University of Nevada, Las Vegas
Campus Improvement Authority

University of Nevada, Las Vegas
4505 Maryland Parkway
Blasco Event Wing, UNLV Foundation Building
Las Vegas, NV 89154

Thursday, October 31, 2013
12:00 p.m.

The meeting of the Board members of the University of Nevada, Las Vegas (UNLV), Campus Improvement Authority was held on October 31, 2013, at the Blasco Event Wing, UNLV Foundation Building, 4505 Maryland Parkway, Las Vegas, Nevada 89154. This meeting had been properly noticed and posted in compliance with the Nevada Open Meeting Law.

Board Members

Chair Don Snyder
Vice Chair Paul Chakmak
Secretary/Treasurer Michael Wixom
Mr. Rick Arpin
Regent Cedric Crear...........................absent
Commissioner Chris Giunchigliani............absent

Mr. Dallas Haun
Mr. Kirk Hendrick
Regent James Dean Leavitt
Mr. Sean McBurney
Ms. Kim Sinatra

CALL TO ORDER
Chair Don Snyder called the meeting to order at 12:03 p.m. The public was informed that back-up documentation for the meeting was available. Rose Marie Reynolds, Deputy Attorney General, was acknowledged as the representative from the Attorney General’s (AG’s) Office to assist with the meeting. Chair Snyder asked Laurel Knox, Administrative Director of the UNLV Campus Improvement Authority, to call roll.

ROLL CALL OF BOARD MEMBERS
Board members acknowledged their presence. A quorum of the members was present at roll call. Chair Snyder stated that Regent Crear and Commissioner Giunchigliani had informed the Authority in advance of their absence.

ITEM 1. PUBLIC COMMENT
There were no comments from the floor by the public.

ITEM 2. MINUTES FOR POSSIBLE ACTION
Request was made for approval of the October 7, 2013, UNLV Campus Improvement Authority Board Meeting.

Member James Dean Leavitt motioned, seconded by Member Dallas Haun, and it was carried by unanimous vote of the voting members present to approve the October 7, 2013, UNLV Campus Improvement Authority Meeting minutes.

Chair Snyder explained that several back-up documents were provided in response to requests from the last meeting, "Local Venues and Capacity" and the "Thomas & Mack Center Improvements and Modernization Summary Scope of Work and Project Cost." He then stated that the appropriate nomenclature for the facility was "stadium." After polling the Board members for general interest, Chair Snyder suggested that a presentation of the UNLV Campus master plan and the proposed Thomas & Mack Center improvements be given at a future meeting. He then recapplied the UNLV Campus Improvement Authority's work plan.
Brief introductions were given for Dr. Robert Lang, Dr. Mark Rosentraub, and Mr. Richard
Browne, including acknowledgement of their presentation hand-outs.

Regent Leavitt asked for clarification on the term used to reference the "stadium" to which Chair Snyder suggested that the presentations would give clarity to the term and its definition. Regent Leavitt requested that the Board engage in dialogue regarding the stadium terminology before the conclusion of the meeting. Chair Snyder stated that his goal as Chair was to have the Authority thoroughly review and challenge the previous body of work and to bring a fresh perspective for thoughtful discussion regarding a stadium project that would be beneficial to both UNLV and the resort industry.

ITEM 3.

PRESENTATIONS AND PANEL DISCUSSION

There were several presentations related to the need for a stadium and its impact on UNLV, the resort industry and the community as a whole. In addition, a select group of individuals with experience with the project and/or with the Las Vegas community answered questions and provided information regarding the viability and possible impact of a stadium located on campus.

Chair Snyder introduced Dr. Robert Lang, Executive Director of The Lincy Institute, UNLV Director of Brookings Mountain West, Professor at Greenspun College of Urban Affairs, and Non-Resident Senior Fellow of Brookings Institution. Dr. Lang delivered a PowerPoint presentation entitled "Exporting Consumption: The Economic Justification for a UNLV Stadium." He offered data on the Las Vegas economy of consumption versus exports and compared the region's economic condition to that of Orlando, Dallas, and Phoenix. He coined the phrase "convention center with a football field" as a means to describe the potential stadium and to emphasize how, as a regional asset, it would be intrinsically tied to the domestic and international export economy of Southern Nevada.

Secretary/Treasurer Wixom commented that he had researched stadia built in the US, and found the private entities involved reaped economic benefits but several of the public entities experienced collateral consequences. When this stadium project has been evaluated, he wanted answers to why the Las Vegas formula differed from other stadia projects and how finance models had been accurately structured to avoid negative economic impacts to the region.

Chair Snyder introduced Dr. Mark Rosentraub, Bruce and Joan Bickner Endowed Professor of Sports Management of the University of Michigan. Dr. Rosentraub delivered a PowerPoint presentation entitled "The Economic Value of a Covered Stadium for Las Vegas, The Hospitality Industry, Nevada, and UNLV." He clarified the main findings of the study and stated that conservative estimates and data were used to eliminate aspects that would cause inflation. Fifteen potential events, currently not held in Las Vegas due to the lack of a stadium-type venue, were included in the study. Dr. Rosentraub also defined the "crowding out" effect and urged the Authority to develop a management team to handle the phenomenon on a yearly basis. He stated that the partnership of the Las Vegas Convention and Visitors Authority (LVCVA), Las Vegas Events (LVE), and UNLV "wrote the book on management coordination" and had been successful in managing the crowding out effect for 30 years. He felt that the type of stadium, whether covered or domed, should match the hospitality industry's needs and that the University could adapt to either. Dr. Rosentraub also mentioned the necessity for Las Vegas to focus on its competitive advantage by watching Orlando, Atlanta, and Arlington (Texas).

Chair Snyder then introduced Mr. Richard Browne, Managing Partner of Sterling Project Development, who authored the Due Diligence Report for the UNLV Now Mega Events Center. Mr. Browne gave a brief background of his past role as a consultant for UNLV. He recapped the completed body of work which included aspects of construction, revenue, and financing assumptions. Mr. Browne acknowledged key stakeholders who contributed to the UNLV Now
project. The basic findings of the Due Diligence Report, according to Mr. Browne, were assumptions based on a covered 52,500-60,000 seat stadium that would range from an upper-end NCAA stadium to a new NFL stadium, costing $600-900 million dollars. He suggested the Authority compile data of the events hosted, revenue models, and event costs from the top ten similar-type venues in the US. Mr. Browne encouraged the members to agree on the stadium size and model type and complete the compilation of all data within 6-7 months, allowing time to reach a conclusion and compose a report by the due date.

Chair Snyder transitioned the meeting to the panel discussion and acknowledged Mr. Rossi Ralenkotter, President/CEO of the Las Vegas Convention and Visitors Authority (LVCVA), Mr. Pat Christenson, President of Las Vegas Events (LVE), Mr. Rob Dondero, Executive Vice President of R&R Partners, Mr. Mark Fine, Member of the Development Advisory Board, and Mr. Gerry Bomotti, Senior Vice President of Finance and Business for UNLV. Dr. Lang and Dr. Rosentraub joined the panel. Mr. Browne served as the panel moderator.

Vice Chair Chakmak asked the panel to address the crowding out effect which he felt was a concern. Rossi Ralenkotter stated that the purpose of hosting special events in Las Vegas was to fill the low-visitor volume times, mostly mid-week and specific weekends. He stressed the necessity to work with resort partners to determine which events, at what time of year and day of the week, would bring in business and not displace customers already in the destination. Mr. Ralenkotter suggested the Authority determine what types of events were possible and then build the facility around those conclusions. He added that consideration be given to the fact that several of the proposed events were not annual events and may not return to Las Vegas for five or six years.

Mr. Browne asked if, in addition to incremental growth, it would be a defensive move to build a stadium in Las Vegas. Dr. Lang responded that due diligence was critical and that a risk involved would be exhausting the investment capacity necessary for improvements to transportation and the Las Vegas Convention Center by building a stadium. He referenced Orlando and Florida’s top-tier research universities.

Pat Christenson commented that he felt the goal was to find optimal times of year to add in incremental events. He stated that 50-60 percent of the proposed events would occur in June, July, August, mid-September, or December, all targeted low-visitor times. Building an open-air stadium would deter customers and events during the summer months, according to Mr. Christenson. He suggested the Authority have dialogue with event producers to become comfortable with the slate of events and the economic impacts in the analysis.

Vice Chair Chakmak added that events wouldn’t necessarily come to Las Vegas simply because of a new stadium, and that they come with a price tag. He explained that LVE is funded by the LVCVA, and the LVCVA is funded by room tax, creating a closed loop for affordability of events. Mr. Browne responded that the business model must be reevaluated for attracting the proposed events. Mark Fine commented that it was the intention of the Development Advisory Board to analyze the total revenues.

Secretary/Treasurer Wixom asked Mr. Ralenkotter if he was familiar with the list of the fifteen proposed events and if they were generally consistent with what the LVCVA looks for. Mr. Ralenkotter answered affirmatively. He stated it was the LVCVA’s job to get visitors to Las Vegas and that they pick the location for their respective events. He suggested the UNLV Campus Improvement Authority determine what the competition was offering and what both the destination and customers’ needs would be when deciding on events. Secretary/Treasurer Wixom stated that the LVCVA coordinates with the resort industry on events. He asked if discussion had occurred regarding what entity would coordinate the stadium and resort industry. Mr. Browne responded that the partnership between the resort industry, the LVCVA, and UNLV would provide better opportunity for coordination versus the former UNLV and private developer
partnership. Secretary/Treasurer Wixom offered that without a third party coordinating entity, he felt the concept of a stadium would not work. Mr. Browne added that a working group must be established to function as the operating entity. Dr. Rosentraub commented that any facility must be built around the anchor tenant, in this scenario, the resort industry. If the facility wouldn't work for the resort industry, the facility wouldn't work.

Secretary/Treasurer Wixom inquired if the retail component of the stadium was included in the economic analysis. Mr. Browne and Gerry Bomotti concurred that it was not. Dr. Rosentraub added that with the new partnership of UNLV and the resort industry, the retail component was not relevant as it was with the UNLV and private partnership.

Member McBurney asked how the 55,000-60,000 optimal seating capacity was determined when the proposed events would require only a portion of that capacity. Dr. Rosentraub replied that the proposed capacity was meant to send a clear statement that the stadium would not be an arena. The attendance projected for the proposed events was calculated from visitors outside of the region, based on resort industry data.

Member Hendrick questioned if analysis had been conducted to determine what events, if any, would be lost if the stadium was built closed, domed, or open-air. Mr. Christensen answered that he felt the number of events would be lower if an open-air stadium were built. A closed stadium would have more appeal in attracting event producers and fans alike, due to the concerns of inclement weather that go along with an open-air stadium, according to Mr. Christensen.

Chair Snyder inquired if Las Vegas was at risk for losing events as a result of current facility challenges. Mr. Christensen stated that producers were looking at new destinations, not because they wanted to leave Las Vegas, but because other locations had facilities with larger capacities to produce events. Dr. Lang suggested that the Authority look at Orlando’s sources of revenue, markets, and stakeholders due to the similarities between the regional economies.

Rob Dondero commented that Las Vegas had been outbid for a number of events that will leave in the future. Vice Chair Chakmak asked for clarification, to which Mr. Dondero answered that other jurisdictions and municipalities outbid Las Vegas by paying more to producers. Vice Chair Chakmak stated that Las Vegas could bid more it if made economic sense. Mr. Dondero commented that the return on investment is not worth it in some cases. He added that Las Vegas is completely different from any other destination and that the “hometown team” is the entertainment component of the city. He mentioned that two entertainment districts were currently being built in Las Vegas. Entertainment venues sell seats every night, and Mr. Dondero felt those numbers should be included in the analysis.

Secretary/Treasurer Wixom asked Dr. Rosentraub and Mr. Bomotti if costs associated with fronting the proposed events were included in the analysis to which Dr. Rosentraub replied that they were not specifically identified but considered in an overall assumption on gross to net event revenue. Mr. Ralenkotter mentioned that the LVCVA was spending approximately $18 million per year to sponsor and retain events in the Las Vegas marketplace, not including funds from resort partners for the entertainment component Mr. Dondero referred to. Mr. Ralenkotter stated that no other city on earth has the amount of entertainment that Las Vegas has on one night. He told the Authority that the analysis must include the sponsorship costs of the events. Secretary/Treasurer Wixom requested clarification, if a line item for event generation cost should be included in the analysis, to which Mr. Browne stated it would be very valid. Chair Snyder commented that if the correct type of facility was built with the correct business model, there should be no more incremental responsibility to the LVCVA to provide sponsorship funds. Mr. Chakmak added that he was not positive that financing model was currently being utilized in the US. Mr. Bomotti stated that Dr. Rosentraub’s analysis studied the gross revenue impacts of the proposed events and that ticket revenue was not included in the financing model.
Member Sinatra thanked the panel for the hard work and progress that had been completed on the stadium project. She felt that the UNLV Now Project had migrated from a reinvigoration and re-imagination of the UNLV Campus into the current discussion of the anchor tenant as the resort industry and the purpose of a stadium to fill hotel rooms. She asked Neal Smatresk, President of UNLV, several questions: if he would be pleased with a commercial enterprise at the center of campus, if the campus were the best location, how it would relate to Las Vegas and the surrounding area, and what would be the bridge between the University and the resort community. President Smatresk replied that the University preferred this approach and that the events at a stadium would be irregular, not every night as on the Strip. Football games on campus would add to the University's national reputation and enable students to attend without traveling off campus to Sam Boyd Stadium. He added that the partnership would work by giving the UNLV campus an amenity and venue that, in return, would help the region on a fiscal basis.

Member Rick Arpin brought up the mixed concepts of economic impact and feasibility and commented that the Authority was charged with identifying both. He stated that the stadium would have to stand on its own and generate enough revenue to cover its cost and debt service. He asked what the revenues and operating expenses in the last model were, to which Mr. Browne replied he would give that information to the Authority. Mr. Arpin also asked about the percent differential between the ranges of costs submitted. Mr. Browne replied that the ranges were what MEIS Architects and Turner Construction had studied. He explained there could be a $30-40 million differential in subcomponents of construction costs by investing in a “plug and play” facility, in contrast to less infrastructure where events would provide their own temporary power, fiber, etc.

Member Leavitt suggested the Authority take a critical look at the capacity and naming rights of the stadium. He asked how important the architectural design would be since Las Vegas was a global brand. Mr. Christenson replied that the overall fan experience is the most important thing not only to him, but to promoters. The amenities and quality of the venue would be the marketable assets to luring events to Las Vegas. Mr. Ralenkotter added that the resort industry had spent billions of dollars to create the Strip and Fremont Street and those locations are the architectural statement of Las Vegas. Mr. Browne commented that each component must be weighed and perhaps the heaviest weight placed on infrastructure that would attract events and create a fan experience, not on the exterior look.

Chair Snyder ended the panel discussion. He stated that the dialogue was informative and would help position the future agendas.

ITEM 4.

**WORKING GROUP REPORT**

For Possible Action

The working group discussed the meeting that was held on October 18, 2013, and provided their recommendations to the Board. The group requested that the Board grant them the authority to create and execute an RFP document.

Gerry Bomotti explained the RFP draft and scope of work had been distributed to the Authority and the AG’s Office. Mr. Bomotti recommended that it would be beneficial to delegate the working group as the RFP evaluation team to bring the recommendation to the full Authority. Chair Snyder stated he felt the working group meeting was very thorough and he recommended the delegation of responsibility be granted. Mr. Bomotti stated that his hope was for the RFP to go out as soon as November 1, 2013, a recommendation from the working group be brought to the Authority the week of December 16, 2013, and a consultant to be hired in early January of 2014.

Chair Snyder announced that the working group was composed of Member Rick Arpin, Vice Chair Paul Chakmak, Secretary/Treasurer Michael Wixom, and himself. He welcomed other Board members to join the working group, to which Member Kirk Hendrick volunteered.
Member Kim Sinatra motioned, seconded by Member James Dean Leavitt, and it was carried by unanimous vote of the voting members present to delegate to the working group the authority to issue the RFP, to review the qualifications of the respondents, and to bring the recommendation to the full Board.

Secretary/Treasurer Wixom asked for clarification on what the result of the vote was, if the RFP had been approved to be executed. Discussion was given regarding if a second vote was required to approve the RFP. Mr. Bomotti suggested that the scope of work be approved by the Authority, to which Rose Marie Reynolds stated that the item was not agendized that way. Chair Snyder suggested that a meeting of the working group be convened to approve the RFP. Member Kendrick suggested that the Authority grant the working group a week or two to approve the RFP. Conversation took place regarding open meeting guidelines and the possibility of a teleconference meeting. Vice Chair Chakmak suggested a working group meeting be held on November 7, 2013, either before or after the scheduled Board meeting.

ITEM 5. FUTURE MEETING SCHEDULE FOR POSSIBLE ACTION
A review of the future Board meetings as scheduled.

Chair Snyder recommended the November 7, 2013, Campus Improvement Authority Meeting be canceled due to several members unable to attend. He then called a meeting of the working group for November 7, 2013, to finalize the RFP process.

Chair Snyder addressed Member Leavitt’s request for dialogue regarding the term “stadium.” Member Leavitt stated he was very happy with the term, seeing no other comments from the Board members.

ITEM 6. PUBLIC COMMENT FOR POSSIBLE ACTION
Ed Uehling quoted Dr. Lang by saying “Orlando understands what it is” and stated that he felt Las Vegas did not understand what it is. He suggested that Las Vegas become the “bazaar” of the world, a place where people would come to trade goods, get new ideas, and be entertained.

ITEM 7. ADJOURNMENT FOR POSSIBLE ACTION
Chair Snyder thanked the presenters and panel members for their contributions and adjourned the meeting at 2:55 p.m.

Respectfully submitted,

Laurel Knox
Administrative Director
UNLV Campus Improvement Authority

Date Approved: November 21, 2013

Don Snyder
Chair
UNLV Campus Improvement Authority