



louisville arena authority

WWW.ARENAAUTHORITY.COM

**Board of Directors Meeting
September 22, 2008
9:00 a.m. EST
Kentucky International Convention Center
Louisville, KY**

Directors in Attendance: Mr. Larry Bisig, Mr. Todd Blue, Mr. Tim Corrigan, Ms. Reba Doutrick (via telephone), Mr. Eric Gunderson, Vice Chairman Larry Hayes, Ms. Cissy Musselman, Ms. Lindy Street, Mr. William Summers V, Mr. Dan Ulmer, Mr. Robert Woolery, Chairman Jim Host

Directors Absent: Mr. Junior Bridgeman, Mr. Lanny Greer (Ex Officio), Ms. Alice Houston, Metro Council President Jim King (Ex Officio), Mr. James Patterson

Consultants and Staff of Arena Authority: Mr. Harold Workman, Executive Director; Mr. Mark Sommer, General Counsel; Mr. Bill Hedge, Mortenson Construction; Mr. Steve Hotujac, HOK; Ms. Paula Yancey, PC Sports

Welcome: Chairman Host

Chairman Host declared a quorum and convened the meeting.

DISCUSSION ITEM: Acceptance of the Minutes of September 3, 2008 Board Meeting – Chairman Host

Mr. Woolery moved to accept the Minutes of the September 3, 2008 Arena Authority meeting. The Motion was seconded by Ms. Musselman, and the Motion passed unanimously with no abstentions.

DISCUSSION ITEM: PC Sports Update – Dan Ulmer

Construction Committee Chairman Ulmer introduced Ms. Paula Yancey, who provided an update from PC Sports. Ms. Yancey reported that demolition on the project site is approximately 80% complete, and O'Rourke is expected to finish demolition by the end of October. O'Rourke is currently working on the main LG&E building. The pits have been uncovered and are being filled with debris from the site.



P. O. Box 21179, LOUISVILLE, KENTUCKY 40221-0179
221 SOUTH FOURTH STREET, LOUISVILLE, KENTUCKY 40202
(502) 815-6963 PHONE / (502) 815-6962 FAX

Ms. Yancey advised that a fence will be placed around the construction site. She welcomed Authority members to visit the site; however, she reminded the Authority that it is a busy construction site, and she asked that they check in with her before visiting so they can be given the proper safety gear.

Ms. Yancey reported that a web cam has been linked to the Arena Authority website. Finally, she reported that interviews with the finalists for the Special Inspections RFP would be conducted on Tuesday, September 23, 2008.

DISCUSSION ITEM: HOK Update– Dan Ulmer

Construction Committee Chairman Ulmer introduced Mr. Steve Hotujac, who provided an update from HOK. Mr. Hotujac reported that the arena site work and foundations permits have been issued, and the final permits are expected by the end of October. He also advised that a construction team “kick off” meeting was held the previous week to coordinate staff responsibilities during construction. Finally, he reported that the final FF&E (furniture, fixtures and equipment) package had been approved.

DISCUSSION ITEM: Mortenson Update – Dan Ulmer

Construction Committee Chairman Ulmer introduced Mr. Bill Hedge, who provided an update from Mortenson Construction. Mr. Hedge reported that Mortenson received its “Notice to Proceed” on September 5, 2008. The first subcontractor is on the site with large earth retention equipment, and interviews will be held soon to finalize the other subcontractors. Mr. Hedge also reported that Mortenson is at or above its hiring goals.

Chairman Host advised the Authority that PC Sports and Mortenson have offices in the Presbyterian USA Headquarters, and he encouraged the board members to visit the offices.

DISCUSSION ITEM: Affirmative Action and Labor Committee – William Summers V

Affirmative Action and Labor Committee Chairman Summers introduced Ms. Paula Yancey and Ms. Lynn Littlejohn, who provided an update of the Arena project’s MWBE efforts. Ms. Yancey reported that PC Sports is currently tracking MWBE hiring by O’Rourke Wrecking Company and HOK. She advised that through August 2008, the total project commitment is 16% MBE and 3.9% WBE, for a total of 19.9% (against the project goal of 20%). She reported that as of August 17, 2008, a total of 13,213.6 work hours have been completed. The minority workforce participation goal is 20%, and the actual to date is 20.5%. The female participation goal is 5%, and the actual to date is 6%. The Kentucky/Indiana residents’ participation goal is 75%, and the actual to date is 42.9%. The SMSA residents’ participation goal is 60%, and the actual to date is 26%. She reminded the Authority that the percentages will increase as the project progresses and more workers are on site.

Ms. Littlejohn reported that of the Mortenson subcontracts executed to date, the MWBE commitment is 26%, for a total value of \$38 million. Ms. Littlejohn reiterated Mortenson’s commitment to achieving or exceeding the project’s MWBE goals.

DISCUSSION ITEM: General Counsel Update – Mark Sommer

Mr. Sommer reported that focus has been on finalizing items from the bond closing. He asked Authority members to contact him if they would like to see the final closing documents, which include six large binders.

Mr. Sommer advised that the closing on the purchase of the LG&E property was scheduled that afternoon (September 22).

Finally, Mr. Sommer reported that a law suit had been filed by RAM Engineering & Construction regarding the procurement of the site work bid packages by Mortenson. The complaint was filed against the Arena Authority, the Finance and Administration Cabinet, Mortenson, and Veit & Company (the successful bidder).

DISCUSSION ITEM: Arena news articles/press – Larry Bisig

Mr. Bisig directed the Authority members to news articles included in the Arena board book, including an article regarding the Kentucky State Fair Board’s recently signed agreement with AEG, a booking company that will bring concerts and other acts to the Arena and Freedom Hall.

DISCUSSION ITEM: Closing Comments – Chairman Host

Chairman Host commented on the LG&E closing, stating that LG&E has been a terrific partner and will complete the relocation project at or below the \$63 million estimate.

Chairman Host remarked on the fortuitousness of holding the bond closing on September 3, considering the current state of the economy. He speculated that if the closing had not occurred when it did, the project could have been delayed a year or longer. He thanked Mortenson, HOK and PC Sports for their work to reduce construction costs; and he thanked Hilliard & Lyons for accepting the sub-debt portion of the bond issuance.

DISCUSSION ITEM: Old Business

None

DISCUSSION ITEM: New Business

None

No other business to come before the Authority, the meeting was adjourned at approximately 9:20 a.m.

Respectfully submitted,
Laura Chandler