

**MINUTES OF THE METROPOLITAN ENTERTAINMENT & CONVENTION  
AUTHORITY BOARD OF DIRECTORS MEETING – FEBRUARY 9, 2016**

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 10:00 a.m. on February 9, 2016, in the MECA Board Room at CenturyLink Center Omaha, 455 N. 10<sup>th</sup> Street, Omaha, Nebraska.

**Roll Call:**

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

**Proof of Publication:**

Notice of the meeting was published in *The Daily Record* on February 2, 2016, and in the *Omaha World-Herald* on February 2, 2016.

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

**Approval of Minutes:**

Ms. Duren moved for approval of the minutes of the January 12, 2016, MECA Board Meeting, seconded by Mr. Noddle.

Motion carried: 5-0.

**President/CEO Report:**

Mr. Roger Dixon reported that most of his focus recently has been spent discussing baseball with Mr. Bruce Rasmussen, Creighton University and Mr. Jim Delaney, Big Ten Conference Commissioner. MECA is currently working with the Big East and the Big Ten to determine scheduling. It sometimes proves difficult with two users and only one stadium. The Big Ten is slated to be here in 2016. A decision will be made in a few weeks.

**Other Business:**

**Convention Center Sales & Marketing Update**

Ms. Denise Niebrugge reported there are currently 158 events on the books utilizing 278 event days for this fiscal year beginning July 1, 2015. Since the January 12, 2016, Board Meeting, 13 events have been added with 20 event days and over 8,900 hotel room nights. In addition, 17 new license agreements have been signed.

Ms. Niebrugge also noted that the PEO Sisterhood is at CLCO today doing a significant site visit.

**Corporate Sales and Marketing Update**

Mr. Tom O’Gorman stated that MECA is right on track in regards to processing the club seat renewals at TDAPO. There were a total of 844 open seats during the renewal process that started in September. They have reached out to fans whose names are on the CWS waiting list, and currently they are at 91%

capacity, hoping to have the remaining 32 seats relicensed by the time CWS begins. The strategic plan will be discussed with NCAA in regards to pricing and seat locations, etc.

Since the last Board meeting on January 12, 2016, MECA has announced a sold-out Zac Brown concert and the Professional Bull Riders (PBR) BlueDEF tour this Friday. There will be concert announcements on every Monday for the next four weeks. Next year's line-up is very exciting.

### **Operations and Technology Update**

Mr. Kevin Raymond took the opportunity to recognize facility services staff for their hard work and efforts for this very busy event month for the convention center and arena.

The cause of the leaks occurring in Hall C have been identified and temporarily fixed. There have been no more problems with leaks since the fix. Permanent repair work will be scheduled in the spring.

Back in October, the Board of Directors approved some upgrades for A/V equipment at TDAPO. Those components were received in January and have been installed and commissioned. This will give TDAPO the ability to do HD with replay system and interact with ESPN, which is a nice added feature for baseball fans.

On January 13, 2016, TDAPO was a victim of vandalism. Mr. Raymond wanted to commend the Stadium Manager, Katie Bassett and her entire crew for their professionalism and dedication. They were very quick to arrive at the stadium to assess damage that night and to begin the clean-up process to be back to normal as quickly as possible. MECA is currently working with the insurance company on claims for repairs.

### **Levy Restaurants Update**

Ms. Chris VanDorn stated that January was a very busy event month for them as well. Levy set a record for the month of January 2016 with the highest amount of sales since the opening of the facility. Ms. VanDorn commended her team for coming together and doing a fantastic job with the high volume of distribution and production combined with long back-to-back days with tight turns.

Since the last Board meeting on January 12, 2016, Levy received an unannounced quality and risk evaluation from the corporate internal audit department. The scope of the review at CLCO was to determine whether applicable Levy core signature policies, procedures, and business practices were being followed within the risk areas of cash controls, financial services, suites, purchasing, responsible alcohol service, human resources, risk management and group sales. And secondly, to insure that the established internal and operational controls are adequate. Ms. VanDorn was happy to report that based on the findings of the evaluation, Levy was given the lowest possible risk score of green. This score means there were insignificant exceptions noted to the defined scope, and the areas reviewed have satisfactory controls in place and adhere to the financial policies and procedures. This is what Ms. VanDorn would have expected of her team, but it was nice to have it confirmed in writing by an independent department. The goal of Levy is to maintain consistency within a team, continued education, accountability and year-over-year improvements. This was a very good experience for the new managers on the team.

Mr. Theisen inquired as to how the new executive chef is working out. Ms. VanDorn stated that Chef Tyler Humphries is doing a great job. Levy has just moved Executive Sous Chef, Mr. Al Martinez, from

CLCO to TDAPO fill Chef Humphries' position. Senior Sous Chef, Mr. Shawn Fonseca, is moving to the executive sous chef position at CLCO. There is currently an opening for a senior sous chef at CLCO that they are looking to fill by the end of February.

### **Public Relations Update**

Ms. Kristi Andersen reported that USA Swimming's Matt Farrell was in town last week to unveil a neat attraction coming to this year's Aqua Zone for the U.S. Olympic Swim Trials. The press conference alerted the local media about "Surf Omaha" - a portable indoor surfing ride. Appointments can be made for fans to test their skills by surfing or boogie boarding their way through the waves while friends and family watch from the observation deck. It should be a fun addition to the Trials.

MECA will hold a seasonal job fair on February 22<sup>nd</sup> and March 1<sup>st</sup>. Close to 250 event staff positions (crowd managers, ticket takers, ushers, etc.) will be hired to work the CWS and the Swim Trials.

### **Committee Updates:**

#### **Internal Governance Committee**

Ms. Diane Duren reported the Internal Governance Committee met on Friday, February 5, 2016, at MECA's offices. In attendance were Mr. Stephen Curtiss, City of Omaha Finance Director; Ms. Duren; Mr. Bradford; Mr. Bob Freeman; Mr. Dixon; Ms. French and Ms. Andersen. The Committee reviewed the December 2015 Financial Statements. After overviews from and discussions with Ms. French, the Committee found them to be reasonable compared to plan and prior periods and consistent with standard MECA accounting practices. Quite a bit of time was spent with Ms. French and Ms. Andersen reviewing the year-end financial presentation and the draft press release that will go out after the Board meeting today. Also discussed was feedback that was received from the other Board members, stakeholders and consultants on the 20-year Strategic Plan. Ms. Duren, Ms. French and Mr. Raymond will do some scenario planning and will work with the City and Omaha Convention & Visitor's Bureau (OCVB) to further syndicate the plan.

#### **Real Estate Committee**

Mr. Jay Noddle stated that the smaller working group of the Real Estate Committee did have an opportunity to meet in late January. In that meeting, the group identified and confirmed the consultants that they wanted to interview and bring to Omaha to take a look at the property. Mr. Noddle was happy to report that, as of this morning, all of the targeted consultants have agreed to come to Omaha. The next step will be to bring them to Omaha in the next couple weeks to get them oriented, request proposals from them and get on a regular meeting schedule beginning around the end of March.

#### **Strategic Planning Committee**

Chairman Bradford reported that the Committee has met and are working closely with the City. All of the findings from the Arena and Convention Center Committees are being integrated into a plan with the goal of determining CLCO's ability to generate revenue into the next 20 years. The capital investment plan will look at profitability and the ability to reinvest those dollars into CLCO to sustain this type of operation. The Committee is also working to understand the economic impact and are reaching out to Mr. Ernie Goss to access the economic impact numbers the City has provided, and Mr. Dan Barrett to study the revenue numbers. The Committee will do scenario planning from different revenue scenarios. Chairman Bradford noted that with the collaborative efforts of MECA Management, the Arena and Convention Center Committees and consultants, the Committee is probably only a week or so away

from having a final capital business plan in place and they look forward to sharing it with the Board of Directors.

### **Year-end Financial Presentation**

Ms. Lea French presented the results for Fiscal Year 2014-2015 which ended on June 30<sup>th</sup> to the Board of Directors. MECA's focus in Fiscal 2014-2015 continued to be staying competitive to maintain and grow attendance in both facilities. MECA is pleased to report that 15 million people have been welcomed to the CenturyLink Center Omaha (CLCO) since the opening in 2003. Reinvesting in the facility will improve the fan experience. This reinvestment will result in lower profits for MECA but will be a greater return on investment for the community. MECA has been very successful in attracting marquee events that have helped put the City of Omaha on the map and that have generated billions in economic impact. It is important to this community that CLCO stays among the most successful venues in the country. Approximately 1.1 million guests have been welcomed here in fiscal 2014-2015! In March, CLCO welcomed back March Madness and the NCAA Men's Second and Third Rounds. Garth Brooks stole the show in May with six consecutive sold-out performances which brought in more than 100,000 fans and millions in economic impact for the City. CLCO was fortunate to hold another electrifying HBO Championship boxing event with Terence Crawford, as well as other concerts like Bette Midler, Motley Crue, the Eagles and Eric Church. Berkshire Hathaway held its 50<sup>th</sup> Annual Shareholders Meeting, and a record number of guests from around the world attended.

In 2015, concert industry publication *Pollstar* ranked CLCO 35<sup>th</sup> in the country and 71<sup>st</sup> in the world with 225,606 tickets sold. The arena moved up seven spots from 2014's ranking. Looking ahead, there are a number of highly sought after events that have chosen Omaha and CLCO as their venue. Ms. French is optimistic these future events will give guests ample entertainment options and help CLCO's bottom-line. This summer, the U.S. Olympic Swim Trials will be back for a third time. Ticket sales are already way ahead of where they were in 2012. In 2017, Omaha beat out Hong Kong to host the Jumping and Dressage Finals, a major equestrian event. Omaha will host the 2018 NCAA Men's Division I Basketball Regionals or Sweet Sixteen. There are many exciting events to look forward to in the coming years. In addition, the new full-service Marriott hotel is expected to open in 2017 at the corner of 10<sup>th</sup> and Capitol Street. This addition will enhance CLCO's convention package. Added focus in the coming years will be landing more conventions and bringing more visitors to Omaha which will make a significant community impact.

CenturyLink Center Omaha was a catalyst for downtown revitalization and since it opened in 2003, it has been a major driver for economic impact. In Fiscal 2014-2015, according to City calculations, CLCO was directly responsible for nearly \$70 million in economic impact to the City of Omaha. MECA generated a \$3.1 million dollar profit and \$28.3 million dollars in revenue in Fiscal 2014-2015. These funds are reinvested into the facility which becomes more and more important as the facility ages. Profits have remained relatively stable for the past five years.

Now in our 13<sup>th</sup> year of operation, CLCO is in continuous need of updating, and equipment needs to be replaced. MECA's goal is to keep improving the fan experience and to continue to attract the marquee events that have been so successful, not just for this facility but the community. In Fiscal 2014-2015, just over \$1 million was spent on various projects including such things as replacing acoustical panels on the meeting rooms level (\$278k), concrete around the facility and light fixtures (\$52k) as well as purchasing numerous pieces of kitchen and operations equipment (\$411k). All of these projects were paid for by MECA. No taxpayer dollars were used.

Turning to TD Ameritrade Park Omaha (TDAPO), where MECA has finished hosting its 5<sup>th</sup> College World Series, Ms. French reported another successful year. In May, TDAPO hosted the Big East Baseball Tournament with Creighton for the first time. This event was well attended. The 2015 College World Series set another attendance record with 353,378 fans. TDAPO saw more home runs, fewer complaints and Mother Nature was for the most part kind. Based on the 2014 success, the Big Ten will bring its tournament back to TDAPO in 2016. In addition to these events, MECA has hosted many corporate meetings and wedding receptions at the ballpark.

In closing, Ms. French stated that she is pleased that in Fiscal 2014-2015 MECA met the goals of maintaining solid attendance and investing 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 MECA's focus.

### **Contract Approvals:**

Chairman Bradford indicated there are three contracts requiring approval today.

### **CLCO**

Chairman Bradford opened the floor for a wide-ranging discussion regarding the high-end Ferris Wheel with Big Fun, Inc. The Board discussed as background that MECA has been working on a plan to activate 10<sup>th</sup> Street and provide more CLCO amenities to families in and around the College World Series and the U.S. Olympic Swim Trials. Factors suggesting more fan movement towards 10<sup>th</sup> Street include the loss of The Yard property to development in 2015; the prospective loss some day of Lot B to development; and the congestion in the 12-13<sup>th</sup>/Cass-Webster corridor. Fundamentally the Board noted the many family friendly amenities MECA can offer at and around its Convention Center facility. These include ample space, including some green-space and shade to facilitate hosting and gathering; parking; indoor, clean restrooms; air conditioning; and excellent Food Service. This 100 foot high Ferris wheel will be the center point on the North Lawn and a driving force behind the 10<sup>th</sup> Street activation. Food vendors and tents will be located in this area. Beer and wine will be made available and MECA has conducted preliminary discussions with the Law Committee regarding a Special Designation License and anticipate no problems. Mr. Dixon distributed a handout with rough estimates for revenue and expenses for this project. He noted that the figures do not have the food and beverage numbers associated with it. MECA believes the first year it could possibly break even, although it is noted that the Ferris Wheel is not intended as a profit center but rather to activate 10<sup>th</sup> Street. Part of the cost are one-time fees that include making the curbs available for ADA and replacing trees with something less visual in front of the facility. Ms. Duren noted that whatever is done will be a risk and will take several years to get it up and running. The CLCO / TDAPO is an exciting campus where people aren't necessarily attending the game. This action is viewed as a commitment to bring value to the community with family-friendly activities, a safe environment that is ADA compliant, and one that offers good food and beverage options. Mr. Theisen inquired if this year is unique with the U.S. Swim Trials combined with CWS, and would this be looked at as seriously with just CWS. Chairman Bradford responded that yes, the activation of 10<sup>th</sup> Street is the determining factor driving this project and this initial Ferris Wheel commitment. Mr. Noddle summarized it by stating that approval of the Big Fun, Inc. Agreement by the Board is authorizing an expenditure of approximately \$425k which may, or may not, result in

unrecovered expenses of approximately \$100k to lay the groundwork for long-term (decades) of 10<sup>th</sup> Street area activation.

Ms. Duren requested a presentation to the Board on all MECA plans to activate 10<sup>th</sup> Street. Mr. Dixon noted that next month the Board will look at bringing Bungalows in for CWS and added that a presentation can be given. It will also include some type of projection on food as well.

Chairman Bradford then proceeded to read the following resolutions:

Big Fun, Inc. Agreement

**RESOLVED**, that the Agreement between MECA and Big Fun, Inc., for the rental, installation, and operation of a 100 foot Ferris wheel on the North Lawn of CenturyLink Center Omaha during the 2016 NCAA® Men's College World Series and 2016 U.S. Olympic Team Trials - Swimming, 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 and Board comment and asked for a motion.

Moved by Ms. Washington, seconded by Ms. Duren.

Motion carried: 5-0.

General Fire and Safety Equipment Co. of Omaha, NE Agreement

**RESOLVED**, that the Agreement between MECA and General Fire and Safety Equipment Co. of Omaha, NE to provide labor, materials, supplies and equipment to inspect the fire detection system 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 and Board comment and asked for a motion.

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

Motion carried: 5-0.

MECA

Voss Electric Company D/B/A Voss Lighting Agreement

**RESOLVED**, that the Agreement between MECA and Voss Electric Company d/b/a Voss Lighting to establish pricing for the purchase of light bulbs used at 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 and Board comment and asked for a motion.

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

Motion carried: 5-0.

**Next Board Meeting**

The next MECA Board of Directors Meeting is scheduled for Tuesday, March 15, 2016, at 10:00 a.m. in the MECA Board Room.

**Executive Session**

Chairman Bradford stated the time of 10:55 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 Ms. Duren, seconded by Mr. Noddle.

Motion carried: 5-0.

**Adjournment**

At 11:26 a.m. a Motion was made to come out of Executive Session and to adjourn, made by Ms. Washington, seconded by Mr. Noddle.

Motion carried: 5-0

Adjournment (11:26 a.m.)