

EMERGENCY MEETING  
CAPITAL IMPROVEMENT BOARD OF MANAGERS  
OF MARION COUNTY, INDIANA  
Minutes of Meeting  
Friday, May 1, 2009

An emergency meeting of the Capital Improvement Board of Managers of Marion County, Indiana ("Board") was held on Friday, May 1, 2009 in Room 101 of the Indiana Convention Center, pursuant to IC 5-14-1.5-5(d).

Present were Robert T. Grand, Patrick J. Early, Ann Lathrop, Robert E. Cockrum, Dorothy A. Henry, Craig Huse, Jay K. Potesta, John D. Short, and Donald Welsh, Ex-Officio.

Among others in attendance were Barney Levensgood, Executive Director, W. Tobin McClamroch, General Counsel, Bingham McHale LLP, Robert Swintz, London Witte, Michael McDaniel, Director of Governmental Affairs, [mmcdaniel@kdlegal.com](mailto:mmcdaniel@kdlegal.com), John B. Livengood, President & CEO Indiana Restaurant Association, Tamara Zahn, Executive Director, Indianapolis Downtown, Inc. ("IDI"), Lou Gerig, Sease Gerig & Associates, Robert Gildea, Sease Gerig & Associates, Shelly Dial, Sease Gerig & Associates, Larry Miles, Linda Miles, Roger David, John Dedman, Patretta Trice, IAA, Dan Emerson, Jama Finney, Jillian's Indianapolis, Christi Franklin, Jillian's Indianapolis, R. Wade Clark, Jillian's Indianapolis, Jeff Bevard, Mo's A Place for Steaks, Greg Mickelson, Mo's A Place for Steaks, Scott Thomm, Mo's A Place for Steaks, Catherine Stone, Mo's A Place for Steaks, Brian Schilling, Mo's A Place for Steaks, Lisa Lenzlee, Mo's A Place for Steaks, Chad Compton, Mo's A Place for Steaks, Matt Carter, Music Crossroads, Scott McCormick, Music For All, Dan Atcheson, Drum Corps International, Mark McClure, General Manager, Canterbury Hotel, Doug Ferrer, Canterbury Hotel, Scott Sigman, URS Corporation, Timothy McGuire, Chairman, Libertarian Party, Sean Shephard, Libertarian Party, Ray Compton, Consultant, Joseph P. Vande Bosche, BKD, LLP, Marsha Stone, Indianapolis Airport Authority, Andrew Vudis, Ruth's Chris Steak House, Curtis Walczak, President, Indianapolis Visitor's Channel, Lane Velavo, Greater Indianapolis Hotel & Lodging Association, Simon Crookall, President & CEO, Indianapolis Symphony Orchestra, Wade Clark, Jillian's Indianapolis, Jama Finney, Jillian's Indianapolis, Christi Franklin, Jillian's Indianapolis, Jay Snyder, Hollyhock Hill, John Baldwin, IATSE 30, Randy Ruhl, City Securities Corp., Ed DeLaney, Indiana House, Doug Allison, Crowne Plaza at Historic Union Station, Jim Dora, Jr., General Hotels Corp., Phil Ray, Hotel & Lodging Association and General Manager, Omni Hotel, Jerry D. Semler, One America, Dale McCarty, Westin Indianapolis, Timothy Watson, Entertrain, JoAnne M. Sanders, City-County Council, [jmsanders@msn.com](mailto:jmsanders@msn.com), Ronnie Burt, ICVA, Glen Kwok, Executive Director, International Violin Competition of Indianapolis and Indianapolis Consortium of Arts Administration, Katie Zarich, Indianapolis Museum of Art, Michelle Travis, White Lodging, Anne Dunlavy J.W. Marriott, Kevin Marshall, Electricians/Building Trades, Michael Inabnitt, DC 91 Local 47

Painters Union, Heath Benson, General Manager, Sheraton City Center Hotel, Susie Townsend, ICVA, Ellen Saul, Maribeth Smith & Associates, Ramona Adams, Ruth's Chris Steak House DT, Ryan Cross, Ruth's Chris Steak House NS, and members of the media.

Mr. Grand began by thanking those in attendance for coming to this emergency meeting. In a prepared statement, Mr. Grand said the purpose of the meeting was to discuss the implications of the Indiana General Assembly's failure to provide any relief for the CIB's current funding issues. He said, "The Board has worked to share all the numbers we can." He also said the CIB website is now "up," and that he was "pleased with the team" for making the numbers available. He referenced the Plan that the Mayor has proposed, and supplements to that Plan, and he expressed his hope that reactions to the components of the Plan would be positive ones. Mr. Grand stressed that the CIB "is making a good faith effort to put a Plan together, along with the Mayor, and we are keeping everyone informed." In particular, he thanked Senator Luke Kenley for his optimism, as the legislature approaches a Special Session. He reiterated the CIB's commitment to having all of the events that are scheduled, and to the clearing up of any misconceptions. In that regard, Mr. Grand announced these strategies:

1. To renegotiate all contracts, beginning today, and to cut them to the bone.
2. To suspend all payments that do not need to be made, respecting those which are directly related to keeping our facilities open and serving our customers.
3. Appraise all assets that can be sold and prepare a report on these assets.
4. Work with the Governor's Office regarding one-time issues. Projected payments are due soon, with a potential for those dollars to be recaptured and the CIB has no control over these monies.
5. Prepare as much information as possible about the difficult decisions, which are all being made to honor our commitments, creating a downtown which is strong and viable, and to keep it that way.

This, Mr. Grand said, is the purpose of the meeting today. He then called for a discussion.

Counsel told those in attendance that the CIB continues to face significant cash flow challenges, which should direct Board members in the decisions they must make. Board members have a general immunity, by way of statute, in their decisions, and the right of indemnity and insurance protection. It is important to remember that (a) the Board not commit resources they do not have, and (b) the CIB needs to be diligent with regard to representations made.

At this time, Mr. Grand introduced Donald Welsh, President & CEO, Indianapolis Convention & Visitors Association.

Mr. Welsh thanked Mr. Grand, and fellow Board members, and proceeded to present prepared remarks, a copy of which is attached hereto as a part of these minutes, in addition to two handouts provided by Mr. Welsh, which included, "Impact of Indianapolis Tourism on State of Indiana," and "CVB 2009 Proposed Budgets Revised."

Among the comments made by Mr. Welsh, were these:

"What is the role of the ICVA?" To clarify,

- The ICVA is a sales and marketing agency in the City of Indianapolis.
- 75% of the ICVA's budget is derived from CIB funds.
- The ICVA has not received an increase in funding since 1992.
- Three percent (3%) of hotel/motel taxes went to the construction of Lucas Oil Stadium in 2007.
- Nothing was set aside for maintenance and marketing of the stadium.
- The ICVA has 54 full-time employees.
- Plan – regarding revenue sources for 2009, Mr. Welsh called the Board's attention to p. 10 and 11, calling it the "Wallis Chronicle".
- Indianapolis will go from the 36<sup>th</sup> to the 16<sup>th</sup> largest city in the country at the end of 2011.
- Enhancements will allow the city to host additional events.
- Marion County has 66,000 jobs which are impacted by the Convention and Visitors industry in Indianapolis.
- The ICVA has a great team. (Mr. Welsh asked Mr. Ronnie Burt to stand, and he also recognized Warren Wilkerson, both of whom are new on the ICVA staff.)
- We need to continue to reach out to our customers. The more we do this, the more we will be known by our customers, whom we can not take for granted.

Mr. Welsh concluded his remarks by saying that he had two handouts, which he had referenced, and which were available. He asked if there were questions.

Mr. Potesta asked if Naming Rights were being explored. Mr. Welsh noted that a meeting on this matter was held yesterday, with a company from Atlanta, Helios, and that they are looking at a proposal. On behalf of the Board, Mr. Grand thanked Mr. Welsh for this presentation, and for his comments.

At this time, with regard to the Board's continuing to look at the CIB's current contracts, Mr. Grand took a moment to clarify that although the Board continues to be in contact with both the Colts and the Pacers, the Board is looking only at "operational contracts" at this time. He said the Board is "looking closely at everything it needs to look at, in order to find several million dollars in savings." Mr. Grand then called for a motion, as it pertained to "the critical examination of all contracts," with the goal to return soon with updates on renegotiating all contracts pertaining to the operation of the CIB's facilities.

Upon a motion by Ms. Lathrop, which was seconded by Ms. Henry, approval was granted.

In a related action, Mr. Grand called for Board approval regarding suspension of all payments other than those which are related to keeping the CIB's facilities open. Upon a motion by Ms. Henry, which was seconded by Mr. Huse, Board approval was granted.

Mr. Early commented that the CIB is "cutting beyond the bone," in areas which could be detrimental, because the CIB is painted into a corner, but making these cuts help to "buy more time." The Board heard that the process has been incremental, and that updates regarding these matters would be heard again and again. Mr. Huse added that this news only underscores the sense of urgency of a matter in which the Board must move quickly. Mr. Cockrum reinforced these comments, saying that the City and the State Legislature need to get together in a bi-partisan effort.

At this time, Mr. Grand opened the meeting to the public.

Among comments expressed at this meeting, were these:

Scott McCormick, President, "Music For All" (formerly Bands of America) – They are the second largest non-profit group in Indiana. They have been here since 1984, however Lucas Oil Stadium is the most expensive venue they have used, and they are now required to look elsewhere. It remains a challenge for their event, but they can not pay more here in Indianapolis than any place else. They are involved in, and provide some scholarships for, IPS. Mr. McCormick urged the Board to look at the Arts, and the benefits they provide. He also expressed gratitude for the leadership of the Board.

Dan Atcheson, CEO, "Drum Corps International" – They come here because of the great facilities, and because of the spirit here, when other cities express a desire to host their event. This group sees commitment on the part of those who seek to solve these issues, and Mr. Atcheson expressed the importance of coming together to do that.

Tim McGuire, Chairman, Libertarian Party of Marion County – Thought the CIB needed to go back to the Mayor to discuss the city's sacrifices. Glen Kwok, Executive Director, International Violin Competition of Indianapolis and Indianapolis Consortium of Arts Administrators – Mr. Kwok said the Arts had generated \$468 million each year. He urged Indianapolis to "look forward", and added that the ICVA is responsible for bringing events to this city, and "Timing is everything."

John Livengood, President & CEO, Indiana Restaurant Association – Mr. Livengood said he was present to show their group's support. He expressed a need to promote more marketing of the city, and emphasized that the ICVA would need the resources to promote and bring groups here. We need to be able to give the ICVA the resources to do their job. "Nothing can be more important," he stressed.

Tamara Zahn, Executive Director, Indianapolis Downtown, Inc. ("IDI") – Having returned recently from a convention, she spoke about the competition we are facing with other cities, and that some of those cities are far ahead in selling their cities and downtowns as "destination" cities.

John Baldwin, IATSE Local No. 30 – "I have one of those unions," Mr. Baldwin said, as it pertained to the renegotiating of union contracts. He expressed concern that in wanting to renegotiate, the CIB would end up losing the professional help from the unions that is necessary to run these facilities. "No matter what you think, this place can't run itself. It just can't." Mr. Baldwin said. Indianapolis has a well known name. The Mayor needs to address these matters as soon as possible.

Joanne Sanders, Minority Leader, City-County Council – Ms. Sanders said she believes this matter will necessitate a "regional solution" and she wanted to emphasize that. A cost-centered process is needed. "We should take \$40 million off the top of sales tax now, and it shouldn't be just on the backs of those in Marion County."

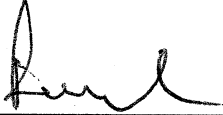
Phil Rand, Hotel Lodging Association – A solution needs to be found. The hotel motel industry is a stakeholder. More marketing dollars are needed to be spent by the ICVA, and their group prefers "no additional taxes," but understands that even that would be better than the alternative. He said he was present to lend his support, and that of the Hotel Lodging Association, to Don Welsh and the ICVA. "People are beginning to sell against our city now," Mr. Rand said.

Ray Compton, Consultant – "I'm here to scold you all a little bit," Mr. Compton said. A consultant who has worked for the Colts and the Pacers, he said the City has great facilities and buildings, and we need to find solutions "beyond taxes," because not doing so is sending the wrong message to Indiana taxpayers.

Mark McClure, General Manager, Canterbury Hotel – Mr. McClure asked about what the cash flow might be, "after the CIB comes through this current problem and the ICVA gets rolling again." Ms. Lathrop answered that the CIB isn't going to just grow out of this situation, and added that it isn't a short term problem. As for the numbers, definitive numbers aren't available at this time.

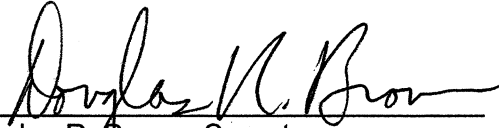
Mr. Grand asked the group if there were any other comments to be heard at this time. Ms. Henry commented to the group that the CIB is still looking at Naming Rights. Mr. Grand commented that the CIB can not raise revenues on its own, with the sources it has. On behalf of the Board, Mr. Grand expressed his appreciation to all of those who had come to this meeting, and to those who had made comments. He added that everything the CIB is doing at this time is to keep the facilities operating, and to honor our commitments. "We need your help," Mr. Grand told the group.

There being no further comments to be heard at this time, Mr. Grand called for a motion to adjourn. Upon a motion by Ms. Lathrop, which was seconded by Ms. Henry, the meeting was adjourned.



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



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Douglas R. Brown, Secretary  
THE CAPITAL IMPROVEMENT BOARD  
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