

**Reno-Sparks Convention & Visitors Authority
Meeting held Thursday, April 27, 2023, at 9:00 a.m.
Reno-Sparks Convention and Visitors Authority
4065 S. Virginia Street, Board Room, Reno, Nevada**

The Reno-Sparks Convention & Visitors Authority Board of Directors met at 9:00 am on Thursday, April 27, 2023. The meeting was properly noticed & posted in compliance with the Nevada Open Meeting Law.

A. OPENING CEREMONIES

A1. Call to Order

Chair Charlene Bybee called the meeting to order at 9:00 am.

A2. Pledge of Allegiance

Chair Bybee asked Board Member Murdock to lead the pledge.

A3. Roll Call

The Clerk of the Board took roll call.

Board Members Present:

Councilwoman Charlene Bybee, RSCVA Chair
Stephan Ascuaga, RSCVA Board Member
Andy Chapman, RSCVA Board Member
Shannon Keel, RSCVA Board Member **[Arrived 9:17 am]**
Rick Murdock, RSCVA Board Member
Ann Silver, RSCVA Board Member
Jessica Sferrazza, RSCVA Board Member

Board Members Absent:

Mayor Hillary Schieve, RSCVA Vice Chair
Commissioner Alexis Hill, Board Member

RSCVA Executive Staff Present:

Charles Harris, President & CEO
Courtney Jaeger, Vice President, Finance
Trent LaFerriere, Vice President, Facilities
Mike Larragueta, Vice President, Sales
Christina Erny, Vice President, Marketing
Art Jimenez, Executive Director of Tourism Sales
Ben McDonald, Senior Director of Communications and Public Affairs

RSCVA Legal Counsel:

Benjamin Kennedy, Dickson Wright

Board Clerk:

Lisa Farmer, Executive Assistant to the President & CEO

B. COMMENTS FROM THE FLOOR BY THE PUBLIC

Chair Bybee opened the floor to public comment, there was none. Public comment was closed.

C. CONSENT AGENDA:

1. **Approval of the Agenda of the April 27, 2023, Regular Meeting of the Board of Directors**
2. **Approval of the Minutes of the March 23, 2023, Regular Meeting of the Board of Directors**
3. **Approval of Staff's Recommendation to Accept the Proposal from Destination Analysts for the RSCVA 2023 Visitor Profile Study in an Amount not to Exceed \$150,000**
4. **Approval of Staff's Recommendation to Accept the Reno Events Center Renovation Furniture and Wall Coverings Proposal in an Amount not to Exceed \$177,056.50**
This item was addressed under Item E – Board Matters.
5. **Approval of Staff's Recommendation to Award RFP 2023-OP01 for the Reno-Sparks Convention Center Exhibit Halls Interior Painting Project in an Amount not to Exceed \$257,680**
6. **Approval of Staff's Recommendation to Award RFP 2022-MKT01 for the Design, Development, Maintenance, Repair, and Optimization of a New Website in an Amount not to Exceed \$400,000**
This item was addressed under Item E – Board Matters.

Chair Bybee noted that for item C4, the estimate had changed since the materials had been provided. The estimate was now \$164,632.88. Board Member Sferrazza asked to remove item C4 from the consent agenda. Chair Bybee asked to pull item C6 and address it under Item G, Board Matters.

Council Member Sferrazza asked to pull item C4 from the consent agenda.

Motion: Move to approve consent agenda items C1 through C3 and C5 as presented.

Moved by: Board Member Ascuaga

Seconded by: Board Member Silver

Aye: Board Members: Ascuaga, Bybee, Chapman, Keel, Murdock, and Silver

Nay:

Absent: Board Members: Hill, Schieve

Abstain:

Vote: Motion passed 7-0-2

D. EXECUTIVE UPDATES

D1. Reno-Sparks Convention and Visitors Authority CEO Update

President and CEO Mr. Charles Harris highlighted a couple of items from the CEO report provided to the Board. Taxable room night revenue for February set a new record, with more than \$32M collected. It was the sixth time in eight months of record setting room tax collection by the RSCVA. Mr. Harris reported that he and staff from the Marketing and Sales Departments had a workshop with Athletic Director Stephanie Rempe and University of Nevada Athletics staff.

Approximately 40 people attended to discuss ways to jointly work together to extend marketing reach through the media and other opportunities available to Nevada Athletics. Reno Tahoe also provided information and discussed new possibilities for advertising the area to university recruits. Nevada Athletics was also looking to extend their reach to individuals attending meetings and conventions. Mr. Harris said it was very productive and he was looking forward to working collaboratively on the to do list that was generated.

Mr. Harris attended the Destination Capitol Hill event in Washington, D.C. It was an opportunity to meet with elected officials to discuss what is happening in Reno Tahoe, but also in the travel industry. Concerns were shared about the long wait for Visas, limiting international travel as countries continue to open up. While in Washington DC, Mr. Harris also attended the US Travel Board meeting.

The Sales team finished March with 115% to goal for March and 94% to goal for FY23 with 207,000 group room nights booked. Facility rentals exceeded goals for FY23 as well, collecting over \$750,000 so far this year. The Reno Sparks Convention Center (RSCC) was maintaining an approximate 45% occupancy rate. The ancillary revenue surrounding RSCC rentals was up almost \$1.8M, this combined with rental left revenues over \$2.5M budget estimates for the year.

Board Member Sferrazza asked what the growth in RSCC rentals was attributed to. Mr. Harris said the Sales Team was doing a great job selling from outside the area as well as locally. They had been layering groups which was also helping. Mr. Mike Larraguetta, Vice President of Sales, agreed, adding that the Sales staff in the RSCC had the ability to sell space that would be used within 365 days and had done a great job attracting local businesses and organizations to hold their meetings and events at the RSCC.

Board Member Chapman said in looking at the Washoe - Tahoe trends related to occupancies and room revenues, in the past has been steady in terms of room tax revenues due to higher Average Daily Rates (ADRs) and occupancy. The main property in the area was voluntarily reducing their occupancy to 80% and was able to sustain previous levels by increasing room rates. However, this was leveling out and would be affected by the property's recent decision to postpone some improvements that they previously thought would close the location for some time. In looking at the most recent revenue numbers, it appears to be down 25% as ADRs start to soften. Mr. Harris acknowledged that this was being seen in all of the Reno Tahoe area and nationwide due to inflation, lay-offs, and trends with international markets. Fortunately, Finance had conservatively budgeted for the year anticipating some bumps in the road. Chair Bybee added that inflation was being felt by local governments as well. Revenue streams can be good, but with increasing costs for services and goods due to inflation, deficits were starting to appear.

E. BOARD MATTERS

E1. Discussion and Possible Action to Approve a Funding Request from the Reno Air Races Association in an amount up to \$250,000

Board Member Chapman shared the discussion that was held on this request at the recent Special Events Committee meeting. Mr. Chapman summarized the request by the Reno Air Races Association (RARA) for \$250,000 to help offset increased costs for the last air race event to be held in September 2023. After hearing from Mr. Tony Logoteta and much discussion, the Committee decided to deny the request as it didn't necessarily meet the criteria of the Special Events funding and bring the item to the full Board of Directors for consideration.

Board Member Sferrazza added that the Committee was supportive of providing some funding but had challenges with the amount requested. The Reno Air Races Association had submitted a request for \$150,000 via the Special Events Fund Program for marketing and broadcasting. The internal staff meeting to decide the funding of the Special Events Fund applications has not happened yet, so it hadn't been decided what the allocation would be for the upcoming year. Historically the RARA received approximately \$125,000 from that fund. The Special Events Committee although supportive, didn't think the request met the intent of the Opportunity Fund and suggested bringing the request to the full Board of Directors to consider possible funding from the General Fund, possibly through a budget augmentation. Ms. Sferrazza added that the Reno Tahoe Airport Authority (RTAA) was supporting the RARA through sponsorship and in-kind contributions. Board Member Murdock said the Nevada Commission on Tourism (NCOT) was looking to provide financial assistance to the RARA as well in an amount to be determined.

Mr. Tony Logoteta, RARA Chief Operating Officer, gave a short presentation sharing details about the Reno Air Races history, regional impact, and current event planning. This was the last year of racing in Reno, there would be an air show held in 2024. RARA recently had a change in the way insurance was provided and expenses for their insurance policy had increased significantly to approximately \$1.4M. RARA was requesting \$250,000 from Reno Tahoe making RSCVA the title sponsor for the event. If the Board was not comfortable with the amount discussed at the Special Events Committee, Mr. Logoteta said he was prepared with another option at \$150,000.

Discussion followed regarding the proposed 2024 air show. Mr. Logoteta said it was planned to be a celebration of the 60th anniversary of the Reno Air Races in 2024, with the departure of the racing component, RARA still planned to recognize the anniversary. Board Member Murdock asked if RSCVA could be provided with TV advertising allotments or some type of advantage for the 2024 event should Reno Tahoe provide sponsorship funds this year. Mr. Logoteta said that could be done. Previously Stihl had been the presenting sponsor recognized on the broadcasts. They were not involved this year, the amount being requested, if granted would make Reno Tahoe the presenting sponsor and would provide those types of opportunities. There were current efforts to create two television series that would be aired on Amazon. Any marketing, press pieces, or production would include the Reno Tahoe logo and information.

Board Member Sferrazza asked if the event was being held during a slower time in the tourist season. Board Member Ascuaga said regardless, his property (The Peppermill), would be full. September was part of their peak times. He acknowledged that the Air Races are a signature event, however every weekend in September has a major event scheduled. Board Member Sferrazza asked if the scholarships would be funded out of the amount requested. Mr. Logoteta said there was direct funding for the scholarships from a different foundation.

Discussion followed regarding what would be provided with a sponsorship for \$150,000. Mr. Harris said RARA had provided information on the standard sponsorship packages. A lot of what is listed as benefits of the sponsorship levels, RSCVA already gets through the Special Events Funding program. Two individualized packages were being created, one for \$250,000 and one for \$150,000. Mr. Harris was working directly with Mr. Logoteta on what those would look like and would send them to the Board once they had been drafted. The main differentiator between the two levels was being named the "Presenting Sponsor" at the \$250,000 level. At \$150,000 there were opportunities to be provided with chalets (suites) for attending/viewing the event. Board Member Sferrazza said with the request submitted to the Special Events Fund program at \$150,000 and a separate sponsorship of \$150,000, Reno Tahoe should be named a presenting sponsor. Mr. Harris clarified that historically the event had received \$120K to \$125K from the Special Events Fund, which was a little less than RARA's ask.

Board Member Murdock asked if the RSCVA had opportunities to bring customers and clients into the area to see the event and use the chalets. Was there a big benefit to the RSCVA to have the chalets? Vice President Larraguetta said the Sales Department would work to bring prospective and new clients to the event. That weekend Nevada Football was hosting University of Kansas, which would bring a significant number of fans to the area. They would look to attract customers from that area. Vice President of Marketing Christina Erny said Marketing could look to invite influencers and add efforts to increase the event's exposure.

Board Member Ascuaga asked how the event sponsorships were going. Mr. Logoteta said they were going well for the smaller sponsorship packages, however with Stihl leaving, typically the largest sponsor, the overall sponsorship revenue was down as it was tough to find a business to take over that spot, particularly with this being the last year of the event. Board Member Ascuaga clarified that the request submitted to the Special Events Fund program was for \$150,000 cash. He asked how much NCOT was considering providing. Board Member Murdock said \$50K to \$100K had been floated, but nothing was official yet.

Chair Bybee asked about ticketing projections. Mr. Logoteta said tickets sales were up when looking at a year to year comparison from \$2.3M to \$2.5M. Chair Bybee asked if seating capacity could be expanded to address the increase in attendees. Mr. Logoteta said they would be renting additional temporary grandstands. With supply chain challenges, the amount of rental of those had almost doubled.

Board Member Chapman left the meeting at 9:48 am. He returned at 9:52 am.

Discussion followed regarding ticket prices, possible continuation of the scholarship program, and attendance projections for an air show versus air racing. Board Member Silver too was in favor of contributing to the RARA based on an agreement that would include the 2024 air show. Board Member Sferrazza said she was prepared to support the RARA at \$150K from the General Fund in return for being the Title Sponsor for both 2023 and 2024. Chair Bybee clarified that the motion would create a budget line item in the General Fund for \$150,000 for FY24.

Motion: Move to approve sponsorship of the Reno Air Races as Title Sponsor for \$150,000.

Moved by: Board Member Sferrazza

Seconded by: Board Member Murdock

Board Member Silver asked to amend the motion to be listed as the Title Sponsor for only the 2024 event, not the 2023 event. She said the risks tied to racing events could be complicated. Being a Title Sponsor in 2024 will allow adequate time to really promote and prepare for the air race and the 60th anniversary recognition.

Motion Amendment: Move to approve up to \$150,000 for sponsorship in FY24 of the Reno Air Races and allow staff to negotiate a sponsorship package for the Air Races and a Title Sponsor assignment for the 2024 Air Show.

Moved by: Board Member Sferrazza

Seconded by: Board Member Chapman

Board Member Sferrazza wanted to make sure the sponsorship for the 2023 event included the benefits like use of chalets, branding, etc. Mr. Harris said he would work with Mr. Logoteta to create a custom package. He suggested the Board approve the sponsorship and allow staff to negotiate a package that would offer incentives that would go beyond what is provided normally with the RSCVA's grant provided via the Special Events Fund. The package would include benefits for both events. Mr. Harris did remind the Board that adding a line item for \$150,000 would affect other areas. He asked Mr. Logoteta if he would be amenable to creating a package for both events. Mr. Logoteta said he was as long as the 2024 event was still eligible to apply for the Special Events Fund program.

Board Member Sferrazza expressed concerns about making a commitment to an event in 2024 that has not yet been finalized. Mr. Harris asked Mr. Logoteta if the 2024 air show was guaranteed. Mr. Logoteta said the license is already in place for the event. He didn't have anything in writing at this time to ensure the event would happen. Mr. Harris said the package could include a clause similar to one that was done for another multi-year event related to event cancellation.

Aye: Board Members: Ascuaga, Bybee, Chapman, Keel, Murdock, and Silver

Nay:

Absent: Board Members: Hill, Schieve

Abstain:

Vote: Motion passed 7-0-2

Chair Bybee returned to Item C4.

Approval of Staff's Recommendation to Accept the Reno Events Center Renovation Furniture and Wall Coverings Proposal in an Amount not to Exceed \$177,056.50

Board Member Sferrazza disclosed that she represents Caesar's Entertainment, and they have a business relationship with the Reno Events Center (REC). Board Member Murdock disclosed that he is employed by Caesar's Entertainment, but there was no financial benefit to him personally by voting on this item.

Mr. Harris noted that approval of this item would initiate renovations in the REC suites, which had not seen any improvements since 2005.

Motion: Move to approve consent agenda item C4 as presented.

Moved by: Board Member Chapman

Seconded by: Board Member Silver

Aye: Board Members: Ascuaga, Bybee, Chapman, Keel, Murdock, and Silver

Nay:

Absent: Board Members: Hill, Schieve

Abstain:

Vote: Motion passed 7-0-2

Item C6 was addressed next.

Approval of Staff's Recommendation to Award RFP 2022-MKT01 for the Design, Development, Maintenance, Repair, and Optimization of a New Website in an Amount not to Exceed \$400,000

Chair Bybee said she pulled this item off the consent agenda due to the large dollar amount of the contract. She asked Ms. Christina Erny, Vice President of Marketing, to provide some details about what the project and what it includes. Vice President Erny said Marketing was going out to bid for almost all of their contracts right now, including the website. The last contract was awarded in 2016 which resulted in the launch of a new website design and aesthetic. She said while the current website looks good and functions well, it was time for it to be reviewed and updated. The intent was to build a brand-new site next year. This contract would be for the construction of the new site, transfer of information to the new site, and ongoing maintenance, optimization, and management of the new website. RSCVA did receive 19 submissions for this project, two of the bidders are local. The recommended bidder is a local company and has a team of over 50 people, many of which are familiar with RSCVA and how the organization operates. Ms. Erny said their proposal was impressive and the team that evaluated the bid liked the fact that KPS3's client list expanded out outside the DMO market. Mr. Harris said four agencies came in to present, the internal committee decided that KPS3 stood out among the presentations. He acknowledged that \$400,000 was a large amount, but it encompassed a lot more than just a new look for the website.

Ms. Enry added that the proposal was to change platforms and migrate the data to the new infrastructure. The website maintenance, optimization, and management would be covered for one year, at which time another contract would be negotiated for ongoing maintenance and management. Board Member Chapman asked if this included Search Engine Optimization (SEO). Vice President Enry said that SEO was currently separate and being bid separately.

Discussion followed regarding the bid process. Vice President Enry said the bid process included an amount not to exceed. Bidders then presented what could be done for that amount (\$400K). Ms. Enry said the bids were comparable. Board Member Keel would like to see the itemized list of work with corresponding estimates that make up the \$400,000. Board Member Ascuaga said he would like to proceed and award the contract but wanted to see an itemized list of work being proposed. Board Member Sferrazza agreed, it was necessary in terms of transparency to see what was being approved for such a large dollar amount.

Ms. Enry said the actual contract hadn't been drafted yet, but once it was, it could be shared with the Board. Mr. Ben Kennedy, Legal Counsel, outlined two options for the Board to consider: 1) Approve up to \$400,000 and allow staff to negotiate a contract as long as it was less than \$400,000 and share the contract once it's been signed; or 2) Ask staff to negotiate the contract and bring the contract with the itemized budget back to the Board for consideration.

Motion: Move to award the bid up to \$400,000 and allow staff to negotiate the contract with KPS3 and then bring the approved contract back to the Board for review.

Moved by: Board Member Chapman

Seconded by: Board Member Ascuaga

Board Member Sferrazza wanted to make sure the contract would be provided to the Board after it was finalized. Board Member Murdock said with so many RFPs coming up, it would be beneficial to have more information to help the Board Members be better prepared. Chair Bybee said having a breakdown of the proposals would help better guide the Board. Board Member Keel said it put the Board in a tough spot. They were not trying to hold up the bid or it wasn't that they didn't trust staff, the Board needed to see what they were approving in the future. Mr. Kennedy clarified that the action would allow staff to negotiate and the CEO would be able to execute the contract.

Aye: Board Members: Ascuaga, Bybee, Chapman, Keel, Murdock, and Silver

Nay:

Absent: Board Members: Hill, Schieve

Abstain:

Vote: Motion passed 7-0-2

F. BOARD MEMBER ANNOUNCEMENTS, REPORTS, AND UPDATES

Chair Bybee provided an update on the CEO Search Firm. The RFP closed the day before the meeting. It was distributed to 11 different firms, two of which submitted proposals. Staff would be

opening and reviewing those bids to make sure they met the criteria. Chair Bybee would work with staff to choose a search firm and bring a recommendation back to the full Board of Directors.

Board Member Chapman announced that the Cal-Neva property was sold to a popular hotel brand, potentially it would open as a part of a well-known hotel chain. The Tahoe Regional Planning Agency (TRPA) approved plans for the Waldorf Astoria for the former Tahoe Biltmore property.

Board Member Ascuaga asked what the timeline looked like for the CEO search. Mr. Kennedy anticipated a search firm recommendation would come to the Board at their May meeting. A contract would be negotiated and then brought to the Board for possible approval in June. The search would then go from there.

Board Member Ascuaga said with the upcoming Formula 1 race in Las Vegas, NCOT was encouraging all the DMOs to market to attendees. He said it would be good to have a discussion on developing an initiative to pull some of the visitors to northern Nevada. Board Member Murdock said it was also an opportunity for Las Vegas residents to take a trip with the big influx of visitors to their city.

Board Member Murdock said the Governor's Rural Round-Up went well in Mesquite. The Lt. Governor was in attendance and has been really involved. He encouraged RSCVA to interact as much as possible with Jeremy Renner and the Rennervations program that recently debuted. It was an amazing advertisement for Reno. The Governor's Dinner was scheduled for July 20, at which Bo Jackson would be the guest of honor.

Board Member Sferrazza asked that the top three bidders for the Agency of Record RFP present to the Board as it was a very large contract. She agreed that having Mr. Renner as an ambassador for Reno Tahoe was a great idea.

G. COMMENTS FROM THE FLOOR BY THE PUBLIC

Chair Bybee opened the floor to public comment. There was none, public comment was closed.

H. ADJOURNMENT

Chair Bybee adjourned the meeting at 10:46 a.m.

The meeting may be viewed here: <http://www.youtube.com/live/miG6mkbE9w8?feature=share>