



Creating the Science of Facility Management

Facility Operations, Evaluation & Analysis

To: Metro Council Members and Metro Nashville Sports Authority

Fr: Russ Simons, Chief Listening Officer and Managing Partner, Venue Solutions Group

Date: November 11, 2022

Re: Clarifying questions on report regarding the condition of Nissan Stadium.

I appreciated the opportunity to present our work and answer questions about Venue Solutions Group's report regarding the condition of Nissan Stadium.

I hope this additional information will further clarify our work and serve as a resource as your conversations continue. If you have any questions, or need additional information, please do not hesitate to let me know.

Question: What is the current condition of Nissan Stadium?

In order for Nissan Stadium to be on par with the current industry standard for an NFL stadium, extensive renovations are required. To even begin those renovations, we determined that \$256M of enabling projects must occur first. This would include complete replacement of the domestic water and the fire protection systems, upgrades to mechanical and electrical systems that are at or near their end of usable life, procurement of drivers and controllers for the elevators and escalators, scoreboard modules and repairs to the cast-in-place stairs and the other repairs outlined in our report.

Question: Why did we conduct our analysis on the Gensler/Hastings master plan?

In order to provide a cost estimate for what it would take to renovate Nissan Stadium, we needed a design to work from. We chose to use the Gensler/Hastings master plan that the Titans commissioned and completed prior to any discussion of a new enclosed stadium, which in our view protects the purity of the comparison. It is not opulent, and it is in our professional opinion consistent with the elements that we see in other stadium renovation projects and new built NFL stadiums. The estimated cost, including hard and soft costs, for the proposed renovations in this conceptual design is \$1.62B. This is in addition to the enabling projects, bringing the total renovation cost to roughly \$1.8B.

Question: How does Metro know that the Gensler/Hasting master plan is reasonable and appropriate?

We looked at all 17 NFL stadiums that are comparable to Nissan Stadium based on the criteria in the Titans Lease, including all of the named comparable NFL stadiums in the current lease. We determined Miami's Hard Rock Stadium was the closest comparable in terms of the amount and type of renovation appropriate for Nissan Stadium. Hard Rock Stadium has done several major renovations over the course of its lifespan, all of which we deem reasonable and relatable; that work totaled \$1.3B in 2023 dollars.

VSG has no opinion on the question to renovate or build a new stadium that ultimately faces the Metro Council. That is a question for elected officials. Our job is to arm you with as much information as we can, in order for everyone to make an informed decision.

Question: Why didn't you determine what would constitute "first-class condition," the standard the Nissan Stadium lease stipulates Metro must meet?

We are not attorneys, and therefore, we are not able to offer a definition on specific legal terms in a lease, such as "first class" when talking about a stadium's condition.

What we can, and did do, on behalf of Metro, is to offer an independent analysis of the Gensler Master Plan renovation design to provide an objective assessment of how much moving forward with that plan will cost Nashville. It was used as a proxy for what a reasonable renovation to Nissan Stadium would be in order to meet current industry standards as an NFL stadium. Again, because it was developed before any discussion on a new stadium, it reflected a complete stand-alone renovation of Nissan Stadium with which to compare to today's current industry standards.

Our cost estimates and judgements are made based on decades of experience working with over 200 NFL clients across the country, including direct work in 26 of the 30 current NFL stadiums.

I understand a central goal is to understand what Metro is legally obligated to pay based on the current lease with the Titans. Again, while we cannot offer a legal opinion on that question, we can offer an objective cost on a renovation plan that we found to be reasonable and consistent with current industry standards.

Question: Why was the word “competitive” in our 2017 Facility Condition Assessment?

From the 2017 assessment, “As part of the assessment, VSG, in partnership with their consultant team, has developed a 20-year capital expense matrix to assist the owner in establishing priorities for major repairs, potential upgrades and maintaining the facility in such a way to keep it “competitive” for touring and family events. The ability to plan and maintain the stadium as it transitions from years 18 to 30 is crucial in extending the life of the facility as well as its relevance in the competitive and ever evolving regional and national marketplace.”

The word "competitive" was meant to convey the idea that Nissan Stadium would be considered as good a facility as any other in the region for hosting events.

Final Note:

Finally, when I reported to the Metro Council East Bank Committee that the statement (Item c:) in the Manhattan Letter came from the Gensler/Hastings Document, I misspoke. After the meeting, I reached back out to the author of the Manhattan letter and determined that he wrote that comment based on language from narrative portions of the VSG 2017 Facility Condition Assessment.

Additionally, I asked him to verify that the renovation costs that I presented were for work in the stadium only and not for any concepts beyond the stadium renovation or exterior of the stadium. A copy of that letter is attached.

Respectfully,

A handwritten signature in black ink that reads "Russ Simons". The signature is written in a cursive, flowing style.

Russ Simons

Managing Partner

Venue Solutions group

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November 9, 2022

Russ Simons
Venue Solutions Group (VSG)
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RE: Nissan Stadium Concept Estimate and Schedule Analysis
Clarification on Facility Assessment

Manhattan Construction has been requested to provide a clarification on its wording within the cover letter for the initial cost estimate dated October 20, 2022.

Item c), "provide new features to make the facility competitive for hosting major events". This statement is from the Nissan Stadium Condition Assessment dated April 3, 2017. Example below:

NISSAN STADIUM

Overview & Executive Summary

Venue Solutions Group was engaged by Commonwealth Development Group on behalf of the Metropolitan Government of Nashville & Davidson County and the Metro Sports Authority to provide a comprehensive facility condition assessment of Nissan Stadium that benchmarks the current condition of the facility. As part of the assessment, VSG, in partnership with their consultant team, has developed a 20-year capital expense matrix to assist the owner in establishing priorities for major repairs, potential upgrades and maintaining the facility in such a way to keep it competitive for touring and family events. The ability to plan and maintain the stadium as it transitions from years 18 to 30 is crucial in extending the life of the facility as well as its relevance in the competitive and ever evolving regional and national marketplace.

Manhattan's estimate was solely focused on the stadium. We utilized the information provided within the Nissan Stadium Condition Assessment and the Gensler / Hastings Concept Design Package as well as information provided by VSG, stadium facilities, and other participating consultants.

Let us know if you have any other questions or concerns in the development of the Manhattan cost and schedule analysis.

Sincerely,

Greg McClure
Senior Vice-President
Manhattan Construction Company