

CAPITAL IMPROVEMENT BOARD OF MANAGERS
OF MARION COUNTY, INDIANA
Minutes of Meeting
Monday, April 8, 2013
Indiana Convention Center - Boardroom

A Meeting of the Capital Improvement Board of Managers of Marion County, Indiana ("Board") was held on April 8, 2013 in the Indiana Convention Center's Boardroom.

Board Members present included Ann Lathrop, Jay K. Potesta, Jim Dora Jr., Carolene Mays, Milton O. Thompson, Douglas R. Brown, Brenda Myers, and Maggie A. Lewis. Board Member David N. Shane was absent as well as Ex-Officio, Leonard Hoops.

Others in attendance included Barney Levengood, Executive Director, Dan Huges, CFO, Patti Dean, Controller, Jack Woodside, Special Projects Consultant, W. Tobin McClamroch, General Counsel, Bingham Greenebaum Doll LLP, Donald Graham, General Counsel, Bingham Greenebaum Doll LLP, Robert Vane, VSI, Michelle Travis, Visit Indy ("VI"), Morgan Greenlee, VI, Chris Gahl, VI, Jerry Semler, VI, Curtis Fritsch, CRF Group, David Sease, SGA, and members of the media. A copy of the list of those who signed in upon arrival is also attached hereto.

The first agenda item was **Approval of Minutes** for the Monday, February 11, 2013 meeting. Upon a motion by Ms. Mays and seconded by Mr. Potesta the Minutes were approved as presented.

Ms. Lathrop introduced Dan Huges who presented the Board with the **2012 Budget Dollar Transfers** Agenda Item. Mr. Huges explained to the Board that this was simply a housekeeping item, moving dollars from Personal Services (which was under budget) to Other Services and Charges (which was over budget). This transfer was outlined in the attached document which is made a part of these Minutes. Upon a motion by Mr. Dora and seconded by Mr. Thompson the 2012 Budget Dollar Transfers were approved.

Mr. Huges then presented the **Financial Update** to the Board as per the supporting documentation, which is attached and made a part of these minutes. The update included both the year end numbers for 2012 and the YTD numbers through February 2013. Because of the refinancing done in 2010 and 2011, we had a significant amount of interest savings in 2012.

Mr. Huges wanted to make the Board aware that going forward they should not expect the same big savings with regard to the debt service as we have seen in the past. At this time we have no other large debt that is available for refinancing.

Mr. Huges noted Other Services was below budget with the main drivers being Utilities and Contractual Services. He pointed out to the Board that both had been lowered from previous years and this is another area where we have seen the budget shrink from

earlier years. Mr. Huge also noted the YTD was nearly \$10M less than 2012 which is due to there not being a Pacers loan payment this year.

Ms. Lathrop asked if there were any questions for Mr. Huge regarding the Financial Statements and there were none at this time.

Ms. Lathrop introduced Michelle Travis who presented the **Visit Indy Update** with the Market Share Performance report and Room-Night Production documents attached to and made a part of these Minutes. Ms. Travis pointed out Visit Indy had a strong 1st Qtr which included 32 site inspections, 6 trade shows and 4 client events. Ms. Travis specified the significant bookings in March that were repeat business in response to an inquiry from Ms. Lathrop. Mr. Levensgood noted that he and his staff never take a repeat client's business for granted emphasizing the sales staff has to repeatedly sell the client on the building.

There was a discussion amongst the Board members regarding the Dynamic Price Matrices (DPMs) and how the process was working with the consensus being that it has been a success. Ms. Travis thanked Mr. Levensgood for the efforts that have been put into the DPM meetings saying they have had some great dialogues and are making good progress.

Ms. Lathrop asked if there were any further questions for Ms. Travis and there were none at this time.

Mr. Levensgood presented the **ICCLOS Sales Report** which is attached to and made a part of these minutes. He noted February was a great month with 86.7% occupancy in the building. Mr. Levensgood wanted the Board to know the decisions by the City and Board made in the past with regard to connecting the hotels and buildings as well as all the time and efforts invested has paid off.

The previous weekend illustrated the success of the concept of overlapping and concurrent sessions with the building being fully utilized with the following shows:

- Halls I, J, and K held a Cheerleading Competition
- Hall I held Mary Kay Cosmetics Meeting
- Halls F & G held a Hot Rod Tradeshow
- Halls A, B, C, D and E held the Association of College and Research Libraries Biennial

There were no questions for Mr. Levensgood regarding the ICCLOS Sales Report.

Ms. Lathrop introduced Donald Graham, Bingham Greenebaum Doll LLP, to provide an overview of the **Lucas Oil Stadium Improvements and Colts Matters**. Mr. Graham outlined the main points of the proposed agreement between the Capital Improvement Board and the Indianapolis Colts, which is attached to and made a part of these Minutes, highlighting the following points:

Concession Allocation

- There has been a long standing dispute between the Colts and CIB regarding how certain concession related costs incurred by Centerplate should be allocated between the Colts and CIB under the terms of the Lease. The parties mediated this dispute a couple of years ago, but no resolution was reached.
- Per the proposed Agreement, the Colts and CIB would: (i) settle all concession issues from the date the Stadium was opened to and including December 31, 2012; and (ii) agree on the manner in which the previously disputed cost categories will be accounted for and allocated between the parties in 2013 and all future years in which the CIB/Centerplate Concession Agreement remains in effect.
- The Agreement also confirms that the CIB shall exercise its contractual right to extend the Centerplate Agreement to June 1, 2023, unless the Colts and CIB mutually agree otherwise, in writing.

Stadium Improvements

- Colts have requested that two additional suites be installed on the upper suite level and that two existing food pantries be converted into small cooking kitchens. These improvements will benefit both Colts games and other events held in the Stadium, since the seating capacity of the Stadium will be increased and the variety and quality of food offered in the Stadium will be enhanced. CIB will hire Browning Day Mullins Dierdorf as Architect and Hunt Construction as Construction Manager for the project (copies of these Agreements also included in the Board Packet). The trade contractors who will perform the work will be selected pursuant to competitive bids.
- Per the proposed Agreement, CIB will pay up to, but not to exceed, \$2,000,000 of the costs for these improvements and the Colts will be responsible for all costs over \$2,000,000.
- Colts also intend, at their sole expense, to install two additional ribbon boards in the Stadium, similar to the ribbon boards that the Colts installed in 2011. The ribbon boards will further enhance the electronic messaging capacity at the Stadium, both for Colts games and events sponsored by other promoters and customers of the CIB.

Admissions Tax

- When the Admissions Tax was recently increased from 6% to 10%, the Colts publically expressed concern. Under the proposed Agreement, the Colts will commit (during the term that the CIB/Centerplate Concession Agreement is in place, including the agreed extensions to June 1, 2023) to collect and remit the Admissions Tax to the State and the Colts will further agree not to avoid the imposition of the tax or to undermine, restrict or seek to delay CIB's receipt and use of the Admissions Tax for the purposes set forth in the applicable law.

Mr. Graham noted that the three agreements included in the Board packet, attached to and made a part of these Minutes, have all been reviewed by the respective parties and have all been approved. However, the program, budget and schedule descriptions that are to be attached as exhibits to all three agreements are still being finalized.

There was discussion among the Board members with regard to the proposed improvements and possible effects resulting from these improvements with Mr. Graham, Mr. Levensgood and Ms. Lathrop responding to the questions from the Board.

Upon a motion by Mr. Potesta which was seconded by Mr. Dora the Agreement was considered in a vote by the Board members.

Mr. Brown recused himself from the vote.

The Board voted in favor of the Agreement except Mr. Shane who was absent and Ms. Lewis who opposed it.

Mr. Levensgood presented the **Disposal of Obsolete Equipment** agenda item and corresponding documents attached to and made a part of these Minutes. On a motion by Ms. Mays and seconded by Mr. Potesta the Board granted unanimous approval of the disposal of the obsolete equipment as presented.

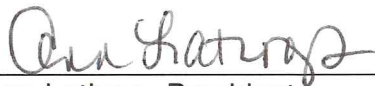
The next topic on the agenda was Ratification of the March **Claims** and Approval of the April **Claims**. Ms. Lathrop presented these to the Board as per the supporting documentation, which is made a part of these Minutes. There were no questions and on a motion by Mr. Brown and seconded by Mr. Dora claims 518G, 517B and 517C from March were ratified. Ms. Lathrop then presented claims 519G, 518B and 518C to the Board for approval. Again, there were no questions. Pursuant to a motion by Mr. Brown and seconded by Mr. Potesta, the April claims were unanimously approved as presented.

Ms. Lathrop asked if there were any **Other Business** to address and there was none.

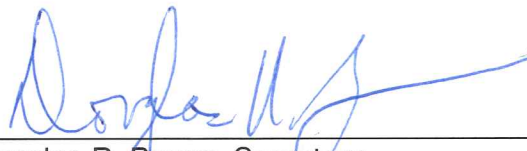
There being no **Public Comment**, the meeting was adjourned.

April 8, 2013

Page | 5



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



Douglas R. Brown, Secretary
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