pietrewicz recommended these be deferred to the October meeting for further review due to a lack of time at this meeting.

Commissioner Harrity motioned to defer financials to next meeting; Commissioner Najarian seconded. (5 yeas, 0 nays) *Motion passed.*

For reference, a Price Waterhouse Cooper Occupancy Report for Convention Centers was provided for venue size comparisons. Commissioner Najarian stated that these reports are quite helpful and appreciated the information.

6. New Business

a. SMG Contracts

An outline was provided by Sandy Dunn with regard to the signing of “Contracts” going forward, as it states per the Management Agreement with the City (Page 8, Paragraph 2.1 TERM July 1, 2010-June 30, 2015). Per this agreement, SMG is not able to enter into any agreement, except for booking license agreements, beyond their own term.

The beverage pouring rights agreement is typically 5 years due to the large amount of capital investment provided as part of the deal. In negotiating with Pepsi, Coke, and Polar, the Pepsi proposal is significantly more beneficial for the facility. The terms of a deal have been negotiated and SMG recommends that the Commission agree to the 5 year term.

Commissioner John Budd motioned to allow SMG to enter into a beverage agreement with Pepsi Cola Bottling Company of Worcester; seconded by Commissioner Knowlton. (5 yeas, 0 nays) *Motion passed.*

The internet service agreement with Charter Communications is the other contract under negotiation presently. The DCU Center runs on a “downtown internet line” with significant trouble issues. Clients in the facility are becoming increasingly demanding for speed and bandwidth with consistent reliability. Charter has provided for a recommendation which includes switching to a separate fiber optic line to alleviate current issues. Charter is looking for a 60 month agreement, and SMG is pressing for a lesser term but will consider based on increased costs for the shorter term. Sandy apprised the Commission that a vote for a longer term on this agreement may be needed at the October meeting and will provide further update.

On a side note, Charter seems to have changed their corporate position on marketing in Worcester and specifically the DCU Center. They have not renewed their agreements with the facility which included the CharterZone, television advertising, signage in the arena, and signage on the exterior marquee. They have been a significant advertising partner. They have also discontinued the revenue share deal created 15 years ago for internet service for clients in the convention center. In addition, it is reported that they are not renewing their Worcester Sharks Agreement. Sandy stated that Verizon has not been responsive to inquiries. Commissioner Harrity recommended speaking to a City IT staff member for further counsel. Paul Moosey stated that Verizon is difficult to deal with from his experience.

Sandy requested that aside from the Pepsi and Charter agreements, SMG will be recommending at the next meeting certain parameters regarding facility agreements to the Commission to ease the ability to confirm these agreements in a timely manner.

**b. 2012 Meeting Schedule
October 25, 2012**

November 29, 2012
December 27, 2012

DCU Center Conference Room

Comissioner Budd moved to adjourn the meeting; Seconded by Commissioner Harrity.
(5 yeas, 0 nays) *Motion passed.*

Meeting Adjourned – 12:48pm