



louisville arena authority

**Board of Directors Meeting
September 12, 2016
9:00 a.m. EST
KFC Yum! Center**

MINUTES

Directors in Attendance: Mr. Larry Bond, Mr. Jack Dulworth, Ms. Leslie Geoghegan, Mr. Rick Guillaume, Mr. Michael Houlihan, Ms. Deborah King, Mr. Darrin McCauley, Mr. Stuart Ray, Mr. Joe Reeves, Mr. Steve Rowland, Mr. Jeff Spalding, Ms. Lindy Street, Chairman Scott Cox

Directors Absent: Ms. Alice Houston, Metro Council President David Yates (ex-officio), Vice-Chairman William Summers V

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

Welcome: Chairman Cox

Chairman Cox declared a quorum and convened the meeting.

DISCUSSION ITEM: Acceptance of the July 11, 2016 Board Meeting Minutes – Chairman Cox

Mr. Stuart Ray moved to accept the minutes of the July 11, 2016 Louisville Arena Authority Meeting. The motion was seconded by Mr. Rick Guillaume and the motion passed unanimously with no abstentions.

DISCUSSION ITEM: Presentation of Financial Statements – Chairman Cox

Chairman Cox introduced Alex Rorke of Hilliard Lyons who provided the finance report.

Mr. Rorke thanked the board members who attended the orientation session and noted that orientation sessions will be held as necessary to keep everyone up to date.

Mr. Rorke informed the board that all is in great shape operationally due to a record year for the arena. To conclude, Mr. Rorke stated the TIF results are still unknown, but should be available soon.

DISCUSSION ITEM: AEG Management Update - Dennis Petrullo

Mr. Justin Jokovich, Senior Director of Finance, provided the AEG Financial Update for the months of June and July 2016. In June, the facility hosted 5 total events: Cage The Elephant, I Love the

90's, Selena Gomez, Muhammad Ali Memorial and 1 meeting/banquet. The income statement for the period ending June 30, 2016 resulted in a net operating loss of \$514,022 for the month of June.

For the 2015-2016 fiscal year, the arena hosted 136 events including 27 concerts. The 2015-2016 fiscal year resulted in a net operating profit of \$2.175 million which exceeded the guarantee to the Louisville Arena Authority by \$675,000. According to Mr. Jokovich, this was the best year in the arena's history.

For the month of July, the facility hosted 3 total events: Coldplay, Demi Lovato & Nick Jonas and 1 meeting/banquet. The income statement for the period ending July 31, 2016 resulted in a net operating loss of \$143,417, which was \$52,762 better than budget for the month.

According to the Rolling Forecast for the 2016-2017 fiscal year (as of the period ending July 31, 2016) AEG is projecting a net operating profit of \$1.63 million which is \$130,000 above the minimum guarantee to the Louisville Arena Authority.

Ms. Sandra Moran, Director of Marketing, provided a marketing and event recap. Ms. Moran updated the board on the latest Pollstar rankings. For the mid-year rankings released in July, the arena ranked 7th in the nation and 25th in the world. This is the highest national ranking in the arena's history. Ms. Moran noted the ticket sale numbers reported by Pollstar do not include sporting events, meetings or conventions hosted by the arena. A breakdown of the rankings was provided to compare how the KFC Yum! Center ranked against other venues in the nation/world.

Ms. Moran then provided an event recap for the first half of 2016 in which the arena hosted eight sold out concerts including Madonna, Blake Shelton, Bruce Springsteen, Garth Brooks and Justin Bieber. Ms. Moran informed the board that Pollstar released the Top 10 world tours for 2016 and noted that the KFC Yum! Center has hosted five of the Top 10 tours which include Madonna, Carrie Underwood, Bruce Springsteen, Justin Bieber and Coldplay.

Ms. Moran also updated the board on the new KFC Yum! Center virtual tour. The KFC Yum! Center is among the first arenas in the nation to offer a full virtual tour of the arena. The tour provides a 360° view of the public spaces of the venue and streamlines the process for promoters, meeting planners and individuals looking to book the venue. The tour is linked to the KFC Yum! Center website to encourage patrons to view the venue virtually. Links to the tour and basic training was provided to the Louisville Convention & Visitors Bureau to offer a visually appealing tour to large groups interested in the venue when a physical tour is not an option. Overall, the virtual tour will enhance the guest experience and set the KFC Yum! Center apart from other venues.

Ms. Moran concluded her report by demonstrating portions of the virtual tour including the arena lobby, plaza, concourses, bar & concession areas, meeting rooms and the arena bowl.

Ms. Lauren Helms, Executive Assistant, provided an update on upcoming sporting events and concerts including University of Louisville men's & women's basketball, University of Louisville women's volleyball, WWE Live, Dixie Chicks, Louisville Music Festival, Five Finger Death Punch & Shinedown and Twenty One Pilots. Additionally, Ms. Helms discussed the upcoming NBA Preseason game between the Minnesota Timberwolves and the Miami Heat to be held in October. This is the third year the arena has hosted an NBA Preseason game. This year's game features

former University of Louisville player Gorgui Dieng and former University of Kentucky player Karl-Anthony Towns.

Ms. Helms also informed the board that the University of Louisville recently submitted a bid to host the first/second and regional rounds of the NCAA Men's Basketball Tournament for 2019-2022. The selected host sites will be announced by the end of the year.

Ms. Helms concluded her report with a concert breakdown detailing the number of concerts hosted each year since AEG took over management of the arena in 2012. The arena hosted 16 concerts in 2012, 24 concerts in 2013, 20 concerts in 2014, 26 concerts in 2015 and will finish 2016 by hosting 25 concerts. Ms. Helms noted the arena is currently working on booking and confirming events for the 2017 calendar year.

DISSUSSION ITEM: General Counsel Update – C. Edward Glasscock

Mr. Glasscock informed the board that there was nothing new to report.

DISCUSSION ITEM: New Business/Old Business – Vice Chairman Summers

No other business to come before the Authority, the meeting was adjourned at approximately 9:26 a.m.

Respectfully submitted,
Lauren Helms