

CAPITAL IMPROVEMENT BOARD OF MANAGERS
OF MARION COUNTY, INDIANA
Minutes of Meeting
Monday, August 24, 2015
Indiana Convention Center – Meeting Room 101

A Meeting of the Capital Improvement Board of Managers of Marion County, Indiana (“Board”) was held on August 24, 2015 in the Indiana Convention Center’s Meeting Room 101.

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

Others in attendance included Barney Levensgood, Executive Director, Megan Ornellas, CFO, W. Tobin McClamroch, General Counsel, Bingham Greenebaum Doll LLP, David Prechtel, General Counsel, Bingham Greenebaum Doll LLP, Jack Woodside, Special Projects Consultant, Bill Benner, Pacers Sports and Entertainment, Bart Brown, City County Council, Robert Vane, Veteran Strategies, Inc., Tim Kreuhr, Controller, James Wallis, Visit Indy (“VI”), Chris Gahl, VI, Daren Kingi, VI, Jerry Semler, VI, and members of the media. A copy of the list of those who signed in upon arrival is also attached hereto.

Mr. Goode thanked all the Board Members for accommodating the CIB by attending this special CIB Budget meeting. He noted this meeting had two main agenda items; the Consideration of the Pacers’ Request and the 2016 Budget.

Mr. Goode introduced David Prechtel, Counsel from Bingham Greenebaum Doll, LLP, to present the **Consider Request from Indiana Pacers** agenda item to the Board which is attached to and made a part of these Minutes. Mr. Prechtel explained the Pacers organization has identified a need for a new training facility and would like to begin construction of a 5 story facility to be located on the elevated lot immediately east of Bankers Life Fieldhouse and south of the Virginia Avenue Garage. This land is currently owned by the Capital Improvement Board and already being leased to the Pacers for parking. The Pacers are asking for the same terms to re-purpose the lot, which is already committed to them, and build the facility with the intentions to pay for all \$40-50M estimated costs of construction. Mr. Levensgood distributed a map to the Board members highlighting the area of the proposed building location.

Mr. Prechtel explained under this agreement the CIB will provide access to the property, which is already being done on a 24 hour seven day week basis. The CIB will also provide parking to the Pacers in the Virginia Avenue Garage to compensate for the displaced spaces on the elevated lot and to provide additional parking for tenants of the facility. Should those spaces become unavailable due to the obligations to existing parking tenants, the CIB will assist the Pacers Organization with options for additional

parking at the Pacers cost. Mr. Prechtel explained the term of the agreement will be 40 years plus a 10- year option to extend. At the end of the term the building will be owned by the CIB and the CIB will have the right to lease or repurpose. If prior to the end of the term the Fieldhouse Agreement is terminated or is not renewed or extended, the CIB will have the option to purchase or lease part or all of the facility. Mr. Prechtel emphasized it is a right and not mandatory and added to the extent the CIB does not exercise the option those responsibilities remain with the Pacers organization. Mr. Prechtel further emphasized this agreement does not re-open-the Fieldhouse agreement finalized in 2015 and no material changes to that agreement are being contemplated as part of this project. Mr. Levengood added that the Delaware ramp to the garage will remain open and there will continue to be two points of access into the garage. There was discussion throughout the presentation with Ms. Lewis posing a question regarding the number of jobs that would be created and Mr. Thompson inquiring as to the timeframe for completion of construction. Mr. Goode deferred these inquiries to the Pacers Organization explaining they would be holding a press announcement on the 26th and these questions would be addressed then. Ms. Lewis asked if the building would be subject to taxation. Mr. Goode deferred to the City with regard to that inquiry. Mr. McClamroch interjected this will be a private facility, the land will remain public and the improvement will be privately owned.

Before asking for a motion Mr. Goode clarified that the proposed Resolution authorized and directed the officers along with Counsel to proceed with negotiating the definitive agreements associated with the project and bring them back before the full board for approval at a later date. Upon a motion by Mr. Brown and a second by Mr. Thompson, the Resolution to Consider the Request from the Indiana Pacers was unanimously approved as presented. The Resolution is attached hereto. Mr. Goode expressed appreciate to Mr. Prechtel and Mr. McClamroch for representing the CIB throughout these negotiations and also thanked Mr. Benner and the Pacers Organization for their investment in the community. Mr. Benner expressed on behalf of himself, the Simon family and the Pacers Organization his gratitude to the CIB adding this would be a tremendous asset to the Southeast quadrant of downtown and would help the Indiana Pacers in the competitive environment of the NBA.

Mr. Levengood introduced the 2016 Budget agenda item to the Board reminding them this was part of the process we go through every year. He noted Ms. Ornellas, Mr. Kreuhr and the accounting staff spent a great deal of time revising and reviewing this Budget. Mr. Levengood explained the CIB will be taking this proposed Budget eventually to the Municipal Commissions Committee and then to the City County Council for final approval. Mr. Levengood then introduced Ms. Ornellas.

Ms. Ornellas began the presentation of the **2016 Budget** to the Board; a detailed presentation is attached to and made a part of these Minutes.

Ms. Ornellas informed the Board FY15 Operating Budget is \$109.6M a \$3.5M, or 3.3%, increase over FY15 budget of \$106.1M. Ms. Ornellas explained the primary increases in the budget were due to the following:

- \$1.3M for an increase in salaries and wages, health insurance costs, and security costs.
- \$958k for increased costs associated with insurance and utility expenses.
- \$810K in appropriation authority for the statutorily created Bid Fund.
- \$200K in additional grant funds for the Indiana Sports Corporation.
- \$500K to reestablish the Cultural Development Commission.
- With regard to the 2016 Budget Funding, Ms. Ornellas summarized the following:
- Negative Net cash flow for 2016 Budget is (\$20.3M).
- Deficit will be covered by utilizing funds from CIB reserves.
- Due to stronger than anticipated revenues in 2014, and most of the capital project costs not being realized until 2015, the CIB did not need to utilize any reserve funds as anticipated in 2014.
- At the end of 2016, the CIB will have approximately \$42M in reserves.

There was discussion throughout the presentation with questions concerning healthcare costs, future economic planning, clarification of the nature of the increase in funds being granted to Indiana Sports Corporation and Visit Indy, the CIB's Reserves for Replacements and our numbers compared to others in our industry and the opportunity for continued savings despite a negative cash flow. Mr. Goode, Ms. Ornellas, Mr. Levensgood and Mr. McClamroch clarified these discussion points and answered these questions in the dialogue throughout the presentation.

Following the presentation by Ms. Ornellas and discussion amongst the Board members, Mr. Goode asked the Board to entertain the motion to approve the Budget Resolution. Mr. McClamroch clarified by voting to approve the Budget Resolution the Board would be authorizing the officers to present the proposed 2016 Budget to the City County Council, enter into any necessary Interlocal agreements and make necessary adjustment and changes in the characters of the Budget.

Ms. Myers moved and Mr. Dora seconded that the Board approve the Resolution approving the 2016 Budget. The Resolution is attached hereto. Mr. Brown reminded the Board he has a standing recusal from any line items relating to the Indianapolis Colts as his firm represents the organization and clarified while he needed to recuse himself from the Colts line items in the proposed budget, he would vote to approve the Budget as a whole. Mr. Thompson recused himself from the Victory Field portion of the Budget and Ms. Mays-Medley recused herself from the Utility portion of the Budget. The motion by Ms. Myers to approve the CIB Budget and related matters as set forth in the Resolution was unanimously approved as presented, taking into account the aforementioned recusals.

There being no **Other Business** to be conducted and with no **Public Comment**, the meeting was adjourned.



Earl A. Goode
THE CAPITAL IMPROVEMENT BOARD
OF MANAGERS
OF MARION COUNTY, INDIANA



Douglas R. Brown, Secretary
THE CAPITAL IMPROVEMENT
OF MANAGERS
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