

**SPECIAL MEETING**  
**BOARD OF REGENTS**  
**NEVADA SYSTEM OF HIGHER EDUCATION**

System Administration, Las Vegas  
4300 South Maryland Parkway, Board Room

Thursday, January 4, 2018

Video Conference Connection from the Meeting Site to:  
System Administration, Reno  
2601 Enterprise Road, Conference Room  
and  
Great Basin College, Elko  
1500 College Parkway, Berg Hall Conference Room

Members Present:           Mr. Kevin J. Page, Chairman  
                                  Dr. Jason Geddes, Vice Chairman  
                                  Dr. Andrea Anderson  
                                  Dr. Patrick R. Carter  
                                  Mr. Cedric Crear  
                                  Mrs. Carol Del Carlo  
                                  Dr. Mark W. Doubrava  
                                  Mr. Trevor Hayes  
                                  Mr. Sam Lieberman  
                                  Mrs. Cathy McAdoo  
                                  Mr. John T. Moran  
                                  Ms. Allison Stephens  
                                  Mr. Rick Trachok (*via telephone*)

Others Present:            Dr. Thom Reilly, Chancellor  
                                  Dr. Constance Brooks, Vice Chancellor, Government and Community Affairs  
                                  Mr. Chet O. Burton, Chief Financial Officer  
                                  Mr. Dean J. Gould, Chief of Staff and Special Counsel to the Board  
                                  Mr. Nicholas Vaskov, System General Counsel  
                                  Dr. Len Jessup, President, UNLV

Faculty senate chairs in attendance were: Dr. Jill Acree, CSN; and Ms. Shannon Sumpter, UNLV.

Chairman Page called the meeting to order at 9:00 a.m. with all members present except Regent Trachok. Regent Doubrava led the Pledge of Allegiance.

1.     Information Only – Public Comment – None.

2. Information Only – Las Vegas Stadium Joint Use Agreement, UNLV – Chancellor Thom Reilly and University of Nevada, Las Vegas (UNLV) President Len Jessup presented a draft of the proposed Joint Use Agreement (JUA) between UNLV and the LV Stadium Events Company, LLC (the Raiders stadium operating company) governing UNLV's use of the future Las Vegas Stadium for information and discussion. *(Ref. BOR-2 and supplemental material on file in the Board Office.)*

Chancellor Reilly reported the negotiating team has worked diligently over the last six months. Both sides have strong positions, but the team promised the Board a JUA would not be brought forward unless the whole team felt this was in the best interest of UNLV and the Nevada System of Higher Education (NSHE).

Regent Trachok entered the meeting.

Chancellor Reilly reported the negotiation team consisted of: President Jessup; Ms. Desiree Reed-Francois, UNLV Director of Intercollegiate Athletics; Ms. Nancy Rapoport, Special Counsel to the President; Mr. Nicholas Vaskov, System General Counsel (System GC); Mr. Dean J. Gould, Chief of Staff and Special Counsel to the Board of Regents; Ms. Elda Sidhu, UNLV General Counsel; Ms. Mandy Shavinsky, Snell & Wilmer LLP; and Mr. Daniel Etna, Herrick Feinstein LLP.

Chancellor Reilly gave his sincere appreciation and thanks to the Clark County Stadium Authority (Authority) and Commissioner Steve Sisolak for helping finalize the deal in order to bring the JUA forward today.

Ms. Shavinsky reported the JUA originates from Senate Bill (SB) 1, the Southern Nevada Tourism Improvements Act which was passed in 2017 in an effort to bring the Oakland Raiders to Las Vegas. A component of SB 1 is \$750 million in public financing that is raised from the increase in the transient occupancy tax within the stadium district. The JUA, the Master Lease and the construction and development of the stadium will be overseen by the Authority. The Authority was empowered to enter into a Master Lease with the Raiders Stadium Events Company (StadCo). The Master Lease and JUA will need to be finalized prior to the Raiders being able to access the \$750 million in public financing. The Master Lease currently contemplates that it will be executed with the JUA in order for the money to be accessed. The Act contemplates the following items:

- UNLV will have the opportunity to play a sufficient number of home football games at the stadium, as well as three other University events.
  - SB 1 provides that the Raiders have priority over the UNLV games. During negotiations, UNLV was able to secure advanced scheduling priority for two non-conference games (one not more than four years in advance and one not more than seven years in advance). All game dates must be approved by the Authority.
- UNLV, in exchange for use of the stadium, will pay a reasonable rent, not to exceed the actual or pass-through costs incurred by the Raiders.

2. Information Only – Las Vegas Stadium Joint Use Agreement, UNLV – (Continued)

- UNLV must have access to the field to create a “home field environment” consistent with other National Collegiate Athletic Association (NCAA) Division I football programs.
- The Authority can resolve any disputes that may occur related to rent, scheduling and access to the stadium to create the home field environment.

Ms. Reed-Francois stated playing in this stadium will be transformational for the UNLV Football Program. A video to highlight and illuminate the stadium was played.

President Jessup provided the following components of the home field environment:

- UNLV wants to use artificial turf, while the Raiders want to use a natural turf field surface. The Raiders will provide the artificial turf, as well as set it up, take it down and store it.
- UNLV will pay for the field markings.
- UNLV will have complete access to all the digital signage inside and outside the stadium.
- UNLV will have UNLV Football fixed signage at each gate into the facility.
- UNLV is satisfied with the locker room design that will be branded and decorated for the Rebels.
- Spaces have been provided for the cheerleaders and band, as well as a storage location for instruments.
- UNLV has been granted access to all immediate parking spaces, as well as a way to capture revenue on game days and tailgating access.
- No restricted access to a wide array of seating.
- 70 suites will be made available on game days.
- Ample access to the team, coaches, and media.

President Jessup reported there are a lot of options for Sam Boyd Stadium, but no final decisions have been made.

Mr. Etna stated this JUA received input from many areas with a lot of robust discussions. He appreciated all the hard work of Chancellor Reilly. Mr. Etna provided the following stadium revenues that UNLV can expect to receive:

- All typical game day revenues.
- Luxury suite license fees.
- Net revenues from premium and non-premium ticketing.
- Food and beverage sales.
- Merchandise sales. UNLV will be provided space in the Raiders team store as well.
- Parking revenues.
- Tailgating revenues.

2. Information Only – Las Vegas Stadium Joint Use Agreement, UNLV – (Continued)

- Advertising sales. The Raiders will have sponsors, so as a result, any UNLV advertising partners must take the Raiders into consideration to avoid any conflicts. The Raiders are limited to 14 founding partners related to advertising.

Mr. Etna reported UNLV must pay rent which is defined as the actual cost of hosting an event at the stadium. The rent is defined as the fees incurred because of UNLV's use. The Authority will intervene in any rent disputes. An estimated game day rent has been calculated at \$250,000. Mr. Etna added UNLV will have the ability to meet with the Raiders and determine a different rent configuration termed as "right size the stadium" to make this a revenue positive experience for UNLV. The Raiders do have an obligation to provide cost information as it becomes available prior to construction of the stadium. Once the stadium is open, UNLV may request additional financial information twice a year. If UNLV does not have a revenue positive experience, the Act does provide a mechanism in the first 10 years for UNLV to receive a subsidy from the Authority of up to \$3.5 million, subject to certain provisions.

Regent Stephens asked if there is an exit clause in the JUA. Mr. Etna responded the JUA is created like a license that grants specific rights. The rights have been agreed to, but there is no obligation to stay in the stadium for any set period. Regent Stephens clarified that it is assumed there will be no obligations if it is determined that this is no longer working. Mr. Etna stated that often termination provisions are provided because certain things want to be secured before parties walk away. In this case, all parties believed it did not expressly need to be in writing and is advantageous because of the way the JUA is crafted.

Regent Crear found it interesting that there is no exit clause in a 30-year agreement and asked what the ramifications are if UNLV decides to leave and if the Raiders kick UNLV out. Mr. Etna reported the Raiders cannot terminate the JUA unless UNLV has committed some breach of contract. The Authority must approve any termination of the JUA. With the support the Authority has shown for UNLV through the process, Mr. Etna is comfortable that if the Raiders tried to terminate the agreement there would have to be good cause. Mr. Etna also stated that SB 1 created the right for UNLV to play at the Raiders stadium. If UNLV did leave, he felt the Raiders would not be disappointed. This was an accommodation being made for the UNLV Football Program by the Nevada Legislature related to the public financing benefit that the Raiders would like to obtain.

System GC Vaskov reported this is a license structure outlined in Section 2.2 (License of the UNLV Event Facilities). UNLV has the right the use the stadium but no obligation to use it and that is why there is no exit clause. If UNLV exercises its right to use the stadium, then the use is subject to all the terms and conditions of the JUA.

In response to a question from Regent Lieberman, Mr. Etna stated the Authority has been made aware of how the JUA works as it relates to using the stadium.

2. Information Only – Las Vegas Stadium Joint Use Agreement, UNLV – (Continued)

Regent Trachok asked if the two outside firms would be willing to provide an opinion letter assuring the Board of Regents no obligation to the University if the University, for any reason whatsoever decided to not use the facility. Both outside counsels responded yes that an opinion letter could be provided to the Board of Regents.

Regent Hayes understood the silent unilateral exit clause but asked if it would be simpler to add it to the contract. He also asked if UNLV would be obligated for the non-conference games that are advanced scheduled if UNLV leaves. Mr. Etna stated the advanced scheduling would merit careful consideration by UNLV because there is a contract between schools usually with a termination penalty. An exit clause in the JUA can be discussed.

Regent Moran agreed with the concerns presented. He was comfortable hearing the differentiation between licensing and contracting. He said he does not see any harm in placing an exit clause into the JUA to satisfy concerns, but he also does not believe it is necessary.

System GC Vaskov understood the concerns with the lack of expressed language. He believed it would be easy to add language that provides a procedure for an exit clause. Chancellor Reilly stated the Board of Regents must feel comfortable as it exercises its fiduciary duty, and added that he will take the concern back to the Raiders.

In response to a question from Regent Trachok, Mr. Etna stated the \$250,000 rent per game was a rough estimate provided by the Authority. It is not believed the rent will rise to that mark, with the ability to right-size and the use of financial information. Regent Trachok asked if there were any guarantees that the rent would not be more than \$250,000. Mr. Etna stated SB 1 only says “reasonable rent.”

Regent Trachok asked what options are being reviewed for the use of Sam Boyd Stadium. President Jessup stated it is a real estate asset with a significant structure. It could be sold, traded, used in a non-revenue generating capacity or left dormant and protected.

In response to a question from Chairman Page, Ms. Shavinsky stated that for UNLV to access the waterfall payment, UNLV would have to consult with the Authority for payment. UNLV will play Cal Berkley in 2020 if the stadium is open.

Regent Stephens clarified the Raiders have incurred costs for UNLV to be at the stadium. It is the Board's fiduciary duty to create a contract that will be beneficial over the length of the contract. In response to a question from Regent Stephens, Mr. Etna stated that disputes outside of SB 1 will be resolved by representatives acting in good faith. UNLV has the right to retain an independent public accountant. If the dispute is not resolved after 30 days, then the Authority will preside. If after another 30 days, the dispute is not resolved, then the matter will be resolved through binding arbitration in Clark County.

2. Information Only – Las Vegas Stadium Joint Use Agreement, UNLV – (Continued)

Regent Crear clarified there is nothing in the JUA that protects UNLV if the Raiders want to reschedule a game to a UNLV game day. Regent Crear believed hold harmless language should be added to protect UNLV. Mr. Etna stated UNLV will be made aware of the Raiders' schedule before its schedule is created. President Jessup understood the NFL schedule will be set first and then the UNLV schedule will be set around it. President Jessup believed it was highly unlikely that the NFL would change its schedule mid-season, and more likely that UNLV would want to make a scheduling change.

Regent Trachok left the meeting.

Regent Crear believed this exposes UNLV and that UNLV should be in a better position to protect itself from a potential financial windfall. Ms. Shavinsky reported the JUA does state UNLV has the right to play a sufficient number of games in the stadium. Ms. Shavinsky added that if the NFL scheduling rules change, the Raiders will have to come up with an equitable solution.

In response to a question from Regent Lieberman, Mr. Etna stated game day rent will not be consistent across all games, and instead will be dependent on the game day cost information.

Ms. Reed-Francois clarified UNLV will provide language regarding the scheduling of games in new contracts with other institutions going forward, but UNLV also recognizes it is entering a new relationship with the Raiders in good faith.

Regent Stephens did not believe there was legislative intent to increase UNLV costs.

In response to a question from Regent Crear, Mr. Etna stated the JUA provides that UNLV will be financially responsible for installing, removing and storing the customized end zone panels to the extent that the Raiders want to remove those panels after the game and return it to a neutral field. The Raiders will assume the costs to maintain, repair and remove the field. Chancellor Reilly stated he would clarify.

Regent Crear left the meeting.

Regent Hayes stated he would like to see an added provision that allows the scheduling of more than two non-conference games. He also added he has concerns related to the 14 exclusive advertisers. Regent Hayes appreciated the hard work that has gone into the JUA.

Regent Crear entered the meeting.

Mr. Etna reported the Raiders at times are very strict SB 1 constructionists, and the fact that they have negotiated on certain issues is very good.

Vice Chairman Geddes thanked the whole team for the impressive amount of work completed in the last month.

2. Information Only – Las Vegas Stadium Joint Use Agreement, UNLV – (Continued)

In response to a question from Vice Chairman Geddes, Mr. Etna stated UNLV has input on the design of the parts of the stadium that UNLV has rights to use.

Regent Del Carlo complimented the negotiation team.

Regent Moran believed the negotiation team did a great job. He thanked the Stadium Authority Board for keeping this agreement moving forward. It is a sophisticated agreement. The Board was prepared and has articulated a meaningful conversation. Regent Moran thanked Chairman Page and Chancellor Reilly for their hard work.

In response to a question from Chairman Page, Mr. Etna noted the Raiders did not seek an option to extend the lease agreement.

Mr. Steve Hill, Chairman of the Stadium Authority Board, stated he is happy with the significant progress that has been made and he thanked all the people involved for their hard work. He added when the Tourism and Infrastructure Committee made a recommendation to the Legislature it included a fixed rent payment of \$250,000 to provide certainty going forward. When the recommendation was changed to law, it stated UNLV will pay the incremental cost of operating the stadium on the days it is occupying the stadium. This is a great example of an agreement for a college team playing in an NFL stadium.

3. Information Only – New Business – None.

4. Information Only – Public Comment – None.

The meeting adjourned at 11:11 a.m.

Prepared by:

Angela R. Palmer  
Special Assistant and Coordinator  
to the Board of Regents

Submitted for approval by:

Dean J. Gould  
Chief of Staff and Special Counsel  
to the Board of Regents

***Approved by the Board of Regents at its May 4, 2018, special meeting.***