

**ALBANY CONVENTION CENTER AUTHORITY
2020 Q-2 MEETING MINUTES
Albany Capital Center,
July 30, 2020**

Note: in accordance with the guidelines issued by NYS associated with the COVID-19 pandemic, the public could not attend this meeting. The ACCA conducted this meeting with ACCA Board Members present and via a conference call service.

A live-streaming audio for public access was provided via this link:
<https://youtu.be/hYbcdQX87RU>

The audio file has been uploaded to the ACCA website with access via this link:
http://www.albanycapitalcenter.com/acca/meeting_records.cfm

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 9:00 AM and roll call was requested by Chair Michele Vennard. At that time:

ACCA Board Members present Michele Vennard, Michael Hoffman, Daniel C. Lynch

ACCA Board Members in conference: Treasurer Steven C. Lerner, Secretary Megan Daly, Joseph Rabito

Absent: Michael Skrebutenas,

Attendees: Lynn Zeronda, Duncan Stewart, Jill Delaney and Jay Cloutier with Discover Albany, Bob Belber, Doug McClaine, Shannon Licygiewicz with ASM

Chair Remarks:

Ms. Vennard requests that members check their calendars for the remainder of this year and emphasizes the importance of this meeting and those upcoming, due to the challenges facing the hospitality and tourism industry that directly and negatively impact the Albany Capital Center.

9:03 AM Ms. Reginelli joins the meeting via conference call

9:04 AM Mr. McDonald joins the meeting via conference call

The next meeting, 9-24-20 will address the budget in what are very difficult times and board member participation will be necessary as this Authority will need to make critical decisions about the future of this facility. As evident today, ASM has gone to great lengths to prepare for this meeting and keep us safe, the preference being to meet in person when possible.

Approval of Minutes:

4-30-20 Draft minutes of the 2020 ACCA Q-1 Meeting

Ms. Vennard calls for a motion to accept the minutes.

A motion was made by Mr. McDonald, seconded, by Ms. Reginelli to adopt the Draft minutes of the 2020 ACCA Q-1 Meeting 4-30 -20: The motion was adopted by only those members in attendance at the Q-1 meeting.

Business Reports:

Treasurer's Report:

Mr. Lerner requested that Ms. Zeronda review the June Financial Statement and net position of the Authority.

Ms. Zeronda begins with the Statement of Revenue, Expenses and Change in Net Position to illustrate the significant deviation from budget that is the direct result of reduced H.O.T. receipts and loss of event revenue, all despite aggressive cost reduction measures implemented by the Operator and cost control initiated by the ACCA. Revenue for June was \$558.00 in contrast to a budget line item of \$119,786.00 Accumulated loss YTD is \$308,284.00 greater than anticipated although expenses are 82% of budget. Ms. Zeronda reports that accounting of the land transfer is materially complete.

Mr. Rabito asks for clarification regarding how this facility compares to others in the region Mr. McClaine offers that both Syracuse and Buffalo are currently closed, and others are operating in a limited fashion. Mr. Rabito asks about the possibility of permanent closings, to which Ms. Vennard notes a general agreement among those present that certain of the existing convention facilities, hotel properties, and meeting venues may not survive this extended period without income.

Ms. Zeronda reviews the Statement of Net Position related to the 2020 Q-2 H.O.T. receipts which are not reflected in this report but were received this week, as being nearly 50% of the budgeted amount when taking into account the value of the late payments in this distribution. Going forward, and for budgeting purposes, the recommendation will be to revise the projections.

Ms. Zeronda estimates that presently, with cash-on-hand, the ACCA can maintain the facility into Q-1 2021 without deploying reserves. Ms. Vennard cautions that tough decisions will need to be made in advance of that time frame, and that the Authority will need direction from NYS and the County regarding what type and when events can be booked before committing.

Mr. Stewart summarizes the approach to the 2021 budget as conservative out of necessity due to the unknowns and the extent to which this facility can operate in 2021 before drawing upon reserves is entirely dependent upon what H.O.T. funds and event revenues are received for the balance of this year. Offering that while costs have been cut and will continue to be monitored, the ACC was not designed to be shuttered.

Mr. Rabito affirms that the Albany Capital Center as a public facility cannot close completely and must remain available to meet the public need. In support, Mr. Stewart cites the recent example of NYSHSS consideration of the ACC for the assembly of COVID-19 testing kits. Mr. Hoffman states that all costs do not go away when closing, there are labor savings, but some labor costs remain to protect the facility and before closing completely, consideration needs to be given to the value in being ready.

Ms. Vennard prepares the board for an expanded and possibly difficult discussion at the September meeting to coincide with the budget review regarding the future operation of the ACC.

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Legal Report:

There was no legal report by Counsel. In its place, Ms. Vennard requests ACCA Staff to review for the Board the Renewal and Amendment of the Operator Management Agreement. Mr. Stewart cites the key points from the written summary provided to the ACCA Board as:

- In amending and restating the management agreement with SMG now ASM, it was in the best interests of the ACCA and the Facility to do so.
- Compensation would be fair yet consistently aligned with that paid to operators of comparable venues in similar markets nationwide.
- Base the incentive fee calculation upon metrics used to calculate economic impact as determined independently.
- Co-terminus with TUC Contract,

The resolution was introduced by ACCA Staff and a motion was called for by Michele Vennard. ***A motion was made by Megan Daly, and seconded by Steven C. Lerner, to approve the Renewed and Amended Operator Management Agreement,*** there was no discussion. As members were both present and participating remotely by telephone, a roll call was taken, as follows:

In favor and present:

1. Michele Vennard
2. Michael Hoffman
3. Daniel C. Lynch

In favor and remote:

4. Sarah Reginelli
5. Megan Daly
6. Joseph Rabito
7. Steven C. Lerner
8. John McDonald

None Opposed.

Absent, not voting Michael Skrebutenas

Economic Impact Committee Report:

The EI Committee met on 7-21-20 to review the summary of Economic Impacts identified by Discover Albany for 2020 Q-2 and for the life of the facility, 3-1-17 through 6-30-20

Jay Cloutier of D/A presents the 2020 Q-2 Economic Impact Report, confirming that the information is based upon the event data provided to D/A by SMG with additional information from Hotel Properties, Meeting Planners which is then independently verified, entered into the calculator and reviewed by D/A staff before issuing.

Mr. Cloutier states that the information for 2020 Q-2 has not changed from that of 2020 Q-1, as DA has witnessed a 100% drop in activity in all categories. The life of the facility numbers remains, as presented at the April meeting, with little expectation for improvement until facilities like the ACC can fully reopen. Hotel occupancy except for interstate and long term stay properties is at historic lows and according to his research, full recovery of occupancy is not expected until 2023. Average Daily Rate (ADR) is not expected to return to pre-COVID-19 levels for 5 years.

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Discover Albany also provided a Sales and Marketing Outlook for 2020. Mr. Cloutier summarized the concerns for loss in inventory due to the decreased demand, closing of hotel properties and those efforts being made by Discover Albany in promoting the destination through social media, attendance at virtual trade shows and in preparation for what is believed to be an incremental recovery, but much longer than was originally projected.

9:45 AM Mr. Rabito leaves the meeting.

Mr. Hoffman notes that while occupancy is an important metric, from the hotelier perspective rate is a major factor, especially in a market where there is low occupancy, few reservations due room availability, and the resulting increased level of competition among properties for each booking.

Ms. Delaney, states the not-for-profit and public business in this market that is tax exempt, amounts to 26% of the occupancy in a normal business cycle. and separately, Discover Albany is having to work harder for less funding due to the impact from untaxed Airbnb and other alternative boarding and lodging options that attendees use and for which the County receives no revenue. Adding that these factors and overall reductions in revenue have impacted the Tourist Improvement District (T.I.D.) model that is being considered for Albany, which is currently being revised and updated.

Ms. Vennard asks about the status of any legislative initiative? Ms. Delaney indicates that Discover Albany is monitoring the legislative progress and notes the challenges when trying to include NYC with its different operational model from the balance of the State.

Mr. McDonald recognizes the concern related to NYC and offers that the Assembly is considering legislation pertaining to alternative boarding and lodging and reminds that Counties can act independently. Ms. Delaney expresses concern for limiting opportunity through an independent approach, especially if it were in some manner not all inclusive and or prevented benefiting from any eventual state-wide solution.

Mr. McDonald expresses a concern for leveling the playing field by including Airbnb and similar independent boarding and lodging options for the safety of the consumer and to improve the revenue model for the destination.

9:55 AM Mr. McDonald leaves the meeting.

Operations Report:

Shannon Licygiewicz summarizes the changes to date, including the loss of 76 events, 136 Event days and significant reductions in attendee numbers and hotel room nights with the remaining 32 events on the schedule for 2020 in question due to the concern on the part of the clients and the unknown of when this facility can fully reopen.

For 2021, year over year the numbers are similar to the past 3 years, however there are concerns for certain events, including those attended by teachers due to budget related issues at the district level and more cancellations may occur. ASM is conducting tours and providing virtual experiences to assist meeting planners when considering alternative floor plans and how events can move forward in a safe and controlled manner.

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Ms. Vennard notes the importance of the recent webinar on A/V. Ms. Licygiewicz summarizes the strong response to that and the rest of the events in the “Expert in the Room” series that ASM and the ACCA have sponsored in an effort to build momentum in the market.

A COVID info piece has been added to the website and staff is utilizing this time as an opportunity to take courses and become certified in specialized event planning.

Doug McClaine, speaks to the building readiness and summarizes the changes in providing for the present limited occupancy and moreover for the much anticipated full reopening:

- ASM Global Re-Activation Plan comprised of six components:
 1. Environmental Hygiene
 2. Workforce Safety
 3. Food & Beverage
 4. Technology & Equipment
 5. Customer Journey
 6. Public Awareness
- Signage Installation, PPE Procurement, Sanitizer Sponsorship Agreement & Supply
- GBAC (Global Bio-risk Advisory Council) to receive a 3rd party accreditation and staff training that is consistent with the industry standard for public facilities, arenas, and convention centers, managed by ASM and others.
- Touchless changes: Contact tracing application; Moved Parking Kiosk Touchless Visitor Kiosk
- Air Quality: Change out to MERV-11 filters and as soon as available MERV-13 for the fall changeout. Benefiting from a no cost agreement with Siemens Corp. cold plasma technology in the form of Bi-polar ionization will be installed in AHU-1 this coming week. The results will be monitored for its ability to reduce particulate matter in the delivered air stream and with it reduce the presence of molds, mildew, bacteria and importantly viruses in the air within the breathing zone, 3-8 feet above the finish floor.

Mr. Stewart summarizes the parallel effort to seek funding for the installation should the ACCA elect to move forward, through NYSEDA, National Grid and/or Federal grants related to reopening facilities under the enhanced guidelines in response to COVID-10 .

Mr. McClaine explains the RFP for audio visual partner; 4 responses received, ACES was selected and that an RFP for website was issued with 3 responses received, and that it is under review at this time.

Megan Daly requests clarification of A/V selection as it is such an important component of the event experience. Mr. McClaine offers four reasons for the selection and what set ACES apart from the current vendor and the other responders:

1. Local firm with local warehousing w/in 25 minutes of ACC;
2. Commissions structure with greater benefit to the ACC;
3. Will install LED screens in place of projection equipment;
4. Discounts will be applied to labor and equipment.

ASM has extensive experience with that firm through the Times Union Center over a 20 year period.

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Ms. Vennard comments on the Gramercy report that was provided to the Board, noting that there is a meeting scheduled for this coming week to update the strategy for messaging in response to the pandemic, changing market conditions, and in such a way as to compliment the efforts of our important partners, specifically ASM, Discover Albany, and the hotel properties

Motion to Enter Executive Session:

Ms. Vennard called for a motion for the ACCA Board to enter Executive Session to discuss a contract matter and one related to personnel

A motion was made by Mr. Lynch; seconded by Mr. Hoffman to enter and Executive Session, the motion was unanimously adopted. The Executive Session commenced at 10:19 AM

Motion to return to Public Session:

Ms. Vennard called for a motion to return to public session.

A motion was made by Mr. Lynch; seconded by Mr. Hoffman to return to public session, the motion was unanimously adopted. The meeting resumed at 10:32 AM

Ms. Vennard confirms for the record that No actions were taken by the ACCA Board while in Executive Session

Adjourn:

Ms. Vennard called for a motion to adjourn.

A motion was made by Ms. Daly; seconded by Mr. Lynch to adjourn the meeting, the motion was unanimously adopted. The meeting adjourned at 10:34 AM

Next Meeting:

**ACCA Board Special Meeting Budget
Thursday, September 24, 2020 9:00 AM
Albany Capital Center**

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