



louisville arena authority

**Board of Directors Meeting
January 13, 2020
9:00 a.m. EST
KFC Yum! Center**

MINUTES

Directors in Attendance: Chairman Scott Cox, Ms. Leslie Geoghegan, Mr. Mark Blayney, Mr. Darrin McCauley, Mr. Timothy Mulloy, Mr. Thomas Liston, Vice Chairman William Summers, Mr. John Hodgson, Mr. Michael Jones, Mr. Don Parkinson and Ms. Larissa Reece.

Directors Absent: Metro Council President David James (ex-officio), Mr. Steve Rowland and Mr. Deepak Tiwari.

Consultants and Staff: Mr. Eric Granger, KFC Yum! Center General Manager, Mr. C. Edward Glasscock, General Counsel

Welcome: Chairman Cox

Chairman Cox declared a quorum and convened the meeting.

DISCUSSION ITEM: Acceptance of the November 11th, 2019 Board Meeting Minutes – Chairman Cox

Chairman Cox informed the board of the expiration of the terms of Mr. Rick Guillaume, Ms. Lindy Street, Ms. Alice Houston, Ms. Deborah King, Mr. Stuart Ray, Mr. Jeff Spalding and Mr. Joe Reeves. Chairman Cox thanked them for their service to the city and the state and stated they will be greatly missed. Chairman Cox welcomed the newly appointed board members. Mr. John Hodgson, Ms. Larissa Reece, Mr. Michael Jones, Mr. Don Parkinson and Mr. Deepak Tiwari. Chairman Cox informed the board that Ms. Leslie Geoghegan, a mayoral appointee was reappointed by the Governor to serve another 4-year term and welcomed her back.

The board reviewed the minutes and Motion made by Mr. Thomas Liston to accept the minutes of the November 11, 2019 Louisville Arena Authority meeting. The motion was seconded by Mr. Timothy Mulloy and the motion passed unanimously with no abstentions.

DISCUSSION ITEM: Finance Report – Chip Sutherland

Vice Chairman Summers introduced Mr. Chip Sutherland of Baird Securities to provide the finance report.

Mr. Sutherland informed the board of the Moody's rating review coming up. A due diligence call will be requested in the future. Rating will be on a January cycle and a public rating will re visit the credit and an affirmation of a BWWA 3 stable rating which is invest grade. The TIFF is the big

driver of credit for Moody's which will be a big part of the conversation. Mr. Sutherland expects no change in the rating. Mr., Sutherland let the board know the filings have been filed on time.

DISCUSSION ITEM: AEG Management Update – Eric Granger

Mr. Justin Jokovich, Senior Director of Finance, provided the ASM Global financial update for the months of October and November 2019. In October, the facility hosted 10 events including 5 concerts Phil Collins, Thomas Rhett, Carrie Underwood, Celine Dion and MercyMe. As well as kicking off the U of L Men's Basketball Season. The October monthly income statement resulted in a net operating profit of \$635,000. Which was \$139,000 under budget for the month largely due to combination of ticket sales for the events mentioned previously.

For the month of November, the facility hosted 15 events including 5 concerts Chris Stapleton, The Chainsmokers, Louisville Soul Music Fest, Slayer and for King and Country as well as 10 men and women's UofL L basketball games in the month of November. The monthly income statement for the month of November resulted in a net operating profit \$636,000 which was \$191,000 under budget for the monthly largely due to the net revenue line which was \$164,000 under budget.

The net operating profit is forecasted as of the period ending July 30, 2020, AEG is projecting a net operating profit of \$1.788 million which is \$63,000 better than the budget for the fiscal year and \$288,000 better than the performance expectation of \$1.5 million that is returned to the LAA every year.

Ms. Sandra Moran, Director of Marketing, provided a 2019 Year in Review.

Ms. Moran informed the board that the attendance for our 2019 events have increased 4% from 2018 to 962,045. Gross ticket sales of \$31,514,169 with a total of 112 events. KFC Yum! Center hosted 30 concerts in 2019 which included 8 sold out concerts including Metallica which was the biggest concert ever hosted at the KFC Yum! Center set by George Straight in 2014. October and November were huge months for us with Chris Stapleton which sold more tickets at the KFC Yum! Center than another of site in the nation. Luke Combs was the fastest sell out ever at the KFC Yum! Center selling out in about 2 minutes. Family shows in 2019 were also a big hit with The Globetrotters, Hotwheels Monster Trucks, WWE Smack down and Disney on Ice. The KFC Yum! Center hosted great sporting events (42) including the NCAA Men's and Women's regional tournaments, U of L Men's and Women's basketball teams and the USA GK Gymnastics GK Classic. Ms. Moran shared we hosted 29 other events from Thunder over Louisville events, Derby events and U of L Commencement Ceremonies. Ms. Moran finished out with our 2019 successes which included 11 sold out concert and events. In 2019 Metallica, Jojo Siwa, Chris Stapleton and Hotwheels Monster truck all hosted their largest selling performances of their entire North American tour here at the KFC Yum! Center. We broke our record with the most concerts held within a calendar year of 30 concerts.

Despite the busy concert season, we still managed to make time for some great community events. In October we hosted 60 second grade Brown Elementary students for the 2nd annual KFC Yum! Center Suite or Treat event. The Students enjoyed a morning full of Halloween themed activities

such as trick or treating, crafts and fall festival themed games. The kids really enjoyed taking a tour of the facility as well learning how the KFC YUM! Center connects to the community. Ms. Moran spoke about other community events including Lion's Eye Foundation Eyeglasses Collection where we partnered with U of L at the November 13th and 14th basketball games collecting eyeglasses for middle- and low-income families in our community. On November 16th the KFC Yum! Center held the Life Foundation Health Fair. In November we held a Brightside Trash pickup. December with our Winter Weather drive at the Men's U of L basketball game and finished out the year with volunteering at the Wayside Christian Mission Service Day on December 18, 2019.

Ms. Moran shared marketing tools our marketing team is using to attract ticket sales. Focusing more on Instagram as millennials are a big driver on buying power. Instagram is the smallest number of followers but very impactful like being able to link/sell tickets on Instagram. The hiring of Charles Wilkerson has taken our social media to another level. Social media has become a customer service outlet as well for our clients during an event which Charles manages to help with customer service during events which many customers have raved about on twitter and Facebook.

The New Year brings exciting variations of shows from The Harlem Globe Trotters, Brantley Gilbert, The Lumineers, Hot Wheels Monster Trucks Live, Dan + Shay, Michael Buble', Disney on Ice, Elton John and Sturgill Simpson.

DISSUSSION ITEM: General Counsel Update – C. Edward Glasscock

Mr. Glasscock informed the board they are continuing to negotiate on the naming rights. Mr. Egan informed the board of an open record request from WLKY involving a legal matter related to an escalator incident.

DISCUSSION ITEM: New Business/Old Business – Chairman Cox

No other business to come before the Authority, the meeting was adjourned at approximately 9:42 a.m.

Respectfully submitted,
Megan Fahey