

CAPITAL IMPROVEMENT BOARD OF MANAGERS
OF MARION COUNTY
Minutes of Meeting
Friday, August 23, 2024-9:00 am
ICC Boardroom
and Via Teleconference

A meeting of the Capital Improvement Board of Managers of Marion County (the "CIB" or the "Board", as applicable) was held on Friday, August 23, 2024, at 100 South Capitol Avenue in the Visit Indy Boardroom located on the 3rd floor of the Indiana Convention Center in Indianapolis, Indiana, 46225.

Members present in person: Board President Marci A. Reddick, Vice-President David Corbitt, Treasurer Mick Terrell, Secretary David Ruhmkorff, Jim Dora Jr., Maggie A. Lewis, Earl Goode, Sarah Fisher, and Jaime Bohler Smith. Ex-Officio Board Member Leonard Hoops attended virtually.

Members present virtually: None

Members absent: None

Others in attendance: Andy Mallon, Executive Director, Indiana Convention Center and Lucas Oil Stadium ("ICCLOS"); Mary Solada, General Counsel to the Board, Dentons Bingham Greenebaum LLP ("DBG"); Kobi Wright, Chief Legal Officer and Business Operations Director; ICCLOS; Eric Neuburger, Stadium Director, Lucas Oil Stadium ("LOS"); Tim Kuehr, Chief Financial Officer; ICCLOS; Chad Wilke, Director of Event Services, ICCLOS; Jennifer Wheeler, National Sales Manager, ICCLOS; Monica Brase, Public Information and Marketing Manager, ICCLOS; Art Kodroff, Controller, ICCLOS; Caroline Cheng, Senior Accountant, ICCLOS; Heidi Mallin, Special Projects Manager, ICCLOS; James Wallis, Executive Vice President and Chief Operating Officer, Visit Indy ("VI"); Daren Kingi, Senior Vice President and Chief Sales Officer, VI; Christine Zetzl, Associate Director of Marketing, VI; Matt Albrecht, Pacers Sports & Entertainment ("PS&E"); David Sease, SGA; Kevin Austin, Synthesis; and members of the media. (A copy of the list of those in attendance is attached hereto).

President Reddick called the meeting to order at 9:02 am.

She informed the Board that the meeting in September would be taking place at Gainbridge Fieldhouse at the kind invitation of Jim Morris. She noted that sadly he had passed away since the last meeting of the Board and remarked that it was a tremendous loss to the city. She noted that he was a huge advocate, supporter, and fan of the CIB and he would be missed. Mr. Mallon echoed these sentiments saying he would miss him.

Minutes of July 12, 2024. The minutes from the July 12, 2024 CIB Meeting were submitted to the Board for approval. Mr. Goode moved to approve the minutes as presented. The motion was seconded by Mr. Terrell. The motion passed 8-0. (Vice President Corbitt arrived a short time later and was not present during this vote). The minutes are attached hereto and made a part hereof.

Budget Presentation and Board Resolution

Ms. Reddick introduced Mr. Mallon and Mr. Kuehr to present the **CIB Budget Presentation and Board Resolution** for 2025. Mr. Mallon turned the floor over to Mr. Kuehr to present the 2025 CIB Budget. Mr. Kuehr reviewed the proposed 2025 Budget with the Board, explaining the main points and assumptions as listed below:

- Total Revenues are budgeted at \$235.8M, an increase of 31% or \$55.4M over the 2024 budget.
- Tax Revenues are budgeted at \$149.8M, an increase 3% over the forecasted 2024 amounts. This is an increase of \$8.0M or 6% over the 2024 budget.
- Operating Revenues are budgeted at \$860M, an increase \$47.4M or 123% over the 2024 budget.
- Personal Services are budgeted at \$30.1M, an increase 13% or \$3.5M over the 2024 budget.
- Supplies are budgeted at \$7.3M, an increase of 30% above the 2024 budget.
- Other Services are budgeted at \$112.9M, an increase \$18.5M or 20% over the 2024 budget.
- Capital Outlays are budgeted at \$85.0M, an increase of \$9.3M over the 2024 budget.
- Debt Service is budgeted at \$37.0M, an increase \$4.1M or 12% according to the CIB's bond payment schedules.
- The Net Budget Amount of the 2025 Budget is negative \$36.5M. This negative net budget is \$19.1M better than the 2024 Budget. This negative Net Amount will be covered by utilizing funds from CIB's Operating Reserves.
- Note: As of June 30, 2024, the CIB had approximately \$202M in unrestricted Operating Reserves. It is anticipated that the unrestricted Operating Reserves will be about the same at the end of 2024.

There was discussion throughout the budget presentation with questions from the Board answered by Mr. Kuehr and Mr. Mallon. Mr. Mallon expounded on several points covered in Mr. Kuehr's budget presentation with the main topics being building up the CIB's Reserves, having sufficient room in the Budget to staff-up for more events, and cover increased expenses due to increased labor and rising costs of insurance and construction supplies. After the Board discussion was complete, Vice President Corbitt moved and Mr. Ruhmkorff seconded an motion to approve the Budget Resolution as stated and the 2025 Budget as presented. The Resolution is attached hereto. The motion was unanimously approved by the Board as presented. Mr. Mallon thanked the Board members for their support and for approving the 2025 Budget. He also thanked Mr. Kuehr, Mr. Kodroff, and the entire accounting team for their hard work throughout the budget process. Mr. Mallon informed the Board that the next step was to present this proposed CIB 2025 Budget to the City County Council's Municipal Corporation Committee and then to the full Council for final approval. Ms. Reddick expressed thanks to Mr. Kuehr, Mr. Mallon, and the entire staff for a job well done again this year and for their very thorough report. The PowerPoint presentation and a copy of the proposed budget are attached hereto and made a part of these minutes.

Fieldhouse Management Report. Matt Albrecht of Pacers Sports & Entertainment presented the Fieldhouse Management Report. He reported that this had been a good year for the organization and thanked the Board for their support. The Fieldhouse Management Report is attached hereto and made a part of these minutes.

CIB Monthly Financial Report. Mr. Kuehr presented the June 2024 CIB Monthly Financial Report to the Board. The financial report is attached hereto and made a part of these minutes. Mr. Kuehr reviewed the financial report for the month and year to date with the Board members explaining variances from budget and answering questions as necessary. The financial report is attached hereto and made a part of these minutes.

Visit Indy Report. President Reddick introduced James Wallis and Daren Kingi to present the VisitIndy Report. Mr. Wallis thanked the Board for their continued support of VI and in particular the additional funding for the 2026 ASAE event. He reported that currently Indianapolis is doing the best in the hotel market in the entire country. He reported for Marion County hotel revenue was up 15.5 % which translates to \$53 M in revenue. He noted this was led by the downtown which was up by 20% in revenue for that same period. Mr. Wallis also reported that earlier in the week VI had their annual hotel symposium and data received from Smith Travel Research states that Indianapolis has been the best performing hotel market this year of the top 25 markets from January through June. He stated that this success was the result of the efforts of the CIB, Indiana Sports Corp., and VI working together to bring events to the City. Mr. Mallon emphasized that Indianapolis is doing the best in the hotel market in the entire country. Mr. Wallis also noted that in Indy's peer group of 15 cities Indianapolis tied for first place with Orlando as the best fit with the 400 meeting planners that were surveyed. He introduced Daren Kingi and Christine Zetzel to talk about the VI's new trade show booth that the CIB helped them obtain last year. Mr. Kingi reported that VI was at 100% of its 2024 goal for booking with 432,000 room nights on the books and they were now booking into the future as far as 2030. He also noted that the pipeline for booking was at 130% of VI's goal. Christine Zetzel shared a video presentation with the Board highlighting VI's new state of the art trade booth as well as the marketing video that plays at the tradeshow events. Ms. Reddick thanked her for her presentation and said that it is important for the Board to have presentations such as this to see where the CIB's funding and investment is going. The VI report is attached hereto and made a part of these minutes.

Indiana Convention Center ("ICC") and Lucas Oil Stadium ("LOS") Sales Reports. Jennifer Wheeler presented the *ICC Sales Report*. She reported the ICC's occupancy was at 80.1% for the month of July which is the highest reported July occupancy on record and the 2nd highest occupancy on record. The overall attendance for the month was 54,819. Ms. Wheeler reported that July was an extremely busy month with back-to-back events. The month began with Church of God International convention having approximately 10,000 attendees followed by the National Eucharistic Congress with approximately 47,000 attendees. This event was followed by Zeta Phi Beta with approximately 6,000 attendees. She reported that the month ended with Gen Con having their first day on July 31st and running through August 4th. She noted that this was the first time that all four days of the event were sold out. Ms. Wise will have the final attendance numbers for the September CIB Meeting. She reported that currently the ICC was hosting American Trucking Association and noted that the following week would be the beginning of the move-in for Do-It-Best which is one of the longest running events at the ICC with the organization coming to Indianapolis for the past 48 years. The ICC Sales Report is attached hereto and made a part of these minutes.

LOS Sales Report. Eric Neuburger presented the *LOS Sales Report*. He reported that LOS hosted the Eucharistic Conference with a full house all week and this led into the Big Ten Media Days. He reminded the Board this is an event that the CIB picked up over the pandemic and explained that what started as a luncheon in a hotel in Chicago has shifted into an event that has taken over the Stadium. He explained that this year's event expanded from two days to three days as the number of teams in the conference expanded from 14 to 18. He noted that while this was not a big travel related event it was significant regarding the media and a great deal of positive attention on Indianapolis. He informed the Board that it was important to the Big Ten to start and end the season at LOS and reminded the Board that the next five Big Ten Championships would be hosted at LOS. GenCon was the next event and had record setting attendance followed by Drum Corp International ("DCI") with record setting attendance as well. Mr. Neuburger reported that the two Pre-Season Colts games had attendance as expected. He commented that this was one of the best starts to a season that the Stadium has had with regard to all operations firing on all cylinders at the same time which was very encouraging. He said that a lot of effort has been put into training for temporary staff for game days with the goal of improving the NFL game day feedback surveys conducted after each home game. Mr. Neuburger also reported that LOS hosted the Colts 5K event which concluded at the Stadium. Mr. Neuburger reported that before the next Board meeting in September LOS would be hosting the several Playbook Youth

Sports events as well as the Recruit Military Job Fair which is a great opportunity to support our veterans, while leading up the Colts Home Opener on September 8th. The LOS Sales Report is attached hereto and made a part of these minutes

Update on current construction projects, 6th expansion of the ICC and Signia Hotel. Mr. Mallon updated the Board on the construction taking place on the hotel project and ICC expansion. He informed the Board that the project is going very well. He reported that the construction team was gaining ground on the schedule and currently ahead of schedule. He noted that the elevator shaft coming out of the ground soon would be visible. He noted that currently the biggest challenge was the utility work taking place on Illinois Street.

Victory Field Concourse E-Site Masonry Repairs. Mr. Mallon presented the Victory Field Concourse E-Site Masonry Repairs report which is attached to and made a part of these minutes. He explained that per the operating agreement between the Indianapolis Indians and the CIB, the CIB is obligated for certain major repairs and replacement. This repair and replacement involve the removal of the concrete concourse as well as waterproofing the system in the Southeast side of the ballpark. Mr. Mallon reported that the project was publicly bid under Indiana Code: 36-1-12 with Taylor Bros. Construction submitting the lowest responsible and responsive bid in the amount of \$1,835,000.00. He informed the Board that Taylor Bros. Construction is 100% MBE contractor with 4.59% of subcontracted MBE Participation. Staff and Counsel recommend award to Taylor Bros. Construction in the amount of \$1,835,000.00. Vice President Corbitt moved to approve Victory Field Concourse E-Site Masonry Repairs agenda item as presented. Mr. Ruhmkorff seconded the motion. The motion passed 9-0. A copy of this agreement is attached hereto and made a part of these minutes.

LOS Maintenance and Support Service- Sansi North America (SNA). Mr. Mallon presented LOS Maintenance and Support Service for Video and Ribbon Boards which is attached to and made a part of these minutes. He explained that the CIB replaced the two main video boards and all ribbon boards at Lucas Oil Stadium in 2022. There was a two-year warranty included in the purchase agreement which is now expired. He reported that the CIB will now be responsible for the cost of software/hardware maintenance and explained these costs were negotiated as part of the original purchase agreement. This agreement will be a three-year term. Staff and Counsel recommend the approval of this three-year in the amount of \$558,184.76. Vice President Corbitt moved to approve LOS Maintenance and Support Service for Video and Ribbon Boards agenda item as presented. Mr. Ruhmkorff seconded the motion. The motion passed 9-0. A copy of this agreement is attached hereto and made a part of these minutes.

Update on Pan Am Tower. Mr. Mallon reported that the Pan Am Tower has become available for purchase. He explained that the CIB would like to purchase the Pan Am Tower and it was appraised at approximately \$13M. He informed the Board that the CIB was able to secure a purchase price of \$10.5 M. He explained that while the CIB was acquiring an asset, but what is most important is that the CIB would be able to control the site for the future. He further explained that the building currently has tenants and will continue to have tenants and is cash positive. He explained that the CIB intends to purchase this through the CIB's Building Facilities Corporation and that the Board would see this purchase in the Confirming Vouchers as an appropriation for a grant of the \$10.5 M. He noted that the CIB will not have any debt on this property and this would be a cash purchase included in this year's CIB budget. He closed by summarizing that the CIB is getting a valuable asset that is producing revenue at a discounted price to control the site of the hotel project and expansion. Mary Solada clarified that the down payment for the purchase in the amount of \$1M would be included in this month's Vouchers and the balance of the purchase in the amount of \$9.5M would be included in the September Vouchers. She also explained that it was not necessary for the Board to vote or approve this transaction but rather she would circulate a consent form for the Board members to sign as members of the Board of the Building Facilities Corporation approving the sale and ratifying any actions to date. She stated that this was being done to ensure that the Board understood what was

taking place as well as the reason for the listing on the Vouchers. All of the Board members signed the consent form with the exception of Vice President Corbitt who recused himself from this transaction.

Claims. Mr. Mallon presented the next agenda items covering the CIB's financial claims, Operating Claims 1888G, and Confirming Claims 1848C, as described in the voucher documents attached hereto and made a part of these minutes. There were no questions from the Board. Vice President Corbitt moved to approve the Operating Claims 1888G and Confirming Claims 1848C agenda item as presented. The motion was seconded by Mr. Ruhmkorff. The motion passed 9-0 and Operating Claims 1888G and Confirming Claims 1848C were approved as presented.

Other Business. There was no other business to come before the Board.

Public Comment. President Reddick asked if there were any members of the public who wished to speak at the meeting. There were no comments from the public.

The next meeting of the Board will be held at 8:30 am on Friday, September 13, 2024, at Gainbridge Fieldhouse.

Adjourn. President Reddick adjourned the meeting at 10:03 am.



Marci A. Reddick, President
The Capital Improvement Board
of Managers of Marion County



David Ruhmkorff, Secretary
The Capital Improvement Board
of Managers of Marion County