

CAPITAL IMPROVEMENT BOARD OF MANAGERS
OF MARION COUNTY, INDIANA
Minutes of Meeting
Monday, December 13, 2010
Administrative Board Room

A Meeting of the Capital Improvement Board of Managers of Marion County, Indiana ("Board") was held on Monday, December 13, 2010 in the Administrative Board Room of the Indiana Convention Center.

Board Members present included Ann Lathrop, David Shane, Paul Okeson, Douglas R. Brown, Jim Dora, Jr., Carolene Mays, Jr., Jay K. Potesta, Michael J. McQuillen, Brenda Myers, and Donald Welsh, Ex-Officio. No members were absent.

Others in attendance included Barney Levensgood, Executive Director, Dan Huges, CFO, Jack Woodside, Special Projects Consultant, W. Tobin McClamroch, General Counsel, Bingham McHale LLP, Michelle Travis, Vice President of Sales, ICVA, Matt Carter, ICVA, Bill Browne, RATIO Architects, Lynda Anderson, RATIO Architects, Robert Vane, CIB, John Klipsch, Executive Director, ISCBA, Lori Dunlap, Deputy Director, ISCBA, Michael Brink, Independent Consultant, and members of the media. A copy of the list of those who signed in upon arrival is also attached hereto.

Minutes of the Monday, November 8, 2010 meeting were presented, and upon a motion by Mr. Potesta, which was seconded by Mr. McQuillen, these Minutes were approved.

Mr. Huges presented a brief Financial Update. Among the points he touched upon were these:

- For the month of October, Revenues were \$800,000 ahead of Budget, due in large part to Rental, Food & Beverage and Labor Reimbursement.
- Year-to-date is approximately \$7.3 million higher than budgeted. He cited the PSDA catching up, as well as a higher than usual County Admissions Tax, and \$4 million in Interlocal revenues from the City, as important factors.
- Expenses, for the month of October, were \$1.4 million under budget.
- And for Year-to-Date, the CIB is \$7 million under budget.
- "All the news for October is positive," Mr. Huges told the Board.

A copy of Mr. Huges's financial reports are attached hereto as a part of these Minutes.

In addition, Mr. Huges brought the good news to the Board that the CIB had received reaffirmation of an "A" rating on the approximately \$193.3 million dollar Marion County Convention and Recreational Facilities Authority ("MCCRFA") excise tax lease rental revenue subordinate bonds, series 1997A, which pertain to the Conseco Fieldhouse.

Also, the CIB received a Certificate of Achievement, but with only one comment from the GFOA, which Mr. Huge said is unusual. He took a moment to express his special appreciation to Patti Dean, Bryan Collins, Barney Levensgood, BKD, the Indiana State Board of Accounts, and others who had worked on these important financial matters. Ms. Lathrop said she also wished to reaffirm that having a going concern two years ago, only to be reaffirmed with an "A" rating now, is very unusual. Mr. Huge also noted that in September of 2009, the Board had authorized Ann Lathrop to enter into a Treasury State Loan in the amount of \$9 million dollars, and again in 2010, for an additional \$9 million dollars. Mr. Huge advised the Board that negotiations with the State of Indiana, with regard to these particular matters, are completed, and that closing documents, at a rate of 3.46%, are to be executed on December 15, 2010. Also, the Board acknowledged Mr. Huge and his staff for their hard work and discipline in these matters.

The next matter to come before the Board was that of an ICC Expansion Project update by John Klipsch, Executive Director of the Indiana Stadium and Convention Building Authority ("ISCBA"). Mr. Klipsch began by thanking Lori Dunlap, ISCBA's Deputy Director, for her major role on this 670,000 sq. ft, \$275 million expansion project. He also told the Board that it has been his pleasure to work with the CIB, Barney Levensgood and staff. A "Project Status Report" was distributed to the Board at this time, and is attached hereto as a part of these Minutes. Mr. Klipsch said the first page of the written report, which included factual information about the project, would be self explanatory, so that he would be focusing instead on the pictorials, each of which he described briefly for the Board, as follows:

- 1st photo ~ looking south, down Capitol Avenue ~ some of the Cultural Trail, the Georgia St. entrance, "and the architectural icon that is the glass cube and entrance".
- 2nd photo ~ a view inside the cube (at the second level), looking northeast at entrance, a great view of the sky line.
- 3rd photo ~ a view of the Georgia St. corridor and main pre-function space for exhibit halls on the left, and meeting rooms on the right.
- 4th photo ~ a view looking north, at the new connector to the old (midway), called the "Crossroads".
- 5th photo ~ a view of the Capitol Avenue corridor looking north, above which is the Crowne Plaza bridge, and next to Hall K.
- 6th photo ~ looking south to the Capitol Avenue connector that goes under the railroad tracks, and the glass at the end of the hall, where the Transportation Building at South Street is.
- 7th photo ~ looking north at Exhibit Hall H. The wall on the left is a removable dividing wall.
- 8th photo ~ the all important loading docks and 'back of the house' space. Mr. Klipsch told the Board there would be 25 loading docks.

"The project is 99% complete," Mr. Klipsch said. The ISCBA will turn the project over to the CIB on January 10, 2011, with the Ribbon Cutting ceremony to take place on January 20, 2011.

A question posed to Mr. Klipsch involved Naming Rights possibilities for exhibit halls in the new space, and Mr. Klipsch asked Mr. Welsh if he would like to comment. Mr. Welsh said that the ICVA, City, CIB, and others, have been exploring these possibilities with foundations, corporations, etc., for the past couple of years without success, but will continue to do so.

Mr. Klipsch was asked if he would also update the Board on Lucas Oil Stadium. He began by saying that even after two years, the ISCBA continues to deal with some of what he referred to as, "ongoing, lingering construction problems," at Lucas Oil Stadium. He said that troubleshooting crews regularly evaluate problems with the 70,000 stadium seats. Also, there are what Mr. Klipsch called, "lingering problems" with the plumbing at LOS. "The plumbing contractor went out of business a few months before the stadium opened," he told the Board. Then, Mr. Klipsch spoke in particular about the "lingering plumbing problems," including debris in the water lines, which causes flush valves to stick, as well as some rust and corrosion in the over 30 miles of piping in the stadium. He described two leaks which had occurred in a 20-foot pipe section. When those pipes were cut open, corrosion was found, and experts were called in to evaluate, "and to be sure we don't have anything we can't fix. We want to leave a completed project." He also commented about "constant problems," with the neon in the LOS sign on the roof. As with other problems, crews continue to work on this matter. Mr. Klipsch concluded his remarks by commenting that these problems are part of a combination of ongoing punch list, warranty and uncompleted construction matters. Mr. Levensgood told the Board that of the matters staff had been concerned about with regard to the stadium, the roof was one, but it is in very good shape, looks great and operates well at this time." A question regarding how the tunnel was designed was posed to Mr. Klipsch, who asked Bill Browne, of RATIO Architects, to answer. Mr. Browne mentioned the importance of incorporating as much 'daylight' as possible to the connector with "clear story lighting windows," (see photo #6), and to make it as wide as possible relative to the Convention Center concourses. In addition, a graphic wall piece was incorporated, to create aesthetic interest as guests would walk through the tunnel. The tunnel was actually utilized at a recent IMIS convention, Mr. Levensgood told the Board, and it worked out fine. On behalf of the Board, Ms. Lathrop thanked Mr. Klipsch for his update, a copy of which is attached hereto, as a part of these minutes.

Also, the Board heard an update on behalf of the ICVA, by Messrs. Welsh and Carter, and Ms. Travis. First however, Lisa Fry, ICVA's new Director of Sales, was welcomed. Items highlighted included a follow up comment to Mr. Levensgood's by Mr. Welsh,

regarding the connector. "IMIS attendees in early December gave the connector rave reviews," he said. As a part of a "year end report card," the ICVA praised Ms. Lathrop, Mr. Levengood, and staff, for ongoing accomplishments on the expense side. The Board heard that ICVA had a good summer from a revenue-generating standpoint. Room nights for the summer campaign were good, and results for the two-part campaign, including long-term, and closer in business, were very positive. ICCA made a \$1.2 million dollar marketing investment in four cities, including Columbus, Lexington, Champaign and Peoria, to increase leisure marketing outreach initiatives in cities within a four-hour driving window. Other factors mentioned included the increasing importance of Indianapolis as a weekend "get away" destination, with 57% of summer campaign visitors coming from Chicago, and 559,000 room nights generated during the months of May through August. A "strong forecast" of 650,000 room nights is expected at year's end, the ICVA's room night goal for this year. And lastly, the Board heard the good news that, "...convention bookings for both near and long term are varied and strong."

The next matter to come before the Board was that of CIB's Fiscal Asset Policy, the current threshold of which is \$500.00, an amount considered slightly low for a venue such as the ICCLOS, which has most of its assets invested in "buildings". Mr. Huge advised the Board that after completion of the 2009 Audit, and after discussions with BKD and the ISBOA, an increase in the threshold from \$500.00 to \$20,000 was considered reasonable, and thus recommended by staff. Mr. Huge thanked Ms. Dean for her help on this matter. Board approval was sought. Mr. Okeson moved that the amount of CIB's Fiscal Asset Policy, a copy of which is attached hereto as a part of these Minutes, be increased from \$500.00 to \$20,000, which motion was seconded by Mr. Dora, and approved by the Board.

The next matter to come before the Board at this time was that of Carpeting. Mr. Levengood began by reminding the Board of the CIB's reduction in its capital outlay for the past several years. However, now we are about to cut the ribbon on a brand new expansion of the Convention Center, and it is important to be able to match the quality and finishes of the "old" and the "new", with carpeting certainly being one of the most visible, and one of the most important of those finishes. He advised the Board that at the conclusion of the discussion today, he would be bringing a motion to them, at staff's recommendation, to invest in a carpeting upgrade involving 371,000 sq.ft. of new carpeting for the ICC. The ISCBA and RATIO, and others, have done a wonderful job on this project. And now, Marketing and Sales staff, as well as our customers, are urging us to make the investment in the carpeting. He added that the necessary appropriations are in place. If approved today, an Agreement would be sought between Barney Levengood on behalf of the CIB and Lori Dunlap on behalf of the ISCBA, and reviewed by Counsel, and which would specify that the ISCBA would do the work, including the purchasing and installation, for an amount which would not exceed \$2.6

million, and that RATIO would prepare the final documents pertaining thereto. And, with regard to purchasing the carpeting, Mr. Levengood said it would be a Milliken product, purchased at a low cost off of the QPA list, with reimbursement to the State by the CIB. Although encumbered in 2010, the expenditure would not be made until the first or second quarter of 2011. Mr. Levengood went on to specify that if approved, installation would certainly not be done before the January 20, 2011 Ribbon Cutting, but that the Board could expect it to be done, "...within a March-April-May time frame." In a brief discussion which followed, questions were posed, and Mr. Levengood and others expanded upon initial comments. Mr. Welsh urged the Board to consider that, "...our customers deserve a seamless expectation of the entire space, which certainly would include the carpeting and finishes." Other comments followed, including the age of the existing carpeting and the importance of aesthetics in marketing a facility such as this one—not being able to distinguish the existing facility from the expanded. However, Mr. McQuillen took a moment to voice his concerns to the contrary. He said that although he appreciated comments in support of new carpeting, that in his opinion, the timing of doing so now seemed to be ill advised, especially when taking into consideration the cost of doing so. Upon conclusion of the discussion, a motion to approve was sought. Mr. Shane moved that because it is the goal of the CIB to sell the facility in which a uniform look is important, and because carpeting would be a major part of that uniformity, he moved that the purchase of the new carpeting, as described by Mr. Levengood and others, be approved. Mr. Shane's motion was seconded by Mr. Okeson, and upon a vote by the Board, was approved, with one member, Mr. McQuillen, voting, "no" on this matter.

Mr. Levengood then spoke to the Board about the Trades Collective Bargaining Agreement, for which staff is recommending approval of a tentative settlement. The Trades include Electricians, Carpenters, and Painters. He called the Board's attention to the attachment they had received in their packets, which details staff's recommendation, and which is attached hereto as a part of these Minutes. If approved, the Agreement would expire on October 31, 2011. Upon a motion by Mr. Brown, which was seconded by Mr. Potesta, Board approval was granted.

Claims for the month of December included the following:

Capital Improvement Board of Managers:

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| Operating Expense Voucher #491G | \$ 7,177,697.60 |
| Add'l. Operating Expense Voucher (approved 11.8.10) #490A | 1,000,000.00 |
| Confirming Expense Voucher #490B | 457,660.60 |
| Confirming Operating Expense Voucher #490C | <u>32,999.61</u> |
| Total: | \$ 8,668,357.81 |

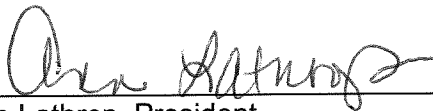
Upon a motion by Mr. Okeson, which was seconded by Mr. McQuillen, the Board approved the Vouchers, as presented, with Mr. Brown noting that he would be recusing himself on Voucher No. 491G, Items 120 through 123.

Ms. Lathrop asked if there were any other matters to be brought to the Board.

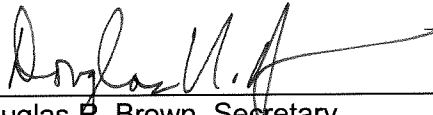
Michael Brink, an Independent Consultant who is working on behalf of the CIB with regard to ICCLOS Security Services Procurement, stood to introduce himself. Mr. Brink began by telling something of his background and experience. He then distributed a Summary, which explained something of the process and including the Key Elements, RFP Colts Involvement, and Tentative Timelines for the project, which is intended to provide "24/7 Security at ICCLOS, plus Game Days". A copy of this Summary is attached hereto as a part of these Minutes. Mr. Brink said the RFP is in draft form at this time, with Barney Levengood, Mike Fox, and others working on it with him. Ms. Lathrop thanked him for coming, and for giving the Board this important information.

Also, Mr. Levengood said he wished to mention the parking lot by the City-County building. A variance on the lot was approved on Thursday, November 4th. The next steps will be to provide lighting and landscaping, to present to staff on December 23rd and ask for bids on or about February 1st, 2011, after which the entire matter will be brought back to the board for approval.

There being no further business to be conducted or any public comments to be heard, and upon a motion by Mr. McQuillen, which was seconded by Ms. Myers, 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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