

Southern Nevada Sporting Event Committee

Las Vegas, Nevada

Meeting Minutes | Wednesday, October 10, 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 10th day of October, 2018 at the hour of 1:05 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
Marc Badain
Michael Britt
Peter Dropick
Mayor Carolyn Goodman
Steve Hill
John Hill, III
John Maddox
John McManus
Rossi Ralenkotter
Chancellor Thomas Reilly
Peter Sadowski
Mary Beth Sewald
Scott Sibella
Kim Sinatra (Via Phone)
Commissioner Steve Sisolak
Steven Stallworth

Committee Members Absent:

Bill Noonan

Non-Voting Technical Advisory Members Present:

Guy Hobbs, Hobbs, Ong & Associates
Rosemary Vassiliadis, McCarran International Airport
Murray Craven, Senior Vice-President of Operations for the Vegas Golden Knights
Tina Quigley, Regional Transportation Commission of Southern Nevada

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

DISCUSSION: At this time, Chairman Paul Anderson asked Mr. Brian Gordon of Applied Analysis to call roll. Mr. Gordon confirmed 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): Mr. Gary Boren of the Laughlin Anderson Auto Group Athletic Facility introduced himself and made it known to the committee that a new indoor athletic facility was being constructed in Bullhead City. The facility is due to open in March of 2019. He also voiced his support for the

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committee members with regard to deciding about how to best use athletic facilities in Southern Nevada. Chairman Anderson thanked Mr. Boren for his testimony and welcomed him to Nevada.

ITEM NO. 3 Chairman/Committee Member Comments

DISCUSSION: Chairman Anderson thanked Mayor Goodman for the use of the facilities. He noted that the committee would review a presentation with the purpose of narrowing down the scope, governance and funding that a potential sports commission would be responsible for, with the goal of fulfilling the requirements of 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 September 12, 2018 (For possible action)

FINAL ACTION: It was moved by Mr. Steve Hill, seconded by Mr. Marc Badain and carried by unanimous vote that the meeting 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 and Research Items

DISCUSSION: Mr. Brian Gordon of Applied Analysis noted that the meeting materials for the current meeting were available on the committee website for public viewing. He also addressed a request from Ms. Mary Beth Sewald from the previous committee meeting, stating that the committee is currently working to bring a formal response to her previous question related to best practices for sports commissions.

Chairman Anderson Closed Agenda Item No. 5.

ITEM NO. 6 Committee Workshop to Discuss and Evaluate: (1) Mandates of Nevada Executive Order 2018-7; (2) Scope of a Potential Sports Commission and/or Committee; (3) Funding of a Potential Sports Commission and/or Committee; (4) Governance of a Potential Sports Commission and/or Committee; and (5) Additional Research and/or Analysis Deemed Necessary

DISCUSSION: Mr. Gordon gave a presentation on the goals and outcomes associated with Executive Order 2018-7. He identified key decision points that the committee would address during meetings and introduced the varied options generally associated with each one: scope of activities, funding and governance structure. He reviewed the types of events and information that had been brought before the committee in prior meetings by presenters from the previous two meetings related to Major City-wide Bid Events, Sponsored and Developing Events, Amateur Events and Other Events. He discussed the range of responsibilities that a potential sports commission may be involved with related to sports events. Mr. Rossi Ralenkotter commented on the inter-related nature of the range of responsibilities that is necessary to successfully host events. He noted that the scope of activities will also be tied to various aspects of hosting events, including for example, the nature of funding. Chairman Anderson commented that the funding for a sports commission would likely have an impact on the scope for organization. Mr. Peter Sadowski asked whether a sports franchise would fall within the scope of a potential sports commission. Chairman Anderson commented that a sports commission would likely be more involved with specific events, rather than a permanent sports franchise. Mr. Sadowski asked whether a sports commission would act as a liaison for a new sports franchise. Mayor Carolyn Goodman commented on the nature of room availability and ability of a sports commission to negotiate available dates and seeking new events to bring to Southern Nevada. Mr. Steve Hill responded to Mr. Sadowski's question regarding the role of a sports commission and the recruitment of a new sports franchise, noting that recruitment of new sports franchises likely falls

outside the scope of a sports commission as it relates to Executive Order 2018-7. Mr. Sadowski asked whether multiple events from a franchise would align with the goals of a potential sports commission per Executive Order 2018-7. Mr. Hill responded, noting that he believed multiple events from a professional franchise did not fall under the scope of Executive Order 2018-7. Mr. John Hill, III suggested the committee discuss the governance of a potential sports commission or an existing organization and proposed three options going forward: (1) suggesting creation of a dedicated sports commission, (2) not recommending a sports commission, leaving Las Vegas Events (LVE) to take on that role as an independent entity, and (3) merging Las Vegas Convention and Visitors Authority (LVCVA) and LVE together to work collaboratively to bring events to Southern Nevada. Ms. Kim Sinatra commented on the need to leverage a full-time, experienced staff to bring new events to Southern Nevada.

Mr. Gordon continued his presentation, discussing the sources used to fund other organizations. He noted the variation in how sports marketing organizations operate to bring events to their respective cities. Mr. Gordon commented generally on the impact of event sponsorship in Southern Nevada, using data from LVCVA and LVE on events taking place in Southern Nevada, explaining that \$14.2 million in direct sponsorship from LVCVA and LVE was used on events that generated an economic impact of over \$750 million. Mr. Gordon noted that the \$14.2 million was not directly responsible for over \$750 million in economic output, rather the amount simply supported events that generated that output. Mr. Marc Badain asked Mr. Gordon whether the total investments from LVCVA and LVE included elements provided by the event holders that could be used to generate other economic. Mr. Hill clarified the amounts coming from LVCVA directly and LVE to account for the \$14.2 million discussed. Mr. Ralenkotter explained the importance of considering the media value associated with some major events that are not generally included in the total economic impact. Mr. Gordon presented a pro forma calendar for major bid events to provide a sample scenario for the committee's consideration with event timelines. Mayor Goodman asked if staff could overlay major conventions on the calendar over the major event bids. Mr. Gordon noted that staff would try to work with the industry to better understand how major events would fit around large conventions in Southern Nevada. Mayor Goodman also asked if analyses included the development of new hotel rooms and the effect the capacity to host future events. Mr. Gordon discussed generally, the public revenue sources that exist currently and presented a table showing the annual impact of incremental rate change to various existing tax sources including, for example, the Live Entertainment Tax and Specialty License Plate Fees.

At this time Chairman Anderson briefly discussed the nature of creating revenue streams and opened up the meeting to committee comments. Mayor Goodman asked whether it was beneficial to hear from Mr. Ralenkotter and Mr. Pat Christenson on how the committee should proceed in determining a recommendation. Chairman Anderson reviewed the viable options that the committee is considering relative to a dedicated sports commission. Mr. Hill suggested that the funding discussion be used to determine what governance options exist and the committee may seek to identify alternative options, other than seeking legislative action to fund the sponsorship of future sporting events. Vice-Chairman Dallas Haun commented, stating that seeking new tax legislation will likely be a difficult task. Mr. Andrew Abboud noted that he believed that LVE and LVCVA could work together, within the existing infrastructure, to host large-scale events. Mr. Ralenkotter discussed the history of funding for LVCVA and Senate Bill 170 and the changes that followed, making it difficult for LVE to build up funds to host events and making the organization more reliant on LVCVA to fund the organization. Ms. Sinatra asked if Mr. Ralenkotter could explain the relationship between LVCVA and LVE and how the committee could be sure that the two organizations are operating efficiently. Mr. Ralenkotter responded by explaining the production-oriented work that LVE is involved with and the role that both organizations play in hosting events. Mr. Sadowski commented, stating that creating a new organization did not seem necessary. He also asked if it would be necessary to bring in new staff to handle large-scale events. Mr. Ralenkotter stated that the existing staff was already

involved in marketing for events. Mr. Sadowski asked if Mr. Ralenkotter believed the existing staff was able to handle the events considered by the committee. Mr. Ralenkotter responded, stating the staff is already handling marketing and sales, but that as a group, the committee should discuss the most efficient way to structure to bring new events to Southern Nevada. Ms. Sinatra responded to Mr. Ralenkotter, stating that marketing is part of bringing in new events, but also asked how these events are different than what LVCVA and LVE are already engaged in and what is needed, if anything, to be able to successfully host major events. Mr. Ralenkotter responded, stating that LVCVA had already done some work in the field with the Raiders related to the National Football League (NFL) Draft and that marketing is an important part of bringing in sporting events. Ms. Sinatra discussed the bid to host the National Republican Convention, and the possibility of wasting resources due to a lack of experiential knowledge about these types of events. Mr. Ralenkotter noted that the LVCVA had been contacted previously about political national conventions, however the needs of the organizations was restrictive relative to having other events in Las Vegas. Mr. Scott Sibella reiterated the importance of having a new facility capable of handling large-scale events, and the issue presented by the structure of LVE and LVCVA with both organizations seeking events. Commissioner Steve Sisolak asked whether the city could expect to host events like a neutral-site college football game every year and whether some of the events considered would have the expected impact on hotel room nights relative to others. Mr. Abboud discussed the idea that some events would be supplanted by larger, more-impactful events now that the city could expect to leverage a new facility capable of hosting larger events and that the committee should consider using the existing infrastructure to attract large-scale events. Mr. Steven Stallworth asked if it would be possible to hear from Mr. Christenson on the benefits of being an independent organization when attracting events.

Mr. Christenson discussed the scope of work of LVE and how the existing system in place has affected LVE bringing visitors to Southern Nevada. He stated that he believed LVE could be more productive with more independence and could provide both media impacts and visitor impacts. He suggested that leaving the sports marketing to LVCVA could cause the city to lose the experiential expertise in hosting and attracting events. Mr. Sadowski asked about the benefits of having a private entity handle events as opposed to a public body. Mr. Christenson responded, noting that he believed the private status of the organization is not that important relative to the other concepts he discussed. He stated that private entities maintain an advantage in negotiating; however, there are avenues to negotiate competitively as a public entity. Mayor Goodman asked about the governance structure of LVE and how the appropriation from a public entity affects the organization. Mr. Christenson stated that an available fund for sporting events would make the organization more effective. Mayor Goodman asked Mr. Christenson how he envisioned funding for LVE. He suggested that it was more important to prioritize how funds are spent on bringing visitors to Las Vegas and that the organization has an exclusive role in marketing events. Mayor Goodman asked Mr. Ralenkotter if he shared the opinion of Mr. Christenson. Mr. Ralenkotter reiterated the importance of marketing and media due to the popularity of social media and getting the most return for dollars spent on events. Mr. Sadowski asked if LVE could be converted into a public entity. Mr. Sibella suggested that it would be counterproductive to undo any existing structure to the LVE and LVCVA. Mr. Sadowski added, noting the transparency from public entities may be an added benefit for the public if possible. Mr. Sadowski asked if the committee should consider LVE becoming a public entity if the private status of LVE does not matter with regard to negotiating events. Mr. Sibella stated he thought the status of LVE as a private entity does matter. Chairman Anderson commented on the importance of maintaining transparency for funding of LVE. Mr. Christenson added that the LVE would no longer act in the capacity it currently does if it becomes absorbed into LVCVA.

Commissioner Sisolak asked if Mr. Badain could weigh in on the structure of LVE. Mr. Badain stated he did not believe there was a need to create a new entity. He noted that community leaders have been able to work together to achieve goals, and that putting together an ad hoc committee to serve

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different events may be a beneficial practice to consider. He reiterated the need to find a funding source and define the goals of the destination overall. Chairman Anderson added that the mission of the entity tasked with bringing events to the city should be well-defined and asked Mr. Ralenkotter and Mr. Hill to comment on how LVCVA prioritizes events. Mr. Hill reviewed the various priorities of the LVCVA and discussed how the LVCVA uses metrics like hotel room nights and economic impacts to prioritize events. Mr. Ralenkotter added that exposing the destination to a population is an important part of events. Chairman Anderson commented on how a convention and visitors bureau may see sporting events relative to a designated sporting event commission. Mr. Ralenkotter added that Las Vegas should want to be a "Super Bowl City". Mayor Goodman stated that it might be helpful to keep the autonomy for LVE, but to continue to keep the organization married to LVCVA and better define the role of LVE. Mr. Christenson commented on the disparity between the allocation for events and the allocation for marketing. He suggested that there is confusion in the industry about which organization handles events for the destination.

Mr. Abboud suggested that LVE and LVCVA provide a plan to the committee with a budget for the consideration. Vice-Chairman Haun agreed with the comment from Mr. Abboud. Ms. Sinatra also agreed with Mr. Abboud. Chairman Anderson summarized the discussion from the committee and directed to staff that the committee did not want to explore creating a new entity. Mr. Sadowski asked staff to research any issues with regard to converting LVE from a private to a public entity and voiced a desire to have more transparency. Mr. Badain added that LVE and LVCVA should be tasked with creating ad hoc committees for different events. Commissioner Sisolak commented on the open meeting law and the need to preserve safeguards to govern open meeting requirements during negotiations for events. Chairman Anderson echoed the statements made by Commissioner Sisolak. Mr. Hill requested that staff research open meeting requirements to inform any recommendation related to negotiations by LVE or LVCVA. Mayor Goodman asked if a 501(c)(3) designation would allow LVE to negotiate terms without being at a disadvantage. Mr. Hill clarified the open meeting law with regard to services provided for a government by an outside organization and Chairman Anderson asked staff to add that to the research agenda. Mayor Goodman discussed the use of nondisclosures for private negotiations. Mr. Ralenkotter noted that the open meeting law is activated when expenditures actually take place. Mr. Michael Britt asked if it was appropriate to have LVE and LVCVA work together to propose a structure for the two entities to the committee for review. Chairman Anderson stated that the committee would ask LVCVA and LVE to work with staff to provide any recommendations.

Chairman Anderson Closed Agenda Item No. 6.

ITEM NO. 7 Chairman/Committee Member Closing Comments

DISCUSSION: Chairman Anderson thanked the committee members for their participation in the committee meeting.

Chairman Anderson Closed Agenda Item No. 7.

ITEM NO. 8 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.

Chairman Anderson Closed Agenda Item No. 8.

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ITEM NO. 9 Adjournment (For possible action)

FINAL ACTION: It was moved by Mr. Dallas Haun, seconded by Mr. Andrew Abboud and carried by unanimous vote that the meeting be adjourned.

The meeting was adjourned at the hour of 3:00 p.m.