DCU Center's name to stay same for next decade

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WORCESTER — The DCU Center will be going by the same name for at least another 10 years.

The city has reached agreement with Malboro-based Digital Federal Credit Union to renew the naming-rights contract for the city-owned arena and convention center.

City Manager Edward M. Augustus Jr. said the 10-year extension, which runs through Feb. 28, 2025, includes payment of a $4.8 million naming-rights fee, similar to the first-naming rights deal the city struck with Digital Credit Union back in 2004.

The deal also includes enhanced marketing opportunities for all parties, including two new DCU wallscape displays in the arena, exterior street banners outside the DCU Center and the establishment of an arena event development fund, the manager said.

"We look forward to another successful decade with the DCU Arena and Convention Center serving as a catalyst of economic growth, tourism, entertainment and business in the heart of our downtown," Mr. Augustus said.

The $4.8 million fee that Digital Credit Union will be paying the city is made up of a base naming-rights fee of $4.6 million to be paid in one lump sum at the beginning of the contract renewal in May 2015, Mr. Augustus said.

He said that money will be used to cover some of the operating costs in the DCU Center's annual budget; it will be apportioned at $460,000 per year for 10 years starting in fiscal year 2015.

Mr. Augustus said a $200,000 payment will also be made upon the execution of the agreement, and that money will be used to create an "Event Development Fund" meant to increase event activity for the DCU Center's arena.

In addition, Mr. Augustus said the agreement includes an annual "Incentive Rights Fee" in which Digital Credit Union will make incentive bonus payments that are tied to attendance numbers for the arena.

He said that could bring to the city up to a maximum of another $1.75 million over the 10 years of the agreement.

If and when any incentive payments are earned, Mr. Augustus said they will be added to the arena's Event Development Fund.

"The DCU Center has been recognized as the gathering place for people to experience the finest entertainment and convention facilities in the nation," Mr. Augustus wrote in a report that goes before the City Council Tuesday night.

"DCU's corporate commitment to our community, to its members and to service excellence mirrors our vision and goal to continue to move this city forward," he added. "This contract extension is proof positive of the value of our shared responsibilities and the tremendous progress we have made together over the past decade."

The civic center, formerly known as the Centrum, became the DCU Center when the city, Digital Credit Union and SMG, which operates the facility for the city, entered into a 10-year naming-rights partnership back in October 2004.
Mr. Augustus said that contract allowed for a renewal option for an additional 10 years.

The manager said the naming-rights agreement took many months and much effort to negotiate and complete.

He singled out the efforts of Thomas F. Zidelis, the city chief financial officer; City Solicitor David M. Moore and SMG General Manager Sandy Dunn for their due diligence in ensuring the city's interests were achieved and protected.

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