

**MINUTES OF REGULAR MEETING OF THE LOS ANGELES
MEMORIAL COLISEUM COMMISSION**

June 6, 2012

CALL TO ORDER

The Regular Meeting of the Los Angeles Memorial Coliseum Commission was convened in the Commission Board Room on Wednesday, June 6, 2012, and called to order at 3:10 p.m. by Vice President Don KNABE.

PRESENT: Vice President Don Knabe
Commissioner William Chadwick
Commissioner Bernard Parks
Commissioner Barry Sanders
Commissioner Glenn Sonnenberg
Commissioner Johnathan Williams

ALSO PRESENT: Assemblyman Mike Davis
Mr. John R. Sandbrook
Attorney Donovan Main
Attorney Thomas Faughnan
Attorney Curt Kidder (for Noreen Vincent)
Mr. Greg Hellmold
Mr. Joe Furin
Ms. Donna Lee Dominguez

ABSENT: Commissioner Mark Ridley-Thomas
Commissioner Zev Yaroslavsky
President David Israel

Vice President Don KNABE presented a letter, dated May 17, 2012, from President David ISRAEL addressed to Governor Jerry BROWN, serving as his resignation from the Los Angeles Memorial Coliseum Commission.

Vice President KNABE thanked President ISRAEL for the last sixteen months he served as President of the Coliseum Commission and his commitment to this institution.

APPROVAL OF MINUTES

A motion was made by Commissioner CHADWICK, seconded by Commissioner SANDERS, and unanimously carried, that the minutes of the May 2, 2012 regular meeting be approved as circulated.

PUBLIC COMMENT

Vice President Don KNABE opened the meeting to public comment at approximately 3:20 p.m.

Mr. Levi KINGSTON announced that Hoover Day Care Center will be holding their graduation on Friday, June 8th at the Hebrew Union College and extended an invitation to the Commission.

Ms. Lynda PAUL, Executive Vice President, U.S. Capital, LLC, requested that the Commission open the process to the public in the form of a "Request for Proposal" and provide more than one option so the interest of the public will be more appropriately acknowledged.

Mr. Jeffrey Paul, U.S. Capital, LLC, questioned the manner in which the Coliseum Commission conducts their meetings.

ELECTION of President for 2012

A motion was made by Commissioner Barry SANDERS and seconded by Commissioner William CHADWICK that Commissioner Don KNABE be nominated for President. There being no further nominations, the nominations were closed, and Commissioner KNABE was unanimously elected President for 2012.

ELECTION of Vice President for 2012

A motion was made by Commissioner William CHADWICK and seconded by newly elected President KNABE that Commissioner Johnathan WILLIAMS be nominated for Vice President. There being no further nominations, the nominations were closed, and Commissioner WILLIAMS was unanimously elected Vice President for 2012.

GENERAL MANAGER'S REPORT

2. Report by General Manager – General Announcements

Mr. SANDBROOK commented on the following items which required no action:

1. EXPO Line
2. Report on Submittal of FPPC 700 Statements
3. Office Closure – Independence Day, Wednesday July 4th
4. Interim General Manager / Chief Administrative Officer Schedule

Commissioner CHADWICK reported that the California Science Center recently opened their Cleopatra Exhibit together with the new IMAX Movie “Mysteries of Egypt”. He stated that both the Exhibit and IMAX Movie were spectacular.

3. UPDATE – Amended and Restated USC – Coliseum Commission Lease

Interim General Manager, John SANDBROOK reported on that at the Special Commission Meeting held on May 14, 2012, the Commission Board took the following actions in respect to the proposed Amended and Restated Lease with the University of Southern California:

1. Found approval of the amended and restated lease to be categorically exempt from the provisions of the California Environmental Quality Act (CEQA);
2. Found that the use of competitive bidding under the circumstances was undesirable, impractical or impossible;
3. Approved the amended and restated lease and authorized the President of the Commission, subject to approval by the Commission as to legal form, to execute the lease; and
4. Instructed the Interim General Manager to: (a) transmit the amended and restated lease to the State of California on an expedited basis; and (b) request the State of California to execute a non-disturbance agreement with the Commission and with USC by June 30, 2012.

Mr. SANDBROOK also reported that at the same meeting, the Commission Board also took action to approve the proposed Loan Agreement with USC, up to \$1,500,000 becoming effective upon execution of the Amended and Restated Lease.

Mr. SANDBROOK presented a letter dated May 21, 2012 from California State Senator Roderick D. WRIGHT stating his support of the Los Angeles Memorial Coliseum and the Los Angeles Memorial Sports Arena being leased to the University of Southern California.

Mr. SANDBROOK announced that State and Consumer Services Agency Secretary Anna CABALLERO instructed him that her agency and office will be the primary point of contact for all discussions between the Coliseum Commission and the State of California. He was also instructed that the State and Consumer Services Agency will take the responsibility to communicate with the California Science Center (CSC) Board of Directors on all USC Lease negotiation updates.

Mr. SANDBROOK invited Ms. Kristina RASPE, Associate Sr. Vice President, USC Real Estate & Asset Mgmt. to update the Commission on their meeting with Governor Jerry BROWN and the current transitional planning. Ms. RASPE reported that they received a response from the State with a counter proposal. Ms. RASPE added that she does not feel optimistic that negotiations will end by June 30, 2012. However, they are working closely with the State to come to an agreement.

Commissioner CHADWICK commented that he is concerned that the CSC Board was given a different message in respect to the process of the Lease Negotiations. He suggested that it would be of value to bring the CSC Board and/or representatives into the process as soon as possible.

President KNABE agreed with Commissioner CHADWICK and added that the decision to communicate with the CSC Board is the responsibility of the State and the University of Southern California.

Ms. RASPE stated that the University has provided to CSC Board Members, Joel STROM, President and Irene ROMERO documentation of our proposal with the State transaction in December. She added that it has always been the intent of the University to loop the CSC Board in the proposal process and will continue to do so.

Ms. RASPE reported that transitional meetings with Coliseum staff over the last several months have gone very well. She added that with the help of the Coliseum staff, at any point in time the transition becomes a reality, they are prepared to take on the day to day operational requirements.

4. Financial Report

Interim Director of Finance Greg HELLMOLD presented the monthly financial report for the month of April 2012. Mr. HELLMOLD presented two alternative sets of cash flow projections for continuing operations of the Coliseum Commission as follows:

Option 1 – Assumes the Amended and Restated USC Lease is effective as of July 1, 2012.

This projection presumes that: (a) terminal vacation and sick leave payments are made to the Coliseum/Sports Arena staff upon the conclusion of their employment with the Coliseum Commission on June 30, 2012; (b) certain accrued revenue for events booked and scheduled beginning July 1, 2012 will be transferred to USC; (c) the \$500,000 rent payment due the State of California is paid on June 30, 2012, offset by a possible retroactive payment from the State for the 2007-2012 use of the Commission's property in Exposition Park Lot No. 3; and (d) the set aside allowance is maintained for possible retroactive payments to the Internal Revenue Service, the State of California, and the Retirement Trust Fund of the International Alliance of Theatrical and State Employees (IATSE).

Option 2 – Assumes the Amended and Restated USC Lease is not effective until January 1, 2013.

This projection extends the end date for (a) and (b) above to December 31, 2012. This projection also assumes the Coliseum Commission is responsible for the semi-annual rent payment of \$500,000 that would be due the State on December 31, 2012, as well as the payment due on June 30, 2012. This projection also presumes the continuation of (d) above.

Mr. Greg HELLMOLD reported that the insurance broker for the Coliseum Commission, Hub International Insurance Services, Inc., is making arrangements for contingent short-term extensions of the various insurance policies held by the Coliseum Commission.

5. Approval of 2012-2013 Operating Budget

Mr. SANDBROOK presented the proposed Operating Budget for 2012-2013 with the assumption that the USC transfer will occur July 1, 2012:

1. The Annual obligation of the Commission of the rent payments to the State of California for the Coliseum and Sports Arena;
2. The annual assessment to the Figueroa Corridor Business Improvement District;
3. The monthly financing payment to Kinetic Leasing, Inc. (through July 2016) for the Coliseum Digital video board;
4. The annual cost of retiree health insurance premiums for coverage provided through CalPERS for Coliseum/Sports Arena retirees, current and future; and

In addition;

- a. Pursuant to Paragraph 4.4, USC is to provide funding on a monthly basis to the Commission for "Landlord Operating Costs" which are defined in Schedule 4.4;
- b. Pursuant to Paragraph 4.2(d), USC is to provide an additional payment of \$100,000 per year to the Commission for three years, with the first \$100,000 being paid on the date that the Lease is effective, and the other two payments of \$100,000 on the successive anniversary dates;
- c. Pursuant to Paragraph 4.5, the Commission is also to be provided office space for one employee by USC and appropriate meeting space for the Commission board;
- d. Pursuant to Paragraph 4.6, USC is responsible for all utilities, taxes, operating costs of the facilities, and all costs related to the maintenance, repair, and replacement of the facilities.

Mr. SANDBROOK added that the Amended and Restated USC Lease also requires USC to provide guaranteed employment to current Coliseum/Sports Arena staff through December 31, 2012.

A motion was made by President KNABE, seconded by Commissioner SONNENBERG and unanimously carried that the Commission Board approve the recommended 2012 -2013 operating budget as prepared by Commission management and to authorize Coliseum management, should the Commencement date of the Amended and Restated USC Lease not occur on or before July 1, 2012, to continue operations for the period of July 1 – September 30, 2012, on a month to month basis.

6. Appointment of External Auditor for 2011-2012 Services

Mr. SANDBROOK presented a proposal submitted by McGladrey and Pullen LLP, which outlines information about their capabilities to continue serving the Coliseum Commission to provide audit and exempt entity tax services for the year ending June 2012.

A motion was made by Commissioner CHADWICK, seconded by Commissioner SANDERS and unanimously carried, that the Commission approves the proposal dated May 23, 2012 from the firm of McGladrey and Pullen LLP to provide audit and tax services for the financial activities of the Commission and of the Coliseum Association, Inc. for the fiscal year ending June 30, 2012.

7. Events Report

Mr. SANDBROOK presented the event calendars through December 2012 to include completed events, pending events and status of events previously approved by the Commission.

Commissioner PARKS distributed a letter detailing the discussion between the Staff of the Coliseum and his staff concerning the July 4th Fireworks Spectacular. Commissioner PARKS commented and disagreed on specific charges presented to him by the Coliseum Staff. Commissioner PARKS asked that the \$12,000 fee be waived for the July 4, 2012 fireworks event. Commissioner SONNENBERG added that we should remember that this fireworks show is a Community Event.

A motion was made by Commissioner SONNENBERG, seconded by Commissioner SANDERS and unanimously carried, that the Commission (1) affirm its waiver of all fees associated with this event, (2) secure letters from the LAPD and Fire Department that they will waive the requirements that are otherwise required by the City; and (3) confirm that the Coliseum is fully insured for this event.

8. Possible Extension of Employment Contract End Date Beyond June 30,2012 for John R. Sandbrook

Mr. SANDBROOK announced that today's meeting of June 6, 2012 is the last regular meeting of the Commission Board that is scheduled prior to the current end date of his employment contract.

A motion was made by President KNABE seconded by Commissioner SANDERS and unanimously carried that the Commission approve Amendment No. 4 of Mr. SANDBROOK's employment contract with the Commission for continuation of his appointment as (a) Interim General Manager; and/or (b) Interim Chief Administrative Officer.

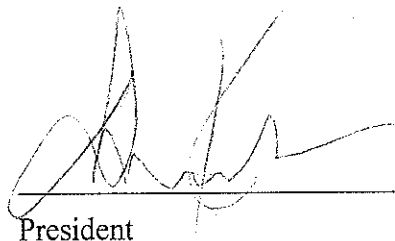
CLOSED SESSION

Attorney Donovan MAIN announced that the Commission would meet in Closed Session regarding the matters listed on the printed agenda. Closed Session commenced at 4:15 p.m.

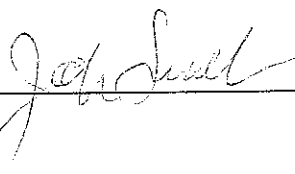
The Commission returned to Open Session at 4:45 p.m. and Attorney MAIN announced that there were no reportable actions.

ADJOURNMENT

The meeting was adjourned at 5:50 p.m.



President



Secretary