



CONVENTION AND VISITORS AUTHORITY

**Special Meeting of the Board of Directors**

Friday, May 25, 2007

Minutes

The Special Meeting of the Board of Directors of the Las Vegas Convention and Visitors Authority ("LVCVA") was held the 25<sup>th</sup> day of May 2007 in the Las Vegas Convention Center Board Room, 3150 Paradise Road, Las Vegas, Nevada. This meeting had been properly noticed and posted in compliance with the "Nevada Open Meeting Law".

**CALL TO ORDER**

Chairman Oscar Goodman called the meeting to order at 9:06 a.m. On roll call the following members were present, constituting a quorum thereof:

- |                             |                        |
|-----------------------------|------------------------|
| Mayor Oscar Goodman, Chair  | Councilman Tom Collins |
| Mr. Keith Smith, Vice Chair | Mr. Tom Jenkin         |
| Mr. Charles Bowling         | Ms. Kara Kelley        |
| Councilman Larry Brown      | Mayor Bill Nicholes    |
| Mr. Glenn Christenson       | Mr. Andrew Pascal      |

**Board Members Present via Conference-Call:**

- Councilman Mike Pacini
- Commissioner Rory Reid

**Board Members Absent:**

- Mayor James Gibson, Sec./Tr.
- Mayor Michael Montandon

- 
- |            |  |
|------------|--|
| LVCVA      | Mr. Rossi Ralenkotter, President/CEO                           |
| Executive  | Mr. E. James Gans, Senior Vice President – Operations Division |
| Staff in   | Mr. Terry Jicinsky, Senior Vice President – Marketing Division |
| Attendance | Luke Puschnig, Esq., Legal Counsel                             |

**LVCVA Lobbyist via Conference-Call:**

- Mr. Tony Sanchez
- Mr. Mike Alonzo

FLAG SALUTE

The Flag Salute followed the Call to Order.

APPROVAL OF  
THE AGENDA

President/CEO Rossi Ralenkotter informed the Board that the May 25, 2007 Special Meeting of the Board of Directors' Agenda had been properly posted and was in order for approval.

**Vice Chairman Keith Smith moved and it was carried by unanimous vote of the members present to approve the May 25, 2007 Agenda as presented.**

TOURISM  
TRANSPORTATION  
FUNDING

LVCVA Lobbyist, Mr. Tony Sanchez, reported that he and his partner, Mr. Mike Alonso, had met with the Assembly Republican Leadership, specifically Assemblyman Garn Mabey, regarding his intention to introduce the governor's Transportation Funding Proposal. Mr. Sanchez explained that the proposed Governor's Bill would include diverting approximately \$424 million of LVCVA revenue to various transportation projects over the next 30 years. Also proposed in the Bill would be redirecting live entertainment tax revenue from the State General Fund, as well as dedicating sales tax money, to transportation. There have been a range of estimates of the proceeds, with a shortfall ranging from \$3.5 billion to \$5.5 billion. Mr. Sanchez said they are awaiting the approach of the Leadership of the Assembly and the Senate to present the facts regarding the impact that this proposal would have on the LVCVA bonds and mission.

President Rossi Ralenkotter presented a Powerpoint overview showing the allocation of visitor paid room tax. He explained that 53% of that room tax goes back to the community. Room tax proceeds go to the Clark County School District, the Nevada Commission on Tourism, local government entities, Chambers of Commerce, as well as to the current transportation projects that are in the resort corridor and the County.

The LVCVA has been involved with solving transportation process issues since the early 1990's, and President Ralenkotter served on the Blue Ribbon Task Force on Transportation since its inception under Governor Guinn.

The Governor's Transportation Funding Proposal and the impacts it could have on the LVCVA were reviewed and discussed by the Board of Directors. They expressed their concerns about the possible impact to the Las Vegas Convention Center as well as to the community, including the possibility of the cancellation of the Master Plan Enhancement Program at the Las Vegas Convention Center and the proposed Metro substation. The Governor's Plan could jeopardize \$20 billion in future convention business, and impair the ability for the LVCVA to pay current and future bonds. It would divert 32% of the LVCVA revenue by fiscal year 2015. It would inhibit the ability to market the destination in this highly competitive market, and would impact marketing initiatives and special events, as well as effecting community grants.

*TOURISM  
TRANSPORTATION  
FUNDING  
(Continued)*

Bond Counsel for the LVCVA John Swendseid informed the Board that the United States Constitution and the Nevada State Constitution both have clauses in them that prevent the LVCVA and/or the State Legislature from changing the contract with the bond holders after having induced bond holders to acquire the bonds. Specifically, the United States Constitution and the Nevada State Constitution have in them an impairment of contract clause. The United States Constitution states that no State can pass any law impairing the obligations of contract, and the Nevada State Constitution provides that no law impairing the obligation of contracts shall ever be passed. Mr. Swendseid said it is clear that the LVCVA's agreement with bond holders is a contract, and a law that changes the agreement would be an impairment of that contract. The firm of Swendseid & Stern has furnished their opinion to the LVCVA that the governor's proposal as currently drafted would impair the contract that the LVCVA has with bond holders, and would be held to be unconstitutional. Further, it would harm the market for LVCVA's bonds.

Mr. Swendseid noted that he had disclosed the governor's proposed plan to the securities market relative to the LVCVA bonds, as is the proper thing to do to keep them informed.

Chair Oscar Goodman noted, for the record, that Mr. Swendseid is preeminent in this field. His expertise is relied upon by many who have issued bonds.

Chair Oscar Goodman stated that he was disappointed with the Governor's Plan, and that he believed it to be incorrect and specious in its reasoning. He said he was very upset that the governor had never contacted anyone on the Board, which includes many of the leaders of the community, and that the Governor would go forward with his plan without considering the devastating effect it will have on the LVCVA and the health of the tourism economy.

Members Glenn Christenson, Charles Bowling, Tom Jenkin, Andrew Pascal, Keith Smith, Tom Collins, Larry Brown, Rory Reid, and Mike Pacini, all expressed the same concerns: They agreed that the LVCVA recognizes that transportation is a problem facing the valley, and that the LVCVA and the resort industry all have to share the responsibility of finding and supporting a solution, and that it is only going to happen through cooperation of everyone that has a vested interest in a solution. They all support continuing to take a leadership role in that direction.

TOURISM  
TRANSPORTATION  
FUNDING  
(Continued)

Mayor James Gibson could not be in attendance at this meeting, however, he spoke with President/CEO Rossi Ralenkotter and asked that the following be entered into the record:

President/CEO Rossi Ralenkotter stated: *“Mayor Gibson has studied the transportation issue very carefully and has looked at the challenges that the Blue Ribbon Task Force faced over the last fifteen to sixteen months. He has also analyzed and looked at the current Bill that is being proposed by the Governor’s staff, and echoes the comments that were made today that we need to make sure that the LVCVA is in a position, as the marketer for the destination, to complete its Mission, and he is supportive of entering into the dialogue and be part of the solution, but he cannot support the Governor’s Plan from the standpoint of taking the room tax as it is currently presented.”*

**There being no further comments from the Board members, Chair Oscar Goodman moved it was carried by unanimous vote of the members present, including those conference called into the meeting: “...that if there is a sensible solution that is put on the table during the next 48 hours, that Rossi Ralenkotter, as the President of the Convention Authority, should take a look at it and see if the Convention Authority can be part of the solution. In doing so, your task is to protect the integrity of our bond issues, as Mr. Swendseid has indicated, and also the integrity of this organization.”**

**DIRECTORS’ RECOGNITION**

There were no other comments from the Board of Directors.

**COMMENTS FROM THE FLOOR BY THE PUBLIC**

Mr. Ted Russell, a resident of Las Vegas, spoke briefly on politics in general, summarizing with: *“I have every confidence that right will prevail. It just might not be so easy to get there. But, we will not quit, and we will be vigilant ... for the interest and the greater good of all Nevada.”*

Mr. Van Heffner, President/CEO of the Nevada Hotel and Lodging Association, and Commissioner of Tourism for Nevada, expressed his support of the Convention and Visitors Authority, and to the President of the Convention Authority. He said that it behooves each and every one of us to all come with something to the table because we’re all part of the challenges as well as the solution. He also stated that, through dialogue and through communications, all of us can come together with a strategy that will assist with the transportation issue.



**ADJOURNMENT**

There being no further business to be discussed by the Board at this time, Chair Oscar Goodman adjourned the meeting.

Respectfully submitted,

Date Approved: July 10, 2007

(s)  
Carol Fergen  
Executive Assistant to the Board

(s)  
Oscar Goodman  
Chairman of the Board of Directors