

**GREATER RICHMOND CONVENTION CENTER AUTHORITY
MEETING**

November 29, 2022

**Greater Richmond Convention Center
Administrative Offices
401 N. 3rd Street, Richmond, VA 23219
9:00 a.m.**

Dr. Joe Casey, Chairman, called the Greater Richmond Convention Center Authority Meeting to order at 9:03 a.m. A quorum was present.

APPROVAL OF MINUTES

The Authority reviewed the minutes from the October 5, 2022 meeting. A motion was made by Mr. John Budesky, which motion was seconded by Ms. Nancy Thomas. **The Board approved the motion by the following vote:**

Ayes:	Budesky, Casey, Saunders, Thomas, Vithoukaskas
Nays:	None
Absent:	None

REPORTS OF COMMITTEES

Finance

Mr. Brandon Hinton, chair of the Finance Committee, reported on the lodging tax collections for FY23 and noted that the hotel tax remittances were greater than budget by \$2,450,050 or 24.3% and were greater than prior year's collections by \$2,241,817 or 21.8%. Jurisdiction results compared to prior year: Region 21.8%, Chesterfield 5.7%, Hanover 4.7%, Henrico 15.7% and Richmond 49.5%.

Mr. Hinton reported that action needs to be taken on the excess tax rebate. The total excess tax rebate is \$12,310,069 and will be made to the jurisdictions as follows: Henrico \$7,371,500, Chesterfield \$3,987,846, Hanover \$931,931. The City of Richmond has met its \$1.5 million obligation and will also receive a rebate in the amount of \$18,792.

Mr. John Vithoukaskas made a motion to approve the excess tax rebate, which motion was seconded by Mr. John Budesky. **The Board approved the motion by the following vote:**

Ayes:	Budesky, Casey, Saunders, Thomas, Vithoukaskas
Nays:	None
Absent:	None

Mr. Hinton noted that the Series 2021 Bonds requires that the GRCCA Chair sign an annual compliance certificate. The board does not have to act, but the Chair will sign the certificate that will be submitted to the bank.

Lastly, the finance team recommended extending the operating agreement with OVG360 and the food service agreement with Aramark for an additional two years. The current agreements are set to expire on June 30, 2023. There were no changes to the agreements, and Mr. Keene noted that the authority can renew the contracts indefinitely. Mr. John Vithoukaskas made a motion to approve both the operating agreement and food service agreement for an additional two years expiring 6/30/25. The motion was seconded by Mr. John Budesky. **The Board approved the motion by the following vote:**

Ayes: Budesky, Casey, Saunders, Thomas, Vithoulkas
Nays: None
Absent: None

The resolutions are as follows:

RESOLUTION OF GREATER RICHMOND CONVENTION CENTER AUTHORITY
APPROVING AN EXTENSION OF CONVENTION CENTER OPERATING AGREEMENT
BETWEEN THE GREATER RICHMOND CONVENTION CENTER AUTHORITY AND
GLOBAL SPECTRUM, L.P.

WHEREAS, the Greater Richmond Convention Center Authority (the “Authority”) and Global Spectrum, L.P., a Delaware limited partnership t/a “Spectra” (the “Operator”) are parties to that certain Convention Center Operating Agreement dated May 8, 2012 (the “Agreement”);

WHEREAS, the Agreement was extended on November 20, 2020 and will expire on June 30, 2023 unless extended pursuant Section 4 of the Agreement; and

WHEREAS, the Board of Directors for the Authority (the “Board”) desires to extend the term of the Agreement to June 30, 2025, as further described in the draft letter attached to this Resolution (the “Extension Letter”).

NOW, THEREFORE, BE IT RESOLVED BY THE GREATER RICHMOND CONVENTION CENTER AUTHORITY AS FOLLOWS:

1. The Board finds that it is in the best interest of the Authority and an appropriate use of public funds to extend the term of the Agreement. The Authority hereby directs Mr. John F. Berry, Contract Administrator for the Authority, to execute and deliver, on behalf of the Authority, the Extension Letter substantially in the form and substance of the draft attached hereto, subject to minor corrections approved by Mr. Berry and counsel to the Authority prior to execution thereof.
3. All acts of the officers and directors of the Authority that are in conformity with the purposes and intent of this resolution, whether such acts occurred before or occur after the adoption of this resolution, are hereby ratified, accepted, confirmed and approved.
4. This resolution shall take effect immediately upon adoption.

ADOPTED the 29th day of November 2022.

RESOLUTION OF GREATER RICHMOND CONVENTION CENTER AUTHORITY
APPROVING AN EXTENSION OF FOOD SERVICE MANAGEMENT AGREEMENT WITH
ARAMARK SPORTS AND ENTERTAINMENT SERVICES, LLC

WHEREAS, the Greater Richmond Convention Center Authority (the “Authority”) and ARAMARK Sports and Entertainment Services, LLC, a Delaware limited liability company (the “Contractor”) are parties to that certain Food Service Management Agreement dated June 30, 2008, as amended by that First Amendment to Food Services Management Agreement dated November 16, 2012, by that Second Amendment to Food Service Management Agreement dated January 23, 2015, by that Third Amendment to Food Service Management Agreement dated

November 18, 2016, by that Fourth Amendment to Food Service Management Agreement dated November 16, 2018, as further amended by that Fifth Amendment to Food Services Management Agreement (collectively, the “Agreement”);

WHEREAS, the Agreement will expire on June 30, 2023 unless extended pursuant to the terms of the Agreement; and

WHEREAS, the Board of Directors for the Authority (the “Board”) desires to extend the term of the Agreement to June 30, 2025 pursuant to the terms and conditions of the attached draft Sixth Amendment to Food Service Management Agreement (the “Sixth Amendment”).

NOW, THEREFORE, BE IT RESOLVED BY THE GREATER RICHMOND CONVENTION CENTER AUTHORITY AS FOLLOWS:

1. The Board finds that it is in the best interest of the Authority and an appropriate use of public funds to extend the term of the Agreement pursuant to the terms of the Sixth Amendment. The Authority hereby directs Mr. Joseph P. Casey, Chair of the Board, to execute and deliver, on behalf of the Authority, the Sixth Amendment substantially in the form and substance of the draft attached hereto, subject to minor corrections approved by Mr. Casey and counsel to the Authority prior to execution thereof.
3. All acts of the officers and directors of the Authority that are in conformity with the purposes and intent of this resolution, whether such acts occurred before or occur after the adoption of this resolution, are hereby ratified, accepted, confirmed and approved.
4. This resolution shall take effect immediately upon adoption.

ADOPTED the 29th day of November 2022.

Legal

Mr. Brennen Keene, legal counsel, stated that he has no report but that there would be a closed session at the end of the agenda.

OVG360

Mr. Michael Meyers, General Manager, gave an update on Global Spectrum, L.P. the company that manages the GRCC as an agent on behalf of the Greater Richmond Convention Center Authority. Global Spectrum, L.P., previously an Atairos Company, was acquired earlier this year by Oak View Group (www.oakviewgroup.com). Global Spectra had been using a d/b/a Spectra Venue Management and the company had branded itself as “Spectra”. Global Spectrum, L.P. will no longer use the Spectra brand and will operate under a new d/b/a “OVG360”. Oak View Group currently encompasses nine divisions:

OVG360

OVG Hospitality (Food Service)

OVG Business Development

OVG Global Partnerships (Sponsorship Sales/Brand Consulting)

OVG Arena Alliance & Stadium Alliance

OVG International

OVG Canada

Prevent Advisors (Safety & Security)

OVG Media & Conferences.

OVG360 is Oak View Group’s division which serves as a full-service venue management and event programming company.

Mr. Meyers reported that there is no update to the sales tax appeal.

The facility hosted the Giving Heart on Thanksgiving and approximately 4,000 to-go meals were distributed curbside. Other events for September included the VACO conference. Mr. Meyers asked the Authority members to support having VACO rotate between the Homestead and the Greater Richmond Convention Center in the future.

For September, 17 events were held and 17 were budgeted. Attendance was down, just over 12,000 people. Revenue was up \$61,000 and expenses were under budget. Savings were realized due to staff vacancies with a positive variance for the month of \$205,000. For October, 27 events were held vs. 25 budgeted. Revenue was up \$112,000 and expenses were down \$745,000 ahead of budget so far for this fiscal year. Mr. Meyers reported on the VTC ARPA funds received. Another \$62,500 were received bringing the total in grants to \$411,000 for meeting & conventions as well as sporting events.

Dr. Casey thanked the facility for their work on the VACO conference.

Aramark

Mr. Blaine Scalard, General Manager for Aramark, reported on activity for September and October. The month of September was strong at \$73,000 over budget with sales at \$205,000. Groups were Virginia Healthcare, Virginia Chamber, Virginia State Bar, Bank of America and the Family Foundation. A new first-time event was held with the Shed Builders Expo. For the month of September, the cost of sales was 29.1%. October was a very busy month with sales at \$360,000. Groups for the month included Dominion Energy and a Realtor Fest for over 1,000 people. Cost of sales was up, and payroll was also up with a profit of \$130,000 for the month. Year to date sales is up and profit is up \$61,000. December looks to be slow but January through the end of the fiscal year looks strong.

Richmond Region Tourism

Mr. Jack Berry, President & CEO, noted that no fee waivers will be presented. Hotel and market trends were presented, and Mr. Berry noted that business travel still lacks but that overall central Virginia is strong. Occupancies have flattened, but hotel REVPAR is in record territory as hotels are charging more for room rates. Dr. Casey inquired about construction travel and asked if that was considered business travel. Mr. Berry reported that Northern Virginia and Williamsburg are still struggling. Mr. Berry welcomed Katherine O'Donnell, Executive Vice President, who gave an update on the Tourism Improvement District process. Ms. O'Donnell reported that that we launched the petition phase of the process in November and to date, we have received petitions from many hotels in the region. The percentages are:

Ashland 26%
Chesterfield 57%
Colonial Heights 49%
Hanover 79%
Henrico 54%
Richmond 65%

Richmond Region Tourism staff is working to pick up the original, signed petitions and many were

obtained at a petition signing reception that was held November 1st. Meetings with jurisdictions have occurred, and we expect that all required petitions will be received by the end of the year. The jurisdictional attorneys have reviewed the legal documents, and Ms. O'Donnell asked the jurisdictions their thoughts on the ordinances and who would be the best person to work with regarding the individual ordinance drafting. All agreed that the attorneys in each jurisdiction could help with the ordinances. A call is set for December 1st with the Finance Directors in each jurisdiction and the logistics of collecting the funds will be discussed. Ms. O'Donnell reported that after the petitions are received, copies of all petitions along with a spreadsheet tracker will be sent to the jurisdiction attorneys for verification. Appropriate notice of 60 days will be given to all hotel property owners of 41 rooms or more, and all agreed that the ordinances and voting can occur in the 1st quarter of 2023.

CLOSED SESSION
 GREATER RICHMOND CONVENTION CENTER AUTHORITY
 General Meeting
 29 November 2022

Pursuant to Sections 2.2-3711(A)(3), (5), and (6), and Section 2.2-3712 of The Virginia Freedom of Information Act (Code of Virginia Section 2.2-3700 *et. seq.*), I move that the Board go into closed session to consult with legal counsel and staff for the following purposes:

- (1) Consultation with legal counsel and staff regarding the possible acquisition or disposition of real property;
- (2) Consultation with legal counsel and staff regarding a prospective business or industry;
and
- (3) Consultation with legal counsel and staff regarding the potential investment of public funds where competition or bargaining may be involved.

Motion -- Lincoln Saunders

Second – John A. Vithoukaskas

Vote:

	<u>Ayes</u>	<u>Nays</u>
John A. Budesky	<u>X</u>	_____
Joseph P. Casey	<u>X</u>	_____
Lincoln Saunders	<u>X</u>	_____
Nancy C. Thomas	<u>X</u>	_____
John A. Vithoukaskas	<u>X</u>	_____

Absent during session: None

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Board of Commissioners (the “Board”) for the Greater Richmond Convention Center Authority (the “Authority”) convened a closed session on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Board that such closed session was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session were heard, discussed, or considered by the Authority.

The following roll call vote was taken:

Vote:

	<u>Ayes</u>	<u>Nays</u>
John A. Budesky	<u>X</u>	_____
Joseph P. Casey	<u>X</u>	_____
Lincoln Saunders	<u>X</u>	_____
Nancy C. Thomas	<u>X</u>	_____
John A. Vithoukias	<u>X</u>	_____

Absent during session: None

NEW BUSINESS

There being no further business to discuss, the meeting adjourned at 9:45 a.m. The next meeting will be held on Friday, January 20, 2023 at 10:00 a.m.