

CAPITAL IMPROVEMENT BOARD OF MANAGERS
OF MARION COUNTY, INDIANA
Minutes of Meeting
Monday, April 14, 2014
Indiana Convention Center – Meeting Room 130

A Meeting of the Capital Improvement Board of Managers of Marion County, Indiana (“Board”) was held on April 14, 2014 in the Indiana Convention Center’s Boardroom.

Board Members present included Ann Lathrop, Jay K. Potesta, David N. Shane, Carolene Mays, Milton O. Thompson, Douglas R. Brown, Brenda Myers, and Maggie A. Lewis as well as Ex-Officio, Leonard Hoops. Board Member Jim Dora Jr. was absent. Others in attendance included Barney Levengood, Executive Director, Megan Ornellas, CFO, Patti Dean, Controller, Jack Woodside, Special Projects Consultant, W. Tobin McClamroch, General Counsel, Bingham Greenebaum Doll LLP, Bryan Collins, General Counsel, Bingham Greenebaum Doll LLP, David Prechtel, General Counsel, Bingham Greenebaum Doll LLP, John Countryman, MCCRFA, Jim Morris, Pacers Sports and Entertainment (“PS & E”), Bill Benner, PS & E, Kevin Bower, PS & E, Greg Schenkel, PS & E, Robert Vane, VSI, Drew Klacik, IUPUI, James Wallis, Visit Indy (“VI”), Chris Gahl, VI, Daren Kingi, VI, Curtis Fritsch, CRF Group, David Sease, SGA, Sherry Seiwert, Indianapolis Downtown Inc., 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, March 10, 2014 meeting. Upon a motion by Ms. Mays and seconded by Mr. Potesta the Minutes were unanimously approved as presented.

Ms. Ornellas then presented the **Financial Update** to the Board as per the supporting documentation, which is attached and made a part of these minutes. Ms. Ornellas reported through February tax Revenues were 9% over budget. Compared to the same period in 2013, tax revenues are up 24% from 2013, but a large portion of that increase is due to the new auto and admissions tax. She explained when those are removed, tax revenues are up 8% and there are increases of 2.4% in Hotel Taxes, 7% in Food and Beverage, and almost 13% in Admissions Taxes.

Ms. Ornellas explained Operating Revenues through February are down approximately \$197K , or 5%, from budget. This is due to the \$272K YTD negative variance in parking lot income. She explained several expenses increased dramatically in January and February due to the unusually large amounts of snow and the costs for removal. She noted Operating Expenses through February were 21% below budget and no category was above budget. Ms. Ornellas concluded overall the CIB had a positive cash flow in

February, and a year to date positive cash flow of \$3.3M. This is a \$7.7M positive variance from budget.

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

Ms. Lathrop introduced Leonard Hoops 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. Mr. Hoops began by introducing Daren Kingi to the Board explaining that he would be filling the role left previously held by Michelle Travis as the Vice President of Sales for Visit Indy. He informed the Board Mr. Kingi was a hotel veteran with 29 years of experience in many different markets including New York, Washington D.C., Minneapolis and Hawaii. He added Mr. Kingi was a great addition and would be a real asset to the Visit Indy team. Mr. Hoops informed the Board Indianapolis was named USA Today's #1 Convention Travel destination in America, adding this honor has already been helpful in obtaining convention business for Visit Indy when dealing with potential clients. Mr. Hoops said the 1st Qtr of 2014 has been prosperous and recognized Dustin Arnheim and Joyce Russell on his team for leading the Sales efforts during the interim time without a VP of Sales and keeping his whole team on track.

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

Mr. Levengood presented the **ICCLOS Sales Report** which is attached to and made a part of these minutes. He began noting the occupancy for February was 43% for the ICC Exhibit Halls and 18% for LOS making the total occupancy for the year approximately 50% which is a the benchmark number we are always looking to make. He highlighted the success of the recent Nike Mideast Qualifier Volleyball, the Supercross event at Lucas Oil Stadium and the Public Library Association Convention. He noted the Comic Con show occupied $\frac{3}{4}$ of the building and turned into a larger show than originally anticipated adding they were coming back next year. He also mentioned the Pumper and Cleaner Show and The Work Truck Show were strong consistent performers which contributed to our consistent good numbers. Mr. Levengood added the FDIC Conference was a great success as well with good weather and record attendance. He informed the Board we were getting ready to welcome the National Rifle Association later this month and this would be another large scale event for Indianapolis. Ms. Lathrop asked the Board if they had any questions for Mr. Levengood and there were none.

The next item on the agenda was the **Resolution Regarding Bankers Life Fieldhouse** which was presented by Ms. Lathrop with supporting documentation attached to and made a part of these Minutes. These documents included a detailed Powerpoint presentation with an overview of the proposed Extended Agreement, the Resolution and an Analysis Study by the IU Public Policy Institute at IUPUI demonstrating how critical the Pacers team is to downtown and the economic impact.

Ms. Lathrop outlined the PowerPoint presentation for the Board noting she conducted a Pre-Brief of the Resolution with the media earlier in the day.

The main points stressed with regard to the reasons for extending the current Agreement are as follows:

- The extension locks in the premier tenants of Bankers' Life Fieldhouse ("the Fieldhouse") - The Indiana Pacers and Fever - for up to 13 years; that term coincides with final debt service payments due on the Fieldhouse in 2027.
- The extension also removes the ability of the teams to leave Indiana due to economic losses.
- A study by Indiana University Public Policy Institute in September 2013 demonstrates the teams are critical to continued vibrancy of the downtown and its continued economic development.
- The Fieldhouse and the teams contribute at least \$208 million in annual economic impact and support more than 2,000 jobs.

There was discussion among the Board members throughout the presentation with Ms. Lathrop answering questions and well as deferring to Jim Morris, President of Pacers Sports and Entertainment, David Prechtel and Mr. McClamroch, Legal Counsel from Bingham Greenebaum Doll as well as Ms. Ornellas and Mr. Levensgood for clarification on several issues, with all the questions from the Board members answered to their satisfaction.

Upon a motion by Mr. Shane which was seconded by Mr. Brown the Resolution Regarding Bankers Life Fieldhouse was considered in a vote by the Board members.

With a vote of 8-0, and one absence, the Resolution Regarding Bankers Life Fieldhouse was unanimously approved by the Board.

Mr. Morris thanked the Board, on behalf of himself and the entire Simon family, for their vote of support to the Pacers Organization and promised to represent the City of Indianapolis in a fashion that would make the entire Board and City proud.

Mr. Brown commented this was a great example of putting political differences aside for the good of the whole city and also thanked Ms. Lathrop for all her hard work putting this agreement together for the past few years and stated his appreciation on behalf of all Board members.

Ms. Lathrop introduced Mr. Levensgood to present the **Teamsters Collective Bargaining Agreement** which is attached to and made a part of these Minutes. Mr. Levensgood explained this Agreement includes the Union contract for the Chauffeurs, Teamsters, Warehousemen and Helpers for Local Union 135 of Indianapolis, Indiana and the I & D or Exposition workers, who essentially do the actual "set-up" of the shows. He explained this agreement included a 3% increase in wages over a four year period and would take us through 2017. Mr. Levensgood stated Mr. McClamroch and Mr. Gruber, Counsel from Bingham Greenebaum Doll, had been working with him closely on the Agreement and they have approved. Mr. Levensgood added Staff has also

reviewed and strongly suggested moving forward with this Collective Bargaining Agreement. He added he was excited about coming to an agreement as the result of many hours of negotiations. Ms. Lathrop asked if there were any questions from the Board for Mr. Levengood. There were none.

Upon a motion by Ms. Mays and seconded by Mr. Potesta, The Teamsters Collective Bargaining Agreement was unanimously approved as presented.

The next agenda item was the **ICC Lighting Renovations Halls A, B, C, & D**, the contract document of which is attached to and made a part of these Minutes. Mr. Levengood explained to the Board this project was estimated to cost less than \$150,000 and, therefore, the CIB solicited quotations from 3 electrical contractors consistent with Indiana law. CIB staff and Counsel reviewed all quotations received, including the low bid submitted by Ermco Electric. Staff has determined that Ermco is the lowest responsible and responsive bidder. Staff, along with Counsel recommends that the contract for this project be awarded to Ermco in the amount \$125,556. Pursuant to a motion by Mr. Potesta and seconded by Ms. Mays, the ICC Lighting Renovations to Halls A, B, C & D were unanimously approved by the Board.

The next agenda item was **LOS FieldTurf Proposal** which is attached to and made a part of these Minutes. This agenda item pertains to the end zones at Lucas Oil Stadium and the need to change the actual turf for the various events hosted by LOS.

Since compatibility of the turf between the removable end zones and the other parts of the field is required, FieldTurf is the only viable source of supply. Mr. Levengood explained the Staff has reviewed the proposal received and believes that it is both reasonable in amount and will provide the desired flexibility so that the CIB can continue to effectively compete for other significant football games to be held at the Stadium, such as the Big Ten Championship and Super Bowl. Staff therefore recommends that the Board approve a contract award to FieldTurf in the amount of \$148,174.64.

Pursuant to a motion by Mr. Shane and seconded by Ms. Mays, the LOS FieldTurf Proposal was unanimously approved as presented.

Mr. Levengood then presented the **LOS Stair Project** to the Board which is attached to and made a part of these Minutes. He explained the CIB publically bid three packages for the proposed construction of two sets of stairs to be installed between Lucas Oil Plaza and the Loge Level of the Stadium. This work involves not only the construction and installation of the stairs, but also relocating certain mechanical, electrical and plumbing systems in the area where the stairs are to be constructed and installation of certain wall and floor finishes required for this project. Staff has reviewed all bids received and has determined that the apparent low bidder for each bid package is both responsive and responsible. Accordingly, staff recommends that the Board award the following contracts for this Project;

- a. **Contract for Mechanical, Plumbing and Fire Protection work to be awarded to General Piping Inc., in the amount of \$69,065;**
- b. **Contract for Electrical, Telecommunications and Audio Visual work to be awarded to Barth Electric, in the amount of \$15,159; and**
- c. **Contract for Structural and Interior Finishes work to be awarded to J.C. Ripberger Construction Corporation, in the amount of \$196,300.**

Upon a motion by Ms. Mays which was seconded by Ms. Lewis, the **LOS Stair Project Agreement** was unanimously approved as presented and the contracts awarded to the companies listed above.

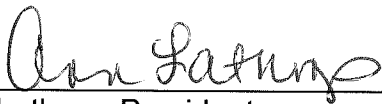
Mr. Levengood next presented the **Cable TV Agreement** which is attached to and made a part of these Minutes. Mr. Levengood explained the CIB published a Request for Proposal with respect to the providing of Video and Audio Programming for the Convention Center and Lucas Oil Stadium. Staff reviewed all proposals received and in light of the evaluation factors set forth in the RFP, Staff has determined that Bright House Networks, LLC submitted the proposal which is most advantageous to the CIB. Ms. Lathrop asked if there were any questions for Mr. Levengood with regard to the Cable TV Agreement and there were none.

Pursuant to a motion by Mr. Brown and seconded by Mr. Potesta, the Cable TV Agreement was approved. Ms. Mays recused herself from the vote.

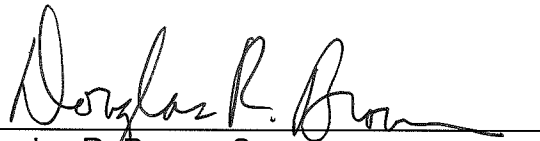
The next topic on the agenda was the April **Claims**. Ms. Lathrop presented these to the Board as per the supporting documentation, which is made a part of these Minutes. There were no questions and upon a motion by Mr. Shane and seconded by Ms. Mays claims 531G, 530B and 530C from April were unanimously approved by the Board

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

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



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



Douglas R. Brown, Secretary
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