



louisville arena authority

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Board of Directors Meeting
March 22, 2010
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, Vice Chairman Larry Hayes, Ms. Alice Houston, Ms. Cissy Musselman, Metro Council President Tom Owen (Ex Officio), Ms. Lindy Street, Mr. William Summers V, Mr. Dan Ulmer, Mr. Bob Woolery (via phone), Chairman Jim Host

Directors Absent: Mr. Tim Corrigan, Mr. Lanny Greer (Ex Officio), Mr. James Patterson

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 February 15, 2010 Board Meeting – Chairman Host

Mr. Bisig moved to accept the Minutes of the February 15, 2010 Arena Authority meeting. The Motion was seconded by Mr. Owen, 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 February 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 in February. Mr. Frantz reported that construction-in-progress increased by approximately \$17 million during February. 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 55% completed



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through the February 2010 billing cycle, and is expected to be 61% completed through the March 2010 billing cycle.

Chairman Hayes introduced Mr. Anthony Brutscher with Crowe Horwath, who presented the Arena Authority's 2009 audit. Mr. Brutscher advised that representatives from Crowe Horwath met with members of the Finance Committee. He stated that the audit, dated March 11, 2010, is an unqualified opinion that the financial statements present fairly and in accordance with generally-accepted accounting principles. Mr. Brutscher advised that the management letter addressed three areas in which internal controls could be improved.

Mr. Summers moved to approve the 2009 audit. The motion was seconded by Mr. Bridgeman, and the motion passed unanimously. Ms. Musselman asked about the segregation of duties identified in the management letter as an area for improvement. Mr. Brutscher explained that the individual at the Kentucky State Fair Board who prepares the accounts payable should be different from the individual preparing the accounts receivable. Ms. Musselman asked if the Louisville Arena Authority funds are kept separate from the Kentucky State Fair Board funds. Chairman Host responded that they are as the Arena Authority funds are pledged to the bond trustee.

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 is currently reviewing responses to the Requests for Proposals for the portable basketball floor, portable basketball goals and portable seating. Additionally, interviews were held with responders to the furniture RFP, and negotiations will begin with the selected firm.

PC Sports continues work on the theming and signage placement, as well as 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. PC Sports is engaged in the start-up and operation planning for the Arena, is involved with the Arena Authority's IT Committee, and is assisting with the "Topping Off" ceremony. Ms. Yancey introduced two "fun facts" about the Arena, advising that the structural steel in the Arena weighs 5,950,000 pounds or the same weight as approximately 730 African elephants, and the length of the catwalks in the Arena totals ½ mile.

Ms. Yancey introduced Mr. Mike Clay, who reported that Populous has approved the terrazzo mock-up. Additionally, Populous has provided site monitoring of the roof truss de-centering, the elevator and escalator installation, and the exterior curtain wall installation. Populous is also working on completion of the garage punch list, a formal walk-through of the garage with PARC, its owner's representative and contractor.

Mr. Clay provided an overview of the sustainable design features associated with the plumbing systems of the Arena. He explained that the high-efficiency toilets feature a dual flush valve that reduces water usage. The total of all toilets in the Arena will save approximately 18,750 gallons of water per year and 500,000 gallons over 30 years. The low flow shower heads installed in the Arena use 2.5 gallons of water per minute compared to a typical residential shower head that uses 3.5 gallons of water (or more) per minute. The total water savings in the Arena on showers is approximately 37,500 gallons per year and more than 1,000,000 gallons over 30 years. Finally, the hot water circulation system in the Arena will limit the amount of water wasted before hot water arrives at a fixture. The hot water circulation system saves approximately 15,000 gallons of water per year and more than 400,000 gallons over 30 years.

Mr. Clay introduced Mr. Bill Hedge from Mortenson Construction, who reported that the two remaining structural steel trusses were de-centered on March 11, 2010. Mr. Hedge reported that work inside the Arena bowl has rapidly increased. He advised that the high ductwork has been completed in the east half of the Arena, and the roof drains have been completed on the high roof areas. The aisle steps have been cast at the upper level of the seating bowl, and the lower bowl precast casting has been completed. The precast installation will begin in April.

Mr. Hedge advised that the waterfall skylight glass system is more than 75% complete. Glass installation continues on Second and Third Streets, and glass installation at the main lobby has begun. Metal stud framing and exterior sheeting work is progressing on all sides of the Arena. The parapet framing at the main lobby is complete, and work has begun on the limestone walls at the ticket office. He reported that plaster ceiling and tile work is ongoing in the Lady Cardinal's locker room. Masonry work has been completed on the event level, and drywall work and painting is ongoing on all levels. The main concourse escalator trusses have been set at the main lobby and one elevator is operational. Work is continuing on the large freight elevator, which will accommodate a pick-up truck. Finally, hardscape work on the plaza has resumed.

Mr. Hedge reported that 1,193,300 work hours have been performed on the Arena project to date. The project is averaging 475 workers on site. There have been 182 first aid cases to date, 513 hazard recognitions and 192 near misses. He advised that the recordable incident rate on the project is now 3.02, 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 his remarks, Chairman Host asked Mr. Hedge if the Arena will be open by November 1, 2010. Mr. Hedge responded that the Arena will be open. Vice Chairman Hayes asked if there were any areas of concern. Mr. Hedge responded that inspections were going well, and although there may be some changes for additional signage, etc., there were no areas of concern. President Owen asked if savings had been realized from the various RFPs (seating, furniture, portable goals). Ms. Yancey responded that the pricing has been competitive.

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 February 2010, more than \$231 million in goods and services have been procured by Populous, Mortenson, O'Rourke Wrecking, and Patriot Engineering. Of \$231 million, \$52.1 million (22.5%) has been committed to MBE firms and \$14.6 million (6.3%) has been committed to WBE firms. Ms. Yancey advised that the FF&E (furniture, fixtures and equipment) provider's MWBE commitment will be included as they are engaged on the project.

Ms. Yancey advised that more than 910,000 total work hours have been spent on the Arena project through January, with approximately 180,000 hours (20%) attributed to minority workers and 49,000 hours (5%) attributed to female workers.

Ms. Yancey reported that more than 1,300 workers have worked on the project, with 824 (61%) Louisville SMSA (standard metropolitan statistical area) residents and 1,156 (86%) Kentucky/Indiana residents.

Ms. Yancey introduced Mr. Anthony Mathis, who provided an update on Mortenson's MWBE efforts. Mr. Mathis reported that through February 2010, \$49.3 million (23%) in procurements have been committed to

MBE firms, and \$13.8 million (6.5%) has been committed to WBE firms. Additionally, \$150 million has been committed to local (Kentucky/Indiana) firms.

Mr. Mathis reported that approximately 871,800 work hours have been spent on the project by Mortenson and its subcontractors, with 175,700 (20%) attributed to minority workers and 43,500 (5%) attributed to female workers. Additionally, In February, 70% of the workers were Louisville SMSA residents and 88% of the workers were Kentucky/Indiana residents. The cumulative is 62% SMSA residents and 86% Kentucky/Indiana residents. Mr. Mathis advised that approximately \$1.3 million in occupational and state income taxes have been withheld from workers on the project.

DISSUSSION ITEM: IT Committee Update – Chairman Host

Chairman Host reported on the Arena’s internal DAS (distributed antenna system) that will enable cell phone service for all carriers and Wi-Fi coverage throughout the Arena. Chairman Host also explained that work has begun on a possible external DAS system to improve local reception for the major cell phone carriers in the downtown area.

DISCUSSION ITEM: “Topping Off” Ceremony Update – Larry Bisig, Linda Edwards

Mr. Bisig reported that the “Topping Off” Committee has met several times. The ceremony will be held on March 29 from 1:00 p.m. to 2:30 p.m. Ms. Linda Edwards, Vice President of Sales for the Kentucky State Fair Board, reported that the stage and equipment will be set on Sunday, March 28 in advance of the March 29 ceremony. Ms. Edwards thanked Ms. Yancey, Mr. Hedge and their team for their assistance with the event.

DISSUSSION ITEM: General Counsel Update – Ed Glasscock

Mr. Glasscock reported that the hearing on the motions for summary judgment in the RAM case will be held on April 26, and the ruling is expected this summer. The Greyhawk and Schnell matters have been stayed pending the ruling in the RAM case.

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: Old Business

None

DISCUSSION ITEM: New Business

President Owen requested a report on alternative transportation plans at the Arena. Parking and Transportation Committee Chair Gunderson agreed to provide a report.

No other business to come before the Authority, the meeting was adjourned at approximately 9:50 a.m.

Respectfully submitted,
Laura Chandler