



## **louisville arena authority**

### **Board of Directors Meeting**

**November 11, 2013**

**9:00 a.m. EST**

**KFC YUM! Center**

### **MINUTES**

**Directors in Attendance:** Mr. Andrew Beshear, Mr. Eric Gunderson, Mr. Rick Guillaume, Metro Council President Jim King, Mr. Steve Rowland, Ms. Lesa Seibert, Ms. Maura Temes, Vice Chairman William Summers V, Chairman Larry Hayes

**Directors Present via telephone:** Ms. Lindy Street

**Directors Absent:** Mr. Michael Houlihan, Ms. Alice Houston, Mr. Lee Kirkwood, Mr. Tim Mulloy, Mr. Dan Ulmer

**Consultants and Staff:** Mr. Dennis Petruzzo, KFC YUM! Center General Manager

**Welcome: Chairman Hayes**

Chairman Hayes declared a quorum and convened the meeting. Chairman Hayes introduced Rick Guillaume who was recently appointed by the Governor's office.

**DISCUSSION ITEM: Acceptance of the October 12, 2013 Board Meeting Minutes – Chairman Hayes**

Ms. Seibert moved to accept the minutes of the October 12, 2013 Arena Authority Meeting. The motion was seconded by Ms. Temes and the motion passed unanimously with no abstentions.

**DISCUSSION ITEM: Presentation of Financial Statements –Vice Chairman Summers**

Mr. Alex Rorke of Hilliard Lyons informed the board Moody's bond rating was set to release later that week; Standard & Poor's bond rating is on schedule to release in December. It is anticipated the TIF district numbers will be finalized within the next few months. Chairman Hayes concluded the finance update by arranging a finance orientation to familiarize new board members (and members not on the finance committee) on the status and structure of the Louisville Arena Authority's financials; to be directed by Hilliard Lyons and Mr. Jerry Hurt prior to the December Board of Directors meeting.

**DISCUSSION ITEM: AEG Management Update - Dennis Petruzzo**

Justin Jokovich provided the AEG Financial Update for the month of September. In September, the facility hosted seven Disney on Ice shows and two University of Louisville Women's Volleyball matches. The income statement for the period ending September 30, 2013 illustrated a loss of \$407,000 compared to a budgeted loss of \$378,000. According to the Rolling Forecast (a forecast based upon confirmed events) AEG is projecting a profit of \$1.375 million for the 13'-14' fiscal

year; this is \$175,000 over AEG Managements minimum guarantee to the Louisville Arena Authority. Mr. Beshear congratulated the management staff on keeping the facilities operating expenses below budget. Mr. Petrullo noted the reason the September budget projection was not met was due to an unforeseen tax adjustment to the state unemployment tax.

Dennis Petrullo gave an update on upcoming events, noting headliners such as Justin Timberlake, George Strait and Cher. AEG Management highlighted some of the facilities recent community involvement: first year for the plaza movies series hosted by the Downtown Development Corporation (movies shown on the exterior marquee), second year of the Cell Phones for Soldiers Drive and for America Recycles Day, the facility is collecting passenger car and lightweight truck tires.

Greg Fante of the Louisville Sports Commission gave a short preface in regards to the city of Louisville hosting future NCAA events and informed the board of the cities cooperation across many sectors to bring the events to Louisville. Bidding for NCAA events is an extensive process; AEG Management, Louisville Sports Commission, Louisville Convention & Visitor's Bureau and the University of Louisville Athletic Department have been working together to secure Louisville as a host city for several upcoming tournaments. There are currently eight bids out for Louisville to host an NCAA event from 2013-2018.

Mr. Petrullo highlighted that the facilities (KFC Yum! Center) provide a distinct advantage to Louisville in the bid process. One of the most exciting bids currently out is for the Wrestling Championships in 2015/2016 and 2016/2017. A NCAA Wrestling consultant has been hired to bring the five daylong championship that hosts two matches per day to Louisville. Mr. Fante noted this event is one of the larger NCAA events with 109,000 tickets sold last year. Louisville has the opportunity to set the Wrestling Championship attendance record as the KFC Yum! Center would be the largest facility to host the Championship. The bid for the Wrestling Championship is unique in that the University of Louisville does not have a wrestling team but are actively involved in bringing this event to the city of Louisville.

The board highlighted the importance of bringing such large national events to the city of Louisville and the positive impact it will have on the TIF district. Mr. Petrullo concluded the management update by restating that the recent change in access to the 2<sup>nd</sup> Street entrance was established in response to safety concerns due to the backup of the escalator at this entrance. It was also noted that the facilities security staff will be meeting with surrounding garage operations staff to pro-actively work on minimizing traffic surrounding the arena.

**DISSUSSION ITEM:           General Counsel Update – Chairman Hayes**

No general counsel update.

**DISCUSSION ITEM:           New Business/Old Business – Chairman Hayes**

The Board thanked all military personnel past and present for their service. No other business to come before the Authority, the meeting was adjourned at approximately 9:35 a.m.

Respectfully submitted,  
Amelia Priest