



louisville arena authority

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**Board of Directors Meeting  
January 22, 2007  
9:00 a.m. EST –  
Kentucky International Convention Center  
Louisville, KY**

**Directors in Attendance:** Mr. Larry Bisig, Mr. Neville Blakemore, Mr. Todd Blue, Mr. Junior Bridgeman, Mr. Zev Buffman (via telephone), Metro Council President Rick Blackwell (Ex Officio), Ms. Cissy Musselman, Mr. James Patterson (via telephone), Mr. Tom Schifano (Ex Officio), Ms. Lindy Street, Mr. William E. Summers V, Mr. Dan Ulmer, Mr. Robert Woolery (via telephone), and Chairman Host

**Directors Absent:** Ms. Alice Houston, Vice Chairman Larry Hayes, and Ms. Reba Doutrick

**Guests and Others:** Harold Workman, Executive Director; Mark Sommer, General Counsel; Helen Thompson, Asst. General Counsel; John Hilkene, PC Sports; Barry Alberts, DDC; and Bruce Traugher representing Vice Chairman Larry Hayes

**Opening Remarks and Welcome – Chairman Host**

Chairman Host convened the meeting, declared a quorum, thanked the Board members for their attendance, and stressed the importance of the meeting, as the selection of an Architect/Engineering firm would be discussed.

**DISCUSSION ITEM: Acceptance of the Minutes of January 16, 2007 Board Meeting – Chairman Host**

Minutes of the January 16, 2007 Special Board of Directors Meeting were reviewed. Upon Motion to accept them, which was duly seconded, the Motion passed unanimously with no abstentions.



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**DISCUSSION ITEM: Presentation by the Architect/Engineering Firm – Dan Ulmer**

Dan Ulmer explained that RFPs were received from three architect/engineering firms. Meetings, deliberations and discussions were held, and HOK Sport (“HOK”) was chosen in a competitive process under state procurement rules as the architect/engineering firm to present to the full Authority. Mr. Ulmer introduced Steve Hotujac, Principal of HOK Sport Kansas City, and asked Mr. Hotujac to begin the presentation.

Mr. Hotujac stated that the Louisville Arena project is the most important project that HOK is currently bidding on. He introduced two other HOK principals who would participate in the presentation - John Shreve, Urban Planner, and Brad Clark, Project Designer.

Mr. Hotujac provided an overview of HOK Sport, which has 425 employees and is headquartered in Kansas City, Missouri. HOK has four U.S. offices and two international offices in London and Brisbane, Australia. Its client list includes 24 major league baseball teams; 30 NFL teams; more than 120 college and university projects; 32 professional arena clients; and 48 civic arena clients. Since its inception in 1983 as a sports architectural firm, HOK has completed 825 sports projects throughout the world. This translates into 520 million fans coming through the turn styles of HOK- designed facilities in the last ten years; equating to \$14 billion in hard construction.

Mr. Hotujac expressed his confidence in the design team, which he described as one of the strongest design teams that he has been associated with on any project. He stressed that HOK is aware of the affirmative action policy and the goal of 20% minority business participation, including 5% women participation, and is firmly committed to meeting this goal. In addition, HOK is aware of the goal that 75% of the Arena’s construction jobs be reserved for Kentucky and Indiana residents, with 60% of those being reserved for Metro Louisville residents. When the Construction Manager is chosen, HOK will assist them in identifying potential candidates for Arena construction project jobs.

Mr. Hotujac stated that HOK had assembled a strong local team. Many attended the presentation, and were asked to stand and introduce themselves, including, among other things, the following: Rick Kremer, President of Louis & Henry; Jill Lewis Smith, President of Jill Lewis Smith Architects; Ann Swope, President of Swope Design Group; and representatives from Rangaswamy & Associates and ClasSickle. HOK’s national consultants on the Louisville Arena project include Walter P. Moore as lead structural engineer and Smith, Seckman & Reid, as lead MEP engineer. Mr. Hotujac assured the Authority that HOK assumes full responsibility for the design and construction of this project and will answer directly to the Louisville Arena Authority and PC Sports.

John Shreve, HOK Urban Planner, and Brad Clark, Project Designer, discussed the rich sports history and tradition of Louisville, and the University of Louisville, specifically. He stated that the Arena is one of the most important urban design initiatives that the City

of Louisville will undertake over the next several years, and HOK fully understands the desire for a thoughtful urban integration and is committed to working with the Downtown Development Corporation and other City and governmental agencies to achieve this goal. They believe the Arena will be a project of civic pride, and although it has not yet been designed, it will likely share some of the qualities of buildings such as Indianapolis' Conseco Field House, which is monumental, yet open and inviting and fits with the scale of Downtown. HOK will try to achieve a similar result with the Louisville Arena.

Brad Clark discussed the importance of community input, and stated that HOK will connect to the Arena Authority website to receive input.

Mr. Shreve discussed the physical location of the Arena. It will complement the reinvestment that has been made in the area, including the millions of dollars that have been invested in some of the buildings, the re-development around Slugger Field, the Muhammad Ali Center, Waterfront Park, and the planned Museum Plaza. HOK believes that the Arena will provide a unique opportunity for additional growth and street activity.

Mr. Shreve stated that although the building will be large, several hundred thousand square feet and over 100 feet tall, HOK believes that by treating the edges similar to what was done with Conseco Fieldhouse, the building can be scaled down to pedestrian level so that it will fit into the city. Mr. Clark explained that issues of scale are addressed by activating the Arena's perimeter. This is accomplished through "people places" -- bars, restaurants -- things that happen daily and make the Arena part of the urban fabric.

Mr. Shreve expressed HOK's understanding that the Arena will be a gateway into the City from a regional point of view. They want the Arena to be a catalyst, so that the riverfront and Downtown become much more seamlessly integrated.

Mr. Shreve described the floodwall as one of the most interesting aspects of the building design. He stated that cities on rivers must be protected, and art and science must be balanced. The floodwall must be functional and aesthetic, and there are many models around the world of cities that have accomplished this, such as Paris and Chicago. Mr. Clark quoted from the presentation, "we are well aware of the design requirements related to a building in a flood plane and are confident that the Arena will be totally protected through proper engineering and practices and floodwall design." HOK has addressed this issue on other projects around the country, including the Great American Ballpark in Cincinnati. They intend to work with MSD to ensure that the floodwall protection is not only appropriate for the building, but will also enhance the protection for Downtown overall.

Mr. Clark explained that HOK often incorporates public art in their projects. They will solicit input from all the stakeholders on this project regarding how to incorporate art within the project budget. He also addressed sustainability, stating that HOK will incorporate green design principles in the Arena design where appropriate and within the parameters of the budget. It is an issue that HOK takes very seriously. HOK has been honored by the National Green Building Council as a leader in sustainable design and in its office in Kansas City, has 35 - 40 accredited LEED professionals. For the Arena

project, HOK plans to identify and pursue sustainable strategies where appropriate and beneficial sustainable concepts may include the integration of a building management system to effectively and efficiently manage the mechanical systems; the use of local building materials so travel distance is less; low emitting and green renewable materials as construction materials in the project; and ensuring that space is provided in the building for a recycling program.

Last, Steve Hotujac discussed the fee. HOK's proposed all-in design fee is \$13,850,000, including FF&E selection and all expenses. This fee was reduced from their original proposal through negotiations with the Building Construction Committee. It is anticipated that the Arena hard cost will be approximately \$225 million, and if the building cost increases based on the current program, the architectural design fees will not change and will not increase. HOK's fee represents six percent of the total construction cost and includes all expenses. Nationally, projects of this type run 7 – 8 percent. Mr. Hotujac again thanked the Authority and offered to answer any questions.

Chairman Host commented that in the budget that was given to the Governor's Task Force for expenses, design and FF&E, the proposal from HOK saves \$8.6 million, and that \$8.6 million. If HOK is approved, those savings will go into the Authority's contingency for future construction. Paul Gannoe, Head of Procurement for the State, and Don Jeffers, Head of Engineering for the State, were present at the meeting. Chairman Host asked them to be present throughout the RFP process to ensure that the procurement was handled properly, and that it was done in strict compliance with State procurement standards. Mr. Gannoe stated that during the past several months, they reviewed the RFP prior to its release and witnessed the procurement process. They have not seen anything that is inconsistent with the statute, KRS 45(a) and commended the Arena Authority for doing a good job handling this project. Chairman Host then opened the floor for questions.

Larry Bisig reminded HOK Sport's representatives that the University of Louisville will be the Arena's primary tenant. He asked who within HOK Sport has the most knowledge regarding the floodwall issue. Mr. Hotujac responded that their lead structural engineer, Walter P. Moore out of Houston, has handled a number of floodwall issues. Additionally, their local civil engineer, QK4, has done a lot of work associated with floodwalls, as well as work around the Downtown region.

Mr. Bisig discussed the effort to assemble the most technologically advanced facility in the nation, particularly as it pertains to customer use, including issues such as brand imaging and wireless opportunities within the facility. He asked who within HOK would be charged with addressing that task. Mr. Hotujac responded that HOK has a firm from Texas, Wrightson, Johnson, Hadden & Williams, that will be in charge of most of the AV wireless issues. Additionally, HOK's lead MAP engineer will handle much of the data and telecom work within the facility. Many technologically advanced features such as ribbon boards, etc. will be incorporated into the facility.

In response to Mr. Bisig's question, Mr. Hotujac stated that Brad Clark will be the HOK representative primarily responsible for addressing sustainability issues.

Last, Mr. Bisig asked how revenues will be dispersed from HOK to its partners. Mr. Hotujac responded that many of their specialty consultants, such as those who handle audio-visual matters and security will be added later in the process. Arena design will be the first focus. HOK will spearhead the design and will solicit input from all local partners. They have not finalized the payment process with consultants, but are in the process of doing so and hope to complete it within the next 30 days. He assured Mr. Bisig that all payments will filter through HOK from the guarantee made to the Authority.

Junior Bridgeman commended HOK for being inclusive and bringing a wide variety of people to work on the project and for their community outreach efforts. He expressed his belief that the Authority can feel comfortable that the Arena will be an icon and something that the community will be proud of.

Neville Blakemore commented that he was impressed with the presentation, especially as it addressed the Washington Street corridor, its connection to Fourth Street Live, and the goal to embrace the river and Louisville's heritage.

Mr. Ulmer moved to finalize the engagement with HOK Sport under the general terms previously disclosed and to authorize the Chair to finalize and execute a definitive agreement with HOK Sport in a manner not inconsistent with the presentation today. Mr. Ulmer explained that the motion means that HOK is the Authority's choice architect, but the proper contract must be executed. By approving the motion, the Board of Directors will give its permission to move forward. The motion was seconded by Mr. Bisig. An individual roll call vote was taken, and the motion passed unanimously.

**DISCUSSION ITEM:        Downtown Development Corporation Final Report – Dan Ulmer**

Dan Ulmer asked Barry Alberts to provide an update on the Downtown Development Corporation's final report from the Urban Design Forum. Mr. Alberts advised that the final document will be submitted soon. He stated that the process used wherein the design forum was held prior to selection of the design team was unique and should serve as a national model for other projects and communities. He stated that approximately 500 people attended the two-day sessions, and the responses were enthusiastic, with a high degree of interest and understanding of the Arena's impact on the community. The process produced approximately 40 specific recommendations, comments, concerns and guidelines. Mr. Alberts expressed DDC's interest in working with the design team on issues around the site and on an area-wide master design plan. Last, he thanked the Authority for its commitment and its process.

**DISCUSSION ITEM: PC Sports Update – Dan Ulmer**

Dan Ulmer asked John Hilkene to provide an update from PC Sports. Mr. Hilkene stated that his team has been involved in evaluating proposals with the Construction Committee. Additionally, PC Sports' representatives have been meeting with LG & E, and Mr. Hilkene is confident that portion of the project is on schedule and on budget. PC Sports now has office space at 325 West Main Street. The demolition RFP should be issued within the next 30 days.

**DISCUSSION ITEM: RFP for Construction Manager at Risk and Hotel Developer/Operator Update – Dan Ulmer**

Mr. Hilkene provided an update on the Construction Manager at Risk and Hotel Developer/Operator RFP. Responses are due on January 30. One set of questions was received, and the answers will be posted on the Arena Authority website on Wednesday, January 25.

**DISCUSSION ITEM: Affirmative Action & Labor Committee Report – William E. Summers V**

William Summers V reported that the Affirmative Action & Labor Committee recently met and discussed how minority participation goals will be met. The Arena project must ensure that there is opportunity for participation in the project. The Committee's next meeting is March 7, 2007 at 9:00 a.m.

**DISCUSSION ITEM: TIF Grant Contract with Finance Cabinet and amendment of MOA with Finance Cabinet – Chairman Host**

A copy of the TIF Grant Contract with the Finance Cabinet was included in the meeting binder for Board members' review. Chairman Host explained that the amended MOA with the Finance Cabinet will allow the Authority to more easily access the \$75 million grant provided by the state so bills can be promptly paid.

**DISCUSSION ITEM: Agreement to purchase real estate from Metro Government – Chairman Host**

Chairman Host reported that there is a narrow strip of land by River Road currently owned by the city, which must be purchased. The agreement was included in the meeting binders; however, a motion will be called at the February meeting, allowing Board members an opportunity to read the agreement.

**DISCUSSION ITEM: Repayment of Arena Task Force expenses from Budget Bill proceeds – Chairman Host**

Chairman Host reported that approximately \$550,000 needs to be reimbursed to the state for the feasibility study and other matters. Dan Ulmer read a motion to authorize the Chairman to utilize funding for the 2006 Budget Bill allocation up to and including the amount of \$1million to reimburse the Commonwealth for advance funding of a feasibility study and for analyses used to support the work of the Louisville Arena Task Force. The motion was seconded by Mr. Bisig, voted on, and carried.

Chairman Host also stated that he has asked John Chilton, the Authority's CPA, to review the Authority's check register, balance sheet, etc.

**DISCUSSION ITEM: Arena Authority website agreement – Chairman Host**

Mark Sommer reported that the website domain was originally obtained by the state and has now been transferred to the Authority.

**DISCUSSION ITEM: Arena news articles/press – Larry Bisig**

Larry Bisig directed the Board members to a number of recent news articles assembled in the Board members' binders. He thanked the members of the media who have covered Arena Authority activities.

**DISCUSSION ITEM: Parking and Transportation Committee – Neville Blakemore**

Mr. Blakemore reported that he, Bruce Traughber, and Kathy Duncan from the Parking Authority have met regarding preliminary issues. The initial response has been encouraging, and Mr. Blakemore anticipates three crowd management programs relating to parking: large scale events, medium scale events, and small scale events. He stated that he was encouraged in that parking will not be an issue in his opinion.

**DISCUSSION ITEM: Insurance Committee – Cissy Musselman**

Ms. Musselman reported that after discussions with contractors and insurance representatives, an owner-controlled insurance program is most likely what the Authority will pursue. Chairman Host stated that an owner-controlled insurance program is likely; however, the matter is postponed until the contractors have presented their opinions as to which program is best.

**DISCUSSION ITEM: Old Business**

None

**DISCUSSION ITEM: New Business**

None

No other business to come before the Authority, the meeting was adjourned at approximately 10:40 a.m.

Respectfully submitted,  
Laura Chandler