



louisville arena authority

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Board of Directors Meeting
April 19, 2010
9:30 a.m. EST
Kentucky International Convention Center
Louisville, KY

Directors in Attendance: Mr. Larry Bisig, Mr. Todd Blue, Mr. Tim Corrigan, Ms. Reba Doutrick, Mr. Eric Gunderson, Vice Chairman Larry Hayes, Ms. Cissy Musselman, Metro Council President Tom Owen (Ex Officio), Mr. James Patterson, Ms. Lindy Street (via phone), Mr. William Summers V, Mr. Dan Ulmer, Mr. Bob Woolery (via phone), Chairman Jim Host

Directors Absent: Mr. Junior Bridgeman, Mr. Lanny Greer (Ex Officio), Ms. Alice Houston

Consultants and Staff of Arena Authority: Mr. Harold Workman, Executive Director; Mr. Ed Glasscock, General Counsel; Mr. Mike Clay, Populous; Mr. Bill Hedge and Mr. Anthony Mathis, Mortenson/Mathis Construction; Ms. Paula Yancey, PC Sports

Welcome: Chairman Host

Chairman Host declared a quorum and convened the meeting.

DISCUSSION ITEM: Acceptance of the Minutes of March 22, 2010 Board Meeting – Chairman Host

Mr. Bisig moved to accept the Minutes of the March 22, 2010 Arena Authority meeting. The Motion was seconded by Mr. Summers, and the Motion passed unanimously with no abstentions.

DISCUSSION ITEM: Presentation of Financial Statements – Vice Chairman Hayes

Vice Chairman Hayes introduced Mr. Jerry Frantz, Director of Administrative Services for the Kentucky State Fair Board, who reviewed the March 2010 financial statements. Mr. Frantz reviewed the state grant, bond proceeds and restricted pledges (James Graham Brown Foundation grant), which remain unchanged. He reported that interest income and other resources increased slightly in March. Mr. Frantz reported that construction-in-progress increased by approximately \$18 million in March. Mr. Frantz reviewed the budget breakdown of expenditures to date, classified by arena design and construction, construction administration, and construction and land acquisition costs. Finally, Mr. Frantz reported that construction was 61% completed



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through the February 2010 billing cycle (paid in March), and is expected to be 68% completed through the March 2010 billing cycle.

DISCUSSION ITEM: PC Sports, Populous and Mortenson Updates – Dan Ulmer

Construction Committee Chairman Ulmer introduced Ms. Paula Yancey, who reported that PC Sports continues to provide oversight and day-to-day management of construction and design activities on the project site. PC Sports has assisted in selecting providers of the Arena's furniture, portable basketball floor and portable basketball goals. They are reviewing the proposals for the Arena's portable seating. Additionally, PC Sports is continuing its involvement in the theming/signage placement and production coordination.

Ms. Yancey reported that PC Sports continues its ongoing coordination with surrounding projects, including the Galt House pedway and the Second Street Bridge and streetscape project. PC Sports is providing food service coordination with Centerplate, is engaged in the start-up and operation planning for the Arena, and is involved with the Arena Authority's IT Committee. Ms. Yancey introduced two "fun facts" about the Arena, advising that the length of all escalators in the Arena totals 556 linear feet, equivalent to 733 basketballs placed side by side, and the center-hung scoreboard weighs 40,000 pounds, equivalent to 11 Ford Explorers.

Ms. Yancey introduced Mr. Mike Clay, who advised that substantial progress had been made on the Arena's exterior in the last month, including the metal panel work, skylight/waterfall feature, glass curtain wall and membrane roofing. Mr. Clay showed an image of the internal drainage system on the Arena's roof, as well as images showing the views from the upper concourse "Spirit Room" and the main concourse public sports bar/dining area.

Mr. Clay provided an overview of the sustainable design features associated with the Arena's carpet. He explained that the Arena will have 16,000 square feet of carpet. The carpet manufacturer is Bentley Prince Street, an industry leader in "green" practices. Mr. Clay advised that all of Bentley Prince Street's standard products contain recycled materials, and since 1997, they have reduced the amount of waste sent to landfills by 97%.

Mr. Clay introduced Mr. Bill Hedge from Mortenson Construction, who reported that the catwalks within the steel trusses were completed on April 13, and all steel work has been completed and accepted by the special inspectors and engineer of record. Mr. Hedge reported that the high duct work has been completed, the roof drains have been tied into the permanent system, and the aisle steps inside the Arena bowl are being cast.

Mr. Hedge advised that the Arena roof membrane and waterfall skylight glass system have been completed. The glass installation at the main lobby and Second Street will be completed in April. Mr. Hedge reported that field water tests are being performed on the glass. The exterior limestone walls at the lobby have been completed, and the metal panel work is ongoing on all sides of the building. He advised that finish work is ongoing throughout the building. The tile work in the Lady Cardinal's locker room has been completed, as well as the masonry work on the event level. Drywall work continues on all levels of the building. Finally, the hardscape work continues on the entrance plaza, and the trees have been selected by the landscape architect.

Mr. Hedge reported that more than 1,315,500 work hours have been performed on the Arena project to date. The project is averaging 617 workers on site. There have been 185 first aid cases to date, 523 hazard recognitions and 203 near misses. He advised that the recordable incident rate on the project is now 2.74, which is below the Louisville average of 5.00 and the national average of 5.10. Mr. Hedge then showed a series of photos of the construction progress.

At the conclusion of Mr. Hedge's remarks, President Owen asked if the Arena sustained any damage during "Thunder over Louisville." Mr. Hedge responded that inspections were being conducted, but he did not think any damage occurred. Chairman Host asked if the Arena will be open by November 1, 2010. Mr. Hedge responded that the Arena will be open.

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

Affirmative Action and Labor Committee Chairman Summers asked Ms. Yancey to provide an update on the Arena project's MWBE efforts. Ms. Yancey reported that through March 2010, more than \$233 million in goods and services have been procured by Populous, Mortenson, O'Rourke Wrecking, and Patriot Engineering. Of \$233 million, more than \$51 million (21.9%) has been committed to MBE firms and \$14.9 million (6.4%) has been committed to WBE firms.

Ms. Yancey advised that more than 997,000 total work hours have been spent on the Arena project through March, with more than 199,000 hours (20%) attributed to minority workers and more than 53,000 hours (5%) attributed to female workers.

Ms. Yancey reported that 1,440 workers have worked on the project, with 892 (62%) Louisville SMSA (standard metropolitan statistical area) residents and 1,228 (85%) Kentucky/Indiana residents.

Ms. Yancey introduced Mr. Anthony Mathis, who provided an update on Mortenson's MWBE efforts. Mr. Mathis reported that through March 2010, \$216 million in goods and services have been procured by Mortenson, with \$48.4 million (22.3%) committed to MBE firms, and \$14.2 million (6.5%) committed to WBE firms. Additionally, \$151.3 million has been committed to local (Kentucky/Indiana) firms.

Mr. Mathis reported that approximately 958,855 work hours have been spent on the project by Mortenson and its subcontractors, with 195,300 (20%) attributed to minority workers and 47,600 (5%) attributed to female workers. Additionally, In March, 70% of the workers were Louisville SMSA residents and 86% of the workers were Kentucky/Indiana residents. The cumulative is 63% SMSA residents and 85% Kentucky/Indiana residents. Mr. Mathis advised that 18 Construction Pipeline Project graduates have been hired on the project.

DISSUSSION ITEM: IT Committee Update – Tim Corrigan

IT Committee Chair Corrigan reported that the IT Committee is working on all aspects of technology within the facility. The Committee will begin highlighting different areas of technology, including a new user-friendly link on the website regarding parking and transportation.

DISCUSSION ITEM: Transportation and Parking Committee Update – Eric Gunderson

Transportation and Parking Committee Chair Gunderson reported that meetings had been held with various individuals and organizations regarding alternative transportation plans for the Arena. A full report will be provided during the May Arena Authority meeting.

DISSUSSION ITEM: General Counsel Update – Ed Glasscock

Mr. Glasscock reported that oral arguments on the motions for summary judgment in the RAM case will be held on April 26. He advised that a lawsuit was recently filed against Mortenson and Mathis regarding the accident that occurred on the site on April 27, 2009. The Arena Authority was not named in the suit.

DISCUSSION ITEM: Arena news articles/press – Larry Bisig

Mr. Bisig advised the Authority members that recent news articles were included in the Arena board books.

DISCUSSION ITEM: Sponsor Announcement – Chairman Host

Chairman Host introduced Mr. E.J. Narcise, Team Services Principal, who announced that after a long search during a challenging time, a naming rights partner had been selected for the Arena. He stated that the selected company had to be the right partner that personified the community. Mr. Narcise introduced Mr. David Novak, Chairman and CEO of YUM! Brands.

Mr. Novak thanked Mayor Abramson and the Arena Authority members for their efforts on the project. Mr. Novak expressed his pleasure that the state-of-the-art arena will be named the KFC Yum! Center. He advised that YUM! Brands is the world's largest restaurant company. Based in Louisville, with 1,400 local employees, YUM! Brands has always been committed to investing in its hometown. Since 1997, when becoming a public company, YUM! has donated nearly \$35 million to over 100 non-profit organizations. He explained that by supporting the Arena project, YUM! Brands was continuing its support of the community.

Mayor Abramson thanked YUM! Brands for agreeing to be the naming rights sponsor of the Arena. He stated that YUM! is a world-class company, and he offered his appreciation to YUM! for its outstanding commitment to the community.

Chairman Host thanked YUM, Mr. Novak, and Jonathan Blum for their commitment to the Arena project. He stated that it was appropriate that YUM, a locally-based international company, should have its name on the facility. Chairman Host stated that the \$13.5 million, 10-year agreement is one of the best college naming rights deals in the country.

Chairman Host, Mayor Abramson, Mr. Novak, Mr. Blum, Mr. Roger Eaton, Mr. Rick Carucci and the Arena Authority members unveiled the new KFC YUM! Center logo.

No other business to come before the Authority, the meeting was adjourned at approximately 10:10 a.m.

Respectfully submitted,
Laura Chandler