



## louisville arena authority

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**Board of Directors Meeting  
December 11, 2006  
9:00 a.m. EST –  
Kentucky International Convention Center  
Louisville, KY**

**Directors in Attendance:** Mr. Larry Bisig, Mr. Neville Blakemore, Mr. Todd Blue, Ms. Reba Doutrick, Ms. Alice Houston, Mr. Graham Honaker representing Councilman Kramer, Ms. Cissy Musselman, Mr. James Patterson, Mr. Tom Schifano, Ms. Lindy Street, Mr. Dan Ulmer, Mr. Robert Woolery, and Chairman Host.

**Directors Absent:** Junior Bridgeman, Zev Buffman, William E. Summers V, and Larry Hayes

**Guests and Others:** Harold Workman - Executive Director; Mark Sommer, General Counsel; John Hilkené – PC Sports; Barry Alberts – Downtown Development Corporation, Ms. Helen Thompson Asst. General Counsel

**Issues Discussed:**

**Opening Remarks and Welcome – Chairman Host**

Chairman Host convened the meeting, declared a quorum, welcomed and thanked the Board for their attendance.

**DISCUSSION ITEM:** Acceptance of the minutes of the November 11, 2006 Board meeting – Chairman Host

The minutes were discussed and reviewed; upon Motion to accept them, which was duly seconded, the Motion passed unanimously with no abstentions.

**DISCUSSION ITEM: GROUND BREAKING CEREMONY**

Chairman Host took a minute to compliment Harold Workman, Tom Zimmerman, and the staff here, also Amanda Storumt, for what was a terrific job on the groundbreaking. They did a great job of ordering the weather and the groundbreaking was absolutely terrific. I think everybody was happy with it and for those of you that did not get a copy of the brochure or were not at the



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groundbreaking, Amanda, will make sure that a copy of it gets to you. I think it's a terrific piece that sets a timeframe as far as the Arena's concerned and it was passed out to everybody at the luncheon. Thank you for the job that your staff did on the quality of the presentation at the luncheon. I thought the room looked great, I thought the backdrop looked terrific. I think having the groundbreaking together with the book *Then and Now* was a terrific stroke and, for those that did not get a copy, Amanda, will you also take care of that for each?

**DISCUSSION ITEM: DOWNTOWN DEVELOPMENT CORPORATION**

Mr. Host called on Mr. Ulmer for the Downtown Development Corporation report:

Mr. Ulmer thanked Chairman Host. Under Tab B there is a summary of the various meetings that the Downtown Development Corporation hosted a week or so ago, and you can read those at your convenience. But in the meantime, I've asked Barry Alberts to come before us and give his summary of those meetings.

Mr. Alberts said that on November 16<sup>th</sup> and 17<sup>th</sup>, we held public forums as part of our effort to present to the Arena Authority urban design guidance for the Arena project, and we were very pleased with the overall response from the public. The Thursday evening session, all of the seats were completely full, with about 300 people there for that session. On Friday, the all day session, where we invited the public to a series of four separate discussions, there were about 200 people. So we had about 500 people all together. The response generally was overwhelmingly positive. People were excited about the Arena, from all walks of life in terms of our respondents. They felt it was not only a great opportunity for UofL to have a first-class facility, but also a great opportunity to add to the economic health of Downtown and, even more important, the vitality of Downtown. Lots of well informed opinions, and comments which we're still going through and will provide that to the Arena Authority in a few weeks. I'll go over a couple of the themes that emerged. Generally, it was very positive. People were very happy that we did this. There were a lot of comments thanking the Arena Authority for taking this issue seriously and, for the DDC putting it on. It was just a really, good feeling in terms of how much they were interested in this and how much people wanted the Arena to be part of their daily life. They really wanted to own the Arena, in a good sense, for Downtown and for the community. I think there was a strong feeling that certainly people in the Authority have gone a long ways towards engendering.

On the Thursday night panel, we had four speakers. One from Cincinnati; one from Columbus; one from Washington; D.C. and, our moderator, Alex Kreiger, from Harvard. They each touched upon a different theme in terms of things that we should focus on. The, General Manager of Conseco Field House, Rick Fuson, talked about having a theme to the design that would resonate with some characteristics of the community and even the state. Keith Meyers from Columbus talked about the opportunity and the importance of an urban design plan for the area around the Arena at the same time the Arena design is being done so those things are integrated well. And, Ellen McCarthy, who came from Washington, D.C. talked about the Verizon Center, about the importance of having the streetscape active every day, not just when there's a game and also, the management and operational issues of Downtown when there's so many people. So, I think it was a broad, cross-section, of issues and opportunities.

In the session on Friday, again, we had lots of comments but, there were three or four themes that began to emerge and, as Ms. Ulmer said, you have some of those in your packet today. One was the connection to the street, the connection to the pedestrian life of Downtown was really important. People wanted the building to be beautiful, to be a mark on the skyline, but not at the expense of how it relates to Downtown at street level. That's something we thought would be important, but it was actually stronger in terms of people's responses than we thought it would be. There was a lot of discussion and issues about connecting to various other activities Downtown – Fourth Street Live, the baseball park, the cultural district. That's a critical issue and, the fact that the Arena is so close, if we think about those things up front, it's something that we can take advantage of. There were a number of issues about parking and, unlike the comments we thought we would get, most of the comments were about not providing a lot of parking right on site, making sure the parking is spread out so people can take advantage of Downtown, and also making it easier to get in and out from multiple access points. One comment I thought was particularly interesting was that a number of people discussed the need for public art, whether it's a percent for public art or a public art program. But a couple of people also talked about using the Arena as a way to connect to the arts community because we're so close to the gallery district, and the West Main Street cultural district. Is there a way to use the Arena to connect the sports fans with the artistic endeavors and the creative things that are happening just a couple of blocks from the Arena. We're still soliciting comments from our website and in a couple of weeks will provide the Authority with a full report. In early January prior to the Arena engaging a design team, we will have a formal set of recommendations in terms of the urban design guidelines that should be part of the program. And, also, partially because of the discussion during on the 16th and 17th, the DDC has decided, in conjunction with the City, that we will begin work on urban design plans for the three to five blocks around the Arena in the same timeframe that you are hiring your architects so we can make sure those two efforts are coordinated.

Mr. Ulmer thanked Mr. Alberts. If there are any questions, I'd be glad to answer them. On behalf of the Authority, I think that DDC is due a congratulations. It's a job well-done. Many of the Authority members were at various sessions. I went to three or four of them and we got a lot out of it; the community responded and you all did a beautiful job of orchestrating the event. I would also tell you that the summary of those points have been sent to the design firms so they will have a week or so to look at those and respond to them next week.

Mr. Ulmer said that last Friday, the Construction Committee and others met to look at the RFPs of the various architect/design firms and using our very objective and intricate scoring system in ranking, we went through that process and have come up with three finalists. They have been invited to the City next Friday. The Construction Committee will interview those three firms and hopefully pick the winning architect/design team on that day to begin negotiations with the finalists are the following: Elerbee Beckett in Kansas City, Rosser from Atlanta, and HOK from Kansas City. They all have these questions that DDC poses, as well as, our own and we're expecting a pretty lively session. With those comments as an introduction, John Hilken will give us an update.

### **DISCUSSION ITEM: PC SPORTS UPDATE**

During the last month, we continue to have meetings with LG&E and with their design team to review their equipment bids, as well as, their schedule for construction. As Mr. Ulmer mentioned, the RFP for the architect was issued and responses received about a week ago. There was a preliminary meeting last Friday, there will be interviews this coming Friday. An RFI has been issued, (Request for Information), to construction managers/hotel developers. We expect to get those responses this Wednesday, December 13th. We will then have interviews, discussions, with whoever responds, on the 19th of December and as a result of that effort, expect to issue a RFP, (Request for Proposal) for CMs, right after the first of the year with the goal to be able to recommend a CM in early February.

Mr. Hilkene said the other thing we're going to be doing right after the first of the year is issuing an RFP for demolition of the LG&E buildings. We're going to organize a one-day walk through of the property; anybody that's interested in submitting a proposal needs to and will have an opportunity to walk through the property. Everybody gets to go through at the same time, have the same access so they can better respond to our RFP. If there's any questions, I'll be glad to answer them.

Mr. Bisig questioned "John, do you have a, destruction date in mind,?" I get a lot of questioning regarding the window frame of that facility and when it may or may not be coming down or how that's going to work. Could you elaborate on that just a little bit.

Mr. Hilkene said the demolition is going to be done in phases. We've discussed the subject with LG&E. We need to get on the site before LG&E is completely off the site to do some partial demolition. There's two or three buildings there that are not occupied and there's no reason why we can't go ahead and demolish those buildings in advance. I hesitate to give a specific schedule until we get the demo contractor and the construction manager involved and try to coordinate an overall schedule. But in general sense, demolition would occur early in 2008, leading up to an Arena construction date of sometime in the summer of 2008.

Ms. Musselman commented that she understood when the design team gets together that's selected, you will continue to include some of the folks that work with you through the DDC.

Mr. Ulmer said yes, we thought the results were excellent, Ms. Musselman, and we're going to use those all the way through. I'm really interested to see how these design firms, with John in attendance, will handle those questions and we intend to go through those pretty succinctly.

Mr. Host wanted to make sure, that we all understand that the invitation to the Committee meeting is for Authority members only because we will be in negotiations and the selection process may end up not being the number one firm.. We will ask, once we complete the negotiations that the winning group make a presentation to the January 22nd meeting of this group, and then approve the Committee's recommendation. January 22nd will be, in my judgment, one of the most critical meetings of the tenure of this Authority, and I urge all of you to be here because it will be a very important meeting for the group.

### **DISCUSSION ITEM: BOND UNDERWRITER UPDATE**

Mr. Host gave an update on the Bond Underwriter qualifications. The Bond Committee met on Friday afternoon and will advise today the firms of Morgan Chase, Citi Group and Goldman Sachs are finalists for the bond underwriters and they will be meeting with the Bond Committee next Friday afternoon to go through the process again – hour and 15 minute interviews – so that each will have a chance to respond to questions that we will be sending to them today. And, several of you that are part of the Bond Committee were in attendance the other day and if you agree with me, the proposals, or the qualifications are impeccable. I think we've got the top three firms in the country that are finalists and we're excited about where we are as far as bond underwriter is concerned. The \$75 million State Grant which was approved by the Legislature has a caveat in it that says that the bond underwriting firm must make a presentation to the Authority in public so that the Authority and the public can hear the bond underwriting details.

**DISCUSSION ITEM: OWNER'S CONTROLLED INSURANCE PROGRAM**

Mr. Woolery said the Committee met last Thursday and we received very thorough responses from Marsh and Wachovia on the Owner's Controlled Insurance Program. After the meeting we came to the conclusion that we needed to look at consulting services from these brokers.

Mr. Host said we have spent a lot of time on this issue and it's a very important one, one that I think this Authority has got to have a complete understanding of all the ramifications. So, I think the recommendation of your Committee, is certainly well taken.

**DISCUSSION ITEM: AFFIRMATIVE ACTION AND LABOR COMMITTEE**

Mr. Host gave Mr. Summers' Affirmative Action and Labor Committee Report by saying there is no report. Mr. Summers asked that he be excused today, he had a personal issue that came up. He and I talked early this morning and he does want to have a meeting of that group within the next few weeks, or after Christmas.

**DISCUSSION ITEM: RFIs/RFPs UPDATE**

Mr. Sommer said we continue to issue RFIs and RFPs. RFI for construction manager is out and due mid-week this week and RFPs for architectural/design service, as well as, the bond underwriting, those have all closed and they're in the interview process. Other RFI or RFP's that are out there, and again, these are shifting priorities and we move forward focusing primarily on construction timelines right now – title insurance is in process, naming rights is in process, minority labor is in process. I do want to request that the vendors not contact Board members; continue to work through the new numbers of the Authority. Continue to focus through the Executive Director's office or counsel's office when or if an RFI or RFP is out there. Failure to follow those terms can result in a disqualification of the party who is reaching out making the information request.

Mr. Sommer made one last point with respect to the RFP's, the expired RFP's and RFI's remain on the website and so anyone that wants to submit for future RFIs or RFPs needs to continue to focus on the website, but you can also get a good feel for the operational steps that are followed by the Authority throughout this process, not just by attending these meetings, but by looking at the expired RFI's and RFP's.

**DISCUSSION ITEM: TAX EXEMPTION, AND, NAMING RIGHTS**

Mr. Sommer said that these have been the one, that keeps getting bumped, so we'll move them to the top of the list behind these other two today.

Mr. Sommer was pleased to report that the first of hopefully several tax-exemption letters or notices has been received. The Kentucky Department of Revenue has granted property tax-exempt status to the Arena Authority. We're still waiting on IRS approval and that's in process, as previously reported. The KDOR exemption is important because the exemption was granted on the grounds of charitable organization status, not on public property status. And, again, that's the status by which we're moving for tax-exempt treatment from IRS as a 501C3 Charitable Organization.

**DISCUSSION ITEM: NEWS CLIPPINGS/ARTICLES**

Mr. Bisig pointed out that tab D of the Authority Book serves as an opportunity to go through quickly some of the communications initiatives that we've been forging ahead on. It is a generous portfolio of articles. We continue to enjoy the benefit of our local broadcast network affiliates, trade publications, the newspapers, etc. We thank those members. Don't take them for granted, they come to every meeting, so, thank you for that. A result of some of their work is under tab D. I do want to address the first article under Tab D to clarify that Dan Johnson was actually invited personally by me to attend the groundbreaking. So, I wanted to make sure that the record is corrected, let the record show that Mr. Johnson and Mr. Magre were both invited and that particular article is not corrected, and we thank both those gentlemen for all their hard work.

A reminder that, as you've indicated Mr. Chairman several times, the web is our primary vehicle. A lot of times individuals will call in for information. I would continue to ask everybody to go to the website. Also, under Tab D, if you take a look at the pictures of the individuals at that groundbreaking, it serves as a terrific reminder of the togetherness and the diversity of the group that has made up this process, and I think it's a very tangible, opportunity to take a look at all the different folks that have come in and been a part of this great process.

Mr. Host called for any old or new business?

**DISCUSSION ITEM: CHANGE OF ADDRESS/NEW CONTACT POINTS**

Mr. Ulmer said we have a housekeeping motion on the change of address, which I'll read for the record. Motion to ratify change of address of our Authority's principal office to 221 South Fourth Street, Louisville, Kentucky 40202 and mailing address P.O. Box 21179, 40221-0179 and authorize and instruct the Chair to take any or all, and all necessary steps concerning same with the Secretary of State's office and to notify any party with which the Authority has agreements, etc. and to effectuate such address changes as is otherwise necessary and appropriate.

Mr. Host noted the motion and the second by Mr. Blakemore. Any questions on the resolution? Hearing no objections to the motion, it is ordered.

Mr. Host said to look at Tab F and you'll notice the new letterhead with the new address and new P.O. Box, The Authority phone number, which will have a voice machine on it so that anyone that has business for the Authority can leave a message.

Having no further business, the meeting is adjourned.