



louisville arena authority

Board of Directors Meeting

July 15, 2013

9:00 a.m. EST

KFC YUM! Center

MINUTES

Directors in Attendance: Mr. Eric Gunderson, Ms. Alice Houston, Metro Council President Jim King (Ex Officio), Mr. Lee Kirkwood, Mr. Tim Mulloy, Mr. Steve Rowland, Ms. Lesa Seibert, Ms. Lindy Street, Mr. Dan Ulmer, Vice Chairman William Summers V, Chairman Larry Hayes

Directors Absent: Mr. Andrew Beshear, Mr. Michael Houlihan, Ms. Maura Temes

Consultants and Staff: Mr. Ed Glasscock, General Counsel; Mr. Dennis Petrullo, KFC YUM! Center General Manager

Welcome: Chairman Hayes

Chairman Hayes declared a quorum and convened the meeting.

DISCUSSION ITEM: Acceptance of the June 10, 2013 Board Meeting Minutes – Chairman Hayes

Ms. Street moved to accept the minutes of the June 10, 2013 Arena Authority Meeting. The motion was seconded by Ms. Seibert and the motion passed unanimously with no abstentions.

DISCUSSION ITEM: Presentation of Financial Statements – Vice Chairman Summers

Vice Chairman Summers initiated the finance update by introducing Chip Sutherland with Hilliard Lyons. Mr. Sutherland informed the Board that Standard & Poor's rated the Authority's project revenue bonds for the Louisville Arena Authority at BBB-. Mr. Sutherland noted that this is positive news and that Hilliard Lyons will continue working with Moody's rating services. Chairman Hayes highlighted the importance of communicating efficiently with the financial community.

DISCUSSION ITEM: AEG Management Update- Dennis Petrullo

Dennis Petrullo provided the AEG Financial Update for the month of May. The facility hosted six events during the month of May; including Sold Out Taylor Swift, the Dalai Lama, three banquets/events, and two other events.

Mr. Petrullo initiated his financial report by highlighting the facilities net operating profit of \$158,125 for the month of May, bringing the Year-to-Date net operating profit to \$2.426 million. AEG is currently projecting a net profit of \$1.896 million for the fiscal year ending June 30, 2013.

Mr. Petruzzo introduced Denise Taylor, Chief Information Officer, AEG Worldwide and Bob Van Dyk, Telecommunications Properties Inc. (TPI) to address recent discussion regarding the facilities wireless coverage. Ms. Taylor informed the board that the KFC Yum! Center has a strong telecommunications infrastructure in place.

Mr. Van Dyk stated that TPI represents the venue and works with each carrier to bring their tools into the KFC Yum! Center. In addition, TPI operates the facilities Distributed Antenna System (DAS). A TPI staff member comes in monthly to work with the IT staff to troubleshoot any carrier issues.

Ms. Taylor initiated her dialogue by informing the Board that AEG/TPI are currently in communication with the facilities wireless providers to introduce additional frequency and add antenna volume in order to address concerns regarding the arenas wireless coverage; it is anticipated that these changes will occur prior to the start of basketball season. The current wireless carriers in the facility are AT&T, Verizon, and Sprint; Mr. Van Dyk noted that T-Mobile is currently not active in the facility and is frequently the last carrier to place equipment in a facility.

Mr. Gunderson inquired about the structure of the telecommunications agreements. Mr. Van Dyk informed the board that in order for a carrier to have their equipment located within the facility they are required to pay a monthly fee (or lease). This fee is negotiated by TPI. From a budgetary standpoint, all antenna, etc. developments are the responsibility of the wireless carrier.

Mr. Hayes inquired if standards are in place for each provider, as the facility gets blamed by patrons for service issues when attending facility events. Ms. Taylor stated that each carrier is required to meet a standard, noting that AEG and TPI partner together to address any issues.

Ms. Taylor concluded the IT presentation by noting the potential to bring IT sponsorships/partnerships into the facility to facilitate in the development and improvement of the fan experience. Facilities are improving on the fan experience using interactive mobile based marketing and efficient facility websites. Mr. Petruzzo highlighted the potential to improve the facilities wireless interactive capabilities, noting that AEG IT will continue working with LASEP to bring the newest technologies into the facility.

DISSUSSION ITEM: General Counsel Update –Chairman Hayes

Chairman Hayes introduced Mr. Ed Glassock, who reported that there is no new business to report.

DISCUSSION ITEM: New Business/Old Business –Chairman Hayes

Mr. Petruzzo discussed the quality of the upcoming concerts being held at the facility; such as Beyonce and Justin Timberlake. Mr. Petruzzo noted that these top notch events would not be possible without an accommodating partner, the University of Louisville, who released several December dates for concerts.

Mr. Petruzzo concluded the New Business update by noting that all suite holders and press will enter the facility through the second street entrance in order to keep the Main Lobby escalators from

backing up. In addition, a new Venue Services agreement for facility event staffing has been executed.

No other business to come before the Authority, the meeting was adjourned at approximately 9:40 a.m.

Respectfully submitted,
Amelia Priest