

SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE &
DAVIDSON COUNTY

Minutes of October 12, 2017 Special Called Meeting of the Board of Directors

Bridgestone Arena

9:30 a.m.

Board Members: Kim Adkins, Margaret Behm, Cathy Bender, Khalat Hama, Lisa Howe, Bob Obrohta, Ralph Perrey, Rip Ryman, Catana Starks, Dudley West, Emmett Wynn

Staff: Monica Fawknorton, Ilesha Montesrin, Margaret Darby (Legal), Quinton Herring

Titans/ Nissan Stadium: Jenneen Kaufman, Steve Underwood

Predators: Kyle Clayton, David Kells, Keith Hegger

First Tennessee Park: Doug Scopel

Visitors: Jon Cooper (Metro Legal), Steve Glover (Metro Council), Tanaka Vercher (Metro Council), Laura Schloesser (Fairgrounds), Ed Henley (Commonwealth Development), Roxianne Bethune (Commonwealth Development), Jonathan Burtner (Sirius XM), Stuart Goldberg (Sirius XM), Thomas Comisky (Sirius XM), Jeremy Harrell (MLS2Nashville), Clint Brewer (MLS2Nashville), Eleanor Kennedy (Nashville Business Journal), Ken Wilson (WKRN Channel 2), Joey Garrison (Tennessean), Stephen Elliott (Nashville Post), Jesse Knutson (News Channel 5), Charlie Woodward (News Channel 5), Toby Compton (MLS2Nashville)

Chairwoman Kim Adkins called the meeting of the Sports Authority to order at 9:30 a.m. and welcomed all in attendance. Ms. Adkins reminded everyone the appeals process for decisions by the Authority could be found at the top of the agenda.

Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the minutes of the September 21, 2017 Board of Directors meeting.

Executive Director's Report

Chairwoman Adkins recognized Ms. Monica Fawknorton to give the Executive Director's Report. Ms. Fawknorton began her report with a brief review of the meeting agenda, noting that the Board would be asked to approve:

- Two items from the Finance Committee meeting
 - 2017 CMA Parking Settlement
 - Revision to Amendment No. 2 of the Sirius XM Radio, Inc. Agreement
- Conditioned Resolution for the Financing of a Major League Soccer (MLS) Stadium at the Fairgrounds

Ms. Fawknorton then stated that the Board would not meet for the regularly scheduled meeting on Thursday, October 19th. She concluded her report by stating that the next meeting would be

held on Tuesday, November 14, 2017 at 9:30am, following a Finance Committee meeting at 8am.

Finance Committee Report

Finance Committee Chairwoman Margaret Behm thanked the Board for participating during the meeting. She then turned the report over to Finance Committee member Mr. Ralph Perrey, to discuss the 2017 CMA Parking Settlement and, as Stewart Logistic, Inc.’s counsel, recused herself from the parking discussion. Mr. Perrey reported that the Finance Committee had reviewed the revenue share and noted the increase in expenses incurred. He stated that the most notable change was an increase of \$27,000 for security. Prior year festivals were understaffed and a decision was made to appropriately staff security in 2017. Moving forward, the expenses will most likely reflect those of 2017. The following chart shows the comparison between 2016 and 2017 expenses:

<u>Line Item</u>	<u>2016 Expenses</u>	<u>2017 Expenses</u>	<u>Difference</u>
Payroll (Staff)	\$ 29,837.50	\$ 29,734.48	\$ (103.02)
Payroll (Officers)	\$ 47,253.19	\$ 74,814.39	\$ 27,561.20
Liability Ins.	\$ 1,260.00	\$ 1,260.00	----
Tickets	\$ 162.96	\$ 195.92	\$ 32.96
Supplies / Stationary	\$ 160.00	\$ 160.00	----
Radios	\$ 163.88	\$ 169.36	\$ 5.48
Signage	\$ 278.59	-----	\$ (278.59)
Management Fee (10% of Net Rev)	\$ 10,186.90	\$ 10,000.00	\$ (186.90)
Total Expenses	\$ 89,303.02	\$ 116,334.15	\$ 27,031.13

The Sports Authority will receive \$36,142.09 for its share (25%) of the parking revenue. The revenue comparison between 2016 and 2017 is as follows:

<u>Line Item</u>	<u>2016 Total</u>	<u>2017 Total</u>	<u>Difference</u>
Revenues	\$ 286,162.01	\$ 273,302.52	\$ (12,859.49)
Over / (Short)	\$ 19.00	\$ (86.00)	\$ (105.00)
Sales Tax (Paid by Titans)	-----	----	----
Net Revenues	\$ 286,181.01	\$ 273,216.52	\$ (12,964.49)

Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the 2017 CMA Parking Settlement. Ms. Margaret Behm abstained.

Ms. Behm turned her attention to the Revision to Amendment No. 2 of the Sirius XM Radio, Inc. Agreement. Ms. Behm reported that at the June 15th board meeting, the Authority approved a five year extension for use of the same premises. Section 2 of the Amendment provides for the tenant or landlord to terminate the lease with a one (1) year prior written notice without penalty beginning in 2018 in the event: 1) the Landlord cannot provide sufficient space to accommodate Tenant's request for additional space; or 2) the Landlord has entered into an agreement with the Nashville Predators or an affiliate of the Predators for the Premises.

During that June meeting, Sirius XM Radio expressed interest in putting money into their space at Bridgestone Arena for studio upgrades. A couple of weeks later Sirius XM Executives confirmed their willingness to make \$3.5 million of improvements to the space. Since half of this investment will be left behind should they move, Sirius XM has requested that the termination for convenience be moved from 2018 to 2019. Additionally, a calculation error was found in the rent schedule (Section 3). The revised rent schedule and adjustment to the termination for convenience are included in the proposed revision of Amendment No. 2.

Upon a motion duly made and seconded, the Board unanimously voted to approve the proposed Revision to Amendment No. 2 of the Sirius XM Radio, Inc. Agreement.

Consideration of a Conditioned Resolution for the Financing of a Major League Soccer (MLS) Stadium at the Fairgrounds

Chairwoman Adkins recognized Ms. Fawknotson to discuss the Conditioned Resolution for the Financing of a Major League Soccer (MLS) Stadium at the Fairgrounds. Ms. Fawknotson stated that Nashville is contending for one of the first two spots in what is believed to be Major League Soccer's last round of expansion. She stated that this will not happen without an approved stadium plan. In the Sports Authority's second joint meeting with the Fair Board on October 5th, the MLS Committee and Rich Riebeling gave a detailed presentation on the private/public funding plan for the proposed 27,500 seat soccer stadium at the Fairgrounds.

Later that afternoon the Board received the resolution from Metro Legal Director, Mr. Jon Cooper. The resolution, if also approved by the Metro Council, would allow the Sports Authority to issue up to \$225 million in revenue bonds to build the stadium if all of the conditions outlined in Section 8 of the resolution are met- the first being that MLS award an expansion franchise to the Team.

Ms. Fawknotson reported that on Tuesday morning the Fair Board approved their resolution requesting Metro Council to authorize the bond issuance. A resolution will go before Metro Council on October 17th but they are not expected to act on it until the first week in November.

Mr. Cooper, Law Director, stated that there was a minor error in Section 8(c) of the resolution that the Board received. He noted that the phrase, “and development sites,” should be removed from the section that states, “The execution of a long-term Ground Lease between the Metropolitan Government, by and through the Fairgrounds Board of Commissioners, and the Authority for the Stadium and development sites.” He stated that the only Ground Lease the Sports Authority will be required to approve is one for land from the Fair Board. In response to a question, Mr. Cooper stated there is no particular order of approval routes from the Fair Board and the Sports Authority. If the Metro Council approves the resolution before them, it will come back to the Sports Authority in order to finalize the details of the bond issuance. Then the Authority will have to consider a Development Agreement with the Team and could require the use of small and minority businesses for the construction of the Stadium. Mr. Cooper concluded by stating that the facility will be built by Metro and that Metro Finance-Procurement will follow normal procedures when processing bids, prior to the work being started.

Chairwoman Adkins recognized Ms. Laura Schloesser, Executive Director of the Fairgrounds, to discuss their latest meeting. Ms. Schloesser stated that the Fair Board met on Tuesday, October 10th and approved the Conditioned Resolution that recommends approval of the Sports Authority to issue bonds for the Stadium.

Upon a motion duly made and seconded, the Board unanimously voted to approve the Conditioned Resolution for the Financing of a Major League Soccer (MLS) Stadium at the Fairgrounds, with the removal of the words “and development sites,” from Section 8(c).

Other Business

Chairwoman Adkins reported that Ms. Christie Wilson resigned from the Board and, consequently, asked for nominations for her replacement as Secretary. Mr. Rip Ryman nominated Mr. Emmett Wynn and Ms. Cathy Bender nominated Mr. Chuck Meriwether. In Mr. Meriwether’s absence, Ms. Bender rescinded her nomination, supporting the nomination of Mr. Wynn. Mr. Wynn stated willingness to serve as the Secretary. **Upon a motion duly made and seconded, the Board unanimously voted to approve the motion to establish Mr. Emmett Wynn as the Secretary of the Board.**

Chairwoman Adkins reiterated that the Board will not meet on Thursday, October 19th, but will reconvene on Tuesday, November 14, 2017 at 9:30am following a Finance Committee meeting at 8am.

There being no other business, the meeting was adjourned.

https://www.youtube.com/watch?v=jkgMIRTZb_Y