

**SPECIAL MEETING OF
THE LOS ANGELES MEMORIAL COLISEUM COMMISSION**

Monday, May 14, 2012, 3:00 PM
Commission Board Room
3911 South Figueroa Street, Los Angeles, California 90037

CALL TO ORDER

The Special Meeting of the Los Angeles Memorial Coliseum Commission was convened in the Commission Board Room on May 14, 2012, and called to order at 2:00 p.m. by President David ISRAEL.

PRESENT: President David Israel
 Vice President Don Knabe
 Commissioner William Chadwick
 Commissioner Bernard Parks
 Commissioner Mark Ridley-Thomas
 Commissioner Barry Sanders
 Commissioner Glenn Sonnenberg
 Commissioner Johnathan Williams
 Commissioner Zev Yaroslavsky

ALSO PRESENT: Alternate Tom LaBonge
 Mr. John R. Sandbrook
 Attorney Donovan Main
 Attorney Thomas Faughnan
 Attorney Noreen Vincent
 Mr. Greg Hellmold
 Mr. Joe Furin
 Ms. Donna Lee Dominguez

PUBLIC COMMENT

Mr. Dan NELSON stated his support of the lease agreement between the University of Southern California and the Coliseum Commission.

Ms. Lynda PAUL objected to the decision of the Commission to grandfather the Sports Arena into the USC Lease Agreement.

Mr. Jeffrey PAUL stated his support of the proposal presented by U.S. Capital and commented that he felt it was very troubling that the Coliseum and Sports Arena are not open for bid.

Mr. Rob PAUL asked that the Coliseum Commission reconsider the proposal presented by U.S. Capital for redevelopment.

Ms. Jill Rinansky, Executive Director, St. Francis Center on behalf of project S.A.G.E. community housing, asked the Commission not to rush the lease negotiation process.

Mr. Naibe KNATAI called for a delay of the Commission vote and to provide more transparency with the community most affected.

Senior Vice President of University Relations, Thomas Sayles asked that the Coliseum Commission vote in favor of the lease.

OPEN SESSION

1. Discussion and Possible Action regarding: (a) the proposed Restated Lease with the University of Southern California for the Los Angeles Memorial Coliseum and Los Angeles Sports Arena for a term ending December 31, 2054, as recommended by the Commission negotiating committee (Commissioners Israel, Knabe, Williams); (b) associated findings regarding CEQA compliance and competitive bidding; (c) transmittal instructions to the interim General Manager; and (d) the request to the State of California for a non-disturbance agreement from the State of California.

Commissioner KNABE opened with a recommendation to move forward and accept the proposed Amended and Restated Lease.

President ISRAEL introduced Counsel Richard VOLPERT who summarized the lease agreement and explained that negotiations have been completed and that the lease presented has been approved by both the USC and Coliseum Commission negotiation team and is ready for consideration.

President ISRAEL opened discussion with Commissioner PARKS who presented a letter dated May 10, 2012 with attachments dated January 2012. Commissioner PARKS offered his concerns and suggestions regarding the continued negotiations on a modified lease with the University of Southern California. Commissioner PARKS provided a summary of his suggestions and the major issues and inconsistencies noted in his attachments. Commissioner PARKS asked that the Commission take into consideration the many years of tax payer investments and that a review should be ordered by the Commission to establish a working group consisting of City, County and State personnel to evaluate the third party review and provide recommendations to their respective Commissioners.

Commissioner PARKS presented an additional letter to President ISRAEL dated January 24, 2012 outlining his previous concerns as follows:

- This process should be public;
- The Coliseum should remain a public venue;
- An independent financial analysis is needed;
- The Commission needs to explore options;
- The Sports Arena should not be part of the deal; and
- Expo Center's parking arrangement should be secured.

Commissioner SONNENBERG commented on the remarkable memories the University of Southern California has brought to the Coliseum and supported approval of the draft Lease Agreement. Commissioner SONNENBERG stated that the Coliseum Commission has no money to continue. "The time is now", stated Commissioner SONNENBERG. We have had one buyer

since 2008 willing to spend the needed \$70-\$80 million dollars to improve and maintain not only the Coliseum but to realize the vision of the entire park. Commissioner SONNENBERG fully supported the Fairness Opinion Report presented by Steven Laposa, PhD., at the May 2, 2012 Commission Meeting and that it is in the Communities best interest.

Commissioner SANDERS concurred with Commissioner SONNENBERG and added that he is in favor of the current proposed Amended and Restated Lease Agreement.

Commissioner SANDERS stated that the agreement is a fair transaction economically and for the community surrounding the Coliseum and Sports Arena.

Commissioner CHADWICK expressed his sadness on moving forward with the proposed modified lease. He stated that if we move forward the result in terms of the physical structure will be very good. However, as stated by Commissioner CHADWICK, it will be different, not better or worse, just different. Commissioner CHADWICK thanked Commissioner SANDERS for his explanation of the legal position we are in. Commissioner CHADWICK stated that we made decisions four years ago, we negotiated a lease in good faith with the University of Southern California, and the both of us knew what our obligations were. He summarized by saying, "Unfortunately for many reasons, we cannot fulfill our obligations under the lease from 2008, and there is no alternative but to modify the lease". Commissioner CHADWICK stated that it is the obligation of this Commission to make it a better experience when they visit our park.

Commissioner WILLIAMS concurred with the comments made by Commissioners SONNENBERG, SANDERS and CHADWICK. Commissioner WILLIAMS stated that the University Southern California has been outstanding corporate model within the community for decades and that he is in full support of moving forward with the proposed lease.

President ISRAEL invited Alternate Tom LABONGE to speak.

Alternate LABONGE stated that this place is a partnership to the future and that he is very pleased with the University of Southern California proposed lease and it is a natural fit to this park. Alternate LABONGE stated that the community surrounding this park is important and this is a great opportunity for everyone.

Commissioner YAROSLAVSKY commented on the concerns that the Commission has rushed into this lease. Commissioner YAROSLAVSKY stated that they have been working toward this decision for many months. Commissioner YAROSLAVSKY stated that he does not want the Los Angeles Memorial Coliseum to become the Roman Coliseum and that we cannot let this stadium wither. One of the principle reasons this part of Los Angeles has experienced the renaissance it has is because of the University of Southern California and the incredible investment in their campus, the community and the park. Commissioner YAROSLAVSKY stated he is totally in support of the proposed Amended and Restated Lease Agreement.

A motion was made by Commissioner KNABE, seconded by Commissioner RIDLEY-THOMAS. The vote of the Board was 8 – 1 with Commissioner PARKS voting in opposition that the following suggested action be approved:

- a. Find that approval of the amended and restated lease agreement with the University of Southern California (USC) for the use and management of the Los Angeles Memorial Coliseum and the Los Angeles Memorial Sports Arena (both facilities and surrounding property) for the remainder of the term of the Commission's leases with the State of California for each facility ending December 31, 2054 ("Amended and Restated USC Lease") is categorically exempt from the provisions of the California Environmental Quality Act ("CEQA") pursuant to sections 15301 and 15323 of the State CEQA Guidelines.
- b. Find that the use of competitive bidding under the circumstances would be undesirable, impractical or impossible.

- c. Approve and authorize the President, subject to approval by Commission counsel as to legal form, to execute the proposed Amended and Restated USC Lease.
- d. Instruct the interim General Manager to: (1) transmit the Amended and Restated USC Lease agreement to the State of California on an expedited basis; and (2) request the State to execute not later than June 30, 2012 a non-disturbance agreement with the Coliseum Commission and with USC with respect to the Amended and Restated USC Lease.

2. Discussion and Possible Action regarding: (a) a proposed Loan Agreement with the University of Southern California secured by the Commission Property at 3843 Grand Avenue for a term ending not later than ten (10) years from the date of the agreement, as recommended by the Commission negotiating committee; and (b) associated findings regarding CEQA compliance.

Mr. SANDBROOK presented the Commission with a copy of the proposed Loan Agreement between the Los Angeles Memorial Coliseum Commission and the University of Southern California.

A motion was made by Commissioner KNABE, seconded by CHADWICK and unanimously carried that the following suggested action be approved:

- A. Find that any potential disposition of the property and improvements owned by the Commission at 3843 Grand Avenue, Los Angeles, California, is categorically exempt from the provisions of the California Environmental Quality Act ("CEQA") pursuant to section 15312 of the State CEQA Guidelines.
- B. Approve and authorize the President to execute a loan agreement with the University of Southern California (USC) for USC to provide working capital, if and when needed, to the Commission under the following terms:
 1. The revolving line of credit shall not exceed \$1,500,000.
 2. Drawdowns may be made by the Commission at any time during the first 60 months from the date of the agreement.

3. Any amount drawn down shall accrue interest at a rate of 6.0% per annum.
4. All principal and interest is to be repaid by the Commission not later than 120 months from the effective date of the Amended and Restated Agreement, with the Commission having the right to prepay at any time without penalty.
5. The collateral for the line of credit shall be the property and improvements owned by the Commission at 3843 Grand Avenue, Los Angeles California.
6. Legal counsel shall approve the loan agreement and related documents as to form.

CLOSED SESSION

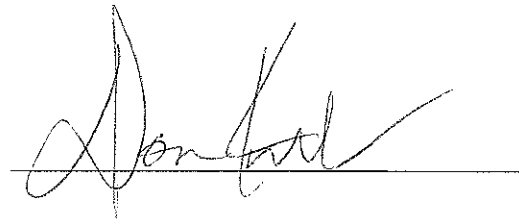
Attorney Donovan MAIN announced that the Commission would meet in Closed Session regarding the matters listed on the printed agenda. Closed Session commenced at 3:25 p.m.

The Commission returned to Open Session at 4:22 p.m. and Attorney MAIN announced that there were no reportable actions.

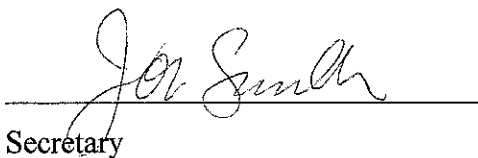
ADJOURNMENT

The meeting was adjourned at 4:25 p.m.

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A handwritten signature in cursive script, appearing to read "Don Ford", written over a horizontal line.

President

A handwritten signature in cursive script, appearing to read "Joe Smith", written over a horizontal line.

Secretary