



louisville arena authority

Board of Directors Meeting
September 9th, 2019
9:00 a.m. EST
KFC Yum! Center

MINUTES

Directors in Attendance: Mr. Rick Guillaume, Ms. Deborah King, Mr. Steve Rowland, Mr. Jeff Spalding, Chairman Scott Cox, Ms. Leslie Geoghegan, Mr. Mark Blayney, Ms. Alice Houston, Mr. Darrin McCauley, Mr. Timothy Mulloy, Ms. Lindy Street

Directors Absent: Mr. Stuart Ray, Vice Chairman William Summers V, Mr. Joe Reeves, Metro Council President David James (ex-officio), Mr. Thomas Liston

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.

Chairman Cox informed the board of the recent board member changes with the addition of Mr. Mark Blayney, Mr. Thomas Liston and Mr. Timothy Mulloy. Chairman Cox thanked Mr. Larry Bond, Mr. Jack Dulworth and Mr. Mike Houlihan for their time on the board.

DISCUSSION ITEM: Acceptance of the July 15, 2019 Board Meeting Minutes – Chairman Cox

Mr. Rick Guillaume to accept the minutes of the July 15, 2019 Louisville Arena Authority meeting. The motion was seconded by Mr. Stuart Ray and the motion passed unanimously with no abstentions.

DISCUSSION ITEM: Finance Report – Chip Sutherland

Vice Chairman Summers was absent therefore Mr. Chip Sutherland of Baird Securities provided the finance report.

Mr. Sutherland informed the board we will have TIF numbers by the November meeting. Baird will bring back to the next board meeting in November a proposed budget which begins January 1, 2020. The TIF number comes out late September early October which will be used to frame out the budget for 2020.

DISCUSSION ITEM: AEG Management Update – Eric Granger

Mr. Justin Jokovich, Senior Director of Finance, provided the AEG Financial update for the months of June and July 2019. In June, the facility hosted 6 events (meetings/banquets). For the fiscal year the KFC Yum! Center hosted 29 concerts which was a new record for the KFC Yum! Center as 25 were budgeted for the fiscal year. KFC Yum! Center also hosted 6 family shows, 5 Feld shows, 21 U of L Men's Basketball games, 15 U of L Women's Basketball games, 4 sporting events, 23 meetings and banquets and 13 other events. The June monthly income statement resulted in a net operating loss of \$770,693. Year to date the facility generated a net operating profit of \$2,466,195 which is a new fiscal year record for the KFC Yum! Center. This is \$706,521 better than the budget and \$966,521 better than the performance expectation to the arena authority of \$1,500,000.

For the month of July, the start of the new fiscal year, the facility hosted 6 events including 3 for the US - GK Classic. The monthly income statement for the period ending July 31, 2019 resulted in a net operating loss of \$385,414 which was \$24,639 better than budget. The net operating profit is forecasted as of the period ending July 31, 2019 and the fiscal ending June 30th, 2020 AEG is projecting a net operating profit of \$1,733,791 which is \$8,711 better than the budget currently. The main difference from this year's budget to last year's actual results is the number of concerts and hosting NCAA tournament. AEG is currently projecting 25 concerts for the 2019-20 fiscal year which has been the historical average for the arena. Chairman Cox thanked the AEG staff for a successful fiscal year.

Ms. Sandra Moran, Director of Marketing, provided an update of venue upgrades and upcoming events.

Ms. Moran thanked the Louisville Arena Authority for supporting the future of the KFC Yum! Center by budgeting for the capital projects. This summer the existing lighting system was at the end of its effective life. Replaced 184 high-intensity discharge (HID) lamps with 116 LED fixtures. The new LED sports lighting system achieves more lighting with less fixtures. Operators now have more control over lighting, and the upgrade maximizes visual comfort and provides glare control which ultimately creates better lighting for athletes, fans, performers, broadcasters and staff. Ms. Moran shared 100% of employees installing the lights are Kentucky or Indiana residents. Ms. Moran shared that Big Improvements equal big savings. The new system provides a 50% energy savings when running LED sports lights compared to running old HID lamps. The new system increases the light level while cutting energy consumption in half. Providing a 50% equipment cost savings over the guaranteed life of the new system. Offers the ability to turn arena lighting on and off instantly. With the old system, it could take up to 15 minutes to reach full brightness. Ms. Moran shared that the new system provides uniform, high-quality lighting which improves visibility for players and spectators, providing a much better fan experience. The DMX controls that come with the system allow the lighting to change colors and sync with songs on game day. The lighting is aesthetically pleasing, creating a better visual experience for fans. Enhanced lighting controls allow for better gameday presentation – whether they are player introductions, scoring celebrations, timeout or halftime entertainment, crystal clear video replays on the arena's scoreboard and more.

The next venue upgrade is happening in phases. The IPTV upgrades during phase 1, the venue replaced 248 display units with larger screens and added 16 new 75" vertical displays on the Main Concourse. Larger screens will provide better viewing options for in game broadcasts at University of Louisville games. New IPTV solution offers enhanced display options allowing more effective

and creative advertising options for venue marketing and sponsorships, thus giving the venue a greater opportunity to drive ticket sales and increase revenue. They also offer flexibility to present content, enhance communication, and improve the ability to advertise food services. The tv's not being used are being donated as well as the old stage not being used.

Ms. Moran shared the success of the JoJo Siwa concert taking place on September 7th, 2019. The show sold out the entire arena. KFC Yum! Center is the top selling show on her entire tour. Moving on to upcoming events for the KFC Yum! Center we have a big end of the year with a lot of events. Finishing out September with Hillsong United the Sold-Out Backstreet Boys Concert. Heading into October strong with 6 concerts including Phil Collins, Thomas Rhett, Carrie Underwood, Chance the Rapper, Celine Dion and MercyMe. November is another strong month with 5 concerts including a Sold-Out Chris Stapleton show, The Chainsmokers, Louisville Soul Music Fest, Slayer and For KING & COUNTRY. December brings Gaither Christmas Homecoming, Luke Combs Tour – Sold- Out (fastest selling show at KFC Yum! Center) and Mike Epps New Year's Eve Show.

Eric Granger – Staff Announcement - Brian Gaskill has been promoted the City General Manager for Centerplate.

DISSUSSION ITEM: General Counsel Update – C. Edward Glasscock

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

DISCUSSION ITEM: New Business/Old Business – Chairman Cox

Mr. Glasscock requested the Board of Directors to go into Executive Session to discuss contractual issues.

Chairman Cox made the motion to move into Executive Session and was seconded by Mr. Guillaume. Motion passed and the Board of Directors unanimously approved the motion. The Board of Directors went into Executive Session. Following the Executive Session, the Board of Directors resumed the regular meeting.

No other business to come before the Authority, the meeting was adjourned at approximately 9:33 a.m.

Respectfully submitted,
Megan Fahey