

Durham Convention Center

Annual Update for
Fiscal Year 2012/13

Agenda:

- Update on financial performance of Durham Convention Center (Global Spectrum)
- Marketing and other future opportunities
- Questions / Comments

Durham Convention Center



DCC Authority Board Members

Front Row: Al Bass, Rosemarie Kitchin, Dawn Paffenroth, Billy Ruffin

Second Row: Richard Ford, Patrick Byker & Bill Kalkhof

DURHAM



1869
CITY OF MEDICINE



Management Agreement

- Management Agreement with Global Spectrum 3 year agreement with a 2 year renewal option-approved Spring 2011
- Management Fee \$103,000 (FY13)
- Management Agreement incentivizes Global to achieve further decreases and improve facility utilization:
 - Financial Incentive: Up to 70% of maximum incentive fee
 - Qualitative Incentive: Up to 30% of maximum incentive fee
 - Overall Management Performance
 - Corporate Citizenry
 - Customer Service
 - Asset Management

ANNUAL OPERATING DEFICITS AT DCC

- Significant decreases in owner subsidy year to date compared to prior management. FY 12/13 Owner operational subsidy- **\$104,069** (budget: \$573,045)

Year	Operating Deficit
FY 08-09	(\$1,263,568)
FY 09-10	(\$1,393,226)
FY10-11	(\$1,000,000)
FY11-12	(\$297,223)*
FY12-13	(\$104,069)*

* Denotes Global Spectrum's progress during management term.

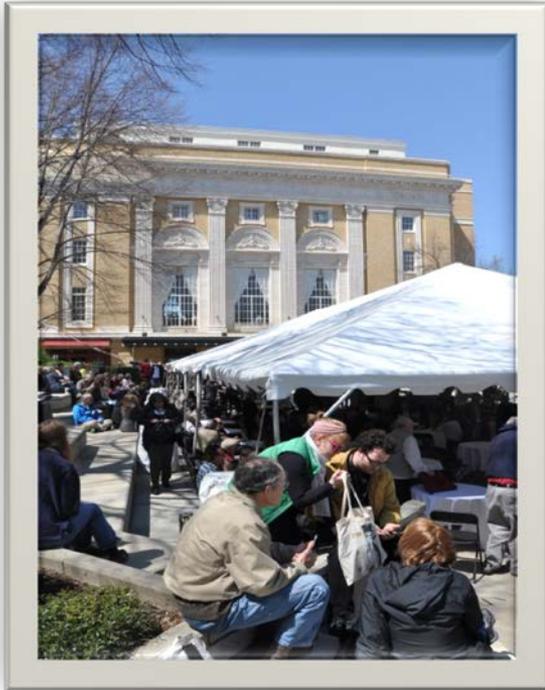
Highlights

- Transparent management
- Maximized use of improved facility
- Customer service / food quality
 - FY 2011/12 annual score: **4.35**
 - 2012/13 annual score: **4.47**
 - **2013/14- current scores: 4.77**
- Corporate citizenship / sponsorships

Marketing Initiatives

- Co-op marketing & Tradeshows with DCVB
- Destination Marketing with major local venues
- Digital signage advertising program
- DCC plaza and joint booking with Carolina Theatre & Armory expanding opportunities

Signature Events Held at DCC



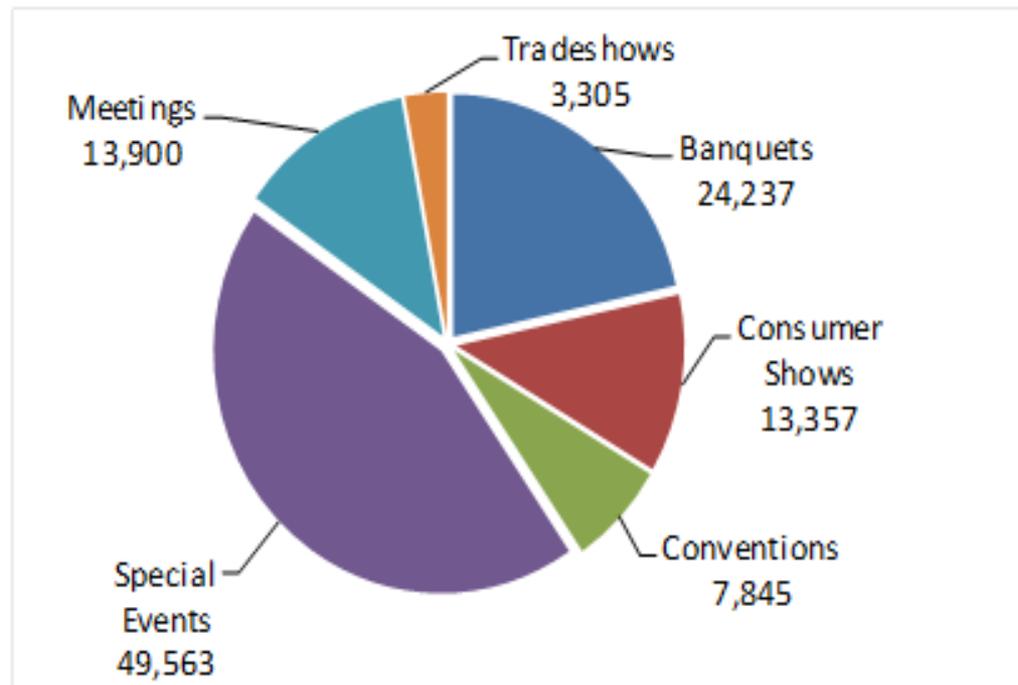
Special events such as Full Frame Film Festival, Comicon & World Gaming Conference filled hotels throughout the city and brought over 24,000 guests to the downtown area using all three venues

Community Involvement / Corporate Citizenship

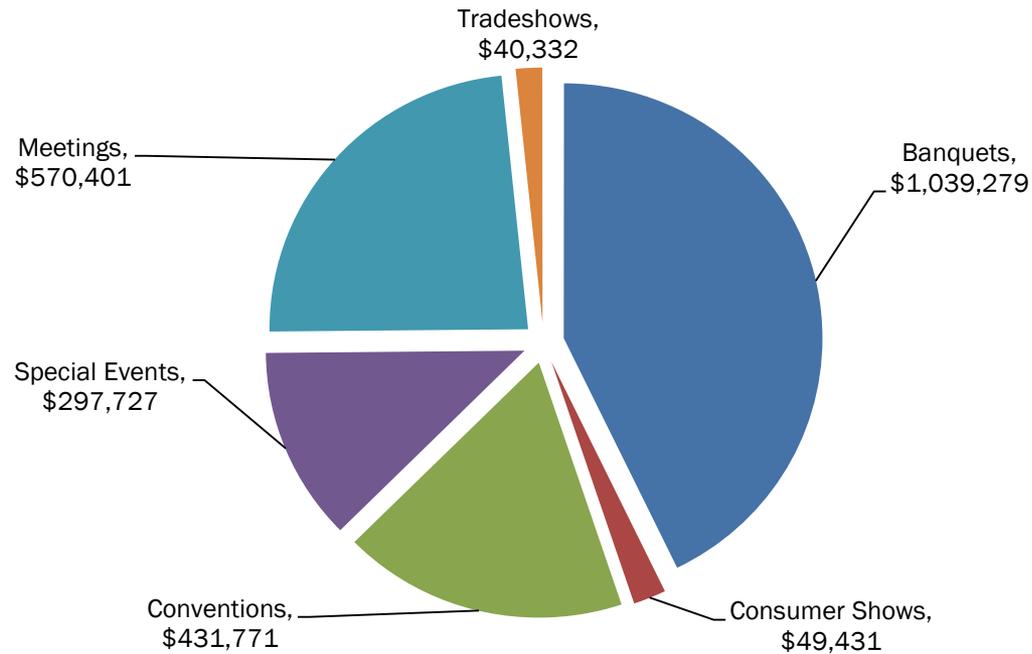
- Global Spectrum continues to expanded relationship with NCCU Hospitality Program
 - Intern / part-time positions / lectures / Annual \$2,500 scholarship
- Sponsorships for community events and organizations such as DCVB, Triangle Business Journal, City of Durham, Chamber and Non-Profit Organizations.
- Hired 5 culinary students as prep cooks from the Art Institute & Chef's Academy
- Over 1,100 meals provided to Rescue Mission and/or Urban Ministries
- Adopted 4 Children through Salvation Army for the holidays



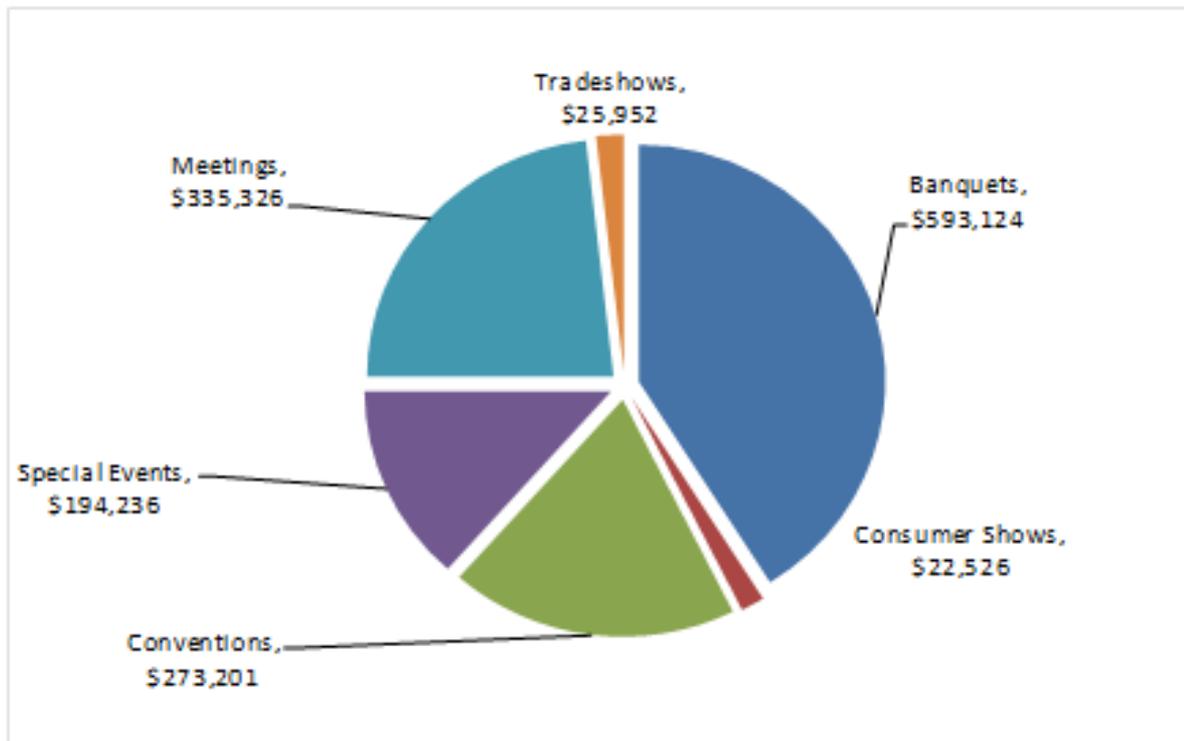
Attendance By Event



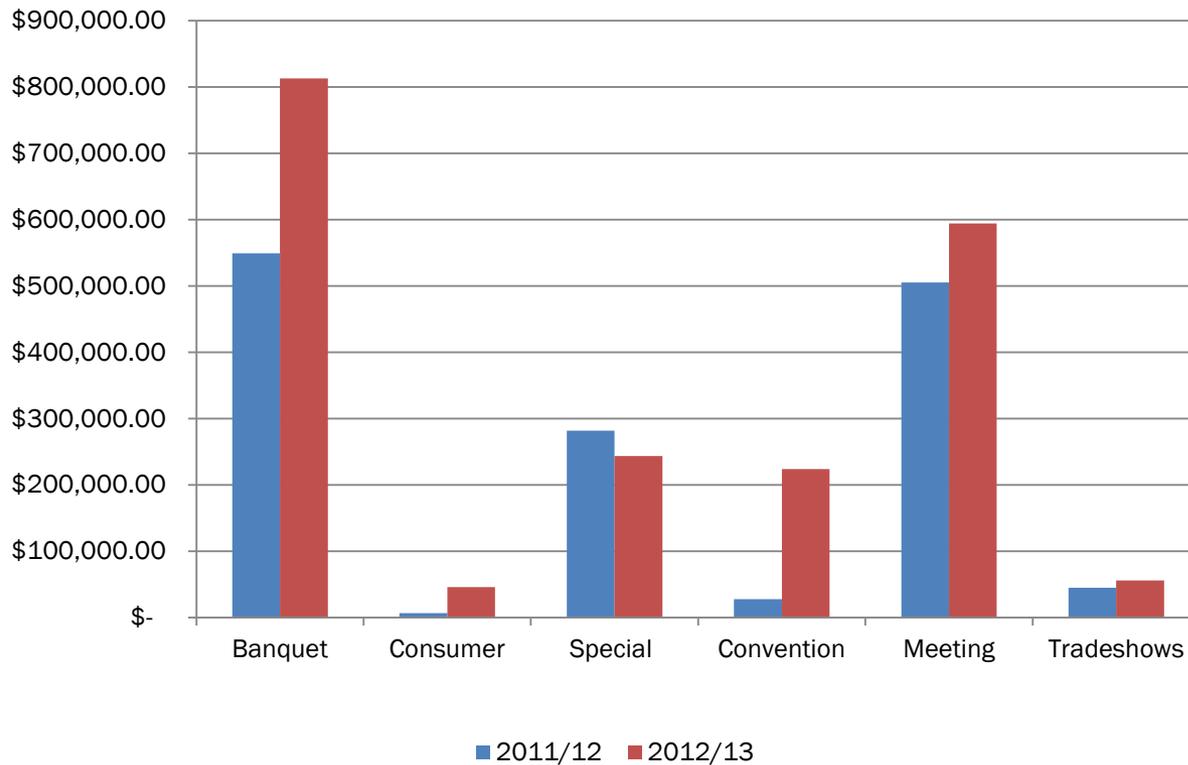
Gross Revenues by Event



Net Revenue Mix



Events Year Over Year



Challenges & Opportunities

- With the addition of new hotel(s) in the immediate area, Global Spectrum is working to develop relationships with key managers of the venues to position Durham as a viable convention destination
- Additional Parking
- Continuous relationship development with area stakeholders

Questions/Comments

Questions / Comments?