

CAPITAL IMPROVEMENT BOARD OF MANAGERS  
OF MARION COUNTY, INDIANA  
Minutes of Meeting  
Friday, April 12, 2019-8:30am  
Visit Indy Boardroom

A Meeting of the Capital Improvement Board of Managers of Marion County, Indiana ("Board") was held on April 12, 2019 in Visit Indy's Boardroom. Board Members present included Melina Kennedy, David E. Corbitt, Michael C. Terrell, Mary Ann Fagan, Jim Dora Jr., Maggie A. Lewis, Brenda Myers, David Ruhmkorff and Ray Biederman. Ex-Officio Leonard Hoops was also present. Others in attendance included Barney Levengood, Executive Director, Mary Solada, General Counsel, Bingham Greenebaum Doll LLP, Bryan Collins, General Counsel, Bingham Greenebaum Doll LLP ("BGD"), Kobi Wright, Senior Staff Counsel and Business Operations Director, Debbie Hennessey, Convention Center Director, Tim Kuehr, Chief Financial Officer, Eric Neuburger, Stadium Director, Tom Boyle, Director of Operations, Art Kodroff, Controller, James Wallis, Visit Indy ("VI"), Chris Gahl, VI, Daren Kingi, VI, David Sease, SGA, John Griffin, Central Indiana Building Trades, Matt Barnes, Shiel Sexton, Jim Morris, Pacers Sports and Entertainment ("PS&E"), Rick Fuson, PS&E, Greg Topalian, Clarion, Curt Fritsch, CRF Group and members of the media. (A copy of the list of those who signed in upon arrival is also attached hereto.)

Ms. Kennedy recognized that there were several guests attending this meeting and welcomed them. She acknowledged Greg Topalian, CEO of Clarion events North America, the organization responsible for bringing FDIC to our City and Convention Center, and thanked him for the opportunity to do business. Mr. Levengood added that having the CIB Meeting in the VI Boardroom was out of the ordinary for everyone but explained that a room with more seating was needed for this particular meeting. Because FDIC is such a substantial show and was already making use of every square inch of the Convention Center and the Stadium for the conference, there was "no room at the inn" and the meeting had to be moved to the VI office. He thanked Mr. Topalian for bringing such a massive event to our City, adding that his business is appreciated.

Ms. Kennedy introduced the **Approval of Minutes** from the Friday, March 15, 2019 meeting. Upon a motion by Ms. Fagan and seconded by Mr. Ruhmkorff the Minutes were unanimously approved as presented.

Mr. Kuehr presented the **Financial Update** to the Board as per the supporting documentation, which is attached and made a part of these minutes. Mr. Kuehr reviewed the financial statements for the month and year to date with the Board members explaining variances from budget and answering questions as necessary. Ms. Kennedy asked if there were any additional questions for Mr. Kuehr regarding the Financial Update and there were none at this time.

Ms. Kennedy introduced Leonard Hoops to present the **Visit Indy Update**. The Market Share Performance report, Room-Night Production and Convention Sales Booking Pace graph documents are attached to and made a part of these Minutes. Mr. Hoops remarked VI was off to a really good start for the year. He explained that through the end of February VI has sold more hotel rooms downtown in the first two months than any other year, even including 2012 when the Super Bowl was in Indianapolis. He noted that occupancy was 67% downtown and that revenue is up 10% year over year. He added that Marion County occupancy as a whole is up from last year going from 54.8% to 57.4% and revenue is up 10% year over year. Mr. Hoops recognized Mr. Topalian noting that the portfolio of Clarion, in addition to FDIC, includes the PennWell Corporation "POWER-GEN" event coming to the Convention Center in 2024 and 2026. Mr. Hoops thanked him for having faith in the future of Indianapolis. Mr. Topalian addressed the Board saying that Indianapolis was one of his favorite cities and said that FDIC opened his eyes to everything Indianapolis has to offer, and in particular the great downtown, building facilities and staff. He remarked he was thrilled to be doing business with the CIB and VI and it was because Indianapolis is a great City and the people here really know how to treat a client well. He mentioned his company will be bringing Coffee Fest to Indianapolis this year and hopefully would be bringing even more events here in the future. Mr. Hoops reminded the Board the month of April would end on a strong note with the NRA Convention. Ms. Kennedy thanked Mr. Hoops for the report and asked if there were any further questions from the Board and there were none at this time.

Ms. Hennessey presented the **ICCLoS Sales Report**, which is attached to and made a part of these Minutes. Ms. Hennessey reported to the Board that the occupancy for the month of March was 81.8% in the ICC Exhibit Halls and 58% at the Stadium. She highlighted several notable events which occurred in March including Supercross at the Stadium with two shows on Saturday and Sunday with a total estimated attendance of over 70,000, Indy Eleven hosted Hartford Athletic. Also, Indiana State Robotics Championships was held with an estimated attendance of 10,000. Ms. Hennessey relayed that the Nike Mideast Qualifier Volleyball took place at both the Convention Center and the Stadium and had approximately 38,000 attendees.

Some other events taking place at the Convention Center included Music for All, FENCETECH 2019 with approximately 3,200 attendees and M-PACT Petroleum Marketers with approximately 4,396 attendees. She noted The Gospel Coalition National Conference was here at the beginning of April with an estimated approximate attendance of 9,000. Ms. Hennessey reminded the Board that the FDIC International, the Fire Department Instructor's Conference, is a returning event. Last year there were approximately 35,000 attendees. She stated she will report back to the Board once the final numbers of attendees are determined for this year's conference. Ms. Hennessey noted staff is preparing for the National Rifle Association Annual Meeting ("NRA") at the end of the month with an estimated expected attendance of 75,000, adding this is the second time ICCLoS is hosting this event. Ms. Kennedy asked if there were any questions for Ms. Hennessey and there were none at this time.

Ms. Kennedy presented the next agenda item, **Approval of proposed Second Amended and Restated Fieldhouse Operating Agreement (“Agreement”) with Pacers Basketball**, to the Board with related documents attached to and made a part of these Minutes. Ms. Kennedy commented that shortly Pacers Sports & Entertainment Vice Chairman, Jim Morris, will say a few words. Ms. Kennedy shared a presentation which highlighted the strong economic impact Pacers Sports & Entertainment has on the City and State as well as the plans for future renovation of Bankers Life Fieldhouse, transforming it into a fieldhouse evolution which will provide great experiences for everyone, including year-round public outdoor and indoor gathering spaces. Some of the main points featured in the presentation are outlined below:

**Every year Bankers Life Fieldhouse hosts**

- 550 events
- 1.7M VISITORS
- 92 counties

**PACERS Sports & Entertainment Annual Statewide Economic Impact**

- \$370M Economic Impact
- 4,000 Jobs
- \$15M in taxes
- \$152M in wages

25-year agreement no new taxes or fees.

**\$360M for Capital Improvements**

- \$270M: State & CIB
- \$65M: Pacers
- \$25M: City\* (\*City funding to be used for public infrastructure.)

**\$113M Budget for technology Investments**

PS&E responsible for any technology costs over the Annual Cap

Operating support reduced & remains below current contract levels for 12 years\*

Eliminates Annual Escalator

(\* Operating support averages \$14.5M over lifetime of the agreement.)

- The new agreement results in an over \$90 million reduction in operating support for the CIB compared to current deal structure.
- Pacers Sports & Entertainment is expected to generate more than \$13 billion in economic impact over 25 years, representing a rate of return of over 17 times the joint investment in the future of the Fieldhouse.

Ms. Kennedy shared a statement from Herb Simon, Owner of Pacers Sports & Entertainment:

***“The Simon family has always desired for the Pacers to stay in Indiana for the long term. The new agreement ensures that the Pacers will be here and that the Fieldhouse will continue to be the best facility for generations of fans and guests.”***

Ms. Kennedy then introduced Jim Morris to say a few words to the Board members and those attending the meeting. Mr. Morris shared memories of his time working with the CIB over the years and stressed the importance of the bipartisan leadership and the stellar representatives who have sat on the Board over the years. He added the CIB has been an extraordinary partner with Pacers Sports & Entertainment. He shared a brief history of the Pacers time in Indianapolis and emphasized that the Simon family is determined to ensure the Pacers stay in Indiana. This has led to the negotiations with Ms. Kennedy, Mr. Levengood and the Mayor's office to find a way to form a partnership to keep the Pacers here for a very long period of time and to ensure they play in a first class arena that reflects the quality, commitment and goodness of the State of Indiana and the City of Indianapolis. Mr. Morris congratulated Mr. Levengood on his many years of service and upcoming retirement saying he was tenacious and brilliant, a great partner and great friend.

Mr. Morris introduced Rick Fuson, President and Chief Officer of the Pacers to the Board, saying he would be taking the Board through all the specifics of the future plans for the Fieldhouse. Mr. Fuson stated he was grateful to Mr. Levengood for all the fun and all the discussions they have had over the years adding that he has made the Pacers organization better. Mr. Fuson remarked he was grateful for the opportunity to be at the meeting and address the Board. He explained that Bankers Life Fieldhouse (“BLF”) has “good bones” and was built in the right way when it opened in 1999 and because of this the Pacers have not had to replace the entire structure as they did when Market Square arena needed to be replaced after 25 years with the RCA Dome. Mr. Fuson explained that in order for the Pacers organization and BLF to remain in the forefront and be competitive with regard to bidding for concerts and other events some upgrades must be made to the building. He added that there have been several new arenas built in the last few years including ones in Milwaukee and Detroit and renovations of buildings in Cleveland and Seattle.

Mr. Fuson presented several drawings of the proposed renovations to BLF showcasing how the building will utilize space both inside and outside the facility. He emphasized the the design of the expansion will open up the building to the City and utilization of Georgia Street to open up the path to the Fieldhouse presenting a wonderful opportunity downtown for a new gathering space. He believes the new Fieldhouse Plaza will bring people downtown to attend a Pacers game or a concert, but also to enjoy and embrace the Indiana weather by having an ice skating rink in the colder months. Mr. Fuson explained how the renovation will include removing 8 rows of seats in the east and the west sides of the building. He explained that BLF can be a better building by opening that space which will enable guests to enjoy the highest place in the building and friends and fans can gather and watch the game or event without being confined to a particular seat. He shared that the design of the future Fieldhouse mimics the design and thinking of the

Indianapolis Motor Speedway and stated he felt these details were important to the next generation of fans. Mr. Fuson told the Board he and the Pacers organization appreciated their support and was thankful to have the opportunity to share the visual of the Fieldhouse with the Board. Ms. Kennedy thanked him and then asked if there were any questions from the Board. Mr. Corbitt inquired about the financial implications of such a large project and wanted to have a better understanding of the expense of the equation, and in particular he wondered about the maintenance obligations both short and long term. Ms. Kennedy answered that the operations and maintenance of the Plaza will be the responsibility of the Pacers. She introduced Mary Solada, General Counsel to the CIB and asked her to confirm. Ms. Myers asked how the terms of the agreement would ensure that the Pacers will remain in Indianapolis for the long term. Ms. Kennedy explained that there were two mechanisms in place pertaining to that issue. She explained there is an injunctive relief provision in the Agreement that the Pacers must stay for 25 years. Ms. Kennedy went on to explain that the second mechanism in place is that they have negotiated a liquidated damages provision in the agreement which is one of the highest in the NBA, in which the CIB would be paid \$750MM in liquidated damages if the Pacers do not honor the agreement and decide to leave Indianapolis during the first ten (10) years, decreasing thereafter to \$550MM in the next ten (10) years and further decreasing thereafter for the remaining five (5) years. Ms. Kennedy also informed the Board that Mayor Hogsett's Chief of Staff, Thomas Cook, who was also in attendance, confirmed that the City's contribution of \$25MM will be used for public infrastructure. Mr. Levengood added that the agreement states very specifically that public funds will be for public purchases. Ms. Smith reminded the Board members as her colleagues that the \$25M coming from the City will still need to go through the process of being approved by the City County Council, adding there are 25 Council members that need to vote to approve this as well. Mr. Levengood added that there is still much work to be done in the Statehouse and other departments in the City and this agreement is in no way a done deal. He explained there were many layers to this process and this was just one of the steps needed to proceed with the Agreement. Mr. Hoops asked Ms. Kennedy if the board vote of approval would meet the needs of Senate Bill 7. Ms. Kennedy thanked Mr. Hoops for bringing that to the attention of the Board and explained that for the Legislation to be finalized into law there was a requirement that the Pacers and CIB have an agreement in place stressing that this was a very important step in moving the Legislation forward. Ms. Myers asked a question regarding the funding for the project to which Ms. Kennedy replied that the existing revenue sources that the CIB relies on today will be the same sources that the CIB will rely on in the future. She emphasized there have been certain streams of revenue that the CIB has utilized for a certain time and these sources would continue to be utilized going forward as a result of extensions to these revenue sources which is included as part of Senate Bill 7. Mr. Levengood noted that without the State's cooperation and assistance this would not be able to happen stressing that this entire process has been a cooperative effort. He recognized Bryan Collins, Counsel to the CIB at BGD saying he was a genius and thanked him for spending countless hours working on the Agreement. Mr. Levengood acknowledged there were others to thank and mentioned the staff at Indiana Finance Authority ("IFA") and those at the Statehouse. While he stressed that approving the Agreement was just one step of many, he noted there is now a path forward.

Ms. Kennedy asked to take the agenda item to a vote. There was a motion by Ms. Lewis and a second by Mr. Ruhmkorff. The matter was taken to a vote with 8 members approving the Agreement. At this time Mr. Biederman commented that while he does not oppose the Agreement with the Pacers, from the County Commissioners' perspective he needs to abstain from the vote because it takes the step of removing the County Commissioner seat from the CIB. Therefore, Mr. Beiderman announced he would be abstaining from any votes relating to the Approval of proposed Second Amended and Restated Fieldhouse Operating Agreement with Pacers Basketball. Ms. Kennedy acknowledged that she understood his position as did Mr. Levengood. The Approval of proposed Second Amended and Restated Fieldhouse Operating Agreement with Pacers Basketball was approved as presented in a vote of 8-0 and one abstention from Mr. Beiderman.

Ms. Kennedy introduced Mary Solada, General Counsel for the CIB, to present the next two agenda items. Ms. Solada explained this construction project would be fast tracked and it also would need to continue over a period of three years as the Pacers would want to continue to play at BLF without any construction interference. Ms. Solada noted there have been small steps made with regard to these contracts but the CIB would like to take this to a full blown contract and at this time these versions are approximately 95% completed. Ms. Solada explained that Populous would be the architect for the project, explaining they were highly experienced with venues similar to this and Shiel Sexton, a prominent local General Contractor, would be the Construction Management company on the project. She explained that she was seeking the Board's approval today to proceed with the two contracts; one with the Construction Manager, Shiel Sexton and the other with the architect firm, Populous. She explained that the design for the project would need to be completed this October for construction to begin next summer.

Mr. Levengood explained the details of the two contracts. He cited Mary Solada, Don Graham and Bryan Collins at BGD for all of their hard work. Ms. Solada explained she was asking for the Board for a motion to approve the contracts that were in the Board packet with the understanding that any final revisions would be subject to approval of the Board President, Counsel and the Executive Director. Ms. Lewis asked if Shiel Sexton would honor the guidelines set in the contract and Mr. Levengood assured her he would see to it as part of his job. Ms. Myers asked if there were any concerns about the project running over the estimated projected time of the work to which Ms. Solada stated she and her partner Bryan Collins have created a timeline for every aspect of the process including design, construction, even the financing, and the specifics were very much mapped out. Mr. Ruhmkorff inquired if for some reason Senate Bill 7 was not passed and the plans for Fieldhouse renovation did not happen as planned, would the CIB be at risk of having to pay for design fees due to approving these contracts? Ms. Solada responded that "the CIB is at risk for these fees." It has been clarified that the CIB will be reimbursed by PBC if CIB terminates the Agreement before August 1 due to failure of other conditions to be satisfied. This reimbursement shall occur at the end of the 2023 NBA Season, which is on or about June 30, 2024. With no further questions pertaining to these two contracts,

Mr. Levensgood presented the **Bankers Life Fieldhouse Expansion CM Agreement** of which a draft is attached to and made a part of these Minutes.

Upon a motion by Ms. Fagan and seconded by Ms. Lewis the Bankers Life Fieldhouse Expansion CM Agreement was approved as presented in a vote of 8-0 and one abstention from Mr. Beiderman. Mr. Levensgood next presented the **Bankers Life Fieldhouse Expansion A/E Agreement** of which a draft is attached to and made a part of these Minutes. Upon a motion by Ms. Fagan and seconded by Mr. Ruhmkorff the Bankers Life Fieldhouse Expansion A/E Agreement was approved as presented in a vote of 8-0 and one abstention from Mr. Beiderman.

Mr. Levensgood presented the consideration of **First Amendment to Easement - Hudnut Commons** which is attached to and made a part of these Minutes. Mr. Levensgood explained the area that is referred to in this document is the green space north of the Convention center, which is bordered by the Westin on the West, by the Simon property on the North, Capitol Avenue on the East and Maryland Street on the South. He explained that underneath the Commons is a two-level parking garage. The East half is owned by the City and the CIB manages it on the City's behalf and the CIB owns the West half and manages it as well. It is a collaborative effort. The other parties involved are the Simon Tower, LLC, ("STLLC") and the Simon Tower Garage, LLC ("STGLLC").

Mr. Levensgood explained there is an entrance to this garage off of Capitol Avenue which was originally a private entrance. He explained that the manager of the Capitol Commons Garage, LLC, believes it would be better for everyone involved if that entrance were to be made public. All of the parties involved have agreed to this. In addition there will be LED lights installed in the Garage in the same locations as existing lighting which was a request from Simon Property Group. These new fixtures will increase the lumens delivered at each fixture from 6,250 lumens to 7,700 lumens and will result in a considerable cost savings. Mr. Levensgood clarified that the Garage Operator, Capitol Commons Garage, LLC, will be paying for the lighting installation. Ms. Solada confirmed that the CIB did not have any funding responsibilities with regard to this Amendment. Upon a motion by Mr. Biederman and seconded by Mr. Ruhmkorff the First Amendment to Easement - Hudnut Commons was unanimously approved as presented.

At this time Ms. Solada informed Ms. Kennedy and the other Board members that there was also a Resolution pertaining to the Pacers Agreement that needed to be addressed. She explained that **Second Amended and Restated Fieldhouse Operating Agreement with Pacers** was embedded in the Resolution and it would be appropriate to conduct a separate vote on this Resolution. Upon a motion by Ms. Lewis and a second by Mr. Ruhmkorff the Resolution related to the **Second Amended and Restated Fieldhouse Operating Agreement with Pacers** was approved in a vote of 8 to 0 and one abstention from Mr. Beiderman.

(Please note-The next two agenda items were inadvertently presented out of order with #10 coming before #9.)

Mr. Levensgood presented agenda item #10, the **Renovation/Remodel of Virginia Avenue Garage Elevators** agenda item which is attached to and made a part of these Minutes. He explained this project involves the renovation and replacement of four (4) elevators in the Virginia Avenue Parking Garage. He explained that the elevators have been exposed to the outdoors and were at the end of their useful life. The project was estimated at \$1,694,881, so, consistent with Indiana's Public Procurement Laws, the CIB published Invitations to Bid. The low Bid was submitted by American Elevator, Inc., in the amount of \$1,760,000. Staff and Counsel have determined that their Bid is both responsive and responsible. Mr. Levensgood asked for the Board's approval to award the contract to American Elevator, Inc., in the amount of \$1,760,000 as the company with the lowest responsive and responsible Bid. Ms. Kennedy asked if there were any questions from the Board for Mr. Levensgood and there were none. Upon a motion by Mr. Ruhmkorff, and a second by Mr. Biederman, a contract with American Elevator, Inc., for the Renovation/Remodel of Virginia Avenue Garage Elevators was unanimously approved as presented.

Mr. Levensgood then presented agenda item #9 **Lucas Oil Stadium North Window Blackout Curtain System**, which is attached to and made a part of these Minutes. Mr. Levensgood explained this agenda item involves design, supply, sale, delivery and installation of the North Window Blackout Curtain System. The project was estimated at \$300,000, so, consistent with Indiana's Public Procurement Laws, the CIB published a request for proposals. Mr. Levensgood explained that five (5) vendors submitted proposals and that Staff and Counsel have determined that Chicago Flyhouse, Inc., submitted the most advantageous proposal with pricing in the amount of \$233,124. Mr. Levensgood stated that staff and Counsel recommend that the contract be awarded to Chicago Flyhouse, Inc. in the amount of \$233,124. There were no questions from the Board regarding the contract. Upon a motion by Ms. Fagan and seconded by Mr. Ruhmkorff a contract for the Lucas Oil Stadium North Window Blackout Curtain System contract was unanimously approved as presented.

Mr. Levensgood next presented the **Disposal of Obsolete Equipment**, which is attached to and made a part of these Minutes. Mr. Levensgood noted the list of equipment has been reviewed by Staff and found to have no book value. Pursuant to a motion by Mr. Dora and seconded by Ms. Fagan, the Disposal of Obsolete Equipment was unanimously approved by the Board.

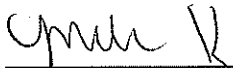
The next topic on the agenda was the **Claims**. Mr. Levensgood explained this was the approval of all expenditures on a monthly basis and presented these to the Board as per the supporting documentation, which is attached to and made a part of these Minutes. Ms. Fagan recused herself from line item 68 on Voucher 6824G regarding BGD. Ms. Kennedy recused herself from line item 44 on Voucher 6904C regarding Indianapolis Power and Light. There were no questions from the Board and upon a motion by Mr. Ruhmkorff and seconded by Ms. Lewis Claims 6824G and 6904C were unanimously approved by the Board taking into account the aforementioned recusals.



**Other Business**

**Public Comment** Ms. Kennedy asked if there was any public comment and Mr. Levengood informed her that there was one person who signed the Public Comment Sheet and who wished to address the Board. Mr. Levengood introduced John Griffith, the Executive Director of the Central Indiana Building Trades. Mr. Griffith stated that he represented 28,000 skilled tradesman and women in the union construction industry and he was there today to speak in support of "the City of Indianapolis, the CIB and our Indiana Pacers." Mr. Griffith shared the history of his relationship with the Pacers noting that he has worked with the organization as far back as 1971 when they broke ground on Market Square Arena and is proud to have played a part representing the Building Trades in creating the City's skyline as well as playing a part in bringing hundreds of visitors to Bankers Life Fieldhouse every year. He said he looks forward to another 25 year partnership with the Pacers, the CIB and the City and he is proud to support the motion and the vote for the **Second Amended and Restated Fieldhouse Operating Agreement with Pacers** that was approved earlier in the meeting. He thanked Ms. Kennedy and Mr. Levengood for the opportunity to make a public comment and thanked the Board and for their support of the Building Trades.

With no further **Public Comment**, Ms. Kennedy thanked everyone for their support and the meeting was adjourned.

  
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Melina Kennedy, President  
THE CAPITAL IMPROVEMENT BOARD  
OF MANAGERS  
OF MARION COUNTY, INDIANA

  
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Michael "Mick" C. Terrell, Secretary  
THE CAPITAL IMPROVEMENT BOARD  
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