

Southern Nevada Sporting Event Committee

Las Vegas, Nevada

Meeting Minutes | Wednesday, September 12, 2018

The Southern Nevada Sporting Event Committee met in regular session in full conformity with law and bylaws of said Committee at the City of Las Vegas Council Chambers, Las Vegas, Nevada on Wednesday, the 12th day of September, 2018 at the hour of 1:08 p.m. The meeting was called to order at the appointed hour by Chairman Anderson and on roll call, the following members were present constituting a quorum of the members thereof:

Committee Members Present:

Chairman Paul Anderson
Vice Chairman Dallas Haun
Andrew Abboud (Via Phone)
Marc Badain
Peter Dropick (Via Phone)
Mayor Carolyn Goodman
Steve Hill
John Hill, III
John Maddox
Bill Noonan
Rossi Ralenkotter (Via Phone)
Chancellor Thomas Reilly
Mary Beth Sewald (Via Phone)
Scott Sibella
Kim Sinatra (Via Phone)
Commissioner Steve Sisolak
Steven Stallworth

Committee Members Absent:

Michael Britt
John McManus
Peter Sadowski

Non-Voting Technical Advisory Members Present:

Guy Hobbs, Hobbs, Ong & Associates
Rosemary Vassiliadis, McCarran International Airport
Yolanda King, Clark County Manager
Murray Craven, Senior Vice-President of Operations for the Vegas Golden Knights

ITEM NO. 1 Call to Order, Roll Call and Establish Quorum

DISCUSSION: At this time, Chairman Anderson asked Mr. Brian Gordon of Applied Analysis to call roll and confirm that a quorum was present.

Chairman Anderson Closed Agenda Item No. 1.

ITEM NO. 2 Public Comment

At this time, Chairman Anderson asked if there were any persons present in the audience wishing to be heard on any items on the agenda as posted.

SPEAKER(S): None.

There being no persons present in the audience wishing to be heard on any items on the agenda as posted, Chairman Anderson closed the public comments.

DRAFT

ITEM NO. 3 Chairman/Committee Member Comments

DISCUSSION: Chairman Anderson thanked members of the committee for their attendance. He explained that over the next few meetings the committee will consider the function of other jurisdictions and sports commissions and what event promoters look for relative to operating events. He noted that the committee would begin to discuss possible recommendations for the October meeting with regard to the creation of a designated sports commission in accordance with Executive Order 2018-7.

Chairman Anderson Closed Agenda Item No. 3.

ITEM NO. 4 Review and Possible Approval of Minutes of the Southern Nevada Sporting Event Committee Meeting on July 12, 2018 (For possible action)

FINAL ACTION: It was moved by Member Thom Reilly, seconded by Member Bill Noonan and carried by a unanimous vote of the members present that the minutes be approved.

Chairman Anderson Closed Agenda Item No. 4.

ITEM NO. 5 Receive an Update from Southern Nevada Sporting Event Committee Staff Relating to Committee Administrative Items and Progress on Research Assignments

DISCUSSION: Mr. Brian Gordon of Applied Analysis welcomed members of the Technical Advisory Committee present and explained that, in accordance with Executive Order 2018-7, Mr. Peter Dropick had been appointed to the Southern Nevada Sporting Event Committee and would be attending the meeting by phone. Mr. Gordon presented the committee with an interactive chart, made available on the committee's website, which is intended be used to review data on sports commissions, including estimated budget, size of metropolitan statistical area served, major city-wide bid events hosted and sponsored/amateur events hosted. Mr. Gordon also provided a brief update on expectations for the content of future meetings.

Chairman Anderson Closed Agenda Item No. 5.

ITEM NO. 6 Receive Presentation from Mr. Al Kidd, President and CEO of the National Association of Sports Commissions

DISCUSSION: Mr. Al Kidd gave a presentation on the nature of sports commissions generally, discussing their scope of activities and legal structures. He gave an update on the sports tourism industry and explained the nature of owning and operating events as a sports commission. He also explained generally how sports commissions utilize partnerships to grow and develop proprietary events. He concluded his presentation by discussing the difference between a convention and visitors bureau (CVB) and stand-alone entities with regard to funding mechanisms and oversight to operate events.

Questions from the committee following Mr. Kidd's presentation. Mr. Rossi Ralenkotter asked about the nature of supplanting existing major conventions with new sporting events. Mr. Kidd explained that this would likely be the case in some instances. He explained that Las Vegas would have to weigh the benefits of individual events to determine which events to pursue. Mr. Ralenkotter stated that he believes that it is important to pursue events consistently through a single "voice" to ultimately achieve the goal of securing events with large economic impacts. Mr. Kidd noted that it is important to have consistency across organizations in determining which events to pursue and how to fund them. Chairman Anderson asked about Mr. Kidd's experience with membership revenues and how that process works generally. Mr. Kidd discussed various examples of members across several cities, included his experience in San Diego, California. Chairman Anderson also asked about the flexibility of some of the major amateur sports organizations with regard to scheduling. Mr. Kidd

DRAFT

explained that some of these organizations are flexible and dates can be negotiated in many cases. Mr. Steven Stallworth asked about Mr. Kidd's experience and how the organization worked to satisfy local residents with activities owned and operated in the destination. Mr. Kidd discussed the term "ROM" (return on mission), and the intangible impact of championing activities in the destination.

Chairman Anderson Closed Agenda Item No. 6.

ITEM NO. 7 Receive Presentations on Major City-wide Bid Events from a Panel to Include Mr. Sam Joffray (Greater New Orleans Sports Foundation), Mr. Adam Kerns (Conventions, Sports and Leisure International) and Mr. Frank Supovitz (Fast Traffic Events and Entertainment)

DISCUSSION: Mr. Brian Gordon of Applied Analysis introduced the Major City-wide Bid Events Panel. He described generally the economic impact associated with these types of events and introduced the panel participants.

Mr. Adam Kerns provided an overview of bid requirements specified by host organizations for the NCAA Men's Final Four Championship, NCAA College Football Playoff, Copa América Centenario, WrestleMania and the NFL Super Bowl. He also explained the nature of creating a local organizing committee (LOC) to manage and host a major sporting event. After Mr. Kerns' presentation, Chairman Anderson asked the committee if there were any questions. Mr. Marc Badain asked if the bid specifications presented were recent, and if there was an expectation that these requirements would change. Mr. Kerns explained that the bid packages extend through 2020, but he expects that sports leagues will ask for more if they can increase revenues. Mr. Badain also asked about the opportunity to capture revenues from ancillary events associated with major events. Mr. Kerns stated that the host committee and community partners have the opportunity to capitalize on revenue-generating opportunities on other events. Mr. Badain asked about the opportunity the region has to create incentives for sports leagues. Mr. Kerns explained that Las Vegas has the ability to create an enhanced experience for the sports leagues and their fans. Mr. Scott Sibella asked about the availability of space and nature of covering expenses for the events, the estimated budget for large events and if commissions seek to recover all costs for hosting the event. Mr. Kerns responded by stating most host jurisdictions are likely to seek recovery of all costs. Mr. Sibella also asked about the security necessary for large events. Mr. Kerns responded, noting that those costs are typically covered by host jurisdiction. Mr. John Hill, III asked if there was any "weakness" Mr. Kerns could identify relative to Las Vegas seeking major event bids. Mr. Kerns responded stating that Las Vegas already has a busy calendar already, but that Las Vegas has the infrastructure necessary to host large bid events. Mr. Steve Hill asked Mr. Kerns if there were restrictions on the host jurisdiction for large events. Mr. Kerns explained that a large event can place restrictions on use of the event venue and surrounding area for the duration of the event, potentially for days leading up to the event and while the infrastructure closes out post-event.

Mr. Sam Joffray gave an overview on his experience with the Greater New Orleans Sports Foundation and the history of securing and operating large events in New Orleans. Mr. Joffray explained that there is a negotiation process involved with getting exemptions for some bid specifications provided by the host organization. He discussed the nature of operating a full-time, permanent organization and accompanying slow periods. He noted that the organization owns and operates some events for sustainability purposes. Mr. Joffray also explained a process by which the organization reaches out to the event partner to present available dates suitable for hosting a particular event. He also noted the legal importance of a local organization with regard to being the contracting agency for large events.

Mr. Frank Supovitz provided an overview on his experience writing the bid specification documents for the NCAA Men's Final Four and the NCAA College Football Playoff, acting as senior vice-president of events for the NFL and head of events for the NHL during his career. He noted that there

DRAFT

are key differences in how bid processes work for various sports leagues. He explained the bid process for the NFL Super Bowl generally and how bid recommendations are made. He described the move to a more “strategic” bid process than the historical open bid process, which will see the NFL approach cities with the opportunity to host a Super Bowl (in certain circumstances). He also discussed examples of cities modifying bid specifications to accommodate sports leagues.

After the presentations from Mr. Joffray and Mr. Supovitz, Chairman Anderson opened up the discussion for questions from the committee. Mayor Carolyn Goodman asked if a large event could possibly shut down the city for a period of time. Mr. Joffray responded that similar issues have occurred in New Orleans and explained how they accounted for conflicts on the destination calendar. Mr. Supovitz also indicated that extended time requirements for sports leagues will typically include just the venue, not necessarily the entire destination. He also explained how adjustments can be made throughout a market to account for bid requirements for the NFL and he also discussed advertising specific to the Super Bowl. Mayor Goodman asked about how many years out a committee would look to bid on sporting events. Mr. Joffray noted that in cases where there was a conflict on the calendar, the sports foundation would approach the organization to negotiate a different date or look to adjust an existing event’s date. Mr. Bill Noonan asked Sam Joffray about the key funding source for the Greater New Orleans Sports Foundation. Mr. Joffray explained that permanent sources of funding exist for staffing, including a video-slot tax that helps to cover day-to-day operations. He also explained that the organization sets up a separate 501(c)(3) organization to cover large events with separate funding streams that are both public and private. Mr. Bill Noonan asked a question of Mr. Guy Hobbs, with the committee’s technical advisory team, regarding the waiving of state and local taxes during a specific timeframe. Mr. Hobbs responded, noting that more research would be necessary to determine if there is flexibility to waive or abate those taxes. Mr. Hill noted that he did not think there was a current mechanism to abate those taxes. Mr. Hill also asked a question about the cost of hosting a Super Bowl to determine if the range presented is realistic. Mr. Supovitz explained that in more recent years, the range is between \$40 to \$60 million. Mr. Joffray added to that response, describing some of those most expensive components that contribute to the host jurisdiction’s cost. Chancellor Thom Reilly asked about the importance of public transportation in securing bids. He also asked about the likelihood of receiving a Super Bowl bid following the construction of a new building. Mr. Supovitz noted that a new stadium does not necessarily guarantee a Super Bowl will be granted.

Chairman Anderson Closed Agenda Item No. 7.

ITEM NO. 8 Receive Presentations on Sponsored and Developing Events from a Panel to Include Mr. Akosa Akpom (UFC), Mr. Michael Ferrazza (Feld Entertainment), Mr. Albert Hall (NBA Las Vegas Summer League), Mr. Don Logan (Las Vegas 51s) and Mr. John Saccenti (Las Vegas Bowl)

DISCUSSION: Mr. Brian Gordon of Applied Analysis introduced the Sponsored and Developing Events panelists. He thanked the panel members for their participation in the committee meeting. He described the nature and economic impact of sponsored and developing events, and he explained that these events should be considered when evaluating the need for a designated sporting event committee per Executive Order 2018-7.

Mr. Albert Hall gave a presentation on the NBA Summer League and development of that event. He discussed the growth and the impact of the league. He spoke in depth about the nature of securing sponsors and growing business partners. He also discussed the importance of ancillary and hospitality events surrounding the Summer League as well as the impact the Summer League has on the community. After Mr. Hall’s presentation, Mayor Goodman thanked Mr. Hall for his work with the NBA Summer League.

DRAFT

Mr. Don Logan gave a presentation on the development of Big League Weekend in Las Vegas. He discussed the collaboration between the Las Vegas 51s and the Las Vegas Convention and Visitors Authority (LVCVA) to develop the event and meet identified objectives. Mr. Logan also described the positive impact of having MLB teams visiting and playing games in Las Vegas. He noted that the MLB winter meetings will be back in Las Vegas in December.

Mr. Akosa Akpom gave a presentation on the UFC generally, the scope of activities for the organization and the economic impact of UFC events on Las Vegas. He discussed the history of UFC events in Las Vegas and described the nature of main events and ancillary events and how UFC organizes events for fans. After the presentation, Chairman Anderson asked Mr. Akpom how the UFC would work with entities like the LVCVA or Las Vegas Events (LVE) to develop events. Mr. Akpom discussed generally how the UFC uses market data to effectively market and operate events in each market in which they operate. He suggested that a sports commission could likely help organizations to understand what needs to happen to make events successful in Las Vegas.

Mr. John Saccenti gave a presentation on the development and operation of the Las Vegas Bowl. He discussed the timing of the bowl game and the importance of the economic impact the Las Vegas Bowl brings to the area in December of each year. He also discussed the cost to secure the bowl participants and the beneficiaries of the game throughout the week as well as the growth of the game since its inception. He discussed the importance of the support of the entire community in growing the success of the bowl game. Following Mr. Saccenti's presentation, Mr. Noonan asked if the impact of the new stadium on the Las Vegas Bowl is being considered. Mr. Saccenti stated that the bowl is already working on discussing conference participants for the game. He suggested that the financial commitment paid to college teams likely needed to increase to attract higher caliber teams. Mr. Steve Hill asked about how television revenue is factored into the decision making. Mr. Saccenti responded, noting that the ESPN events staff is responsible for the development of the game, not necessarily the outcomes for ESPN. Mr. Scott Sibella asked who promotes the game and who collects ticket revenues. Mr. Saccenti stated that the Las Vegas-based office does and that ticket allotments are negotiated into contracts with teams to mitigate the risk of operating the bowl game.

Lastly, Mr. Mike Ferrazza gave a presentation highlighting the various events operated by Feld Entertainment. He noted that the Monster Jam World Finals is being moved from Las Vegas to Orlando, Florida. Mr. Ferrazza discussed the role the Orlando Sports Commission played in helping Feld Entertainment to host and operate the event there. He also noted that he believes the events that Feld Entertainment operates have a place in the discussion regarding the development of a sports commission. After Mr. Ferrazza's presentation, Mr. Badain asked how many days events like Monster Jam tend to last. Mr. Ferrazza responded that the event spans three days, expanding the total event to about 5 days.

Chairman Anderson Closed Agenda Item No. 8.

ITEM NO. 9 Chairman/Committee Member Closing Comments

DISCUSSION: Chairman asked Mr. Gordon if there was an update on details for the next meeting. Mr. Gordon explained that the staff was still finalizing speakers for the upcoming meeting that would participate in two panels: an Amateur Events Panel and an Other Events Panel.

Chairman Anderson Closed Agenda Item No. 9.

ITEM NO. 10 Public Comment

At this time, Chairman Anderson asked if there were any persons present in the audience wishing to be heard on any items on the agenda as posted.

SPEAKER(S): None.

DRAFT

There being no persons present in the audience wishing to be heard on any items on the agenda as posted, Chairman Anderson closed the public comments.

Chairman Anderson Closed Agenda Item No. 10.

ITEM NO. 11 Adjournment (For possible action)

FINAL ACTION: It was moved by Vice Chairman Dallas Haun, seconded by Major Goodman and carried by unanimous vote that the meeting be adjourned.

The meeting was adjourned at the hour of 5:05 p.m.