Wednesday, July 23, 2014
12:00 p.m.

The meeting of the Board members of the University of Nevada, Las Vegas (UNLV), Campus Improvement Authority was held on July 23, 2014, at the Blasco Event Wing, UNLV Foundation Building, 4505 Maryland Parkway, Las Vegas, Nevada 89154.

Board Members
Chair Don Snyder
Vice Chair Paul Chakmak
Secretary/Treasurer Michael Wixom
Mr. Rick Arpin
Regent Cedric Crear
Commissioner Chris Giunchigliani
Mr. Dallas Haun
Mr. Kirk Hendrick
Regent James Dean Leavitt
Mr. Sean McBurney
Ms. Kim Sinatra..................via telephone

CALL TO ORDER
Chair Snyder called the meeting to order at 12:02 p.m.

ROLL CALL OF BOARD MEMBERS
Laurel Knox, Administrative Director, called the roll. Members acknowledged their presence. A quorum of the members was present at roll call, including Member Sinatra via telephone. Chair Snyder acknowledged Sophia Long, Deputy Attorney General, who was at the meeting representing the Attorney General’s Office.

ITEM 1. PUBLIC COMMENT
Chris Lloyd, representing the International Union of Painters and Allied Trades, requested that the Campus Improvement Authority Board (CIAB) hire responsible contractors if a stadium was to be built. He submitted literature to Ms. Knox and asked that it be distributed to the Board members. Ms. Knox forwarded the literature to all members via email on Friday, July 24.

Hector Garcia, said he was representing painters, floor coverers, and drywall finishers, and requested that the CIAB refrain from hiring several companies that he felt were irresponsible.

Jeremy Keen, representing the International Union of Bricklayers and Allied Craftworkers, Local #13, Nevada, asked the CIAB to not conduct business with a regional masonry company.

Modesto Gaxiola, representing the United Union of Roofers, Waterproofers, and Allied Workers, Local #162, Nevada, said members of his union were currently working on a roofing project at UNLV. He asked that the CIAB consider a project labor agreement for the proposed stadium and any other projects within its jurisdiction.

Al Lopez, representing Sheet Metal Workers, Local 88, asked that the CIAB not contract with a local mechanical company.

Mark Sloat, local representative with American Seating, expressed his gratitude that his company has a working relationship with UNLV at the Thomas & Mack Center.
ITEM 2. **MINUTES**  
Chair Snyder requested approval of the June 19, 2014, UNLV Campus Improvement Authority Board meeting minutes.

Member Chris Giunchigliani motioned, seconded by Member Cedric Crear, and it was carried by unanimous vote of the voting members present, including Member Kim Sinatra via telephone, to approve the June 19, 2014, UNLV Campus Improvement Authority meeting minutes.

ITEM 3. **FEDERAL AVIATION ADMINISTRATION / AIRPORT ISSUES**  
**INFORMATION ONLY**

Captain Perry Clausen, Manager of Air Traffic Systems, Southwest Airlines Flight Operations, shared information regarding the stadium location options near McCarran International Airport. He complemented UNLV for considering the airport’s position regarding the proposed sites. He said that the original site would cause a significant negative impact on air operations and be disadvantageous to both the airport and UNLV.

Mr. Clausen stated that UNLV asked him to evaluate two alternative sites. He concluded that neither site would interfere with air traffic or have an impact on air operations; however, he felt that at either location, an open air stadium would be affected by the noise of aircraft taking off and landing. If the aircraft noise was found to be beyond toleration for an open-air stadium, Mr. Clausen suggested that a covered stadium be considered by the Board.

Various Board members discussed with Mr. Clausen and Gerry Bomotti, UNLV Sr. Vice President for Finance and Business, the limitations of the airfield, the usage of the runways, height restrictions, a Memorandum of Agreement between Clark County and UNLV, and other situations where the airline industry had been consulted regarding proposed stadium sites. Chair Snyder asked Mr. Clausen if an open air stadium was to be built, which location would be most favorable. Mr. Clausen replied that both sites were acceptable from an operations viewpoint, but the western site would be slightly preferable in his opinion.

Vice Chair Chakmak requested that arrival and departure data on the north/south runway be made available to the Board, to which Chair Snyder said that would be distributed before the August meeting.

ITEM 4. **PRESENTATION BY CONVENTION, SPORTS & LEISURE**  
**INFORMATION ONLY**

Bill Rhoda, Principal of Conventions Sports & Leisure International, (CSL) delivered a PowerPoint presentation regarding the economic impact and funding sources of the proposed stadium project. He stated that the CIAB had reached a “critical juncture” and that CSL needed the following addressed by the Board within 30 days: a consensus on the need for and the feasibility of a stadium; the stadium type, design, and seating capacity; and the funding sources and financing alternatives.

Mr. Rhoda detailed the economic benefits of each of the three stadium models, including the spending, employment, personal income, and tax income data. He also summarized the differences between the models and the cost variation. All three stadium models – domed, open air, and the “Baylor” option (stadium with a sophisticated shading system) – would operate from a positive pro forma perspective, according to Mr. Rhoda. The following public finance sources were discussed: sales tax increment in the resort corridor, sales tax increment in Clark County, incremental internet sales tax, room tax, auto rental tax, live entertainment tax, business tax, slot tax, and gaming tax. Mr. Rhoda commented that “some of these things are appropriate and some aren’t” and “there’s issues related to all of these.” Private finance sources mentioned were: naming rights, advertising and sponsorship, premium seating, seat licenses, up-front equity, donations and philanthropy, and net operating income. Mr. Rhoda said it was CSL’s position that the sales tax increment would be the most efficient way to fund this type of venue.
John Restrepo, Principal, RCG Economics, presented an analysis of projected revenue from a potential tax increment district corresponding with the City of Las Vegas and Clark County gaming overlay districts. Chair Snyder asked for Mr. Restrepo’s judgment on what “makes the most sense” fiscally. Mr. Restrepo responded that the decision is a philosophical one. One view is to utilize the countywide tax because “everyone benefits” from a stadium – the tourists, the resort industry, and the residents of Clark County. Another view is that the main users of the facility, the tourists from the resort corridor, be the primary producer of the tax increment.

Member Crear asked if there would be a sunset on the taxes being discussed. Guy Hobbs, Managing Partner, Hobbs, Ong & Associates, responded that the legislature would have to enable the taxes discussed, but thought there “would more than likely be a sunset on the actual application of the tax.” Member Giunchigliani asked if a portion of the liquor tax could be used for debt reduction of the stadium project, to which Mr. Hobbs said he would provide that information.

Member Sinatra ended her phone call at 1:02 p.m.

Mr. Hobbs mentioned that he felt the credit market is comfortable with the revenue production of a countywide tax. Chair Snyder added that in his opinion, the countywide tax has a more traditional structure, is more predictable, and more efficient in providing bond underwriting. Vice Chair Chakmak commented on the tax increment district and said that he felt the resort industry is not asking for a stadium to be built, but is highly supportive of getting UNLV to Tier 1 status. He also commented on the diversification of revenue sources. Mr. Hobbs responded that credit markets most often penalize general obligation bonding with higher coverage rates if there is a single revenue source. Member Leavitt said he felt that the tax should be equal and proportionate to whoever is determined to be the primary beneficiaries of the stadium.

Member Arpin asked about general obligation bonds and revenue bonds, to which Mr. Hobbs responded that the UNLV CIAB structure is similar to that of the LVCVA Board and then he explained how the LVCVA issues debt. Mr. Rhoda said that general obligation bonds are the “most efficient form of financing.”

Chair Snyder called for a break at 1:16 p.m. The meeting reconvened at 1:27 p.m.

**ITEM 5. FINANCIAL MODEL**

Mr. Bomotti and Mr. Hobbs provided a summary of each financial model based on the various building assumptions. A detailed PowerPoint presentation was given that accompanied the “UNLV Funding Model, 30 Year Projections, From RCG” document. The construction costs associated with the stadium models, debt service, capital reserve contributions, and operating reserve contributions were discussed.

Member Leavitt left the meeting at 1:37 p.m. and requested that a document he left with Chair Snyder be included in the meeting record. He did not return.

Secretary/Treasurer Wixom and Mr. Bomotti discussed the $100 million dollar site infrastructure cost presented in the summary. Mr. Bomotti stated that he felt the cost was reasonable and that Kimley-Horn & Associates were verifying the amount. UNLV also requested Kimley-Horn to analyze roadway expansion, intersections, and utility issues. Chair Snyder suggested that the infrastructure cost be further discussed, and if found to be incorrect, be brought up at the next CIAB meeting. Mr. Bomotti then said agenda item number six was covered in the discussion of agenda item number five and that additional information will be made available after a meeting with Clark County officials.
Member Crear said, “we’d almost be foolish not to go with the dome and do it, than to settle for not much.” Vice Chair Chakmak said that there is significantly more business risk associated with a bigger business, and that the information presented is merely forecast. Member Haun inquired about a noise study, to which Mr. Bomotti said he would follow up on that by the next meeting. Chair Snyder requested that decibel checks be conducted at the proposed sites.

Member Hendrick requested that the effect of the incremental tax on both a Clark County citizen and a visitor be brought back to the Board, to which Chair Don Snyder said that would be provided.

Chair Snyder complimented the experts who worked on the economic piece of the proposed stadium project – Gerry Bomotti, Guy Hobbs, John Restrepo, and CSL staff – saying their experience gave him a level of comfort on such a complex topic.

ITEM 6. SITE ISSUES AND TRAFFIC CONCERNS INFORMATION ONLY
Mr. Bomotti stated that item number six was addressed during the discussion of item number five.

ITEM 7. NEXT STEPS FOR POSSIBLE ACTION
Chair Snyder presented four possible resolutions necessitated by items four and five for the CIAB to recommend in the final report to be submitted to the legislature:

1) Need and feasibility for a stadium exists
2) Pro-Forma Assumptions - the scale and scope of the project
3) Financing Alternatives – funding options
4) Positive impact to the community

Chair Snyder said the “numbers clearly support the fact that there is an economic benefit” to building a stadium on the UNLV campus and asked for the Board’s opinions on the matter. Member Giunchigliani and Vice Chair Chakmak commented on the need and feasibility for a stadium. Chair Snyder reviewed the four proposed draft resolutions. He said from UNLV’s point of view, the focus of the stadium project is to meet the current and aspirational needs of the University. He added that the Baylor model is a good example of a state-of-the-art collegiate stadium that would meet UNLV’s needs and could serve as a “base case.” He then asked how far the Board would be prepared to go from that base threshold. Member Crear said he felt a domed stadium would provide UNLV and the community with generated revenue and set “us up to win for the future.” Secretary/Treasurer Wixom commented that he felt he still needed answers before he could make a decision. He requested a noise analysis of the stadium sites and a break-down of the site infrastructure costs. Member Arpin agreed with the request for clarification on the site infrastructure costs. He then asked for CSL’s perspective on the potential of a domed stadium to compete with existing events in privately-owned facilities.

Chair Snyder said he felt the most viable alternative of public funding for the proposed stadium is a countywide sales increment tax. Member Giunchigliani said she could support that recommendation if the Board reached a consensus, but does not support expanding the sales tax. Member Haun asked for clarification on AB 335, as to the CIAB’s role of weighing the priorities of Clark County or focusing on the aspirational needs of UNLV. Chair Snyder replied that the CIAB has a relatively narrow focus. He said the best the CIAB can do is to establish the need and feasibility for a stadium project and the recommendation should include the model, the cost, the most logical funding source, and back-up documentation of other options. Vice Chair Chakmak commented that he felt without some third party funding source, “You can’t do it,” to which Chair Don Snyder replied “That’s a very accurate point.” Member Haun then asked if it was possible to recommend that the CIAB felt it is too early in the economic recovery cycle of the region to move forward with a stadium project. Member Giunchigliani replied that she felt there was nothing wrong with looking into that, but cautioned against causing delay. Member Haun responded that he was trying to clarify the legislative mandate.

Member Giunchigliani left the meeting at 2:46 p.m. and did not return.
Member Hendrick requested that the term “Baylor model/option” be renamed to a more generic term to avoid confusion, to which Chair Snyder said that was a valid point and would be considered.

ITEM 8. ADDITIONAL BUSINESS INFORMATION ONLY
Chair Snyder referred to the hand-out titled “CSL Expenses Through June 2014” and said all expenditures were within the approved parameters.

ITEM 9. FUTURE MEETINGS FOR POSSIBLE ACTION
Chair Snyder reminded the Board of upcoming CIAB meetings. The remaining meetings are scheduled for August 28, September 11, and September 25.

ITEM 10. PUBLIC COMMENT
Margo Veranes, representing the International Union of Painters and Allied Trades, District Council 15, asked if the financial model numbers from agenda item number five could be made available to the public. She also requested that the assumptions and models used to calculate the economic benefits on slide number six of Mr. Rhoda’s PowerPoint presentation be made available. Chair Snyder said that Ms. Knox would be available to work with Ms. Veranes regarding her requests.

ITEM 11. ADJOURNMENT FOR POSSIBLE ACTION
Chair Snyder adjourned the meeting at 2:49 p.m.