



louisville arena authority

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**Board of Directors Meeting
December 15, 2008
9:00 a.m. EST
Kentucky International Convention Center
Louisville, KY**

Directors in Attendance: Mr. Larry Bisig, Mr. Tim Corrigan, Ms. Reba Doutrick, Mr. Eric Gunderson, Vice Chairman Larry Hayes, Ms. Alice Houston, Metro Council President Jim King (Ex Officio), Ms. Cissy Musselman, Ms. Lindy Street, Mr. William Summers V, Mr. Dan Ulmer, Mr. Robert Woolery, Chairman Jim Host

Directors Absent: Mr. Todd Blue, Mr. Junior Bridgeman, Mr. Lanny Greer (Ex Officio), Mr. James Patterson

Consultants and Staff of Arena Authority: Mr. Harold Workman, Executive Director; Mr. Mark Sommer, General Counsel; Mr. Steve Hotujac and Ms. Stephanie Graham, HOK; Mr. Bill Hedge, Mortenson 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 November 17, 2008 Board Meeting – Chairman Host

Mr. Woolery moved to accept the Minutes of the November 17, 2008 Arena Authority meeting. The Motion was seconded by Mr. Gunderson, and the Motion passed unanimously with no abstentions.

DISCUSSION ITEM: Presentation of Financial Statements – Vice Chairman Hayes

Finance Committee Chairman Hayes introduced Mr. Jerry Frantz, Director of Administrative Services for the Kentucky State Fair Board. Mr. Frantz reported that specific sources of funds continue to grow each month, including interest income. Administrative expenses and construction-in-progress, as well as accounts payable also continue to grow. Mr. Frantz advised that the presentation included a new slide showing the construction budget and construction expenditures to date.

DISCUSSION ITEM: LG&E Update – Dan Ulmer



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Construction Committee Chairman Ulmer introduced Ms. Paula Yancey, who asked Mr. Chris Hermann, Senior Vice President of E.ON US, to provide an update of the LG&E relocation project. Mr. Hermann reported that the new waterside west substation was commissioned in July & is now serving the downtown network. The cutovers occurred without service interruptions or injuries. LG&E has installed an extensive underground duct system, and is now ready for installation of the remaining underground transmission lines. The new cable and connections are expected to be complete in mid-January 2009. Mr. Hermann advised that they anticipate a very brief interruption of traffic on I-64 as LG&E removes overhead power lines. This work will likely occur on a Saturday or Sunday and will involve a series of 10 - 15 minute interruptions. LG&E will remove temporary lines on the top of the new substation, and will then begin removing the steel latticework from the Galt House and the two towers along I-64. Mr. Hermann reported that LG&E recently received bids from companies to remove the outdoor latticework substation. He expects demolition will begin in early 2009 and will be completed in March 2009. New decorative curbs and fencing will be installed at LG&E's new building, and the final work includes construction of a parking lot and driveway at the new substation. Mr. Hermann reported that the project remains on budget, and he expressed his appreciation for the hard work and cooperation of the Arena Authority and its representatives.

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

Ms. Yancey, reported that the Arena countdown clock had been installed at the corner of Second and Main Streets. Additionally, the Arena webcam had been installed and can be accessed through the Arena Authority website. Finally, she reported that the auger cast pile installation is continuing.

Ms. Yancey introduced Mr. Steve Hotujac, who provided an update from HOK. Mr. Hotujac reported that its subcontractor, Louis & Henry, has hired a field representative who will begin working on the project site on January 5, 2009. Additionally, HOK is continuing its work on the light fixture and millwork packages. Mr. Hotujac advised that the permit for construction of the Arena's shell/exterior had been received, and the plumbing permit is pending.

Mr. Hotujac introduced Ms. Stephanie Graham, HOK's sustainability coordinator, who presented the Arena's sustainable design features. Ms. Graham reported that the Arena is being built on a sustainable site. The site is a redeveloped brownfield, and its location provides community connectivity and proximity to public transportation. Its light-color pavement and roof and planned vegetation are also elements of a sustainable site.

Ms. Graham discussed water efficiency in the Arena, including low flow lavatories and a low impact landscape that minimizes the use of potable water and reduces the use of pesticides and fertilizer.

Ms. Graham discussed energy conservation elements in the Arena, including an improved building envelope, low-energy lighting, the use of daylight sensors and occupancy sensor controls, reduced energy consumption during non-event periods, and the use of high-efficiency HVAC equipment. She remarked that the design also includes atmospheric protection elements such as equipment chosen to protect the atmospheric ozone layer and the use of refrigerants with low ozone depletion potential and low global warming potential.

Ms. Graham explained that the Arena's construction waste will be recycled and diverted from landfills. Additionally, its steel, metals and interior finishes will contain a high recycled content. Ms. Graham

discussed the indoor environmental quality of the Arena, which will include optimal temperature and humidity controls, carbon dioxide monitors, daylight sensors, and views that connect to the streetscape. Finally, Ms. Graham discussed ways in which to make the Arena operations sustainable including encouraging the use of public and alternative transportation, green cleaning and exterior maintenance, waste recycling, and the use of sustainable procurement practices.

Throughout her presentation, Ms. Graham referenced a sustainable design features matrix (*attached) showing that the Arena will contain more sustainable design elements than Freedom Hall, as well as the Sprint Center and Prudential Center, two recently-opened arenas.

Ms. Yancey introduced Mr. Bill Hedge, who provided an update from Mortenson Construction. Mr. Hedge reported that the LG&E structures had been completely removed from the Arena site, and most impediments had been removed. He advised that work is continuing on the auger cast piles, with workers on site six days per week. Mr. Hedge advised that subcontractors mobilized to date include Veit & Company (auger cast piles), FA Wilhelm (foundation concrete pile caps), LG&E (temporary electrical service and new permanent service), Hussing Mechanical (underground piping), and ERMCO (underground electrical). Mr. Hedge reported that 90% of Mortenson's work has been procured as subcontracts. Finally, he advised that approximately 160 workers are currently on the site, and 200 are expected in early 2009.

DISCUSSION ITEM: Affirmative Action and Labor Committee – Chairman Host

Chairman Host asked Ms. Yancey to provide an update of the Arena project's MWBE efforts. Ms. Yancey reviewed the project's MWBE business participation goals (20% MBE and 5% WBE); workforce diversity goals (5% Female and 20% Minority); and local participation goals (60% Louisville SMSA residents and 75% Kentucky/Indiana residents).

Ms. Yancey advised that through November 2008, approximately \$212 million in goods and services had been procured by HOK Sport, Mortenson, O'Rourke Wrecking, & Patriot Engineering. Of \$212 million, \$44.7 million (21.1%) has been committed to MBE firms and \$12.7 million (6%) has been committed to WBE firms.

Ms. Yancey stated that workforce participation is expressed as a percentage of the total work hours. She advised that approximately 51,560 work hours have been spent on the Arena project, with 11,862 hours (23%) attributed to minority workers and 2,606 hours (5%) attributed to female workers.

Ms. Yancey reported that local participation is expressed as a percentage of the total workers on the project. She advised that approximately 247 workers have been on the project, including 139 (56%) Louisville SMSA residents, 204 (83%) Kentuckiana residents, and 43 from other locations.

Mr. Hedge reported on Mortenson's MWBE efforts. He advised that Mortenson has procured approximately \$195 million in goods and services through November 2008, with \$54 million committed to MWBE firms. Of the \$54 million, 22% is committed to MBE firms and 6% is committed to WBE firms. Mr. Hedge reported that Mortenson's workforce diversity percentages include 28% minority workers and 3% female workers. Mortenson's local participation results are 61% Louisville SMSA residents and 82% Kentucky/Indiana residents.

Affirmative Action and Labor Committee Chairman William Summers V commended PC Sports, Mortenson and Mathis & Sons for their MWBE and local participation efforts.

Metro Council President King requested an explanation of why workforce participation is expressed as a percentage of total work hours, whereas local participation is reflected as a percentage of total workers on the site. Ms. Yancey explained that workforce participation is expressed as a percentage of total work hours because various jobs on the project require differing hours in order to perform them (e.g., some jobs only require six hours, while other jobs require much more time). Mr. Hedge explained that local participation is calculated off of the certified payroll, and he listed trucking as an example because a trucker may be on the Arena site for a limited period of time to unload a shipment before moving on to another job site.

DISCUSSION ITEM: General Counsel Update – Mark Sommer

Mr. Sommer reported that he anticipated the Arena's title insurance will be issued on December 15, 2008. Additionally, the Kentucky Associated Builders and Contractors' motion to intervene in the RAM lawsuit was recently denied.

DISCUSSION ITEM: Arena news articles/press – Chairman Host

Mr. Bisig advised the Authority members that recent news articles were included in the Arena board book, including an article on board member Eric Gunderson.

DISCUSSION ITEM: Old Business

None

DISCUSSION ITEM: New Business

Chairman Host announced that the January 2009 Arena Authority meeting will be held on Monday, January 26 at the Kentucky State Fair Board Executive Board Room.

Council President King advised that his term as Metro Council President will be ending in January 2009, and he expressed his appreciation for the opportunity to work on the Arena project. Chairman Host thanked President King for his service and the assistance he has provided to the Authority.

Chairman Host recognized Vice Chairman Hayes, who recently celebrated a birthday, and Mr. Ulmer, whose birthday was December 15.

No other business to come before the Authority, the meeting was adjourned at approximately 9:55 a.m.

Respectfully submitted,
Laura Chandler