



louisville arena authority

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**Board of Directors Meeting
April 21, 2008
9:00 a.m. EST
Kentucky International Convention Center
Louisville, KY**

Directors in Attendance: Mr. Larry Bisig, Mr. Todd Blue, Mr. Junior Bridgeman, Ms. Reba Doutrick, Mr. Eric Gunderson, Ms. Alice Houston, Ms. Cissy Musselman, Ms. Lindy Street, Mr. William Summers V, Mr. Dan Ulmer, Mr. Robert Woolery, and Chairman Jim Host

Directors Absent: Mr. Zev Buffman, Mr. Lanny Greer (Ex Officio), Vice Chairman Larry Hayes, Metro Council President Jim King (Ex Officio), Mr. James Patterson

Consultants and Staff of Arena Authority: Mr. Harold Workman, Executive Director; Mr. Mark Sommer, General Counsel; Ms. Helen Thompson, Assistant General Counsel; Mr. Greg Carey, Goldman Sachs; Mr. Mike Clay, HOK; Mr. John Hilken, PC Sports; Mr. Tom Rousakis, Goldman Sachs; Mr. Allen Troshinsky, Mortenson

Welcome: Chairman Host

Chairman Host declared a quorum and convened the meeting.

DISCUSSION ITEM: Acceptance of the Minutes of March 31, 2008 Board Meeting – Chairman Host

Mr. Woolery moved to accept the Minutes of the March 31, 2008 Arena Authority meeting. The Motion was seconded by Mr. Bridgeman, and the Motion passed unanimously with no abstentions.

DISCUSSION ITEM: Presentation of Financial Statements – Chairman Host

Chairman Host introduced Mr. Jerry Frantz, Director of Administrative Services for the Kentucky State Fair Board, who advised that a copy of the financial statements was included in the Authority members' board binders. Mr. Frantz reported that the statements are similar to previous months, and the cash-on-hand in the investment account as of March 31, 2008 was \$19,055,640.

DISCUSSION ITEM: PC Sports Update – Dan Ulmer



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Construction Committee Chairman Ulmer asked Mr. John Hilkene to provide an update from PC Sports. Mr. Hilkene reported that LG&E's construction of its new facility remains on schedule and on budget. Additionally, he advised that a site access agreement had been executed between LG&E, the Arena Authority and O'Rourke Wrecking, allowing O'Rourke access to the LG&E site to begin initial internal demolition work.

DISCUSSION ITEM: HOK Update – Dan Ulmer

Construction Committee Chairman Ulmer introduced Mr. Mike Clay, who provided an update from HOK. Mr. Clay advised that HOK's first bid package had been issued by Mortenson for mass excavation, deep foundations, and underground site utilities. He stated that the interior design presentation was complete and work had begun on the Arena's themeing. Mr. Clay reported that significant progress had been made on the garage design. Finally, he advised that the 100% construction documents would be provided to Mortenson in mid-June 2008.

DISCUSSION ITEM: Mortenson Update – Dan Ulmer

Construction Committee Chairman Ulmer introduced Mr. Allen Troshinsky, who provided an update from Mortenson. Mr. Troshinsky reported that Mortenson had participated in numerous coordination meetings with the concrete and demolition contractors. Additionally, they recently began the permitting process. He explained that as HOK issues construction documents, Mortenson contacts the various permitting agencies to obtain permits.

Mr. Troshinsky reported that as follow-up to the earthwork bid package recently issued by HOK, Mortenson drafted and issued a Request for Proposal ("RFP") manual. Mr. Troshinsky introduced Mr. Anthony Mathis, who provided an update of outreach efforts relative to the earthwork RFP package. Mr. Mathis advised that the RFP prints and plans have been placed at strategic locations throughout the community. Additionally, presentations have been made to the African American Business Alliance, the Black Contractors Association, Louisville Enterprise Group and the Hispanic Latino Business Alliance, all in an effort to ensure they have the information needed to bid on the project.

DISCUSSION ITEM: Affirmative Action and Labor Committee – William Summers V

Affirmative Action and Labor Committee Chairman Summers introduced Mr. Michael Gritton, Executive Director of KentuckianaWorks, who provided an update on the Construction Pipeline Project. Mr. Gritton reported that progress has been made on the project, and of the 44 people who had completed the orientation, assessment and employment skills portion of the project, 25 have been placed, all in union apprenticeship programs. The program is committed to offering participants the opportunity to be placed in union and non-union jobs, and they continue to reach out to the Associated Builders and Contractors for their help with placements. Two RFPs have been issued (each for \$80,000) to solidify the job placement piece, one focusing on union jobs and the other focusing on non-union jobs. More than 1,000 people have attended public events, more than 400 have attended orientation sessions, and 106 people have entered the soft skills training portion of the project.

Chairman Summers thanked Mr. Gritton and Mr. Mathis, as well as everyone involved in the project for their efforts. Chairman Host thanked the Affirmative Action and Labor Committee, and remarked

that the Construction Pipeline Project will benefit not only the Arena project, but many construction projects throughout the community.

DISCUSSION ITEM: Insurance Committee Update – Bob Woolery

Insurance Committee Chairman Woolery reported that the contractors' pollution liability policy has been bound. Additionally, he reported that the Insurance Committee will meet on May 6, 2008 at 8:30 a.m. to review the remaining insurance needs of the Arena project.

DISCUSSION ITEM: Bond Issuance Update – Chairman Host

Chairman Host introduced Mr. Greg Carey, managing director of Goldman Sachs' sports facilities group, and Mr. Tom Rousakis, the Arena Authority's primary contact at Goldman Sachs. Mr. Carey advised that the municipal bond market has recently rebounded significantly, and market conditions have returned to where they were prior to the end of 2007. He stated that municipal market rates have rallied 50 basis points. Additionally, he reported that the Arena project will be presented to Committee at Assured Guaranty in late April, and he is cautiously optimistic that a bond insurance policy for the Arena will be approved. Immediately thereafter, Goldman Sachs will begin the final stages of closing. In May, all documents would be finalized, and the final marketing and sales process will occur in June. He cautioned that the market remains volatile, but stated that he is hopeful the next meeting with the Arena Authority will be the presentation on the insurance guaranty.

In response to Chairman Host's question, Mr. Carey explained that based upon the current market conditions, the total interest cost of financing is approximately \$50 million lower over the life of the bonds than it was a few months ago. Further, he stated that the structure is much more secure for the Arena Authority. Chairman Host thanked Mr. Rousakis, Ms. Paula Yancey and Mr. Mark Grundy for their appearance before the Kentucky Capital Projects and Bond Oversight Committee meeting on April 15.

DISCUSSION ITEM: Contracts Update – Mark Sommer

Mr. Sommer reported that he and his associates have begun working on closing documents for the Arena's financing, and a meeting will be held with all of the attorneys involved on May 6. He advised that assurance has been given that the IRS private letter ruling will be issued before the end of April or early May.

DISCUSSION ITEM: Arena news articles/press – Larry Bisig

Mr. Bisig directed the Authority members to the news articles included in the Arena board book. He also advised that the Communications Committee would meet at 3:00 on April 21.

DISCUSSION ITEM: Old Business

None

DISCUSSION ITEM: New Business

None

No other business to come before the Authority, the meeting was adjourned at approximately 9:25 a.m.

Respectfully submitted,
Laura Chandler