



CONVENTION AND VISITORS AUTHORITY

**REGULAR MEETING OF THE BOARD OF DIRECTORS
AUGUST 12, 2008
MINUTES**

The Regular Meeting of the Board of Directors of the Las Vegas Convention and Visitors Authority was held the 12th day of August 2008 at the Las Vegas Convention Center, 3150 Paradise Road – Las Vegas, Nevada 89109. This meeting had been properly noticed and posted in compliance with the “Nevada Open Meeting Law”.

OPENING CEREMONIES

CALL TO ORDER

Chair Oscar Goodman called the meeting to order at 9:00 a.m. The following Members were present, constituting a quorum thereof.

Mayor Oscar Goodman, Chair

Mr. Keith Smith, Vice Chair

Mayor James Gibson, Sec./Tr. Entered after Roll Call

Mr. Charles Bowling

Councilman Larry Brown

Commissioner Tom Collins

Mayor Susan Holecheck

Mayor Michael Montandon

Mr. Scott Nielson

Councilman Mike Pacini

Mr. Andrew Pascal..... Entered after Roll Call

Absent:

Mr. Tom Jenkin

Ms. Kara Kelley

Commissioner Rory Reid

LVCVA
Executive
Staff in
Attendance

Rossi Ralenkotter, President/CEO
Terry Jicinsky, Senior Vice President – Marketing Division
E. James Gans, Senior Vice President – Operations Division
Luke Puschnig, Legal Counsel

INVOCATION
FLAG SALUTE

Pastor Travis Ogle - Hope Baptist Church, presented the invocation.
The Flag Salute followed the invocation.

APPROVAL OF THE AGENDA / MINUTES

APPROVAL OF
THE AGENDA
and
APPROVAL OF
THE MINUTES

President Rossi Ralenkotter informed the Board that the August 12, 2008 Agenda was in order for approval as well as the minutes of the July 8, 2008 Regular Meeting of the Board of Directors.

Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to approve the August 12, 2008 Agenda and the minutes of the July 8, 2008 Regular Meeting of the Board of Directors as presented.

[MEMBER ANDREW PASCAL ENTERED THE MEETING]

STAFF REPORTS

OPERATIONS DIVISION

MPEP 11
NEVADA POWER
COMPANY AND
SOUTHWEST GAS
UTILITY
RELOCATIONS
(BID #08-2105
PWP-CL- 2008-411)

The Master Plan Enhancement Program requires that the *Nevada Power Company* and *Southwest Gas* utilities located in Orange Drive be relocated to avoid conflicts with new foundations of the New Desert Inn Meeting Room Project. To facilitate construction of the New Desert Inn Meeting Room Project and maintain the overall MPEP schedule, the Utilities Relocation Project must be complete prior to March 2009.

Based on the specifications provided by *MWH Americas*, and reviewed by the Project Development and Operations Staff, bids were received from three companies with *Rice Construction, Henderson, Nevada* the lowest and responsible bidder at \$1,229,930.

In response to inquires from the Board, Senior Vice President Jim Gans explained the importance of completing these utility relocations at this time, rather than in the future.

Fiscal Impact:

FY 2009 Estimated: \$1,220,930 (Capital Fund – MPEP)
This expenditure has been budgeted for in the FY 2009 budget

Following the discussion, Member Tom Collins moved and it was carried by unanimous vote of the members present to: 1) Award MPEP-11: Nevada Power Company and Southwest Gas Utility Relocations to Rice Construction, Henderson, Nevada in the estimated amount of \$1,229,930; and 2) Authorize the Director of Purchasing to execute the contract documents.

[MEMBER JAMES GIBSON ENTERED THE MEETING]

INTERSTATE-15
CORRIDOR
TRANSPORTATION
COORDINATION
AGREEMENT
EXTENSION

*The Skancke
Company, Ltd.*

An extension of the Transportation Coordination Agreement (as amended) with *The Skancke Company, Ltd.* in the amount of \$450,900 for the first extended term is necessary to provide representation for the LVCVA in transportation-related activities. The First Amendment to the Transportation Coordination Agreement provides for one additional 1-year renewal of the Agreement for fiscal year 2010 upon approval by the LVCVA Board of Directors.

Mr. Thomas Skancke, President of *The Skancke Company, Ltd.*, updated the Board on the Interstate-15 Express Lanes project; truck climbing lanes; the High Desert Corridor; Interstate-11 (new 6-lane Interstate highway from Phoenix to Las Vegas); Interstate-15 and Interstate-215 Corridor Connector; and, Rail service from Southern California to Las Vegas.

Member Bowling stated that due to the current economic situation, everyone is tasked with doing a lot more with less. He wanted to make sure that Staff had taken a look at this contract and the Scope of Responsibilities, and reprioritizing where the time and monies are being spent.

Staff explained that they had increased the Scope of Responsibilities to provide additional services, including more involvement in the rail system.

Member Bowling asked whether the Board has the flexibility to realign, renegotiate, terminate contracts, if need be.

OPERATIONS DIVISION (Continued)

INTERSTATE-15
CORRIDOR
TRANSPORTATION
COORDINATION
AGREEMENT
EXTENSION
*The Skancke
Company, Ltd.*

Legal Counsel Luke Puschnig and President/CEO Rossi Ralenkotter informed the Board that this contract has a termination clause of either party with a 30-days notice, which is standard on all LVCVA contracts.

Member Susan Holecheck acknowledged Mr. Skancke and his team for their dedication and hard work.

(Continued)

In answer to Chair Oscar Goodman's inquiry of the status of truck lanes through Nevada, Mr. Skancke explained that this was a very sensitive and political issue, and mentioned that possibly a Resolution from the Board of Directors, the City and the County might be of some significance in making their position on this matter known.

REQUEST
Resolution
[Not an Agenda Item]

Chair Oscar Goodman requested an item be placed on the September 9, 2008 Board of Directors' Meeting agenda for discussion and/or action on a possible Resolution for this purpose.

Member Tom Collins requested the item be open to discussion on the possibility of restricted truck lanes as well as designated truck lanes.

Fiscal Impact:

FY 2009 Estimated: \$338,175
FY 2010 Estimated: \$112,725

Following the discussion, Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to approve the First Extension to the Transportation Coordination Agreement (as amended) with *The Skancke Company, LTD.* in the estimated amount of \$450,900 to represent the Las Vegas Convention and Visitors Authority in transportation-related activities.

3260 JOE W BROWN
RENOVATION
(BID #08-2107
PWP-CL-2008-366)

Staff entered into a Professional Service Agreement with *Jones-Greenwold Architecture* for the Design and limited Construction Management services for imperative interior renovations of the building structure located at 3260 Joe W. Brown Drive. Based on specifications and plans provided by *Jones-Greenwold Architecture* and review by the LVCVA Operations' Staff, bids were received from eight companies, with *Hardy Construction* the lowest and responsive bidder at \$553,377.

Senior Vice President Jim Gans gave a detailed overview on which departments will be occupying this building and how other departments will be shifting locations as a result of this move.

Fiscal Impact:

FY 2009 Estimated: \$553,377 (Capital Fund)

Member Tom Collins moved and it was carried by unanimous vote of the members present to: 1) Joe W. Brown Renovation (Award Bid #08-2107) to *Hardy Construction, Inc., Las Vegas, Nevada*, in the estimated amount of \$553,377; and 2) Authorize the Director of Purchasing to execute the contract documents.

OPERATIONS DIVISION (Continued)

WELCOME CENTER
LEASES

Boulder City
Welcome Center
(Lease #188)

Mesquite
Welcome Center
(Lease #230)

State Cooperative
Agreements

The Las Vegas Convention and Visitors Authority's Board of Directors has approved and authorized a Cooperative Agreement with the State of Nevada's Department of Transportation to manage and operate the Boulder City Welcome Center and the Mesquite Welcome Center every five years since 1988.

The economy of Las Vegas, Southern Nevada, and the entire State of Nevada is driven by the tourism industry; therefore, it is in the best interest of all parties to continue providing this beneficial service.

Fiscal Impact:

No fiscal impact.

Member Susan Holecheck moved and it was carried by unanimous vote of the members present to: 1) Enter into two Cooperative Agreements between the State of Nevada and the Las Vegas Convention and Visitors Authority for the operation of the Boulder City Welcome Center and the Mesquite Welcome Center, for the 5-year term commencing on October 11, 2008 through October 10, 2013.

REQUEST

More information
[Not an Agenda Item]

Member Keith Smith requested that staff provide more detailed information in the documentation on items to be presented to the Board in the future.

CONVENTION
CENTER FOOD
SERVICE
CONCESSION
LEASE AGREEMENT
- Third Addendum
(CT-335)

On April 24, 2001, the Board of Directors approved a 15-year Convention Center Food Service Concession Lease agreement between the Las Vegas Convention and Visitors Authority and *ARAMARK Sports and Entertainment Services, Inc.* (ARAMARK). This is a commission agreement based on gross receipts.

In an effort to immediately reduce costs to our clients and mitigate concerns of numerous, major-building clients, in March 2005, LVCVA and ARAMARK Management Staff agreed to reduce the cost of certain items and make various minor changes. These cost reductions affected the LVCVA's revenue by approximately \$86,000 for a partial year in 2005, \$148,000 in 2006 and \$222,000 in 2007. The contract provides the LVCVA President/CEO the authority to make changes relative to pricing issues, however, the change in the established commission rate, according to the lease, exceeded the President/CEO authority, and at the time of this decision, this change was documented by Letter Agreement and should have been brought to the Board of Directors for formal approval.

Fiscal Impact:

Commission Reduction
(This item is for retroactive action.)

Following a brief discussion, Member Tom Collins moved and it was carried by unanimous vote of the members present to: 1) Approve the Convention Center Food Service Concession Lease Agreement, Third Addendum, with ARAMARK Sports and Entertainment Services, Inc.; AND 2) Authorize the President/CEO to execute the contract documents.

OPERATIONS DIVISION (Continued)

MEMORANDUM OF UNDERSTANDING WITH THE CITY OF LAS VEGAS REGARDING THE INCLUSION OF CASHMAN CENTER PROPERTY INTO REDEVELOPMENT PLAN

The City of Las Vegas will draft a Redevelopment Plan (“PLAN”) for the neighborhood around Cashman Center. Part of this PLAN is to include the Cashman Center property into the PLAN. The Memorandum of Understanding provides that the Las Vegas Convention and Visitors Authority will cooperate and help the City of Las Vegas find alternative uses for the Cashman Center property. Any permanent conveyance of the property will be presented to the LVCVA Board of Directors for approval.

Chair Oscar Goodman talked about his hope for a stadium on this property to hold ‘Monday Night Football’ games and possibly a ‘Las Vegas Super Bowl’ and/or Major League Soccer games, and the impact those events could have on bringing visitors to the Las Vegas destination.

Fiscal Impact:
 None

***Member Larry Brown disclosed that he will be abstaining from voting on this item as he is an employee of the Las Vegas 51's.**

Following the discussion, Chair Oscar Goodman moved to: 1) Consider the Memorandum of Understanding between the Las Vegas Convention and Visitors Authority and the City of Las Vegas regarding the inclusion of the Cashman Center property into the City of Las Vegas’ redevelopment efforts; and 2) Authorize the President/CEO to execute into the Memorandum of Understanding and any other related document necessary to complete the Las Vegas Convention and Visitors Authority’s obligations under the Memorandum of Understanding. The motion carried by the following vote:

Charles Bowling	Aye	*Larry Brown.....	Abstain
Tom Collins	Aye		
James Gibson	Aye	Kara Kelley	Absent
Oscar Goodman	Aye	Tom Jenkin.....	Absent
Susan Holecheck	Aye	Rory Reid	Absent
Michael Montandon.....	Aye		
Scott Nielson	Aye		
Mike Pacini	Aye		
Andrew Pascal	Aye		
Keith Smith	Aye		

OPERATIONS DIVISION (Continued)

**DISTRIBUTION OF
 TAX COLLECTION
 ALLOCATION**
 Fourth Quarter
 FY 2008

Clark County and the cities of Las Vegas, North Las Vegas, Henderson, Boulder City, and Mesquite all levy certain taxes on gaming and/or hotel and motel rooms and have pledged the revenues to the Las Vegas Convention and Visitors Authority. NRS 244A.645 provides that the Las Vegas Convention and Visitors Authority may reimburse the entity up to 10% of the gross revenues collected to defray the reasonable costs of collection of such taxes. The statute also allows the entities in a county to share the collection fee on any basis they deem reasonable.

By agreement dated September 11, 2007, the above-mentioned Cities and Clark County agreed to split the 10% collection fee by a formula based on the fiscal year 2007 collection allocation amounts as a baseline, with the excess allocated based on both a percentage of the contribution by that entity plus a percentage paid on population.

Collection allocation for hotel activity occurring during the months of March, April and May (Associated room tax received by the LVCVA in May, June and July) has been recorded in fiscal year 2008 under the new method of distribution. This quarter has been adjusted to conform to the new agreement approved in September 2007. During the fourth quarter, collection allocation surpassed the fiscal year 2007 level.

	Rate %	% Change	FY 08 Fourth Quarter Amount	FY 07 Fourth Quarter Amount
Clark County	43.31	2.5	\$ 2,684,666.23	\$ 2,617,912.01
City of Las Vegas	30.93	-2.4	1,863,777.19	1,909,606.75
City of North Las Vegas	10.59	-2.2	606,259.86	619,693.67
City of Henderson	13.40	-2.6	792,888.16	814,385.72
Boulder City	.83	-9.7	126,321.49	139,824.26
City of Mesquite	.94	-10.6	227,238.78	254,225.93
		-0.9	\$ 6,301,151.71	\$ 6,355,648.34

Member Tom Collins moved and it was carried by unanimous vote of the members present to approve the payment of tax collection allocation for the third quarter of fiscal year 2008 in the total amount of \$6,301,151.71.

**LVCVA BUDGET
 AND STATISTICAL
 REPORT**

Internal policies require that interim financial reports, which permit comparison of recorded transactions and account balances with the approved budget be prepared and distributed to the Board of Directors on a monthly basis. The *Las Vegas Convention and Visitors Authority Budget and Statistical Report for the period ending June 30, 2008* was presented to the Board for their review. Vice President of Finance Brenda Siddall discussed a few minor changes in the Report.

This is an information item. No Board action required.

EXECUTIVE DIVISION

LEGAL COUNSEL'S REPORT

*LVCVA/Ashland
Concrete
vs.
Mr. Michael Trail*

Legal Counsel Luke Puschnig reported that on or about November 17, 2006, the Las Vegas Convention and Visitors Authority and one of its specialty public works contractors *Ashland Concrete* was sued by Mr. Michael Trail, who claimed personal injuries as a result of an accident when his limousine fell into a ditch during construction at the Las Vegas Convention Center. This is the second and final case from the same incident that happened in December of 2006. *Ashland Concrete's* insurance carrier initially declined coverage, but in the end result, Ashland's insurance carrier accepted the LVCVA's tender of defense. LVCVA participated in the arbitration of this matter, but Mr. Trail did not like the results of the arbitration and filed for a new trial in District Court. A short trial was originally scheduled on November of this year. The case was recently settled by *Ashland Concrete's* insurance carrier, and the LVCVA did not have to pay for the defense or contribute to the settlement.

*LVCVA/GES
vs.
Mr. Manuel Ochoa*

On August 30, 2006, the LVCVA and *GES Exposition Services ("GES")* were sued by Mr. Manuel Ochoa for personal injuries. After a substantial amount of discussion, *GES* accepted the tender of defense of this action. During discovery, it became apparent that the LVCVA's actions dictated that the LVCVA was immune and the plaintiff's counsel dismissed the LVCVA from the action, and the LVCVA did not incur any costs for such.

*LVCVA
vs.
SanSegal, Inc.*

In March 2006, *SanSegal, Inc.*, a Utah-based T-Shirt manufacturer, filed an opposition to the Las Vegas Convention and Visitors Authority's 2005 application to obtain a trademark to the phrase "What Happens Here, Stays Here". LVCVA has been litigation with *SanSegal* ever since. In late-June 2008, the United States Patent and Trademark Office granted the LVCVA's Motion for Partial Summary Judgment on two very critical issues, and thereafter, *SanSegal* instituted settlement negotiations. *SanSegal* has agreed to acknowledge that the LVCVA has the rights to "What Happens Here, Stays Here"; therefore, they will not produce or market T-shirts with "What Happens In Blank, Stays In Blank, and (fill in the blank)". This decision and settlement is important to help the LVCVA's efforts to enforce the "What Happens Here, Stays Here" Mark and will foreclose a number of arguments that could be made against its validity.

Mr. Puschnig acknowledged the law firm of Morrison & Foerster for their hard work on this case.

DIRECTORS' COMMENTS

Member Tom Collins informed the Board of the upcoming Ribbon-Cutting and Award Presentation by Commissioner Bruce Woodberry at Gubler Bridge. Member Collins acknowledged Bruce Woodberry for his dedication and hard work during his term as a County Commissioner.

COMMENTS FROM THE FLOOR BY THE PUBLIC

There were no comments from the floor by the public.

ADJOURNMENT

There being no further business to come before the Board of Directors, Chair Oscar Goodman adjourned the meeting at 9:56 a.m.

Respectfully submitted,

Date Approved: September 9, 2008

(s)
Carol Fergen
Executive Assistant to the Board

(s)
Oscar Goodman
Chair