

CAPITAL IMPROVEMENT BOARD OF MANAGERS
OF MARION COUNTY, INDIANA
Minutes of Meeting
Monday, February 9, 2009

A meeting of the Capital Improvement Board of Managers of Marion County, Indiana ("Board") was held on Monday, February 9, 2009 in Room 201 of the Indiana Convention Center.

Present were Robert T. Grand, Patrick J. Early, Ann Lathrop, Douglas R. Brown, Robert E. Cockrum, Dorothy A. Henry, Craig Huse, and John D. Short.

Others present included Barney Levensgood, Executive Director, Dixie Gough, Controller, W. Tobin McClamroch, General Counsel, Bingham McHale LLP, Michael McDaniel, Director of Governmental Affairs, Jack Woodside, ICCLOS, Susan Jackson, ICCLOS, Curt Fritsch, CRT Financial Group, Lou Gerig and Robert Gildea, Sease Gerig & Associates, and members of the media.

Mr. Grand opened the meeting by extending his appreciation to everyone who assisted in matters pertaining to this meeting.

The Minutes of the January 12th were presented. Upon a motion by Mr. Brown, which was seconded by Ms. Henry, the minutes were approved.

The next item to come before the Board was the Election of Officers. Nominations were sought. Mr. Short said he wished to place into nomination the following incumbents to serve in the following offices:

Robert T. Grand, President
Patrick J. Early, Vice President
Douglas R. Brown, Secretary
Ann Lathrop, Treasurer

Upon a second to the motion by Mr. Cockrum, and a vote by the Board, the officers named above were reelected.

With regard to Financial Issues addressed at a Special CIB Meeting on January 27th, Mr. Grand commented that in concert with comments heard at that meeting, the CIB will continue to make cuts whenever and wherever possible in order to provide financial relief, beginning with those cuts that make the most sense, with the goal of preserving the Indiana Convention Center & Lucas Oil Stadium. Ms. Lathrop gave a brief recap of some of the comments she had made on January 27th and Mr. Levensgood followed with a Financial Update in conjunction with recommendations made by the Finance

Committee. He noted four immediate targeted reductions in the CIB's Budget, totaling \$5, 837,808, as follows:

- Minimum 8% cut to operating budget (net of Colts payments)
- Salary freeze
- Travel ban
- Hiring freeze

Mr. Levensgood went into more detail on some of these points.

- Fifteen positions in Administration, Office, and Supervision, have recently been vacated. These positions have either been eliminated, or held open until a future date. Likewise, current positions which will be vacated through attrition through retirement, or other kind of departure, will not be filled.
- Some Security Staff Guards and/or Dispatchers positions might be considered for elimination, so long as doing so will not jeopardize the safety of our patrons, in any way.
- The only training that will be approved is that which is essential.
- Employees will be asked to "tighten their belts" and use supplies wisely, and will use what is on hand first, as purchasing new supplies will only be done when absolutely necessary.

Mr. Levensgood also advised the Board that the law firm of Bingham McHale has agreed to reduce their legal fees. In like manner, BKD, the CIB's auditor, has agreed to reduce its fee by \$8,000, for which Mr. Levensgood expressed thanks on behalf of the CIB. With regard to advertising, and with the Board's permission, Mr. Levensgood announced that new advertising would be deferred and/or cancelled, and only advertising already contracted would be honored. Printing and advertising promotion expenditures will be held to \$750,000, he said. The ICVA actual budgeted amount was based upon prior years' actual, plus contingency. However, with the economy and tax receipts down, this amount has been reduced.

Maintenance and repairs on all of the CIB facilities will be deferred. And again, as with advertising, only those projects already contracted, will go forward. As examples, Mr. Levensgood mentioned second floor carpeting at the Convention Center (\$370,000), Renovation to the Easterday Building, which had been approved at the December 8th CIB meeting (\$300,000), and Conseco Fieldhouse Down Ramps & Loading Docks (\$97,000). All of these projects have been deferred. However, with regard to the carpeting project, Mr. Levensgood said staff might come back to the Board in 2010, but that would be determined later.

One member expressed thanks to Mr. Levensgood and staff for being "fiscally responsible." Mr. Levensgood likened the matter to driving an automobile low on gas,

saying that "when you're driving with your gas tank on empty, instead of on full, you drive a lot differently." Asked about the percentage of labor reduction, he said it would be a "natural bleed off" of whatever was necessary. One member commented on the importance of looking at matters "short term," as opposed to "long term", and Mr. Levengood concurred. And once again, he mentioned the importance of deferring some of the projects that can be deferred for now, as another way to exercise fiscal responsibility, all the while emphasizing that that none of the cuts, or the deferments, would jeopardize the safety of our clients or our guests, etc., in any way whatsoever. A copy of the "Finance Update", described by Mr. Levengood, is hereto attached and made a part of these Minutes.

Mr. Grand addressed a question that has been raised regarding the possible use of property taxes as a solution for a portion of the relief. Mr. Grand was resolute in his response, that the use of property taxes would not be an option, and emphasized the importance of making this statement in a public forum. With regard to a specific time table, the Board heard that it takes time to find appropriate solutions. The CIB will make updates regarding the progress of these solutions, as appropriate. "We don't want to speculate," Mr. Grand said.

Mr. Levengood spoke about a request from the Indianapolis Indians describing two proposed improvements to Victory Field. The first improvement is a merchandise shop, to include major league baseball items, as well as Indianapolis Indians-related souvenirs, such as hats and other items of apparel. The existing merchandise shop is a walk-up 285 sq. ft. souvenir counter; while the new shop would be an enclosed store, the square footage of which would increase to approximately 525 sq. ft. The timeline for this project would be to have it completed in time for Opening Day, in April of 2009, with the estimated cost of this improvement to be \$100,000 - \$150,000. The second improvement sought by the Indians is an expansion of an existing terrace, currently located on the suite level, by integrating another tier of seating below this existing level. This is to be accomplished by removing four rows of upper deck stadium seating and joining together this space with the existing terrace. Seating will increase from 20-50 to 50-100. The 2009 or 2010 timeline for this improvement is not certain, but the cost is estimated to be between \$150,000 and \$200,000, with anticipated net revenue estimated to be at \$30,000 - \$50,000 annually. Mr. Levengood advised the Board that, "The good news is that these improvements will not cost the CIB anything." Board approval, however, is necessary. And, upon a motion to approve by Ann Lathrop, which was seconded by Mr. Short, approval for these two improvements to Victory Field, and as described by Mr. Levengood, were approved.

With regard to the next Agenda item, that of "Agreements with B&D Associates, L.P., including Agreement, Termination of Sublease and Pedestrian Connector - Crowne Plaza Holiday Inn," Mr. Grand advised that he would be abstaining on this matter, and temporarily relinquished the Chair to Mr. Early. Mr. Levengood said that B&D Associates, an entity in which James Dora, Jr. is a principal, will be constructing a

pedestrian connector between the Convention Center Expansion ("CCE") and Crowne Plaza Hotel ("Hotel"). He mentioned the earlier connector, an open canopy-covered walkway which, with the demolition of the RCA Dome, is no longer there. "The next one will be a fully enclosed walkway between the Crowne Plaza and Phase V expansion," Mr. Levengood said. There are three documents which require the Board's approval. These documents include a "comprehensive" Agreement, a Pedestrian Connector Construction Easement and Operation Agreement (the "Pedestrian Agreement"), and a Termination of Sublease.

The Agreement and Termination of Sublease pertain to the amendment to the existing Agreements between the City of Indianapolis, the Indiana Stadium and Convention Building Authority ("ISCBA"), and the CIB, which provide parking to B&D Associates. Under these Agreements which date back to the 1980's, B&D has been permitted to park vehicles on the former parking pad south of the RCA Dome. These vehicles included those belonging to Hotel customers.

The new Agreements address the responsibility of the ISCBA to provide B&D interim parking during construction of the CCE at the cost and expense of ISCBA. The Agreement allows B&D to begin parking after completion of CCE construction upon the Maio lot. While the Agreement for parking on the Maio lot is for 134 years, Mr. Levengood noted that the Agreement does contemplate that either the ISCBA or the CIB can terminate the Agreement in the event of a redevelopment of the Maio lot for public purposes.

The Pedestrian Agreement outlines the proposed construction of a pedestrian connector to connect the Hotel to the CCE. Construction of the connector will be at the sole cost and expense of B&D. The Agreement outlines a timeline for submittal of plans and specifications for review by the CIB. It further describes the operational aspects of the connector. These provisions are similar to comparable Agreements that the Board has entered into pertaining to other hotel walkways. Mr. Levengood emphasized that all costs pertaining to this project would be borne by B&D Associates, and that the CIB will be permitted to review and comment on the plans and specs. Upon a motion by Mr. Short, which was seconded by Mr. Brown, the Board approved this matter, with Mr. Grand abstaining.

Claims for the month of February 2009 were presented to the Board, and included the following:

Capital Improvement Board of Managers:

Operating Expense Voucher #469G	\$ 1,368,703.93
Addl. Operating Expense Voucher #469A	138,131.49
Confirming Operating Voucher #24B	150,000.00
Confirming Operating Voucher #25B	672,208.62
Operating Expense Voucher #26B	<u>106,985.38</u>

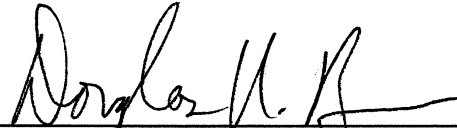
Total: \$ 2,436,029.42

Because Mr. Grand would be abstaining on the entirety of these Claims, Mr. Early called for a motion to approve. Ms. Lathrop advised the Board that she had reviewed the Claims, had found them to be in order, and moved their approval. Upon a second to her motion by Doug Brown, Vouchers #469G, #469A, #24B, #25B, and #26B were approved, with Mr. Grand abstaining.

Before adjourning the meeting, Mr. Grand said that he would be available after the meeting if anyone wished to speak further about matters heard at this meeting. There being no further business to be heard, or comments from the public, and upon a motion by Ms. Lathrop to adjourn, which motion was seconded by Ms. Henry, Mr. Grand declared that the meeting was adjourned.



Robert T. Grand, President
THE CAPITAL IMPROVEMENT BOARD
OF MANAGERS
OF MARION COUNTY, INDIANA



Douglas R. Brown, Secretary
THE CAPITAL IMPROVEMENT BOARD
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