



louisville arena authority

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**Board of Directors Meeting
November 17, 2008
9:00 a.m. EST
Kentucky International Convention Center
Louisville, KY**

Directors in Attendance: Mr. Larry Bisig, Mr. Todd Blue, Mr. Junior Bridgeman, Mr. Tim Corrigan, Ms. Reba Doutrick (via telephone), Mr. Eric Gunderson, Vice Chairman Larry Hayes, Ms. Alice Houston (via telephone), Metro Council President Jim King (Ex Officio), Ms. Lindy Street, Mr. William Summers V, Mr. Dan Ulmer, Mr. Robert Woolery, Chairman Jim Host

Directors Absent: Mr. Lanny Greer (Ex Officio), Ms. Cissy Musselman, Mr. James Patterson

Consultants and Staff of Arena Authority: Mr. Harold Workman, Executive Director; Mr. Mark Sommer, General Counsel; Mr. Mike Clay, HOK; Mr. Bill Hedge, Mortenson Construction; Mr. John Hilkene and Mr. Art Waterman, PC Sports

Welcome: Chairman Host

Chairman Host declared a quorum and convened the meeting. He advised that on Thursday, November 20 at 10:00 a.m., a ceremony would be held at Mortenson's office announcing their partnership with the Office of Occupational Safety and Health Administration regarding worker safety on the Arena project. Chairman Host invited the Authority members to attend.

DISCUSSION ITEM: Acceptance of the Minutes of October 27, 2008 Board Meeting – Chairman Host

Mr. Bridgeman moved to accept the Minutes of the October 27, 2008 Arena Authority meeting. The Motion was seconded by Mr. Corrigan, and the Motion passed unanimously with no abstentions.

DISCUSSION ITEM: University of Louisville Arena Transition – Chairman Host

Chairman Host commented on the partnership between the Arena Authority and the University of Louisville, specifically recognizing Mr. Pete Cautilli for his extensive involvement in the project. He then introduced Mr. Gary Friedman, who provided an update on the University's efforts regarding the transition from Freedom Hall to the Arena. Mr. Friedman advised that the University's Arena Transition Committee has held several meetings. The committee is comprised of 19 members representing all seating areas of ticket holders, non-ticket holders, staff and faculty of the University.



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Mr. Friedman advised that current season ticket holders at Freedom Hall will have an opportunity to purchase the same number of seats in the new Arena. However, those requesting additional tickets will be placed on a waiting list. Seat locations will be based on Cardinal Athletic Fund priority points and ranking, which will determine when seats are selected. Seat selection will begin in the spring or summer of 2010.

Mr. Friedman advised that there will be four premium seat opportunities: Lower Level Side Court Club Seats, Suites, Junior Suites (also known as “Loge Boxes”), and Terrace Seats (club seats in the end zone).

Finally, Mr. Friedman stated that the University is currently developing a website specifically addressing the Arena. The website will link to much of the information found on the Arena Authority website. Chairman Host advised that HOK is creating a computer-generated “fly through” model of the Arena’s interior that will be posted on both websites. The model is expected to be completed by February 2009. Chairman Host asked Mr. Harold Workman to provide an update on the Arena webcam. Mr. Workman advised that another webcam had been ordered and is expected to be operational by November 21.

DISCUSSION ITEM: Presentation of Financial Statements – Vice Chairman Hayes

Finance Committee Chairman Hayes introduced Mr. Jerry Frantz, Director of Administrative Services for the Kentucky State Fair Board. Mr. Frantz reported that the sources of funds include the state grant, bond proceeds, interest and other income, and in-kind revenue. The uses of funds include prior years’ administrative expenses, 2008 administrative expenses, prepaid insurance, construction-in-progress, accounts payable, bond issue costs, and deferred obligations. He remarked that the construction-in-progress category is growing as expected. Total net resources were reported as \$311,985,146. Mr. Todd Blue asked if the financial statements are consistent with the budget, and Chairman Host responded that they are.

DISCUSSION ITEM: PC Sports, HOK and Mortenson Updates – Dan Ulmer

Construction Committee Chairman Ulmer introduced Mr. John Hilken and Mr. Art Waterman, who were joined by Mr. Mike Clay and Mr. Bill Hedge. Mr. Waterman reported that O’Rourke completed the site demolition on October 31 and de-mobilized on November 7. Additionally, AT&T completed its line relocation. He advised that representatives from the Authority, Mortenson and PC Sports recently traveled to Bloomington, Indiana to view work being performed by Wilhelm, Mortenson’s concrete subcontractor for the Arena. Additionally, a trip was recently made to Toronto, Canada to view some of the interactive technology being considered in the Arena. Mr. Waterman showed a series of photos from the project site documenting the early morning and evening work on the site, the AT&T line relocation and field density testing performed by Patriot.

Mr. Waterman introduced Mr. Mike Clay, who provided an update from HOK. Mr. Clay reported that HOK has been reviewing the value analysis recommendations for light fixtures and millwork. HOK is working with the Kentucky Office of Housing and Building Construction on plan reviews. Mr. Clay reported that all comments regarding the plumbing permit have been resolved with the Division of

Plumbing, revised drawings have been submitted, and he expects the plumbing permit to be issued soon.

Mr. Clay introduced Mr. Bill Hedge, who provided an update from Mortenson Construction. Mr. Hedge reported that current activity on the Arena site has been focused on deep foundations and earthwork. Mortenson's subcontractor, Veit, has been working on earthwork and obstruction removal, soil retention, and shoring and auger cast piles. Mr. Hedge advised that other subcontractors mobilized to date include Wilhelm, Hussing, Ermco and LG&E. He stated that 84% of work has been procured.

Mr. Hedge then showed a video of the Building Information Model ("BIM") Mortenson uses to coordinate construction activities. He explained that all subcontractors provide models of the work they are to perform, which are then used to create a computer-generated 3-D model of the Arena's interior and exterior elements.

Mr. Bisig asked about the Arena's proximity to the water table. Mr. Hedge responded that the water table is at 418 feet, and the Arena's event floor is at 453 feet, which is above the 100 year flood plane. He also advised that Mortenson has not encountered any ground water.

Mr. Ulmer encouraged Arena Authority members to visit the project site.

DISCUSSION ITEM: Affirmative Action and Labor Committee – Chairman Host

Chairman Host asked Ms. Lynn Littlejohn to provide an update of the Arena project's MWBE efforts. Ms. Littlejohn reported that the overall MWBE participation goal for the Arena project is 20%. Through October, the MBE commitment is 20%, and the WBE commitment is 5%. Additionally, through October, \$202 million in material and services have been procured, with \$41 million committed to MBE firms and \$12 million committed to WBE firms. Ms. Littlejohn advised that approximately 30,000 work hours have been completed on the project, with 24% completed by minority workers and 6% completed by female workers. She reported that local participation is being tracked by the percentage of total workers on the site, with 54% residing in the Louisville SMSA and 76% residing in the Kentuckiana area.

Ms. Littlejohn also provided an update on Mortenson's MWBE efforts. She reported that Mortenson has procured \$184 million in material and services, and \$50 million has been committed to MWBE firms. While the overall MWBE participation goal for the Arena project is 20%, Mortenson's MWBE participation goal is 22%. Ms. Littlejohn reported that Mortenson's MBE participation to date is 21% and its WBE participation is 6%. Finally, she advised that 70% of the subcontracts have been awarded to local firms.

Affirmative Action and Labor Committee Chairman William Summers reported that 41 graduates from the Construction Pipeline Project have been placed in jobs throughout the community.

DISCUSSION ITEM: General Counsel Update – Mark Sommer

Mr. Sommer reported that the 2007 federal tax exempt return for the Arena Authority had been finalized, and a property tax bill that the Arena Authority received on the Humana property has been exonerated. Additionally, the Kentucky Associated Builders and Contractors recently filed a motion

to intervene in the RAM lawsuit. A hearing was held, and the court's ruling on the motion is expected soon.

DISCUSSION ITEM: Arena news articles/press – Chairman Host

Mr. Bisig advised the Authority members that recent news articles were included in the Arena board book, including three articles recently published in Business First regarding the Authority's construction and design team members.

DISCUSSION ITEM: Old Business

None

DISCUSSION ITEM: New Business

None

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

Respectfully submitted,
Laura Chandler