

**MINUTES OF THE METROPOLITAN ENTERTAINMENT & CONVENTION
AUTHORITY BOARD OF DIRECTORS MEETING – OCTOBER 19, 2015**

A special 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 11:30 a.m. on October 19, 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. Jay Noddle, Mr. Willy Theisen, and Ms. Dana Washington.

Proof of Publication:

Notice of the meeting was published in *The Daily Record* on October 14, 2015, and in the *Omaha World-Herald* on October 13, 2015.

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

President/CEO Report:

Mr. Roger Dixon stated as everyone is aware there were several ticket scams that took place before the Taylor Swift show. These scams have occurred across the country, which commonly happens when there is a hot show and tickets are in high demand. MECA always cautions fan to not make a purchase from an unauthorized source. However, one of the situations experienced was unusual because it involved tickets that were printed inside the facility on MECA ticket stock and requires discussion with the Board.

Mr. Bob Freeman cautioned the Board that as they review this important recent matter of public interest, it is also one that involves personnel and criminal investigation components. The situation also carries potential litigation risks. As a reminder, the Board should not name any specific individual or speak about the police investigation other than to affirm that MECA is cooperating fully with the authorities.

Ms. Kristi Andersen reported that approximately 200 tickets in four sections of the lower bowl were re-printed on MECA card stock, and those duplicate tickets were sold on the open market in an unauthorized manner. MECA was not aware of what had been done until a number of days before the show when checks and balances came into place, and then a fan came to our ticket window with one of these duplicate tickets. MECA immediately conducted an internal investigation, which confirmed the situation that invalid tickets were out there. From there MECA focused on three efforts:

1. The Omaha Police Department was notified. MECA shared what was known, and continue to cooperate with them on the criminal investigation;
2. MECA began to try, as quickly as possible, to identify those who may have purchased these duplicate tickets. Enlisting the assistance of the news media, the information was distributed to the public, particularly to the people who bought tickets from a third-party. They were

encouraged to check with the Box Office to see if their tickets were valid. The primary goal was to be proactive and reach as many people as possible before the concerts; and

3. MECA also worked quickly with Taylor Swift's team to find a way to get these displaced fans into a sold out concert.

MECA has heard from almost all of those fans who had purchased invalid tickets. The proactive message seemed to work as the Box Office and Ms. Andersen were contacted by a number of people in advance of the concert. Ms. Andersen was happy to report that everyone tied to this situation and who came to the venue was able to see the show if they chose to.

Mr. Dixon stated that given this particular situation involved tickets that were printed in-house and appeared to the victims as valid, MECA understands the frustration of those who thought they had valid tickets. Therefore, Mr. Dixon recommended to the Board that those people be reimbursed for the face value of the tickets. Chairman Bradford requested that the recommendation be quantified. Mr. Dixon responded that there were 207 tickets which is approximately \$25,000 and would require Board approval.

Chairman Bradford asked if the Board had any comments.

Mr. Noddle stated that he attended the concert on both nights and felt the MECA staff did an outstanding job of helping fans in a difficult situation, particularly Ms. Andersen and Mr. Tom O'Gorman. He also appreciated Taylor Swift in collaborating with MECA to make it possible for these people to see the concert. Mr. Noddle feels that in-house policies need to be reviewed and, once again, guests need to realize that they need to be careful in purchasing tickets from the open market. This is a unique situation, and the Board is not in a position to be the source of easing the pain of buyers who do not purchase tickets from authorized sellers. Mr. Noddle believes that this is absolutely the right thing to do. Mr. Theisen agreed with Mr. Noddle and inquired as to what measures have been implemented to keep this from happening again. Mr. O'Gorman responded that the following procedures have been added:

1. Tickets cannot be reprinted on an account without another associate viewing it;
2. Tickets printed will include a direct code linked to the employee printing them; and
3. Mass-print tickets must be approved through the Box Office Management.

Mr. Dixon added that these procedures were put in place to make sure this never happens again; however, controls were in place. It was not "if" this person would be discovered but "when". This is the first time anything like this has happened with MECA.

Chairman Bradford stated that since it has been determined that these Taylor Swift tickets were not counterfeit, they were duplicate tickets made here on premises, this differentiates it from all other situations and because of that, it is our obligation to reimburse the people the face value of the ticket. Chairman Bradford asked Mr. Freeman for a resolution to be put on the floor, subject to modification.

Mr. Freeman read the following resolution to the Board:

RESOLVED, that the Board hereby authorizes reimbursement to ticket buyers directly affected by the printing and sale of unauthorized MECA tickets for the October 9, 2015, and October 10, 2015, Taylor Swift concerts at CenturyLink Center Omaha.

FURTHER RESOLVED, such reimbursement shall be at the ticket face value paid for admission to these Concerts.

Chairman Bradford invited public comment and asked for a motion.

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

Motion carried: 5-0.

Committee Update:

Real Estate Committee

Chairman Bradford reported that a lot of activity is going on with respect to Lot B. 10th Street is becoming an increasingly important corridor in the master plan of the City for growth of the North Downtown (NoDo) Entertainment District. There is an effort to rethink the Riverfront, NoDo, 10th Street corridor and Lot B areas. To get a sense of the planning process and urgency, Mr. David Brown is here from the Omaha Chamber of Commerce to provide a report.

Mr. Brown gave a brief history of how the Chamber has worked with the City on economic development in different Omaha areas, such as developing strategies for different neighborhoods like Destination Midtown, NoDo area, North Omaha and South Omaha. The only difference from those areas and the NoDo area was that there was never a specific staff person hired and money raised to implement the NoDo strategy. The feeling at the time was that this was such a dynamic area already and that a specific person to focus on NoDo redevelopment would not be required. However, with recent changes, the focus is now on major developments happening in this area. They are studying Riverfront development, access to the Riverfront from the NoDo area, potential redevelopment of the ConAgra site, not to mention HDR's Capitol Street project and the Civic Auditorium site. They want to focus on attractions that would create an opportunity for more people to come and enjoy the entertainment district. In their discussions, they realized the surface lots that exist in this area are truly prime development sites in waiting. Mr. Brown stated that the City, MECA and the ULI (Urban Land Institute) are all in the process of going through an analysis of the Lot B property. There is an amazing opportunity for an 8-acre site in the middle of a key area of our downtown. If utilized appropriately and developed with its maximum use and potential in mind, it really could be another shining example of Omaha being one of the best cities in America. Collaboration between the City, MECA and others in the neighborhood is required to ultimately come up with the best use for that site. Mr. Brown encouraged MECA to continue the momentum to move this project forward and asked that the Chamber is kept advised so they can help develop, promote and market the project.

Chairman Bradford thanked Mr. Brown for speaking on behalf of the Chamber. In terms of process, the biggest challenge with Lot B is to really understand the importance of the parking. As everyone knows there are 850 parking stalls on Lot B, and there is sensitivity with all the tenants using the parking. There are really only two other parking lots available, Lot D and Lot A. Lot B has become increasingly

more important to the business at CenturyLink Omaha and TD Ameritrade Park Omaha due to the number of other parking lots in this area decreasing. The loss of parking in The Yard, HDR and Lot G is approximately 1600 spaces. An alternative parking solution must first be identified and constructed before Lot B could be released. Mr. Dixon noted that because of the loss of other parking in this area, MECA would not only need to replace the 850 stalls taken from Lot B, but would need to increase the amount to add approximately 1200 or more parking stalls. The reality is that MECA's business is growing and convenient parking definitely adds to the value. Difficult parking may put MECA at a competitive disadvantage. Mr. Dixon stated that Lot B serves all three of MECA's venues, the baseball stadium, convention center and the arena. If Lot B goes away and Lot D is built into a decked garage then that will service the ballpark and convention center, but not the arena. Better solutions are needed. If a parking deck is constructed on Lot A, then MECA will have to determine how to get guests into the parking garage and a new arena entrance will be required as well. Convenience for our guests is of the utmost importance.

Mr. Noddle added that he believes the opportunities for Lot B are spectacular and there are very few areas that have the potential that Lot B has. Part of what creates the potential for Lot B is that MECA has Lot D and Lot A to expand upon. Something can be done with those lots in harmony with the redevelopment of Lot B. Lot B is one of the more valuable pieces of real estate in the region. The values that will ultimately be garnered from Lot B could very well be some record breakers for the community. Mr. Noddle estimated that the 8-acre lot has the potential to generate \$50-\$70 per square foot for a development project. There are a number of different things that will factor into the cost. Although this is an excellent opportunity, it still must be handled with care. Omaha has an opportunity to study other cities to review what has worked or not worked and add a project to this neighborhood that would be remarkable. Ms. Washington inquired as to which city projects should be looked at with similar venues. Mr. Noddle said comparisons need to be done with cities with the same climate such as Denver, Minneapolis, Pittsburgh and Indianapolis. Chairman Bradford noted that is the type of information the ULI team brought. Mr. Theisen suggested an appraisal of the Lot B property should be completed as a comparison with the construction costs for the proposed garages. Mr. Noddle stated that the cost for garages is known; there are enough done in the community already that are similar. It is a soft cost of about \$14,000 a stall for an above grade 3-5 story garage.

Chairman Bradford stated the current number from management for replacement parking is about 1200 stalls. The Board can focus on development of Lot B. In terms of a transfer or the release of the Lease of Lot B, it will be accomplished with collaboration with the City and others. New parking will already be established, CC&R's will be in place, and the use restrictions will be all sorted out. Chairman Bradford added that he did not see any scenario where the Board will be approving the terms of a transaction, but rather identifying the requirements of the transaction. It is the responsibility of the Board to ensure that MECA's business is not impaired by the loss of Lot B.

Next Board Meeting

The next MECA Board of Directors Meeting is scheduled for Tuesday, October 27, 2015, at 10:00 a.m. in the MECA Board Room.

Executive Session

Chairman Bradford stated the time of 12:10 p.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. Washington, seconded by Mr. Theisen.

Motion carried: 5-0.

Adjournment

At 1:21 p.m. a Motion was made to come out of Executive Session and to adjourn, made by Ms. Duren, seconded by Mr. Noddle.

Motion carried: 5-0

Adjournment (1:21 p.m.)