



louisville arena authority

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**Board of Directors Meeting
March 26, 2007
9:00 a.m. EST
Kentucky International Convention Center
Louisville, KY**

DRAFT

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

Directors Absent: Mr. Zev Buffman, Ms. Cissy Musselman

Guests and Others: Mr. Harold Workman, Executive Director; Mr. Mark Sommer, General Counsel; Mr. John Hilkene, PC Sports; Mr. Steve Hotujac, HOK Sport; Mr. John Wood, Mortenson Company

Opening Remarks and Welcome – Chairman Host

Chairman Host declared a quorum and convened the meeting. He congratulated Todd Blue for his recent announcement regarding Mr. Blue's development project near the Arena site.

DISCUSSION ITEM: Acceptance of the Minutes of February 26, 2007 Board Meeting – Chairman Host

William Summers V moved to accept the Minutes of the February 26, 2007 Board of Directors Meeting. The Motion was seconded by Vice Chairman Hayes, and the Motion passed unanimously with no abstentions.



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DISCUSSION ITEM: PC Sports Update – Dan Ulmer

Dan Ulmer asked John Hilkene to provide an update from PC Sports. Mr. Hilkene reported that the LG&E project remains on schedule. LG&E has bid more than 60% of the building's construction and has procured all major equipment, all within the budget. During the previous week, they took bids on the actual building construction, and the low bid came in under budget. Transmission line work and labor to install equipment remains to be done, however, LG&E is comfortable with the remaining budget. Chairman Host asked Mr. Hilkene to clarify that with all major items procured, the project is on or under budget; and Mr. Hilkene replied in the affirmative.

Mr. Hilkene also reported that he is still in the process of drafting a Demolition RFI. He would be meeting with representatives from the Mortenson Company that afternoon to discuss scheduling. He expects that the project will begin with demolition of the Humana building and move north toward the river along the east side of the site and then across the north side, and eventually down the south along the west side of the site. In response to Chairman Host's question, Mr. Hilkene replied that the RFI should be out within the next three weeks. An RFP will also be issued for geotechnical investigation and reports in which the soil will be analyzed for bearing capacity and enables a recommendation to be made regarding the type of foundation required for the project. The RFP was expected to be complete within two days and would be posted on the Arena Authority website.

DISCUSSION ITEM: HOK Sport Update – Dan Ulmer

Mr. Ulmer asked Steve Hotujac to provide an update from HOK Sports. Mr. Hotujac reported that HOK has begun discussions with U of L and the Kentucky State Fair Board regarding the Arena design. The design of the seating bowl is progressing well, and they are working on suite placement and other premium seating options. Once those decisions are made, they will continue the design of the concept drawings and floor plans.

Mr. Hotujac advised that HOK is engaged with the Downtown Development Corporation and participated in the announcement of the DDC's Executive Summary of the Arena Urban Design Program. Further, efforts have begun to schedule a tour of other Arenas in the region. The tour is expected to occur in late-April.

DISCUSSION ITEM: Mortenson Company Update – Dan Ulmer

Mr. Ulmer asked John Wood to provide an update from the Mortenson Company. Mr. Wood reported that he and his team have attended meetings in Louisville and Kansas City, obtaining an overview/orientation of the project and the work that has been done to date. They are working on a preliminary schedule for construction and have produced and submitted a construction management draft contract.

Chairman Host advised that now that the architect and construction management firms are engaged, more specific information will be reported in subsequent meetings.

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

William Summers V reported that the Affirmative Action and Labor Committee had a successful meeting with Commissioner Beth Smith and Susan Craft with the Kentucky Department for Workforce Investment. The Committee also met with Joe Reagan with GLI regarding a creative marketing plan to attract workers to the Arena project. Chairman Host stated that the Authority has an opportunity to create a training program in the trades to folks who have not previously been trained, which will benefit the Arena project, as well as Museum Plaza and the bridges project. Additionally, he reported that Reba Doutrick, through her position at Insight, has offered her assistance in securing PSA time to communicate with the community regarding work opportunities in Louisville.

DISCUSSION ITEM: Stoll Keenon Ogden Fee Agreement – Chairman Host

Chairman Host reported that Stoll Keenon Ogden’s initial engagement fee bid was considerably less than competitors; however, the bid did not include bond work. The supplemental engagement letter increases Stoll Keenon Ogden’s \$125,000 fee by \$35,000. Vice Chairman Hayes moved to accept the supplemental engagement letter. The Motion was seconded by Todd Blue; and the Motion passed unanimously.

DISCUSSION ITEM: Marketing RFP Update – Mark Sommer

Mark Sommer reported that the Marketing RFP was complete and posted on the Arena Authority website the previous week. Interviews with the Public Relations and Media Committee will occur on Thursday, April 19, with presentation to the full Authority expected at the April 23 meeting.

DISCUSSION ITEM: Concessionaire RFP Update – Mark Sommer

Mark Sommer reported that the draft Concessionaire RFP was circulating, pending review and comments by KSFB staff. He indicated that the RFP would likely be posted on the Arena Authority website within the following few days.

Mr. Bisig asked Harold Workman about KSFB’s relationship with its existing concessionaire and how that might impact the concessionaire for the Arena. Mr. Workman responded that the Arena RFP was a separate RFP, and anyone may respond.

DISCUSSION ITEM: IRS Tax Exemption – Mark Sommer

Mark Sommer advised that the Authority’s IRS tax exemption was approved. He referred Board members to the Board Book addendum, which contained additional tax exemption information.

DISCUSSION ITEM: Update on U of L Agreements – Mark Sommer

Mr. Sommer reported that the U of L lease agreement, which will be a 30-year agreement, was in its fourth or fifth draft, and was circulating among interested parties. He stated that the agreement terms were primarily based on the MOU, and the document was 99% complete.

Mr. Sommer stated that the U of L development agreement was progressing at a slower rate due to its detail; however, it is approximately 95% complete.

Mr. Sommer advised that Board approval is not required on either document based on its previous actions.

DISCUSSION ITEM: Update on KSFB Agreement – Mark Sommer

Mr. Sommer reported that the KSFB agreement is substantially complete. It is in its fourth or fifth revision. Mr. Sommer explained that an issue remains regarding the General Assembly's directive that the Fair Board manage the day-to-day affairs of the Arena complex; however, there must still be an arm's length relationship pursuant to the other legal provisions. Mr. Sommer expressed his belief that the outstanding terms should not be problematic. Again, no Board action is required based on its previous resolution.

DISCUSSION ITEM: TIF – Chairman Host

Chairman Host advised that the state audited the 2005 TIF numbers, and an audit of 2006 numbers is needed as soon as possible for Goldman Sachs and the bond issue. It is also important that Metro have assurance regarding these numbers as it impacts the Metro guarantee.

DISCUSSION ITEM: Use of Louisville Skyline Photo – Mark Sommer

Mr. Sommer advised the Board of an issue involving the Authority's use of the Louisville skyline photo on the website. According to a local photographer who contacted Mr. Sommer, the photo is subject to copyright protection. Mr. Sommer negotiated an agreement with the photographer allowing the Authority to have unlimited use of the photograph through 2010, at one-half of the photographer's demanded price. Jim Patterson moved that the Authority approve the settlement. The Motion was seconded by Mr. Blakemore, and passed unanimously.

DISCUSSION ITEM: Arena news articles/press – Larry Bisig

Larry Bisig thanked Ms. Street for her leadership of the Media and Public Relations Committee, and he encouraged the Authority members and public to use the Arena Authority website.

DISCUSSION ITEM: Ethics Update – Mark Sommer

Mr. Sommer advised the Authority that he has had discussions with the Ethics Commission regarding Board members' need to file Financial Disclosure forms. He has requested an advisory opinion as to what extent KRS Chapter 11 applies to the Authority. However, the opinion may not be issued until after the April 15 due date. While the opinion is pending, Board members should complete and submit their Financial Disclosure Forms.

DISCUSSION ITEM: Old Business

None

DISCUSSION ITEM: New Business

Chairman Host directed Board members to a Memo regarding Director photographs. Directors were encouraged to contact the photographer and arrange to have their photos taken.

No other business to come before the Authority, the meeting was adjourned at approximately 9:45 a.m.

Respectfully submitted,
Laura Chandler