

WEST HAYMARKET JOINT PUBLIC AGENCY (JPA)
Board Meeting
May 14, 2014

Meeting Began At: 3:30 P.M.

Meeting Ended At: 4:20 P.M.

Members Present: Chris Beutler, Tim Clare, Doug Emery

Item 1 -- Introductions and Notice of Open Meetings Law Posted by Door

Chair Beutler opened the meeting with an introduction of the Board members. He advised that the open meetings law posted at the back of the room is in effect.

Item 2 -- Public Comment and Time Limit Notification

Public comment is welcome. Beutler stated that individuals from the audience who wish to would get a total of five minutes to speak on specific items listed on today's agenda. Those testifying should identify themselves for the official record and sign in.

Item 3 -- Approval of the minutes from the JPA meeting held April 10, 2014

Beutler asked for corrections or changes to the minutes of the April 10, 2014 JPA meeting. Clare moved approval of the minutes as presented. Emery seconded the motion. Motion carried 3-0.

Item 4 -- Approval of March 2014 Payment Registers

Steve Hubka, City Finance Director, presented the payment registers for March. The total is \$3,262,104.93. The majority of expenses are for the parking garages. There is also a final payment on the arena GMP for \$238,479. Hubka stated that we obtained proper signatures and approvals and are within budget. Hubka confirmed these included both Phase I and Phase II. Clare requested the phases be separated in the future.

Jane Kinsey, Watchdogs of Lincoln Government, requested clarification on the Contingency Fund amount. Hubka responded this was relative to the next agenda item on the Job Cost Report.

Clare moved approval of the payment registers. Emery seconded the motion. Motion carried 3-0.

Item 5 -- Review of March 2014 Expenditure Reports

Hubka presented the March Job Cost Reports for both Phase I and Phase II, as well as the Operating Budget Report. Within the next couple months, there will be modifications on the project budget. As items get closed, monies will be moved back into contingency dollars.

Responding to requests about contingency dollars, Hubka reported that there are two pieces to the Contingency Fund with West Haymarket Arena contingency at \$2,442,000 and construction contingency at \$11,564,108.32. That totals close to \$14 million. After deducting the commitment of \$2 million for the Breslow Ice Center, there is approximately \$12 million total in contingency. Clarifying for Kinsey, Hubka explained these are both within the project budget, with one amount specifically for the arena and one for infrastructure and construction.

Regarding a call from a Wall Street Journal reporter, Kinsey asked Clare if the money used to purchase tickets for others for the Elton John concert came out of the arena budget, if it was a private donation, or public money. Clare responded that he had purchased two tickets with his own personal money. Beutler thought this was out of order as to the agenda item under discussion. Rod Confer, City Attorney, stated that the JPA rules provide that the public can testify on current agenda items, so it is not proper to raise issues not on the agenda. Beutler responded that Kinsey was welcome to ask questions at any time outside the meeting and follow up with the media if that is her desire.

Item 6 -- WH 14-17 Resolution authorizing the use of West Haymarket Joint Public Agency Infrastructure Contingency Funds in an amount not to exceed \$425,000.00 to fund the costs to complete the following improvements to the Arena Project: (1) Electrical Energy Reduction Plan; (2) Water Treatment; (3) Portable Folding Chairs; and (4) ADA Cable Ramp, (collectively "Improvement Projects").

Hubka explained this resolution authorizes \$425,000 out of contingency dollars for improvement project purposes. Tom Lorenz, General Manager, and I. J. Rosenblum, Director of Operations at Pinnacle Bank Arena, with SMG reviewed the details of four requested items including:

1) Electrical Energy Reduction Plan (handout attached) - During the process of construction some value-added options were available. After eight months of operation and the reality of high utilities, it makes sense to upgrade the software package to automate control systems to use energy more efficiently. This will allow for a reduction in costs and is a good green item to move forward. The expenditure is approximately \$182,000 with an annual savings of \$80,000-\$90,000 on electrical and HVAC costs. This represents a three-year return on investment. Responding to Clare, Rosenblum explained the software monitors the electrical flow in the building allowing them to phase out, turn off, or shift flow in response to needs in order to avoid spikes. Lorenz added that they try to do load shed since their activity needs are not predictable and consistent. If you can take off the peaks, you can reduce the demand charges that affect charges throughout the year.

2) Water Treatment – The water used has a high calcium and TDS content. Replacement of some valves in dishwashing systems has already occurred at a cost of about \$6,000. Instead of getting the anticipated five to ten years of use out of the valves, faucets, and other items; they may only get one or two years if not changed. They are already seeing calcification in porcelain fixtures and drinking water valves. The installation of a water softener will extend the life of the equipment, reduce maintenance, and reduce the overall costs. They will recondition the water for the Pepsi pouring to get the correct taste.

3) Portable Folding Chairs – An example was shown at a cost of \$20 each. These would be available for outdoor events run by the arena staff in the festival space, as well as at Pinewood Bowl and Ribfest. Currently, they have to rent outdoor chairs as indoor chairs cannot take the

heat and are not waterproof. When rented for previous events, one month's cost was \$12,000. They anticipate purchasing 4,000 chairs. The life expectancy is easily ten years and they have a quick payback. This reduces the money in the bottom line.

4) ADA Cable Ramps – An example was shown. The visible covers go over microphone lines, power, and other cabling for safety. With the current ones, there have been some reported disability difficulties due to the narrowness and slope of the ramps. The new ones would be truly ADA compliant, fit onto the current ones, and create a longer slope making travel over them easier and safer. The estimate is approximately \$5,000.

They summarized that all of the items have practical use and savings potential.

Kinsey voiced continued concerns regarding the spending of contingency dollars. She stated that there are conflicts with the arena operations cash flow and objected to the JPA spending arena bond dollars to buy equipment used at other sites. Kinsey was concerned about the number of concerts and events that would be profitable in the future due to aging demographics in Lincoln. Lorenz stated that saving money at these sites is good for the arena, the City, and the taxpayers. Since SMG runs both operations, profits go towards the arena bottom line. Previously, it went to Pershing's bottom line and with that closing, the contractual agreements have the net proceeds going to the arena.

Emery moved approval of the resolution. Clare seconded the motion. Motion carried 3-0.

Item 7 – WH 14-18 Resolution authorizing the Finance Director to terminate the Direct Purchase Agreement with U.S. Bank dated November 19, 2013 wherein U.S. Bank agreed to purchase from the West Haymarket Joint Public Agency all of the \$10,000,000 General Obligation Promissory Notes Taxable Series 2013 authorized by Resolution No. WH 00554.

Hubka explained that a direct purchase agreement was formally entered into on November 19, 2013 for a promissory note program with U.S. Bank. This was done as a safety measure. When proposed, there was concern about a cash flow issue with Phase II starting. Bonds had not been issued yet and the market was unclear. We now know that we will not have to draw upon that line of credit and by cancelling, rather than letting this agreement expire, we can save \$10,166 in fees.

Kinsey asked for confirmation that we would save money. Hubka explained that we would avoid having to pay fee money. Kinsey was appreciative of any savings, although concerned about the many expenditures approved today.

Clare moved approval of the resolution. Emery seconded the motion. Motion carried 3-0.

Item 8 – WH 14-19 Resolution approving Amendment No. 1 to the DAS Concession Agreement with Concourse Communications Group LLC to expand the Coverage Area of the DAS Services in the Pinnacle Bank Arena to include additional outdoor coverage to the Arena main entrance and down Canopy Street.

Item carried over without objection.

Item 9 – WH 14-20 Resolution approving Change Order No. 2 to the Guaranteed Maximum Price Amendment to the Agreement between the West Haymarket Joint Public Agency and Hausmann/Dunn, a joint venture, to increase the amount the Contract Sum shall not exceed for Precast Parking Deck Nos. 2 and 3, to cover the additional costs attributable for all work associated with the added scope of the project included in Bid Package 7, Exterior Identification dated 2/27/14, as issued by Davis Design.

Adam Hoebelheinrich, PC Sports, relayed that this resolution was for an adjustment to the GMP to the Hausmann/Dunn Contract for \$822,503. That is for Bid Package 7 work, also known as the Exterior Identification Package for Decks 2 and 3 of the West Haymarket. It is an increase to the GMP, but the work was budgeted and planned for in the Phase II project budget. The details were not ready when the previous GMP with Hausmann/Dunn was worked out. The package was bid through the subcontractor procurement process. The subcontractor will be Nebraska Neon.

The garages are similar in looks, so the lighting and signage in this contract will help dress up and differentiate each garage. Hoebelheinrich displayed some renderings identifying Deck 1 as the red garage, Deck 2 as the green garage, and Deck 3 as the blue garage. The package will use a system of numbering and colors to identify the garages, including some colored signs in the alley.

Responding to Kinsey, Hoebelheinrich stated that the change order reflects an increase of \$411,251 for Deck 2 and \$411,252 for Deck 3 for a total of \$822,503. This raises the GMP from \$23,992,670 to \$24,815,173. A change order will not be needed for work in Deck 1 as the construction savings was significant enough to allow them to complete the \$382,000 work in that garage. This was on top of the dollars saved and used for parking equipment. There has never been a change order needed on Deck 1 due to how well it was managed -- being finished early and under budget. Although they see the potential for savings, it is too early in the process to know what savings there will be for Decks 2 and 3. They are working hard to save money in order to have a deductive change order on the GMP at the end.

Emery moved approval of the resolution. Clare seconded the motion. Motion carried 3-0.

Item 10 – WH 14-21 Resolution approving the Contract Agreement with Sampson Construction Company, Inc. to construct the West Haymarket JPA Infrastructure Improvements Core Area Roadway Streetscape Project Phase II, Project No. 870309, Bid No. 14-104 for the sum of \$850,000.00.

Caleb Swanson, PC Sports, displayed the attached map depicting the Streetscape Phase II Project. There was a Phase I streetscape project which is being completed now. It covered a portion of “R” Street around Deck 1 and the Canopy Lofts and a portion of the Railyard Project. As development continues to the south, there are further streetscaping needs. The Phase II project provides for permanent items such as pedestrian lighting, sidewalk, and planting beds around Parking Decks 2 and 3, as well as east around Project Oscar. Around the open lot east of the DEC, they are only doing completion of temporary sidewalks and cover seeding for erosion control purposes. That area is currently construction staging and has future development potential. Responding to Beutler, Swanson stated they did not have a staging area identified for when the open lot is developed. They will need to look at options at that time depending on the development needs. Clare asked about development damaging existing streetscape. Swanson

explained the cost is minimal for work done in those areas and is mainly for erosion control purposes. Swanson also confirmed for Beutler that any permanent streetscape requires an additional contract in conjunction with future open area development projects.

Rick Peo, City Attorney's Office, explained that there is a Motion to Amend No. 1 in conjunction with this item. The agreement itself is identical to what was on the agenda, but the substitute agreement includes missing standard exhibits.

Emery moved approval of the main resolution. Clare seconded the motion. Emery then moved approval of the Motion to Amend No. 1. The motion to amend was adopted 3-0. Being no further discussion, the main motion passed 3-0.

Item 11 -- Set Next Meeting Date

Thursday, June 12, 2014 at 3:00 p.m. in the County-City Building City Council Chambers
Room 112

Item 12 -- Motion to Adjourn

The meeting adjourned at 4:20 p.m.

Prepared by: Pam Gadeken, Public Works & Utilities



Pinnacle Bank Arena

Energy Reduction Plan

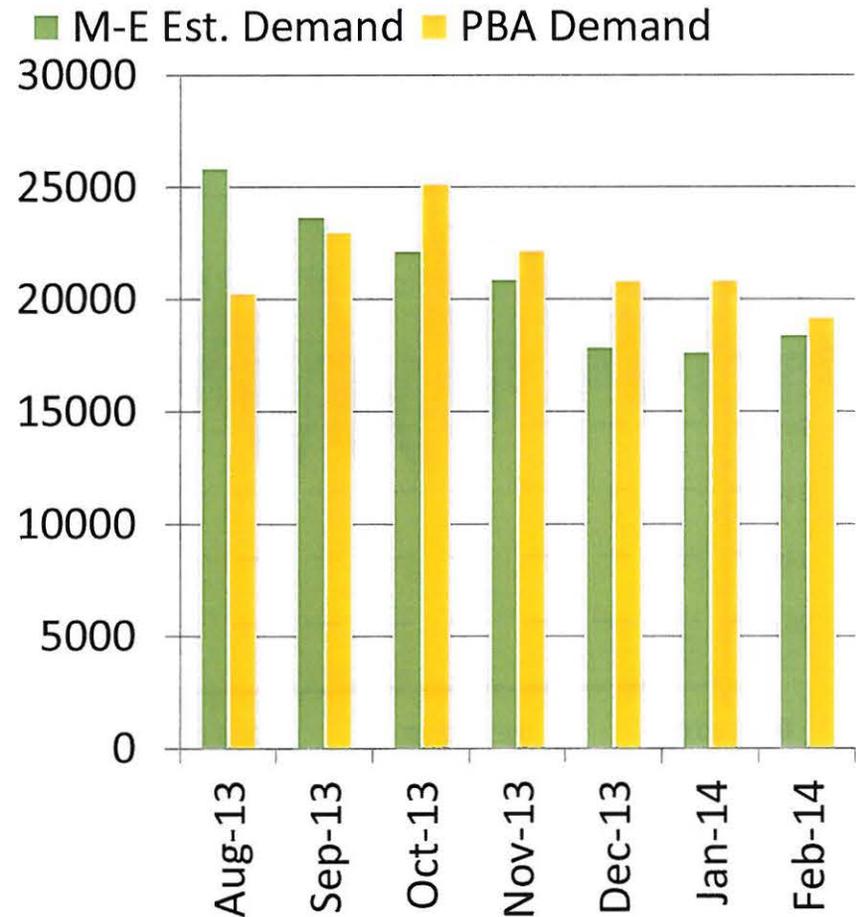
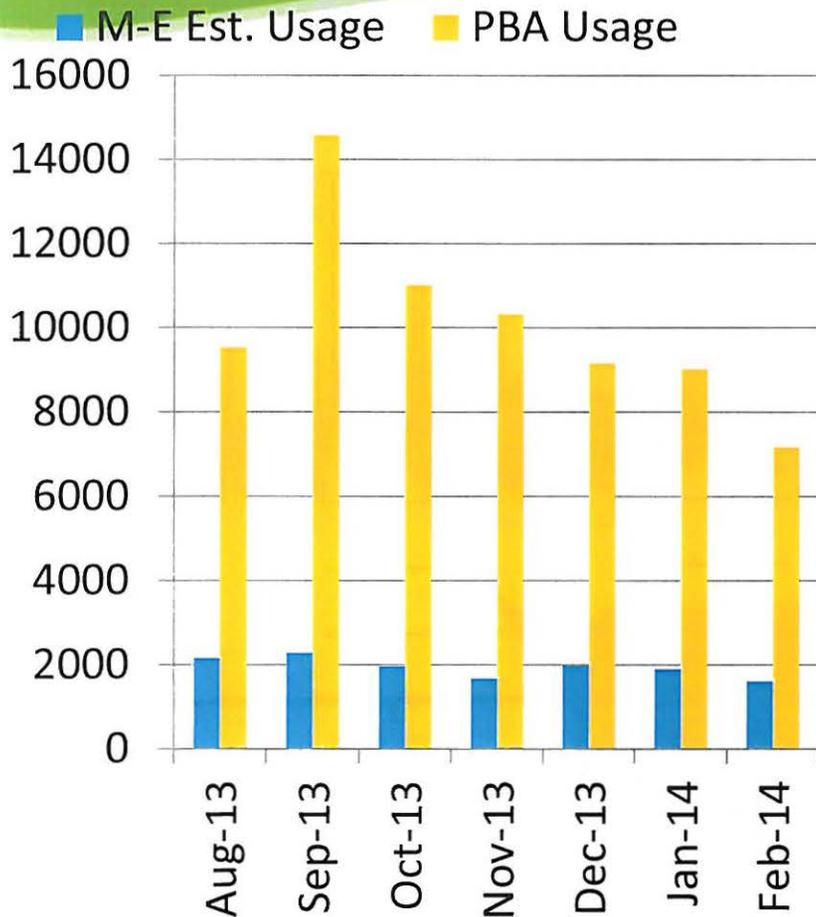


A large, solid green shape on the left side of the slide, resembling a stylized letter 'C' or a decorative bracket. It has a slightly irregular, hand-drawn appearance.

Goal

Reduce energy usage and more effectively use what we have in order to significantly lower our monthly energy costs.

Current State of Our Energy Consumption

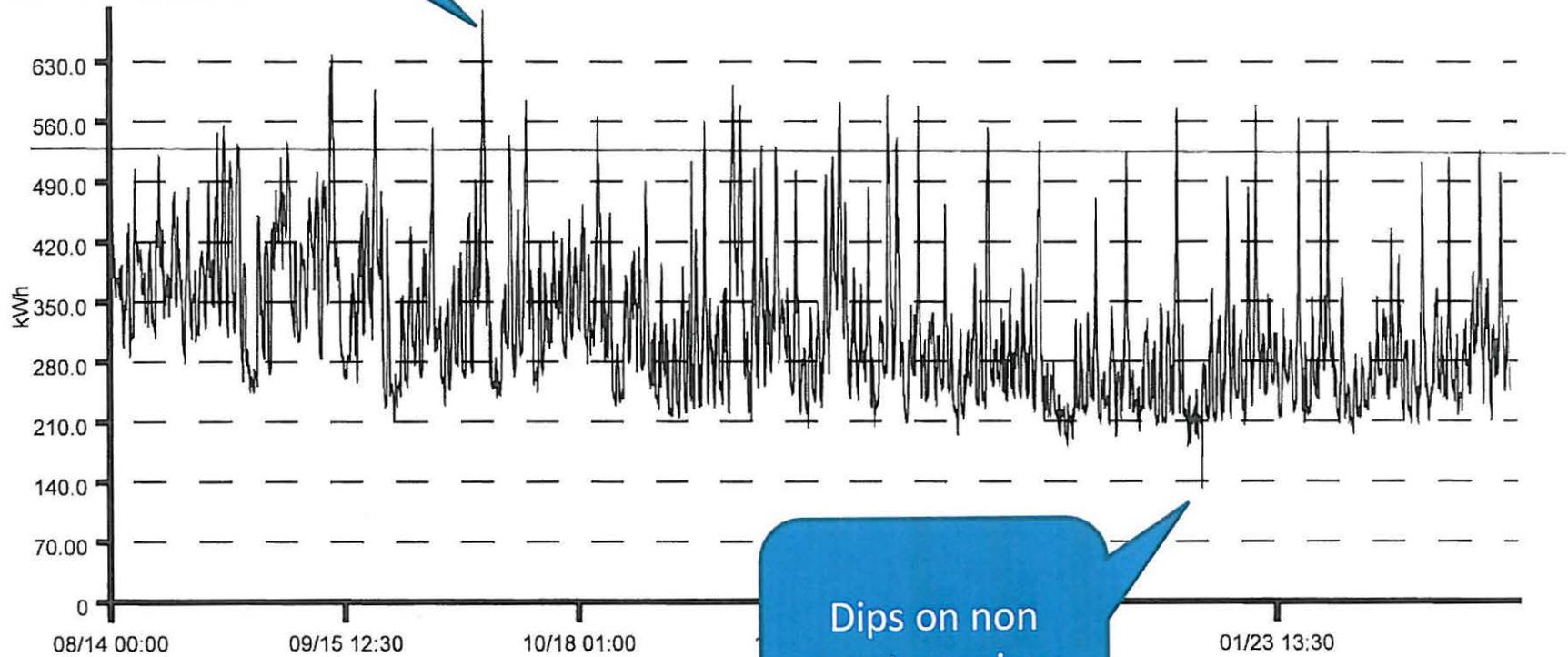


PBA has not been able to meet its energy usage estimates in part due to the unreal estimates made pre-opening by ME.

BA Current Peak Loads

Peaks occur during events

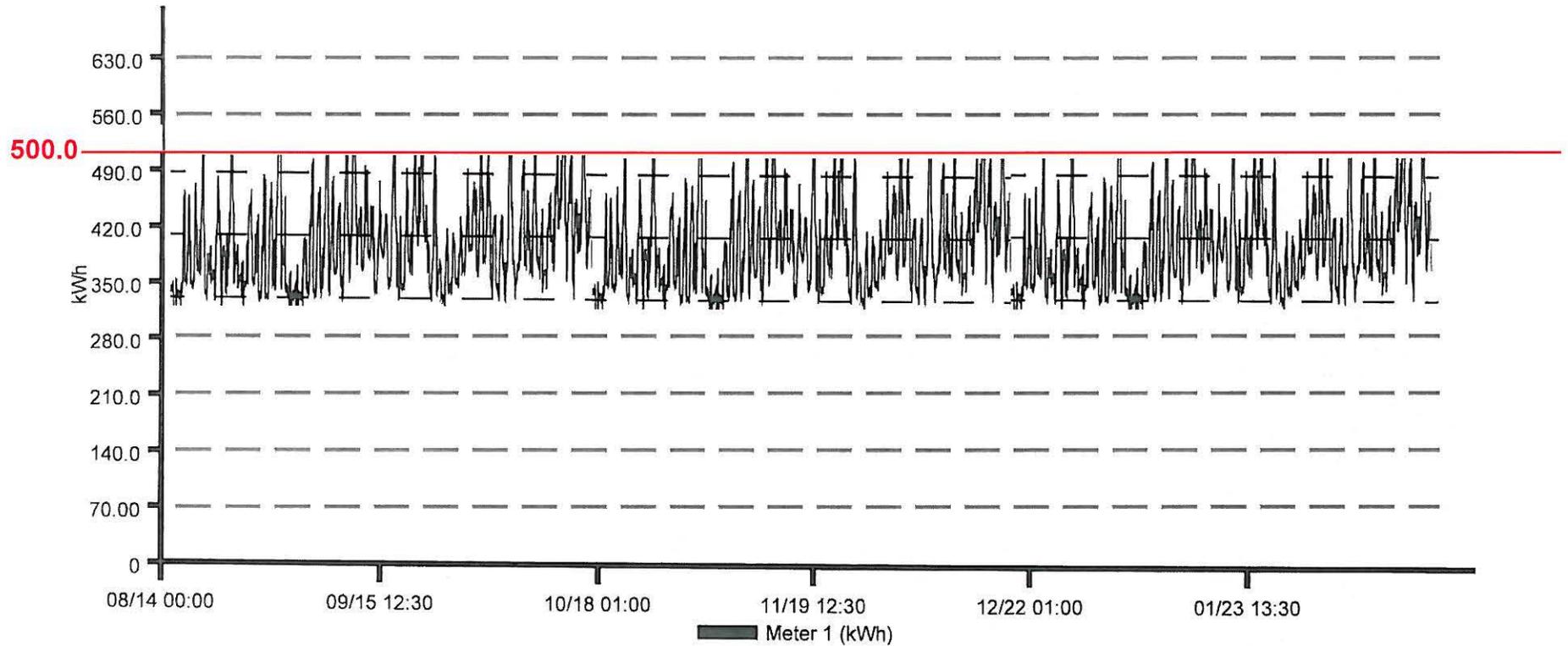
Load Profile Report

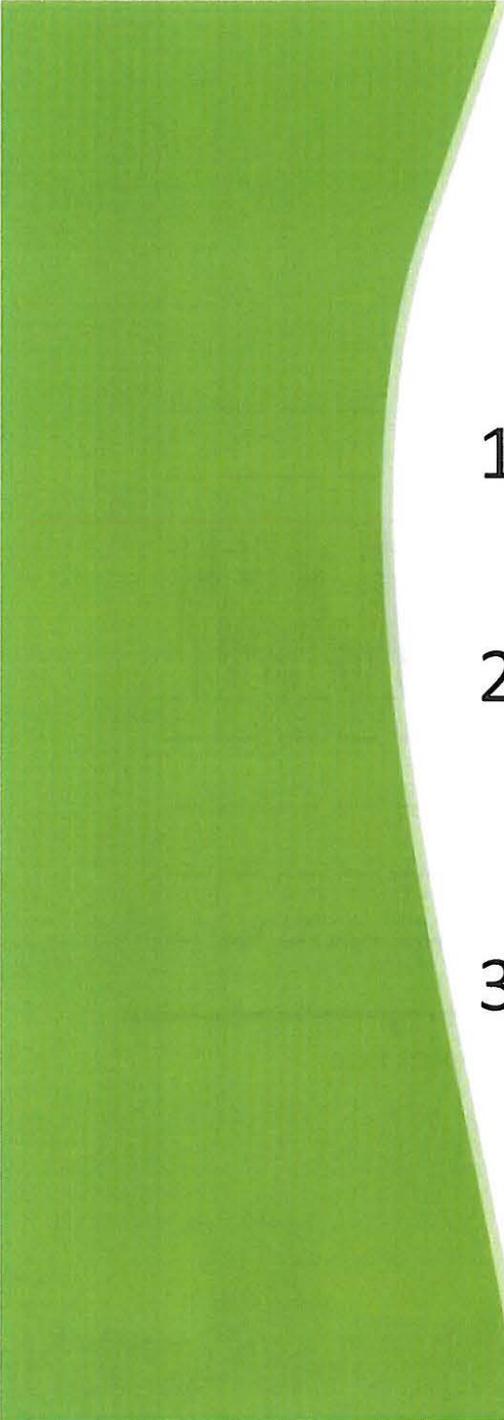


Dips on non event evenings



Ideal Peak Loads





A 3 Phase Plan

1. Install submeters and resequencing HVAC controls
2. Improve Lighting efficiently and implement more robust lighting controls
3. Use solar power for active peak management

Phase 1 Resequencing

- Resequencing the HVAC controls and other systems will give better control for load shedding and allow us to run PBA more efficiently for the way we use the building. Eventually this will become automated
- Some Systems that Resequencing will affect are:
 - The Chilled and Heated water we use provided by DEC
 - The Building's Static Pressure so it will keep positive which prevents air leaks/stop pulling in unconditioned air
 - More robust scheduling of fan coil units allowing control over units.

Phase 1

Install Submeters

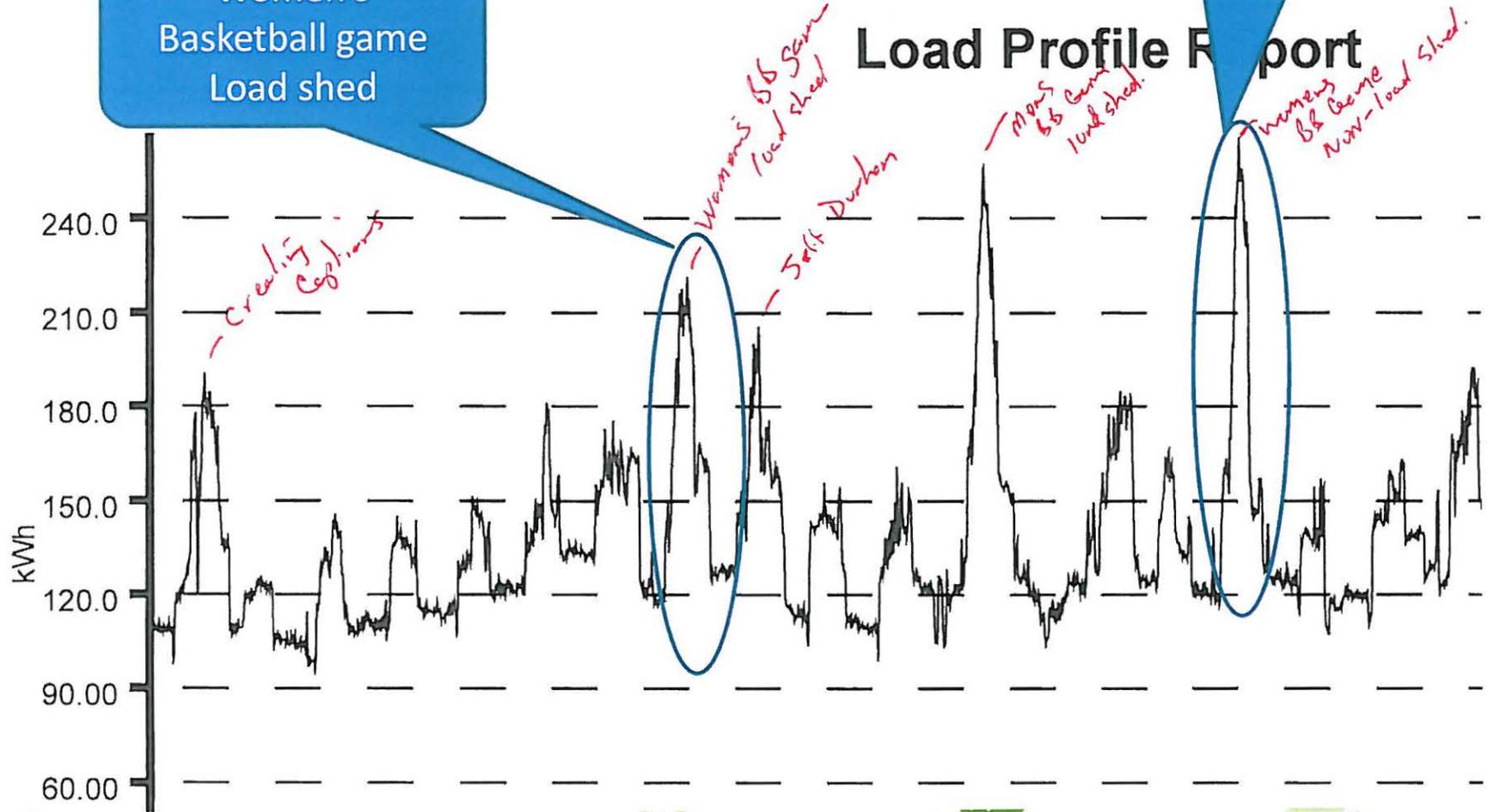
- Submeters allow us to see energy used in specific areas in real time.
- Viewing the real time energy usage will allow us to make manual charges to HVAC and other systems as necessary to help offset energy output from resistive loads such as concessions, during events.

Proof of Concept

Women's Basketball game Non-Load shed

Women's Basketball game Load shed

Load Profile Report



20% Savings

Load shedding only HVAC and only manually.



Phase 2

Lighting and Lighting Controls

- Save up to 50% of current Wattage simply by changing to LED lights
- With resequencing we can reduce lumens of the LEDs up to 20 - 30% without people noticing
- LEDs are dimmable which will allow for programmable lighting for event (an advantage over other arenas)

Phase 3

Solar Energy and Active Peak Management

- Use Solar to store up energy that will be released during peak loads
 - Will offset resistive loads such as concessions allowing us to manage Peak
- Work with UNL and others to raise profile of Solar Project and the Arena
 - Help push Nebraska's solar use profile

Timeline

Through a combination of energy reduction and energy savings incentives we will receive from local, state and federal government initiatives, each phase of the Energy Reduction Plan should pay for its self in approximately 3 years once implemented



Timeline

- Each phase of the Energy Reduction Plan should take about 18 months
- 3 months for install
- 3 months for tweaking and evaluation
- 12 months to track success of the phase





It All Begins With Phase 1

Submeters can be installed in 90 days for a cost of \$29,000.00

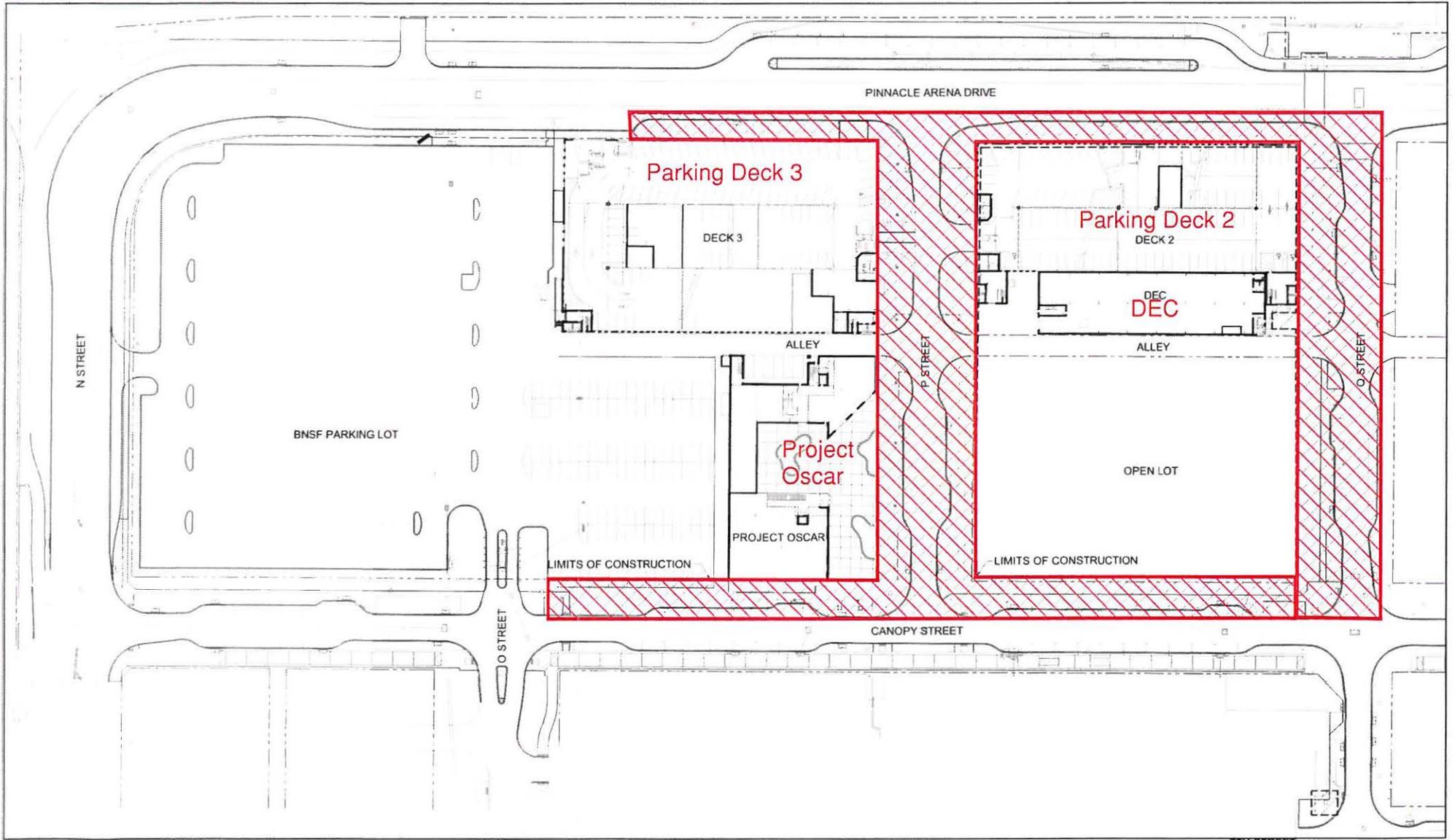
Resequencing will cost \$146,000.00 take approx. 90 days to install, 3 more months to evaluate and tweak and will become automated at the end of 12 months

\$7,000 for the computer hardware to make the information from the submeters and the resequencing can be viewed and analyzed

Cost Estimate

Item	Est. Length of Install	Cost
Submeters	90 days (concurrent)	\$29,000.00
Resequencing	90 days (concurrent)	\$146,000.00
Computer Hardware	90 days (concurrent)	\$7,000.00
TOTAL	90 days	\$182,000.00





PROJECT AREA

