

CAPITAL IMPROVEMENT BOARD OF MANAGERS  
OF MARION COUNTY, INDIANA  
Minutes of Meeting  
Monday, May 10, 2010  
Room 102

A Meeting of the Capital Improvement Board of Managers of Marion County, Indiana ("Board") was held on Monday, May 10, 2010 in Room 102 of the Indiana Convention Center.

Board Members present were Ann Lathrop, David N. Shane, Paul Okeson, Douglas R. Brown, Jim Dora, Jr., Jay Potesta, Michael J. McQuillen, Brenda Myers, and Donald P. Welsh, Ex-Officio. Not attending: Carolene Mays

Others in attendance included Barney Levengood, Executive Director, Dan Huges, CFO, ICCLOS, W. Tobin McClamroch, General Counsel, Bingham McHale LLP, Patti Dean, Financial Consultant, ICCLOS, Jack Woodside, Special Projects Consultant, ICCLOS, Ronnie Burt, Senior Vice President of Sales, ICVA, James Wallis, Senior Vice President, Finance, Administration & Technology, ICVA, Warren Wilkinson, Senior Vice President, Marketing & Communications, ICVA, Kenneth J. McGill, EVP Research Services, Vantage Strategy, Inc., Rob Hunden, Hunden Strategic Partners, Kate Morgan, Account Manager, Hirons & Company, and members of the media. A copy of the list of those who signed in upon arrival is attached hereto.

Minutes of the April 12, 2010 meeting of the Capital Improvement Board were presented, and upon a motion by Mr. Potesta, which was seconded by Mr. McQuillen, these Minutes were approved.

Regarding a Financial Update, Mr. Huges made a brief presentation to the Board. He included highlights for the month of March. Among things he mentioned were the positive cash flow of \$1.4 million dollars, compared to the budget of \$210,000.00. Also, year-to-date figures revealed a net cash flow of approximately \$340,000. Also, various March hotel-motel and food and beverage figures were slightly above budget by approximately \$34,000.00. And although this is a good trend, year-to-date numbers are still about \$1.2 million dollars off in this category. However, he reminded the Board that a positive "bump" is expected to materialize within the next 30 to 60 days, as a result of the recent Final Four. Figures for March with regard to Expenses, Personal Services, Payroll, etc., show \$700,000 off budget actual, and year-to-date numbers down nearly \$2 million dollars. Mr. Huges asked the Board if a detailed monthly Concentrics report was needed, and the consensus was that it was not needed. Finally, Mr. Huges assured the Board that staff continues to monitor expenses very carefully, and said he believes things are improving overall. Ms. Lathrop thanked Mr. Huges for his comprehensive report, a copy of which is attached hereto as a part of these Minutes.

Regarding signage matters, and in a reference by Ms. Lathrop to a recent Board meeting at which two signage issues had been considered, with one being approved and the other not being approved by the Board, she said in recent talks with the Colts, it was noted that knowing something of the process by which potential LOS-related signage is evaluated, might be helpful to all parties. In that regard, she advised the Board that she had asked Board members Dora, Mays and Myers to form a three-person sub-committee, and to work with the Colts in addressing the various signage matters. All three members have agreed to serve. The three-member Signage Committee will review signage proposals made in regard to LOS, when the President or the Executive Director requests such a review. Upon receipt of such a request for review, the Committee will hold a public meeting at its earliest convenience. If the Committee consents to the proposal, such consent will be deemed final. The Committee will then make a report at the next regularly scheduled Board meeting. If the Committee does not consent to the proposal, a report will be made at the next regularly scheduled Board meeting for consideration by the Board. Upon a motion by Mr. Okeson, which was seconded by Mr. McQuillen, Board approval of this signage sub-committee, as described, was granted. Mr. Brown asked that the Minutes show his recusal on this matter.

At the April 12<sup>th</sup> CIB Meeting, Tanya Bell, President & Chief Executive Officer, Perry Hines, CFO, and John T. Thompson, Chairman, Board of Directors, Indiana Black Expo, Inc., presented a proposal requesting a grant from the CIB in the amount of \$150,000 for purposes including their general marketing campaign for the 2010 Summer Celebration and Circle City Classic in October. The Board did not act on this request at the April meeting. In an update today, Mr. Brown spoke in support of the request for assistance. He said he thought no group was more deserving than the IBE, referencing their annual attendance and that their event occupies our facilities to the extent that they are certainly considered to be "a very important annual tenant." In terms of revenue, Mr. Brown said the IBE exceeds \$40 million dollars annually. However, in lieu of a grant, per se, financial assistance to the IBE in the amount of \$150,000, by the CIB and the ICVA, in the form of rental and other abatements, which the IBE could utilize for their 2010 Summer Celebration in July and/or the Circle City Classic, to be held in October, was sought. And, upon a motion by Mr. Brown, which was seconded by Mr. Potesta, Board approval was granted.

The next matter to come before the Board was that of an update regarding the CIB's negotiations with the Indiana Pacers. Rob Hunden, of Hunden Strategic Partners, a real estate development advisory company near Chicago, began by telling something of the process by which a feasibility study regarding the matter had been formulated, and some of the yardsticks utilized, which ultimately led to the conclusions reached. He said operating costs for Conseco Fieldhouse are in line with those of other comparable

facilities. The group looked at the averages pertaining to operation costs over the past ten years, and how Indianapolis could experience a dramatic negative change if the city didn't have an NBA franchise. Copies of Hunden Strategic Partners' feasibility study, entitled, "*Impact of the Indiana Pacers, prepared for the Capital Improvement Board of Managers, April 2010,*" were distributed to the Board at this time. In details which followed, the Board learned that the study spoke to matters related to a substantial economic value of the Pacers to the city of Indianapolis, and about the negative financial impact to the city in terms of lost jobs and revenue should the Pacers leave Conseco Fieldhouse and Indianapolis. Mr. Hunden emphasized the economic value and net benefit of an NBA team to a city in general. The Pacers contribute \$55 million dollars to the Indianapolis economy every year, as well as \$17.8 million dollars in annual income to Indianapolis' governmental bodies, and in excess of 900 full-time, permanent jobs. No action was taken on this matter at this time. Ms. Lathrop thanked Mr. Hunden for his presentation, a copy of which is attached hereto as a part of these Minutes.

At this time, Messrs. Welsh, Burt, Wallis and Wilkinson gave brief updates on behalf of the ICVA. Mr. Wilkinson spoke about the ICVA's Summer Campaign and various new marketing materials the ICVA has in place for attracting and booking conventions. He passed around samples of trade magazines that included a new ICVA marketing brochure. The Board heard that these marketing pieces are to be in eight or more trade publications each month through year's end. He also mentioned a Summer Leisure Campaign, running in nine markets with in excess of \$900,000 dollars invested in cable television, radio, on line video, etc., promotions for a series of ads featuring some of the cultural attractions of Indianapolis, etc., and showed the Board a video, "Visitindy.com". The Board also saw a "fly-over" piece that the ICVA is working on, highlighting the city's facilities and the convenience of the Indianapolis downtown, plus an artist's rendering of the interior of the new expansion space. Mr. Burt spoke briefly about the ICVA's "Raising the Game" brand, which the ICVA is consistently striving to promote, utilizing partner incentives and involvement, and working in concert with participating venues, etc., to help keep 2011-2012 business vibrant. The Board saw slides regarding this project, which promotes Indianapolis as a great destination city. He also mentioned the importance of business opportunities involving new, short term customers in 2011-2012, which is a new concept for Indianapolis, and still in draft format. Mr. Wallis introduced Kenneth McGill, of Vantage Strategy. The purpose of Mr. McGill's visit was to present, "An Event Return on Investment (ROI) Calculator Tool, or business evaluation model, for the Indianapolis Convention & Visitors Association," which is expected to assist the ICVA and CIB sales teams in making more informed decisions related to maximizing income and revenue streams for the city through decisions pertaining to which conventions and meetings should be pursued for the Indiana Convention Center and Lucas Oil Stadium. Mr. McGill said they utilize economic impact data, local research input, as well as data from D.K. Shifflet & Associates Ltd., copies of which were

distributed, as part of an approach which has been used successfully in a number of cities. The cost of the business evaluation model is \$130,000.00, and will be divided equally between the ICVA and the CIB, at a cost of \$65,000.00 each. Board approval was sought. Upon a motion by Mr. Shane, which was seconded by Mr. Brown, approval was granted. Copies of "An Event ROI Calculator Tool for the Indianapolis Convention & Visitors Association, Evaluating the Full Benefits and Costs of Hosting Events in the Indianapolis Metro Market," and "D.K. Shifflet L & Associates Ltd. Data Subscription Agreement" are attached hereto as a part of these Minutes.

Claims for the month of May included the following:

Capital Improvement Board of Managers:

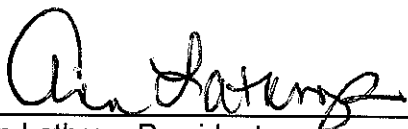
Operating Expense Voucher #484G	\$ 2,300,785.34
Confirming Operating Expense Voucher #483B	463,563.86
Confirming Operating Expense Voucher #483C	<u>34,109.11</u>
Total:	\$ 2,798,458.31

Upon a motion by Mr. Shane, which was seconded by Mr. Dora, the Vouchers were approved.

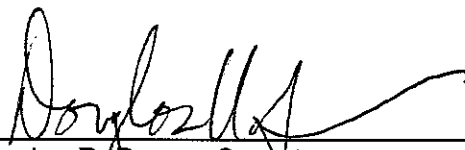
Ms. Lathrop asked if there was any further business to come before the Board at this time. Once again, Mr. Levensgood called the Board's attention to the newest pictorial of the construction, which continues to go well.

With regard to Public Comments, John Thompson, Chairman, Board of Directors, Indiana Black Expo, Inc., stood and reintroduced himself to the Board. He said he wanted to express his thanks, and that of the Indiana Black Expo, for the Board's generous support in matters pertaining to their recent request.

There being no further business to be conducted, nor any other public comments to be heard, and upon a motion by Mr. McQuillen, which was seconded by Mr. Okeson, the meeting was adjourned.



Ann Lathrop, President  
THE CAPITAL IMPROVEMENT BOARD  
OF MANAGERS  
OF MARION COUNTY, INDIANA



Douglas R. Brown, Secretary  
THE CAPITAL IMPROVEMENT BOARD  
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