

**CIVIC CENTER COMMISSION
MEETING MINUTES
JANUARY 23, 2014**

Attendees:

CCC Members: Chairman Scott Najarian, Commissioner John Harrity, Commissioner John Budd, Commissioner Lowell Alexander, & Commissioner Jim Knowlton

City: Heather Gould, Rick Trifero, John Odell & Amanda Gregoire

SMG: Jim Moughan, Julia Iorio, Sandy Dunn

Minutes Prepared by: Paige Williamson, SMG

1. Call to Order:

Chairman Najarian brought the meeting to order at 12:15pm.

2. Acceptance of Meeting Minutes – December 11, 2013

Commissioner Harrity motioned to accept the minutes of the December 11, 2013 meeting; seconded by Commissioner Budd. (5 yeas, 0 nays). *Motion passed.*

3. Major Projects –

a. Expansion & Refurbishment Project

Amanda Gregoire reported that over the next two weeks, the punch list items are being buttoned up with subs on site at the facility. Paul Moosey sends his apologies for not being able to attend the meeting today, but communicated that Consigli is being pushed to finish up all outstanding items.

Sandy Dunn reported on the retail corner space stating that a 3rd party individual (with the lead coming from the City) was still interested and in discussions. A decision would be made over the next week but is unlikely. The City is taking a credit for the work owed from the initial contract. Once a determination is made on how to proceed, the City would bid the work accordingly. If 3rd party is not interested, SMG would look to proceed with the “Corner Melt” concept and run the space with in-house staff. The funding source for the space requires further discussion with the City. The build out costs are high for a 3rd party. First estimate from Consigli was \$1.2 million but it is expected that the specifications can be reworked and rebidding will lower the costs.

b. Capital Projects

The new Zamboni has arrived and SMG is working with a third party currently to install the rider “seat” which was agreed upon by the City as part of the Sharks extension agreement. The liability insurance for this would be covered by the Sharks and would require riders to sign waivers. The old Zamboni will be transferred over to the Oval. Currently the Oval is using a Zamboni from the NorthStar facility in Westboro.

Chiller

John Odell, City Director of Division on Energy & Asset Management, provided an update with regard to the ice plant condensers. One condenser has been installed to date. The temporary units will remain in place until both condensers are installed and tested. The Commission asked if this should wait until the end of the hockey season. Due to the cost of the temporary units, the City intends to proceed as long as the testing is successful. Commissioner Harrity inquired as to an update on whether the City is pursuing any litigation. The insurance company is handling the investigation and the final report and recommendation has not yet been received. Total cost is estimated at approximately \$500,000.00. Sandy Dunn stated that Trane routinely is on site for maintenance and there has been no issue with the ice since temporary units have been operating. Commissioner Harrity inquired about the type of warranty the new parts will carry. Mr. Odell

needs to verify. Rick Trifero stated that the new parts are being made of stainless steel which will have a positive impact on the life of the parts.

c. Other Items

i. Lighting Upgrades

The City is working with National Grid on a program to switch to all LED lighting which offers better performance, control, and lighting at no cost to the City with an “expeditor” incentive program and a two year financing plan paid through utility monthly billing in an amount equal to or less than projected savings. Currently working on bridging the gap with Energy Source (company to provide installation) and National Grid as to who will be responsible for the work if problems arise and typical requirements provided for in a standard City construction performance contract. Once resolved, the project is estimated to be a six week time period. Sandy Dunn offered SMG’s full support of the proposal with highlights being no cost to the City, lighting versatility, reduced energy costs in year 3 and increased foot candles for HD TV requirements. This project was completed at the Dunkin’ Donuts facility with great success.

Commissioner Alexander motioned to accept the proposal to move forward with the lighting upgrade and authorize the Chairman of the Civic Center Commission to sign appropriate documents, pending City staff final recommendation and approval of the documents; seconded by Commissioner Harrity.
(5 yeas, 0 nays) *Motion passed.*

ii. Carpeting / Sharks

As part of the \$50k the Sharks received as a capital commitment from the City for their extension agreement, requested carpeting was put out to bid (a base bid plus alternate areas of 1, 2, and 3). Upon receipt of the estimates, only the base bid will be completed. The Sharks may have a small balance which can be used elsewhere.

5. SMG Reporting

a. Monthly Highlights - Sandy Dunn *(Additional News Not Included in the Highlights)*

The TIF went through for the new hotel proposals. Congratulations to the Economic Development Office in getting this passed! Heather Gould also added that the Special Financial District is looking to be amended to include the City Square Hotel. The City and Chamber are also working together to petition the State for future funding to be added to the BCEC funding Legislation.

The new City Council has recently returned the banning of the Circus to their agenda for review. SMG has provided the City with requested information on the topic. This issue is also a topic at the State level. Feld Entertainment is our largest producer of family events, including Arena Cross, Monster Trucks, Disney On Ice and the Circus. SMG is working with Feld attorneys both locally and with the State to ensure that this event can continue to appear here at the DCU Center.

Ticketmaster Plus is a new option on our primary ticketing system whereby a patron can repost their ticket for resale on the secondary market. Live Nation, our primary concert promoter, fully endorses this program and intends to have all their shows participate. The option will be made available to other promoters as well. The Sharks have chosen not to opt into the program at this time. While this program works directly through the primary sales channels – the facility, the artist, and the promoter, other secondary market sales programs like StubHub do not. SMG is working with other venues and promoters of shows in Massachusetts to oppose recent MA Legislation that would allow a sweeping change to current resale laws in this State. The alternative TicketMaster has provided ensures the consumer is purchasing a legitimate ticket from an authorized source as opposed to non-authorized 3rd party sales which often result in duplicate, or scammed tickets at the doors.

The City (Interim Manager Augustus) and the Chamber (President Tim Murray) are working on language to add the City of Worcester to proposed BCEC (Boston Convention Center) expansion Bond Bill funding currently in the House and Senate. This would assist in providing the necessary funding to complete the next phase of construction. Sandy is assisting with this process.

SMG is currently in discussion with DCU regarding an extension of the naming rights agreement. SMG has also provided support of the proposed casino facility in Leominster. This added attraction in the area could be of interest to our convention center clients.

b. Sales – Jim Moughan

Highlights in the Sales Department include **The New England Dream Center** hosting a 20 year Pastor Anniversary party for 2,000 people, Emergency Management Conference for 1,500 plus in attendance with expected roll out of Marathon innovations, and the Dental Association held mostly in Boston area hosting a first time Worcester event. Anne Kruse, Sales Manager and Jim Moughan both have attended a couple of trade shows this past month and have several proposals in the works based on these shows.

Castleberry Holiday Craft Fair will be returning for the 3rd year in 2014 and loves the Worcester location.

c. Financial Statements – J.Iorio

General discussion of Financials – **November 2013**

Sharks attendance running about 15% down, but still early on in the year. The Home Show has moved to November this year and the Dog Show to December providing variances to the monthly financials due to timing differences. The Retail Space has not open yet so we are behind on these budgeted revenues. At this point, it is not expected that it will open for this fiscal year. Net income and indirect expenses year to date are in line with estimates.

Sandy Dunn commented that no other concerts are likely to drop in at this point, however, we are close to final confirmation of the new Feld Marvel Comic Show which would debut in 2015. This would be the primary Boston market play.

6. Next Meeting

a. 2014 Meeting Schedule – Thursday, February 27, 2014 / 12pm

DCU Center Conference Room

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

Meeting Adjourned – 1:12pm