

**MINUTES OF THE METROPOLITAN ENTERTAINMENT & CONVENTION
AUTHORITY BOARD OF DIRECTORS MEETING – JANUARY 27, 2015**

A meeting of the Board of Directors of the Metropolitan Entertainment & Convention Authority (“MECA”), a Nebraska nonprofit corporation, was called to order by Chairman Dana Bradford at 9:00 a.m. on January 27, 2015, in the MECA Board Room at CenturyLink Center Omaha, 455 N. 10th Street, Omaha, Nebraska.

Roll Call:

Present: Chairman Dana Bradford, Ms. Diane Duren, Mr. John Lund, Mr. Jay Noddle, and Mr. Willy Theisen.

Proof of Publication:

Notice of the meeting was published in *The Daily Record* on January 20, 2015, and in the *Omaha World-Herald* on January 20, 2015.

A copy of the Open Meetings Law was posted on the table near the side entrance to the MECA Board Room.

Approval of Minutes:

Mr. Noddle moved for approval of the minutes of the December 4, 2014, MECA Board Meeting, seconded by Ms. Duren.

Motion carried: 5-0.

President/CEO Report:

Mr. Dixon reported that Jon Secunda, MECA’s Director of Ticketing Operations, was nominated and has been selected for the 2015 Box Office Star Award in *Venues Today* trade publication. It is a great testament to Mr. Secunda whose hard work has been acknowledged. Mr. Dixon congratulated him on the award and noted a long history of working with Mr. Secunda through the years in Philadelphia and how he was able to bring his talent to Omaha. At that point, Mr. Dixon asked Mr. Secunda to come forward and speak.

Mr. Secunda thanked everyone and commented how nice it was to be recognized by his peers. He stated that he considered his award a team effort which would not have been possible without the support of the Box Office, Mr. Dixon and Mr. O’Gorman.

The Board extended their congratulations to Mr. Secunda.

Other Business:

Convention Center Sales & Marketing Update

Denise Niebrugge announced there are currently 162 events on the books utilizing 256 event days for this fiscal year. Since the December 4, 2014, Board Meeting 29 events have been added with 42 event days and over 1900 hotel rooms in the next five years. The majority of those occur

in 2015 and 2016. In addition, 16 license agreements have been signed. There are presently 14 events scheduled at TD Ameritrade Park Omaha (TDAPO) in the club lounge.

Ms. Niebrugge reported having an excellent site visit on January 9 with United Pentecostal Church, which was made possible with the combined efforts of representatives from the Hilton Hotel and the OCVB (Omaha Convention and Visitors Bureau). It's 7,000 people with over 6,000 room nights for the City and they are bidding for the years of 2018, 2019, 2020, 2021 and 2022 for the month of October. The Pentecostal Church was very impressed with Omaha and MECA's facilities. Their final decision will go to a board vote.

Corporate Sales and Marketing Update

Mr. O'Gorman stated since the last Board Meeting on December 4, 2014, schedules have been slow due to most of the booking agencies taking a December/January break. CenturyLink Center Omaha (CLCO) has hosted nine UNO Maverick Hockey games, six Creighton University Bluejays Basketball games and five days of Sesame Street Live. Mr. O'Gorman noted that on sale now MECA has Barry Manilow, NSAA Nebraska State Wrestling Tournament, Nickelback, NCAA Division I Men's Basketball Championship Second and Third Rounds, PBR (Professional Bull Riders), The International Horse Jumping Competition, Harlem Globetrotters, FIVB Women's World Volleyball Championship, Taylor Swift and NCAA Volleyball National Championship.

Mr. O'Gorman also reported finalizing Creighton's schedule and working with the Big East on the Baseball Championship. The format of the championship has been changed to a true double elimination which will add an additional game at TDAPO. In December Mr. O'Gorman, Butch Hug and Kathy Benis traveled for a site visit to Oklahoma City as the future host for the NCAA Volleyball Championship. They were very impressed with initial ticket sales coming in strong - almost to the point obtained for the National Championship in Oklahoma City.

The Club Seats and Suites continue to be sold out at CLCO. They are still working on the final phase of sending renewal letters for TDAPO.

Operations and Technology Update

Mr. Kevin Raymond reported that in December and January, the focus continues to be on events with two double changeovers completed and the third happening this Saturday. Mr. Raymond explained this process, and while this is certainly nothing new for Operations, he called attention to the very organized and systematic team approach needed to complete the task flawlessly.

Mr. Raymond went on to discuss current projects. Resurfacing began in December of the operable walls and has been completed this month. Replacement of the acoustic panels has also begun with completion estimated in the spring. Also, because of the unusually warm weather in January, a small concrete repair to the sidewalk and curb cut was finished on MECA Drive.

They are continuing to explore new wireless options in the meeting level area. A manufacturer from Texas came in with his engineering team and presented an alternative equipment manufacturer that would open up some new opportunities. Mr. Raymond will continue to examine equipment engineering while seeking potential sponsorship.

Levy Restaurants Update

Ms. Chris VanDorn stated Levy's team at TDAPO is working hard to prepare for the upcoming Creighton University Baseball Season and the College World Series. New items and recipes for the suites menu and concessions are being developed, as well as new concepts on the club level. Over the course of the last month Levy has taken advantage of some opportunities with social media, both Facebook and Twitter, to get some of their new and popular items out to the public and drive food sales.

Ms. VanDorn was proud to announce that Levy was awarded the Levy's Center for Excellence Award for the calendar year 2014. This award is a distinguished recognition for locations that are company role models and who consistently deliver the Levy difference in every aspect of their business. The award winner must be a top company performer in delivering excellence to customers and guests; achieving profitable growth; focusing on safety, health and environment; developing team members and creating an inclusive diverse work environment; focusing on management and performance objectives; and creating a positive reputation within the community. Mr. Dixon added that he received a call from Levy's regional president who was happy to relay that only four of these awards have ever been presented and how proud he is of Ms. VanDorn and her team.

The Board extended their congratulations to Ms. VanDorn and her team at Levy.

Public Relations Update

Ms. Kristi Andersen announced that every year *The Omaha World Herald* features their Annual Outlook Special Section, which this year will focus on the strengths of the community and the region. The editors have asked Mr. O'Gorman to offer his introductory remarks to the entertainment category. This special feature will be available on February 1, 2015.

Ms. Andersen was happy to announce that both the CenturyLink Center (listed at 83) and TD Ameritrade Park (listed at 14) landed on the Nation's Top 100 Stadium Experiences in 2014. Stadium Journey magazine releases an annual list surveying over 2,000 professional and non-professional collegiate stadiums and venues around the country and then select their top 100 best experiences.

2013-2014 Operating Results

Ms. Lea French, CFO, reported on the 2013-2014 MECA Operating Results for the fiscal year ending June 30, 2014, which included a slideshow.

Ms. French took a moment to talk about management's focus in fiscal 2013-2014 and what will remain to be the focus in future fiscal years. MECA wants to continue to maintain and grow attendance in their facilities. Since the CenturyLink Center (CLCO) opened in 2003, more than 13 million guests have been welcomed. Management's goal is to continue to improve the fan experience by reinvesting in the facility. Ms. French noted we have been very successful in attracting marquee events that have helped put the City of Omaha on the map. It is, of course, important to remain profitable and stay among one of the most successful venues in the country. Focus will continue to be on successfully managing TD Ameritrade Park Omaha.

In just fiscal 2013-2014, we spent \$9 million to update the facility and keep it fresh. The bulk was spent on major projects like the new scoreboard and updating concessions. Other projects include refinishing the basketball floor, repairing the concrete in Lot D and repainting exterior

stair towers. A new Guest Services Text Alert System for arena events has just been added. Any time a guest has a question or concern, they can text it to a special number and get an immediate response, taking customer service to the next level.

Looking ahead, there are a number of highly sought after events that have chosen Omaha and CenturyLink Center Omaha. MECA remains optimistic these future events will give guests ample entertainment options and help the bottom line. In March the NCAA brings March Madness back to Omaha. In 2012 CLCO welcomed around 50,000 fans, so we're hoping for another great event. Coming in July, the world's top volleyball players will showcase their talents on the court when the 2015 FIVB Women's Volleyball World Grand Prix comes to CLCO. Outside of the Olympic Games in 1984 and 1996, this will be the first time an event of this magnitude will be hosted on American soil. In December CLCO will host the NCAA Division I Volleyball Championship. In 2016 the Olympic Swim Trials are back for a third time. In 2017 Omaha beat out Hong Kong to host the joint Longines FEI World Cup™ Jumping and FEI World Cup™ Dressage Finals, both major equestrian events. It was just learned that Omaha will host the 2018 NCAA Men's Division I Basketball Regionals / Sweet Sixteen. There are many exciting events to look forward to in the coming years.

Ms. French reported that the consolidated operations of the Metropolitan Entertainment & Convention Authority were again profitable in fiscal 2013-2014. Before depreciation MECA's net income was \$3.3 million, and after depreciation it was \$519,325. There are a couple of key reasons why net profit was lower this fiscal year than last. There were no major sporting events like swimming, skating or NCAA championships in fiscal 2013-2014. There also were a number of added expenditures to maintain the facility and keep it state-of-the-art.

Ms. French then turned to TDAPO, stating the facility had finished its 4th College World Series, and Creighton Baseball once again had a successful season. That was followed in May by an incredible Big Ten Baseball Tournament. TDAPO had never hosted the Big Ten Tournament before and didn't know quite what to expect. MECA's expectations were far surpassed. The total prior attendance for the tournament had been just 12,000 fans. Omaha welcomed 62,000! The 2014 College World Series also had record breaking attendance with 361,740 attending the games. TDAPO also welcomed the FXFL in the fall for its inaugural season. Coming up in May, TDAPO will host the Big East Baseball Tournament with Creighton for the first time. Based on the success, the Big Ten has announced it will bring its tournament back to Omaha in 2016 and 2018. In addition to these events, there have been many corporate meetings and wedding receptions at the ballpark.

In closing, Ms. French stated that she is pleased that in fiscal 2013-2014 we met our goals of maintaining solid attendance and investing millions to keep this facility looking as new as the day it opened without taxpayer assistance. These objectives along with working hard to attract and successfully carry out high profile events for Omaha will continue to be our focus.

Committee Updates:

Internal Governance Committee

Ms. Diane Duren reported the Internal Governance Committee members met on Friday, January 23, at MECA's offices. In attendance were Mr. Bob Freeman, Ms. Duren, Mr. Dixon, Ms.

Andersen and Ms. Casey Sporleder. The Committee reviewed the December 2014 financial statements. After overviews from and discussions with Mr. Dixon and Ms. Sporleder, the Committee found the financial statements to be reasonable compared to plan and to prior periods, and consistent with standard MECA accounting practices. Ms. Duren noted that repair expenses were under budget for the month and for the year-to-date. An inquiry was made with Mr. Raymond to review, but he did not believe they could be fully expended. This will need to be considered with budgeting for the next year. Lower snow removal costs and repair expenses contributed to positive variances in the budget. The Committee reviewed MECA's quarterly investment summary, and found it to be reasonable and consistent with the policy. Also reviewed were the operating results and the press release for MECA's annual report for the fiscal year ending June 30, 2014, and found them to be representative for the results of the year.

Finally, the Committee reviewed the upcoming Board meeting schedule, along with financial reporting timing and review requirements. The Committee meeting schedule will be established accordingly for the next few months.

Real Estate Committee

Mr. John Lund reported the Real Estate Committee members did not have a formal meeting for the month of January. A meeting is planned in February to continue discussions of the Bob Kerrey Pedestrian Bridge. Mr. Lund also noted that Mike Moylan of Shamrock Development would be invited into the Executive Session today for a full update on the Marriott project.

Arena Committee

Mr. Jay Noddle reported the Arena Committee members met on Wednesday, January 14, at MECA's offices. In attendance were Mr. Noddle, Mr. Bradford, Mr. O'Gorman, Ms. Aimee Melton, Mr. Ben Gray, and former mayors Mr. Mike Fahey and Mr. P.J. Morgan. Also in attendance was Mr. Jason Wright, the President of Live Nation Midwest. Mr. Wright was able to better educate the Committee on how the industry works from Live Nation's perspective. He also helped them understand what the artist is looking for, how tours are routed across the country, what communities, the OCVB (Omaha Convention & Visitor's Bureau), and the facility can do to be more attractive to artists. The Committee is now in a position to formulate, in the next 6-8 weeks, a list of recommendations from a marketing and physical plan standpoint. Mr. Lund questioned if they had discussed industry trends. Mr. Noddle reported the overwhelming source of revenue for entertainers now is concert tours. In general, the trend will be for more and more artists to be out on the road. Mr. Bradford added that in the 1990's ticket prices went from \$20 a ticket to \$80, changing the business model of the arena. In terms of picking venues in the Midwest, not many were available in 2002, 2003 and 2004. Omaha did not have to compete with many other facilities. Mr. Noddle also stated the list of new competitors is growing. Examples of new venues in the Midwest include Green Bay, Moline and Sioux Falls.

Convention Center Committee

Mr. Willy Theisen reported the Convention Center Committee members met on Monday, January 26, at MECA's offices. In attendance were Mr. Theisen, Mr. Noddle, Mr. Dixon, Ms. Niebrugge, Ms. Andersen, Mr. David Brown, Ms. Dana Markel and Ms. Cathy Keller. The Committee is working on a draft that will condense the certification process to help the Convention Center, working along with the CVB, to become more competitive and bring more people to the City of Omaha.

Contract Approvals:

Chairman Bradford indicated there are three contract approvals today.

MECA

Chairman Bradford read the following resolution:

Children's Hospital & Medical Center Omaha Agreement

RESOLVED, that the Advertising/Sponsorship Agreement between MECA & Children's Hospital & Medical Center Omaha for advertising at CenturyLink Center Omaha, as more fully described on the attached summary, is hereby approved and Roger Dixon as President/CEO is authorized on behalf of MECA to execute the Advertising/Sponsorship Agreement following its finalization in a form reasonably approved by counsel.

Chairman Bradford asked for public comment and asked for a motion.

Ms. Duren recused herself from the vote as she is on the Board of Directors at Children's Hospital.

Moved by Mr. Theisen, seconded by Mr. Noddle.

Motion carried: 4-0.

Commercial Flooring Systems, Inc.

RESOLVED, that the Agreement between MECA and Commercial Flooring Systems, Inc. to remove and replace recessed grille mats in the entryways at CenturyLink Center Omaha, as more fully described on the attached summary, is hereby approved and Roger Dixon as President/CEO is authorized on behalf of MECA to execute the Agreement following its finalization in a form reasonably approved by counsel.

Chairman Bradford invited public comment and asked for a motion.

Mr. Lund asked if he should recuse himself from vote due to a possible conflict. There is a broker in his firm whose spouse owns the company. Mr. Freeman questioned if Mr. Lund had any business relevant to the contract being presented. Mr. Lund noted that while they do work with the firm, nothing is relevant to the contract up for vote. Mr. Freeman opined that Mr. Lund was sufficiently attenuated and could vote freely.

Moved by Ms. Duren, seconded by Mr. Noddle.

Motion carried: 5-0.

CenturyLink, Inc.

RESOLVED, that the Agreement between MECA and CenturyLink, Inc. for Internet services for CenturyLink Center Omaha and TD Ameritrade Park Omaha, as more fully described on the attached summary, is hereby approved and Roger Dixon as President/CEO is authorized on

behalf of MECA to execute the Agreement following its finalization in a form reasonably approved by counsel.

Chairman Bradford invited public comment and asked for a motion.

Moved by Ms. Duren, seconded by Mr. Theisen.

Motion carried: 5-0.

Next Board Meeting

The next MECA Board of Directors Meeting is scheduled for Thursday, March 5, 2015 at 9:00 a.m. in the MECA Board Room.

Executive Session

Chairman Bradford stated the time of 9:45 a.m. and invited a Motion to enter into closed Executive Session for purposes of discussing personnel, real estate and potential claims matters.

A Motion to go into Executive Session for these specified purposes was made by Mr. Theisen, seconded by Mr. Lund.

Motion carried: 5-0.

Adjournment

At 10:30 a.m. a Motion was made to come out of Executive Session and to adjourn, made by Mr. Lund, seconded by Ms. Duren.

Motion carried: 5-0.

Adjournment (10:30 a.m.)