

CAPITAL IMPROVEMENT BOARD OF MANAGERS
OF MARION COUNTY, INDIANA
Minutes of Meeting
Friday, November 8, 2019-8:30 am
Indiana Convention Center Boardroom

A Meeting of the Capital Improvement Board of Managers of Marion County, Indiana ("Board") was held on November 8, 2019 in the Indiana Convention Center's Boardroom.

Board Members present included Melina Kennedy, David E. Corbitt, Michael C. Terrell, David Ruhmkorff, Jim Dora Jr., Brenda Myers, Earl Goode and Sarah Fisher as well as Ex-Officio, Leonard Hoops. Board member Maggie A. Lewis was absent. Others in attendance included Andy Mallon, Executive Director, Mary Solada, General Counsel, Bingham Greenebaum Doll LLP ("BGD"), Bryan Collins, Finance Counsel, BGD, Don Graham, Construction Counsel to the CIB, BGD, Kobi Wright, Business Operations Director and Senior Staff Counsel, Eric Neuburger, Stadium Director, Debbie Hennessey, Convention Center Director, Tim Kuehr, Chief Financial Officer, James Wallis, Visit Indy ("VI"), Chris Gahl, VI, David Sease, SGA, Curt Fritsch, CRF Group, Cierra Stovall, Linny Legacy Partners, Jack Thomas, House of Representatives, and members of the media. (A copy of the list of those who signed in upon arrival is attached hereto.)

Ms. Kennedy introduced the **Approval of Minutes** for the Friday, October 11, 2019 meeting. Upon a motion by Mr. Corbitt 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.

Fieldhouse Management Report

Mr. Kuehr directed the Board to an additional report in the packet, attached to and made a part of these Minutes, which includes financial information from Fieldhouse Management, LLC pursuant to Section 6(b) of the CIB Operating Agreement with the Pacers. Mr. Kuehr informed the Board this information has been certified by Fieldhouse Management and introduced Kevin Bower of Pacers Sports and Entertainment. Mr. Bower addressed the Board members explaining this is the Statement of Revenue and Expenses for the fiscal 1st quarter and three month period ending September 30, 2019. He noted there were ten more events during this time than in the prior year, including eight additional concerts and eleven Fever Women's Basketball games making this a busy three month period. Mr. Bower concluded by sharing that the new Pacers season was underway and everyone in the Pacers Organization was ready to have a great

season. Ms. Kennedy thanked Mr. Bower for his report. There were no questions for Mr. Bower at this time.

Ms. Kennedy introduced Leonard Hoops who presented the **VI Update** with the Market Share Performance report, Room-Night Production documents and Convention Sales Booking Pace graphs (attached to and made a part of these Minutes). Mr. Hoops began his presentation informing the Board that October was a good month and that everyone should enjoy this prosperous time while it lasts stating that it was one of the longest hotel runs in U.S. History that he was aware of and would eventually level out to a normal range. He informed the Board that VI had gained ground on its goals and is currently at 93% of its goal in room nights for the year. He shared the good news that Future Farmers of America ("FFA") previously signed to have its convention in Indianapolis through 2024 but that it extended its agreement to keep the Convention in Indianapolis from 2025-2031. He noted that Gen Con has also renewed its contract for one more year and remains interested in how the hotel projects at Pan Am Plaza will develop. Mr. Hoops informed the Board that VI recently held the Customer Advisory Board annual meeting ("CAB") which is an opportunity for customers to provide valuable feedback regarding events and give the CIB and VI the opportunity to improve upon performance and customer service. He thanked Ms. Hennessey, Mr. Neuburger and Mr. Mallon for attending the sessions. Ms. Kennedy thanked him for his report and asked if there were any further questions for Mr. Hoops from the Board and there were none at this time.

Ms. Kennedy introduced Debbie Hennessey to begin the **ICCLoS Sales Report** (attached to and made a part of these Minutes). Ms. Hennessey informed the Board the Convention Center was at 68.6% capacity for October. She highlighted some recent notable events including the Do-It-Best Fall Market with approximately 10,000 attendees, Made in America 2019 Convention with approximately 7,500 attendees and the Indiana State Bar Admission Ceremony. She noted the FFA Convention loaded into the Facility on October 25th and was open from October 30th to November 2nd with record attendance. Ms. Hennessey noted the Percussion Arts Society would be beginning its event the following week and the month of November would close out with the Catholic Youth Organization event. There were no questions for Ms. Hennessey regarding the ICC Sales report at this time.

Ms. Kennedy introduced Mr. Neuburger to present the **LOS Sales Report**. He reported the preliminary testing for the NCAA Regionals were completed and went well. There was nothing out of the ordinary to address and the NCAA was pleased with the results. He mentioned some other events taking place at the Stadium since the October CIB meeting, including two Colts games and the last Indy Eleven game of the season at LOS. Mr. Neuburger reported the Indy Eleven winning streak at LOS continued the entire 2019 season. The Stadium also hosted a Colts Halloween party which was open to the public and was well attended, the Music for All Bands of America Super Regionals and the FFA Convention with crowds of approximately 70,000. He noted that all of the sessions moved over to LOS this year so there was much more activity at the Stadium than in previous years. Mr. Neuburger explained the busy pace would continue and highlighted some of the events that would be happening at the Stadium before the Board meeting in December, including three more Colts games, six Indiana High School Athletic

Association (“IHSAA”) State high school football championship games and the return of Bands of America for the Nationals. He mentioned that staff was preparing for the Big Ten Football Championship game to be played the first Saturday in December emphasizing there is much activity at the Stadium and it is an exciting time. Ms. Kennedy asked if there were any questions for Mr. Neuburger regarding the LOS report and there were none at this time.

Mr. Mallon presented the **Consideration of First Addendum to Operating Agreement** (“First Addendum”) with the Pacers with related documents attached to and made a part of these Minutes. He reminded the Board that the Second Amended and Restated Fieldhouse Operating Agreement (the “Agreement”) was approved by the Board in April of this year and at that time there was an estimated amount for spending at each phase of the construction contained in the Agreement. He explained that in order to ensure that the first phase of construction is fully funded, staff and counsel are presenting a proposal to move monies from one phase to another. Mr. Mallon explained that Tom Boyle, Construction Manager and Director of Operations for the CIB, is very involved in this scheduling process and explained that basically this would be a reshuffling of when the CIB will spend the money at no additional cost, explaining that the same amount was being spent and that the proposed First Addendum merely changes the amount of money spent in each phase. Mr. Mallon explained this can be done without losing any money in interest spend or income, or spending any additional money. Ms. Kennedy further explained that the project was still moving forward in the same manner but approval of this agenda item would allow the shifting of the timeline of the spending for each Phase. She compared this current proposal to those times in the past when the CIB worked with the State and the City and the Pacers Organization on the original vision the CIB had in mind for the partnership of a long-term commitment with the Pacers and a quality facility in Bankers Life Fieldhouse (“BLF”). She stressed the importance of tying these elements together as the City prepares to host the NBA All-Star game and anticipates this exciting time for all of the parties involved. Ms. Kennedy encouraged the Board to ask any questions they may have and after a detailed discussion amongst the Board members in which Mr. Mallon, Ms. Kennedy and Counsel answered questions pertaining to various topics including property taxes and studies of the metrics pertaining to the new district and how these changing dynamics would affect the economics of the districts surrounding the area, Ms. Kennedy asked the Board to vote on the agenda item. Upon a motion by Mr. Goode and seconded by Mr. Terrell, the proposed First Addendum was unanimously approved as presented. Ms. Kennedy thanked the Board for their support and reiterated the enhancement of BLF and the promise of having the Pacers in Indianapolis for the next 25 years will provide growth and benefit for the State and City.

Mr. Mallon presented the **Approval of BLF Contract for Arena Seating** which is attached to and made a part of these Minutes. Mr. Mallon explained that the Board previously approved a contract for the seating system earlier this year and this contract is for the supplying of the chairs that go along with this particular seating system. He explained this was a standard Public Bid contract and introduced Don Graham to further explain the bidding process and results. Mr. Graham informed the Board that the CIB received a total of two bid responses for the Contract for Arena Seating. The two

companies that responded with bids are Irwin Seating and Hussey Seating. Mr. Graham shared the good news that both of the bid numbers were under the budget the CIB had designated for the project, however the Irwin bid did not comply with the procurement statutory requirement of a pre-qualification process with the State of Indiana. The CIB contacted Irwin to inform it of this issue and to give it the opportunity to produce the necessary procurement materials. After several attempts to complete this process, Irwin Seating was not able to produce the necessary documentation to ensure it is compliant with the State program as a pre-qualified vendor. Mr. Graham explained that based on that it is the recommendation of staff and counsel to not continue the bid process with Irwin Seating and to move forward with Hussey Seating and award it the contract. Mr. Graham emphasized that the Pacers have been aware of these issues throughout the entire process and are supportive of the recommendation being giving to the Board today. He also stressed that Tom Boyle was very clear during this process that all bidding entities be compliant with the State Statue. Mr. Corbitt inquired if there was any benefit in rebidding the project in an attempt to find other suitable companies to choose from for the project. Mr. Mallon stated that given the clarity of the state law instruction on this, the potential time constraints, additional expense and complications this could present, as well as avoiding a potential claim with Hussey, it was the opinion of staff and counsel that the best course would be to follow the state law with regard to this matter and move forward with Hussey Seating. There were no further questions from the Board. Upon a motion by Mr. Corbitt and seconded by Mr. Ruhmkorff, the Contract for BLF Arena Seating was unanimously approved as presented and awarded to Hussey Seating.

BLF Financing Matters including confirming Resolution which is attached to and made a part of these Minutes. Mr. Mallon explained that by approving the confirming Resolution the Board is essentially re-confirming what occurred and was approved at the May 2019 CIB meeting when the Board approved the original Financing Resolution. He explained that the Board packet included a summarization of documents which represents the culmination of the authorization of allowing the CIB along with the Marion County Convention and Recreational Facilities Authority ("MCCRFA") to move forward with regard to the Bond anticipation note in December of this year and enable the CIB to borrow the necessary funds for the BLF project. Mr. Mallon introduced Bryan Collins to further elaborate on the specifics of this financing and confirming Resolution. Mr. Collins reminded the Board of the original objectives set by the CIB earlier in the year with regard to the expansion project and summarized and outlined the various stepping stones and approvals that had been attained by the CIB since that meeting. He explained that MCCRFA is the financing mechanism from which the original BLF financing was done and in a sense the landlord of the building and the CIB the tenant. Mr. Collins explained the intricate relationship between the two entities and summarized that when the debt is paid off the title will be transferred from MCCRFA to the CIB. He assured the Board that this proposed plan of action was very consistent with the past financing of this entity. Mr. Collins further explained that by approving the whole amount at this time the CIB will have greater flexibility to react to any circumstances that may arise as well as eliminate the need to continually re-visit this matter with the Board. With no further questions from the Board and upon a motion by Mr. Ruhmkorff and a second by Mr. Dora, the confirming Resolution relating to BLF Financing Matters was unanimously approved as presented.

Mr. Mallon presented the **Ratification of Building Trades Collective Bargaining Agreement** which is attached to and made a part of these Minutes. Mr. Mallon explained this was the Collective Bargaining Agreement for the Building Trades which include the Carpenters, Electricians, Painters, and Telecommunication Employees of the CIB. Mr. Mallon explained this is a three year agreement which is the same term as the previous agreement. He explained the financial rate is the only thing that changed in the agreement. He explained the agreed upon raise in wages remained the same at a 3% increase for the 1st and 2nd years of the contract and a 2 ½ % raise for the 3rd year of the contract. Mr. Ruhmkorff recused himself from the vote. Upon a motion by Mr. Corbitt and seconded by Mr. Terrell, the Ratification of Building Trades Collective Bargaining Agreement was unanimously approved as presented taking into account the aforementioned recusal.

The next topic on the agenda was the **Claims**. Mr. Mallon presented these to the Board as per the supporting documentation, which is attached to and made a part of these Minutes. Mr. Mallon presented Vouchers 7827G and 7833C to the Board for consideration. Ms. Kennedy recused herself from line item 48 on Voucher 7733C regarding Indianapolis Power and Light. Upon a motion by Mr. Goode and a second by Mr. Dora, Claim Vouchers 7827G and 7833C were unanimously approved by the Board taking into account the aforementioned recusal.

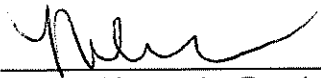
In **Other Business**, Ms. Kennedy informed the Board that she asked Board member Sarah Fisher to also serve as the third member of the Signage Committee that was left vacant when Mary Ann Fagan left the Board and Ms. Fisher had graciously accepted that invitation. Ms. Kennedy thanked her for that service.

Mr. Mallon wanted to take a moment to recognize the life and service of former Board President, P.E. MacCallister, who passed away since the last CIB meeting. Mr. Mallon paid tribute to P.E. stating he lived a tremendous life of service and played a significant role in the CIB from the very beginning shaping what the Board has become and its influence on the City of Indianapolis.

Mr. Mallon shared an invitation from City County Council President, Vop Osili, to participate in a workshop sponsored by the Government Alliance on Race and Equality. He explained the workshop will take a look at race and equity from different perspectives and noted that the City of Indianapolis, as well as all of the municipalities, have been invited to attend. He personally has committed his involvement, as well as his staff, and plans to attend the workshop taking place on December 11th. He also informed the Board he would forward the invitation and registration link for the workshop to the Board later that morning. Mr. Mallon thanked City County Council President Osili for his initiative and leadership with regard to this issue.

Mr. Mallon reminded the Board to review the proposed list of CIB meeting dates for 2020 and inform the office of any conflicts, adding that the 2020 Meeting schedule will be solidified at the December meeting.

There being no further **Other Business** to address and no **Public Comment**, the meeting was adjourned.



Melina Kennedy, President
THE CAPITAL IMPROVEMENT BOARD
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David Ruhmkorff, Secretary
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