

**Minutes of the Meeting of the  
BOARD OF DIRECTORS of the  
DETROIT REGIONAL CONVENTION FACILITY AUTHORITY  
Cobo Conference & Exhibition Center**

**August 26, 2010**

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A Regular Meeting of the Board of Directors of the Detroit Regional Convention Facility Authority (the "Authority"), was held at 9:00 a.m. on August 26, 2010 pursuant to the requirements set forth in the Regional Convention Facility Authority Act at MCL 141.1351, et seq.

**I. ROLL CALL**

The regular meeting was called to order by Chairman L. Alexander at 9:02 a.m.

**PRESENT:** Director L. Alexander, Director J. Abdo, Director M. Carroll, Director W. Guillebeaux, and Director J. Okotie-Eboh

**ABSENT:** None

**ALSO PRESENT:** W. Watkins, T. McNulty, T. Tuskey, G. Brown, E. Duff of Garan Lucow Miller, P.C., M. Powers of DMCVB

**II. APPROVAL OF MINUTES**

A motion to approve the Minutes of the regular meeting of the Authority held August 2, 2010 by W. Guillebeaux.

**UNANIMOUSLY APPROVED**

**III. REPORT OF THE INTERIM CHIEF EXECUTIVE OFFICER**

Interim Chief Executive Officer, Walter C. Watkins, Jr., presented his report to the Board including the following:

- \* DRCFA liquor license approved, use of temporary licenses no longer required.

The Interim Chief Executive Officer offered the following items for consideration and approval:

A. Resolution to Hire SMG as Cobo Management Company.

**WHEREAS**, pursuant to Act 554, Public Acts of Michigan, 2008, as amended (the "Act"), the Authority has the power and obligation to develop Cobo Center ("Cobo"); and

**WHEREAS**, Among the recommendations made in the recently completed Strategic Plan was for the Authority to identify and select a professional convention center management company to operate Cobo; and

**WHEREAS**, On July 1, 2010, the Authority authorized an RFP inviting potential candidates to participate in a qualifications based selection process for selection of a professional convention center management company to operate Cobo. The referenced RFP was issued on July 13, 2010; and

**WHEREAS**, On August 3, 2010, the Authority, through its Selection Team, received proposals from 4 companies in response to the referenced RFP, including a proposal from SMG; and .

**WHEREAS**, The Selection Team believes that SMG is the best candidate to engage in an effective, reasonable management agreement to operate Cobo Center. The Team requests authorization from the Board to perform additional due diligence and to complete contract negotiations with SMG to include:

- Select a General Manager candidate
- Reach mutually agreeable operating guidelines
- Finalize acceptable terms and conditions

**NOW THEREFORE be it RESOLVED:**

1. The Board approves the Selection Teams recommendation to engage the services of SMG to serve as the Authority's convention center management company contingent upon completion of additional due diligence and contract negotiations through October 1, 2010 as outlined in this Resolution; and
2. The Board authorizes the Selection Team to perform additional due diligence and to complete negotiations with SMG through October 1, 2010 to include:
  - a. Selection of a General Manager candidate;
  - b. Reaching mutually agreeable operating guidelines; and
  - c. Finalizing mutually acceptable terms and conditions of the contractual agreement.

A motion for approval of the foregoing Resolution by J. Abdoo.

**UNANIMOUSLY APPROVED.**

**IV. REPORT OF THE INTERIM CHIEF FINANCIAL OFFICER**

Interim Chief Financial Officer, Thomas F. McNulty, presented his report to the Board including the following:

- \* third quarter 2010 financial score card including draft 2011 budget.

The Interim Chief Financial Officer offered the following items for consideration and approval:

- A. 2011 Budget Inclusion of Additional Consulting to Integrate Strategic Direction Advisories.

Based upon the recommendation of the Interim Chief Financial Officer and the Authority having been fully advised in the premises, W. Guillebeaux offered a motion that the Authority approve an expenditure not to exceed \$50,000 to continue employment of appropriate consultants to provide support in reviewing and identifying options that would integrate the Authority's strategic planning efforts.

**UNANIMOUSLY APPROVED**

- B. Resolution Approving Investment Policy.

Based upon the recommendation of Bond Counsel and the Authority having been fully advised in the premises, J. Okotie-Eboh offered a motion that the Authority resolve to approve the Resolution Approving Investment Policy as presented.

**UNANIMOUSLY APPROVED**

- C. Resolution Authorizing Issuance of Convention Facility Special Tax Revenue Bonds.

Based upon the recommendation of Bond Counsel and the Authority having been fully advised in the premises, J. Abdoo offered a motion that the Authority resolve to approve the Resolution Authorizing Issuance of Convention Facility Special Tax Revenue Bonds as presented.

**ROLL CALL VOTE:**

**YES: L. ALEXANDER, J. ABDOO, M. CARROLL, W. GUILLEBEAUX, AND J. OKOTIE-EBOH**

**NO:**

**UNANIMOUSLY APPROVED**

- D. Supplemental Resolution No. 1: Resolution Authorizing Issuance and Approving Sale of Not to Exceed \$80 Million Convention Facility Special Tax Revenue Bonds.

Based upon the recommendation of Bond Counsel and the Authority having been fully advised in the premises, J. Okotie-Eboh offered a motion that the Authority resolve

to approve the Supplemental Resolution No. 1: Resolution Authorizing Issuance and Approving Sale of Not to Exceed \$80 Million Convention Facility Special Tax Revenue Bonds as presented.

**ROLL CALL VOTE:**

**YES: L. ALEXANDER, J. ABDOO, M. CARROLL, W. GUILLEBEAUX, AND J. OKOTIE-EBOH**

**NO:**

**UNANIMOUSLY APPROVED**

E. Creation of Capital Funds Checking Account and Authority General Account.

Based upon the recommendation of the Interim Chief Financial Officer and the Authority having been fully advised in the premises, J. Okotie-Eboh offered a motion that the Board of Directors of the Detroit Regional Convention Facility Authority approve the opening of two checking accounts.

1. For the purpose of managing the Capital Projects to be completed;  
and
2. For the General Fund Management of Expenses for the Authority's activities.

Such approval is subject to the policies of the Authority on the signatory requirements and oversight responsibility of the management.

**UNANIMOUSLY APPROVED**

**V. REPORT OF THE INTERIM OWNER'S REPRESENTATIVE**

Interim Owner's Representative, Gary Brown, presented his report to the Board including the following items for consideration and approval:

A. Approval for Increase in Capital Budget.

Based upon the recommendation of the Interim Owner's Representative and the Authority having been fully advised in the premises, J. Okotie-Eboh offered a motion that the Authority approve an increase in the Capital Budget not to exceed \$6.8 Million.

**UNANIMOUSLY APPROVED**

B. Resolution Authorizing the Selection of Albert Kahn Associates for the Provision of AE Strategic Infrastructure Services.

Based upon the recommendation of the Evaluation Committee and the Authority having been fully advised in the premises, W. Guillebeaux offered a motion that the Authority resolve to approve the Resolution Authorizing the Selection of Albert Kahn Associates for the Provision of AE Strategic Infrastructure Services as presented.

**UNANIMOUSLY APPROVED**

**VI. OLD BUSINESS**

There was no old business.

**VII. NEW BUSINESS**

There was no new business.

**VIII. PUBLIC COMMENT**

There was no public comment.

**IX. ADJOURNMENT**

A motion for adjournment of the meeting at 10:48 a.m. by J. Okotie-Eboh.

**UNANIMOUSLY APPROVED**

Respectfully submitted,



Waymon Guillebeaux, Secretary

**Approved: September 16, 2010**

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