

Durham Civic Center Authority Meeting Minutes

Tuesday, January 15, 2008

8:00am

The meeting was called to order at 8:00am with the following members present/absent:

Present: Henry Sims, Patrick Byker, Robert Sinclair, Billy Ruffin, Rob VanDewoestine, George Stanziale, and Al Bass

Owner's representation: Heidi York, Harmon Crutchfield, Karmisha Wallace, Micheal Lynch, Sharon DeShazo, and Sheila Huggins

Management Company present: Ken Lile, Dave Messinger and Jamie Frydlo

Motion of approval for December 18, 2007 minutes moved by Patrick Byker, seconded by Billy Ruffin, voted and agreed upon by all.

Action Items from December meeting

- Ms. Wallace will check on the status of the Civic Center appraisal done by the City and communicate to the Authority. [The project is almost complete with receipt of materials requested – within two to four weeks. The County has a draft prepared for distribution to their board in February and at to the joint City/County March meeting.](#)
- Mr. VanDewoestine and Ms. DeShazo will re-publish the documents defining the responsibilities of the Authority Board members. [This was distributed at the January meeting and via email prior to the meeting.](#)
- Mr. VanDewoestine will attempt to contact Mr. Stanziale regarding the status of the Kenan-Flagler business plan. [Mr. Stanziale was present at the January meeting with an update. He will communicate with his contacts at UNC Kenan-Flagler to find out where we are in the process.](#)
- Ms. Wallace will set a meeting with Mr. Frydlo to discuss feedback regarding the business plan. [They met on December 27, 2007.](#)
- Ms. Huggins will find out when Craig-Davis will start to manage the Centre parking garage and notify Ken Lile. [Ms. Huggins reported during January meeting.](#)
- Ms. DeShazo will include Mr. Frydlo on the distribution list for Authority minutes. [Mr. Frydlo has been included.](#)
- Mr. Messinger will submit a purchase order for the lobby tile with two quotes. A meeting will take place between Heidi, Karmisha and Ken to both understand and resolve the spending distribution between city, county and Shaner for capital improvements. Ms. Wallace and Ms. York will send letters to their respective managers authorizing the carryover from the previous year to be spent on items approved by the Authority. [Mr. Messinger submitted approval form and two quotes per request at the January meeting. Ms. Wallace and Ms. York are in process of composing a letter of approval through their respective managers.](#)
- Mr. Lile is seeking resolution for Vendor parking on breakaway curb during Civic Center Capital Project construction. [Per discussion with Philip Loziuk of City Transportation, Mr. Lile is happy with the results.](#)
- Ms. York and Ms. Wallace will propose a meeting to discuss Shaners contribution to the HVAC current capital project. [In process upon receipt of HVAC cost breakdown from Micheal Lynch.](#)

Action Items from January meeting

- Mr. Lynch will provide requested supporting documentation for the Owners representatives, which clarifies the scope of work regarding the HVAC replacement for correspondence with Shaner. Mr. Lynch has been in discussion with Skanska on retrieving this information.

Meeting Details

Capital Project Update: Civic Center - The project began on schedule and is within budget following resolution of EO/EA compliance. There have been some problems associated with the Exhibition Hall firewall and its impact on ceiling height, which may require early use of contingency funds. A change order, from contingency, is being issued for the pre-function corridor add-alternate. This change order was issued first because of priority of schedule. The schedule for the ballroom partitions is later than the schedule for the pre-function corridor. In addition, a change order will be issued for the ballroom partitions add-alternate as soon as authority is confirmed for \$ 255,871 (\$165,871 underbid + \$90,000 carryover funds) available funds. We continue to look for value engineering through the CMAR due to the need to use contingency money. There is more work than anticipated for the Civic Center toilets. Costs will increase because of re-plumbing. The project is expected to remain on schedule (eight and one-half weeks). Because there was less material in an existing stock than planned, wallpaper is needed for the pre-function corridor. Construction contingency is available for expenditure because of unexpected project costs. This is why it is imperative for the Owners and the CMAR to retain a healthy contingency of seven to nine percent of the construction cost. A weekly construction update has been scheduled with Shaner, General Services staff and Skanska for construction updates until the project is complete.

HVAC work to be performed will begin in April following coordination with Ken Lile.

Centre Deck Parking Garage –The City has entered into a Public-Private Partnership with Craig Davis Properties Durham Centre Investors LLC (CDP) for the redevelopment of the Centre Tower and Deck. Both parties will contribute over \$4.2 million to the project with the City’s portion being allocated to the renovation of the parking deck and CDP’s portion allocated to the renovation of the tower. All construction contracts for the project will be handled by CDP; however, the City will continue to maintain ownership of the deck and provide some construction oversight of the deck renovation.

The City and CDP will also be entering into a parking management agreement whereby CDP will manage Centre Deck. This agreement with CDP has not yet been executed, and the timeline for the transfer of management responsibilities remains in discussion with a possible target date of April 1, 2008. Mr. Lile expressed concern about availability of special events spaces given the arrival of a new tenant in the Tower; however, Mr. Crutchfield stated that the new tenant will be utilizing 300+ spaces located behind the YMCA, and therefore the impact on parking availability at the deck should be minimal.

Carryover Fund execution - The process for execution of approved carryover funding for the lobby tile has begun with receipt of two quotes and a completed owners approval form from Mr. Messigner. Ms. Wallace and Ms. York are preparing approval correspondence through the City and County managers. Available funding has been transferred to the Civic Center Fund.

Current As of 1/14/08	Exhibit Hall	HVAC	ADA Upgrades	Ballroom Partitions	Prefunction Corridor	Total
Funding Sources						
Installment Sales	\$ 403,500.00	\$ -	\$ -			\$ 403,500.00
2005 GO Bonds	\$ 810,270.11	\$ 893,791.54	\$ 65,466.35	\$ 105,284.00	\$ 77,188.00	\$ 1,952,000.00
2005 GO Bonds For ADA	\$ -	\$ -	\$ 74,269.00			\$ 74,269.00
Civic Center Operations Fund	\$ -	\$ -	\$ -	\$ 90,000.00		\$ 90,000.00
Durham County	\$ 201,750.00	\$ 599,132.00	\$ 23,440.00			\$ 824,322.00
Total Current Funding	\$ 1,415,520.11	\$ 1,492,923.54	\$ 163,175.35	\$ 195,284.00	\$ 77,188.00	\$ 3,344,091.00
Project Cost						
Design	\$ 86,871.88	\$ 91,628.12	\$ 4,480.00			\$ 182,980.00
Design Contingency	\$ 8,687.19	\$ 9,162.81	\$ 448.00			\$ 18,298.00
Construction	\$ 1,248,385.66	\$ 1,316,643.69	\$ 149,666.33			\$ 2,714,695.68
Construction Contingency	\$ 71,575.38	\$ 75,488.91	\$ 8,581.02			\$ 155,645.32
Bid Alternates	\$ -	\$ -	\$ -	\$ 195,284.00	\$ 77,188.00	\$ 272,472.00
Total Current Project Cost	\$ 1,415,520.11	\$ 1,492,923.54	\$ 163,175.35	\$ 195,284.00	\$ 77,188.00	\$ 3,344,091.00
Expenditure To Date						
Design	\$ 50,751.03	\$ 52,959.17	\$ 6,619.80			\$ 110,330.00
Construction	\$ 78,207.09	\$ 81,609.83	\$ 10,201.08			\$ 170,018.00
Total Expenditure To Date	\$ 128,958.12	\$ 134,569.00	\$ 16,820.88			\$ 280,348.00
Balance To Date	\$ 1,286,561.99	\$ 1,358,354.53	\$ 146,354.47			\$ 3,063,743.00

Without Shaner Contribution

Total 2005 GO Bonds Available	\$ 1,952,000.00
Current Usage of 2005 GO Bonds	\$ 1,952,000.00
Balance of 2005 Bonds Available	\$ -

With Shaner Contribution

Total 2005 Bonds Available	\$ 1,952,000.00
Current Usage of 2005 GO Bonds	\$ 1,952,000.00
Less: Shaner's Contribution - 1/3 of HVAC costs	\$ 497,143.54
Adjusted Usage of 2005 GO Bonds	\$ 1,454,856.46
Balance of 2005 Bonds Available	\$ 497,143.54

The funding sources for the project have not changed. Funding for the add alternates will be used from the operating funds. In order to fit all costs within the funding source sited above, the actual contingency of \$194,156 has been reduced to \$155,645.32. The construction line item under project cost reflects the Guaranteed Maximum Price for construction cost \$2,607,798 + other owners cost of \$106,897.68 which includes costs for carpet and lightning for the Exhibit Hall and peer reviews of construction documents to ensure code and notation that nothing is functionally wrong.

We are currently working without Shaner's contribution of \$497,143.54. When Shaner's contribution is received, we will then identify how additional funding will be spent. That leaves the possibility that we may not need to utilize all bond funding. There is more HVAC work to be performed listed in the unfunded list. If approved, that cost portion will go up along with Shaner's contribution.

The contractual roles of the Durham Civic Center Authority was distributed and discussed.

Management Report

- December revenues were \$340,905, which were slightly above prior year at \$9,706. There was a large decrease in Administrative and General Direct Expenses by \$21,606 over prior year caused by collection of overdue bills. The increase in minor fixed asset purchases was noted in November's minutes as year-end purchases. Revenues are currently \$191,922 ahead of budget.

The Civic Center remains on target with a budgeted net income at \$52,829. Construction months are expected to hurt revenues but presently still on track with prior forecasts. Small Fixed Assets is an area where expenditures can be reduced. For December, Shaner will be releasing a check to the owners for \$22,741.

- Mr. Lile wants to follow-up on issues with Ms. Wallace on Parks and Recreation personnel handling the Annual Senior Dinner held in December.
- Presently we are ahead of schedule on the budget/timeline.
- Mr. Frydlo reported at least three Holiday re-bookings and four new bookings because of December sales. The corporate market increased from twelve to eighteen from prior year. Mr. Frydlo continues to reach out to the Research Triangle Park market. In addition, he presented marketing items as a part of his advertising campaign.
- The Authority requested a time line for the rollout of branding and logo from Mr. Lile. The Authority, City and County had approved the name change to Durham Convention Center along with a logo provided by Cassell Designs in 2006, but had accepted Shaner Corp's recommendation that this be done as the renovations are completed. Since that work is planned to be completed this year it is time to start planning the name change.

Business Plan

Mr. Stanziale will contact UNC Kenan-Flagler on business plan participation and report back to the Authority. Kenan-Flagler is willing to make this a class project. Work to be performed is defined in the scope document. Mr. Lile will be the contact.

Appraisals

The County has a draft of their appraisal to share with their board in February with the intention of sharing with the joint City/County board at their March meeting. The City is expecting closure on their appraisal within two to four weeks.

Agenda for next meeting

- Status of incomplete action items from December meeting and added January action items.
- Review appraisers report
- Name "roll out" schedule
- Management Review
- Status of Capital projects
- 2008-09 budget
- Review of action items