

**Oakland-Alameda County
Coliseum Authority**

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

**NOTICE AND AGENDA
BOARD OF COMMISSIONERS MEETING
ORACLE ARENA PLAZA CLUB
7000 COLISEUM WAY
OAKLAND, CA 94621**

Friday, July 15, 2011 8:30 a.m.

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES**
- 4. OPEN FORUM**
- 5. REPORTS**
 - 5a. Executive Director's Report**
 - 5b. Oakland Coliseum Joint Venture General Manager's Report**
- 6. NEW BUSINESS**
 - 6a. Instruction to the Authority staff to proceed either to 1) negotiate with Oakland Coliseum Joint Venture (OCJV) to extend the Coliseum Management Agreement now in effect based on the proposal received from OCJV or 2) prepare a request for proposals in connection with selecting an operator to manage the complex when the current Coliseum Management Agreement terminates.**
- 7. CLOSED SESSION**
 - 7a. Conference with Legal Counsel—Anticipated Litigation pursuant to Government Code Section 54596**
- 8. REPORT FROM COUNSEL ON CLOSED SESSION**
- 9. ADJOURNMENT**

**Oakland-Alameda County
Coliseum Authority**

**Oakland Alameda County Coliseum Authority
Meeting Minutes
June 17, 2011**

CALL TO ORDER

Chair De La Fuente called meeting to order at 8:35 a.m.

ROLL CALL

Chair De La Fuente
Commissioner Brooks
Commissioner Dobbins
Commissioner Lee
Commissioner Richardson
Commissioner Warren

APPROVAL OF MINUTES

The minutes for Oakland Alameda County Coliseum Authority meeting on May 20, 2011 were submitted for approval. Commissioner Warren moved to approve and Commissioner Lee seconded the motion. The motion was approved by consensus.

OPEN FORUM

Randall Whitney from Pacific Thomas Capital addressed the Board for 2 minutes.

REPORTS

Item 5a. Executive Director, Mark Kaufman reported on BASC counter proposal. Mr. Kaufman addressed the Levy and Al Attles concession cart progress. Mr. Kaufman discussed the new audit company, Vavrinek, Trine, Day (VTD) and their audit procedures. Mr. Kaufman discussed the changes in the OCJV Annual Plan. Mr. Kaufman concluded with congratulations to SMG and Live Nation on the success of the U2 concert.

Item 5b. Interim General Manager, Ron Little, discussed stadium and arena operation issues. Mr. Little also addressed U2 concert parking and security issues.

NEW BUSINESS

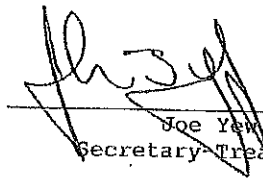
Pat O'Connell presented and discussed the budget for fiscal year 2011-12. The budget was submitted for approval. Commissioner Brooks moved to approve and Commissioner Richardson seconded the motion. The motion was approved by consensus.

CLOSED SESSION

There was no closed session.

ADJOURNMENT

The meeting adjourned at 9:16a.m.



Joe Yew
Secretary-Treasurer

**Oakland-Alameda County
Coliseum Authority**

**Executive Director's Report
July 15, 2011**

BASC Proposal

BASC has submitted a second proposal for concessions for the 2011 and 2012 seasons. The new proposal has increased by 1% bringing it to 38% on Raiders game day sales. This is still less than the 40% that the Authority receives now. Other events have increased in percentage from 30% to a potential of 40%. This is still sub-par than other comparable NFL stadiums around the country. The JPA staff has received a full analysis for review.

KNN Update

KNN was hired by the Authority in February 2011 to review financing alternative for the Arena A-2 bonds which have matured and now carrying a high interest rate compared to the others. KNN is aggressively pursuing alternatives and next report due on July 19th. By the next meeting, the staff will be able to give a complete update and direction for a board decision.

OCJV Annual Plan

The OCJV's Annual Plan has been finalized and ready for staff review at the next meeting. Changes to the plan included adding the O.co name and insert of last month's adopted OCJV budget and capital projects for the coming year.

Golden State Warriors

If you haven't seen in the news, the new GSW owners have made some personnel changes at the top operations management component of the organization. Both Robert Rowell, President and CFO Dwayne Redman have been replaced with minority owner Marty Glick.

Oakland Coliseum Joint Venture

General Manager's Report

July 15, 2011

Operations:

Arena – Event Level Dressing rooms have new carpet installed, the hallways are next. Daktronics corner boards have been ordered.

Stadium – OCJV Cleaning crews have gone through to do thorough cleaning in preparation for Soccer match earlier this week (Wednesday).

Concert/Events business is still progressing well with holds for Arena shows; next confirmed show/event:

Bay Area Black Expo – July 23-24

Atif Aslam & Sunidhi Chauhan, July 24

KMEL Summer Jam – Aug 20th

SADE – August 26-27

Ringling Circus – Sept. 8-11

Foo Fighters – Oct 19th

Parking lot continues to be utilized:

So You Think You Can Hoop, 3-on-3 basketball event and Sports Car Club both utilized parking lots last weekend. RV show starts next weekend.



July 15, 2011

Item 6a: Instruction to the Authority staff to proceed either to (1) negotiate with Oakland Coliseum Joint Venture (OCJV) to extend the Coliseum Management Agreement now in effect based on the proposal received from OCJV or (2) prepare a request for proposals in connection with selecting an operator to manage the complex when the current Coliseum Management Agreement terminates.

Background. Since 1998, Oakland Coliseum Joint Venture, a California partnership of which SMG is the general partner, has operated the Coliseum Complex as a subcontractor of the Authority. The original Coliseum Management Agreement entered into as of July 1, 1998 has been extended several times. The current termination date is June 30, 2012. The past extensions have been negotiated with SMG without exploring other possible options.

In May 2011, the Authority entered into a settlement agreement with the Golden State Warriors (the "Settlement Agreement"). Pursuant to the Settlement Agreement the Golden State Warriors are entitled to have input into the selection of any new manager for the Coliseum should the Authority decide to select a manager by a Request for Proposal process and to have input into the terms of the management contract whether or not a new manager is selected. This right to input, however, does not permit the Golden State Warriors to veto or approve the terms of a contract or the selection of the manager.

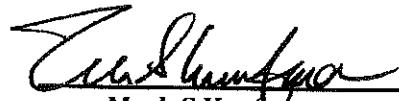
Alternatives for the Board to Consider. To provide for a seamless transition when the current Management Agreement terminates, it is important that the Authority have a new management agreement in place before next June. Two possibilities exist for accomplishing this:

1. **Extension of existing agreement.** SMG has provided a proposal to extend its agreement for up to 10 years. (A copy of the proposal is attached.) This avenue would require staff to negotiate an extension to the contract based on the proposal provided and submit the material terms to the Warriors for input. Once an agreement is in substantially final form and the Warriors input has been considered, the agreement so negotiated would be presented to the Board for approval.
2. **Request for Proposals.** The Board may also consider instructing the staff to prepare and circulate a Request for Proposals soliciting

management contract proposals from qualified firms for management of the Complex. There may be at least three other firms that would be interested in this opportunity. This option requires immediate action as it will take additional time both to prepare and circulate the request and also to receive the required input from the Warriors on both the company chosen and the contract terms.

Action for the Board to Consider. Staff requests that the Board take one of the following actions:

1. Instruct staff to negotiate an extension to the current Management Agreement with Oakland Coliseum Joint Venture (or SMG) and return to the Board with an extended management agreement for approval; OR
2. Instruct staff to prepare a Request for Proposals and circulate it to qualified companies and return to the Board with a recommendation based on the proposals received.



Mark S Kautzman
Executive Director



**SMG/OCJV
PROPOSED CONTRACT EXTENSION BUSINESS TERMS FOR
ORACLE ARENA & OVERSTOCK.COM COLISEUM
July 5, 2011**

Term:

10 years beginning at the conclusion of the current management agreement set to expire on June 30, 2012. The JPA will have the option to terminate the agreement at the end of year 5 (6/30/2017).

Fees:

All fees (base and incentive) will remain consistent with the current management agreement.

SMG Capital Contribution:

SMG will contribute \$1,500,000 upon contract signing to be used at the discretion of the Authority.

SMG's investment will be amortized on a straight-line, non-cash basis over the full 10 years of the extension. Should SMG's agreement be terminated for any reason during the term, it would be owed the remaining, unamortized balance of the investment.