

SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE &
DAVIDSON COUNTY

Minutes of November 14, 2017 Meeting of the Board of Directors

Nissan Stadium

10:30 a.m.

Board Members: Kim Adkins, Dudley West, Catana Starks, Lisa Howe, Margaret Behm, Khalat Hama, Emmett Wynn, Chuck Meriwether, Bob Obrohta

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

Titans/ Nissan Stadium: Jenneen Kaufman, Steve Underwood, Walter Overton, Burke Nihill, Bob Flynn, Dave McGinnis, Tina Tuggle, Terry Porch, Floyd Hyde, John Albutson

Predators: Kyle Clayton, Michelle Kennedy, Keith Hegger, Danny Butler

First Tennessee Park: Doug Scopel, Adam Nuse

Visitors: Bob Lackey (Metro Finance), Larry Atema (Commonwealth Development Group), Ed Henley (Commonwealth Development Group), Roxanne Bethune (Commonwealth Development Group), Scott Rayson (Metro Legal), Jonathan Burtner (Sirius XM), Mary Cavarra (MLS2Nashville), Joey Garrison (Tennessean), Julie Navarrete (MTA)

Chairwoman Kim Adkins called the meeting of the Sports Authority to order at 10:30 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. She then congratulated the Titans on their victory against the Bengals on November 12th. Additionally, she recognized the Nashville Sports Council, who just celebrated their 25th anniversary. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the minutes of the October 12, 2017 Board of Directors meeting and the minutes of the October 5, 2017 Joint Meeting with the Fair Board.**

Executive Director's Report

Chairwoman Adkins recognized Ms. Monica Fawknorton to give the Executive Director's Report. She began her report with a brief review of the meeting agenda, noting that the Board will be asked to approve the recommendation from the Finance Committee for approval of the Titans' Capital Reimbursement Request for an inflatable field cover.

Ms. Fawknorton reported that back in June, the Board approved a Memorandum of Understanding (MOU) along with Cumberland Stadium, Inc. and Grand Prix of Tennessee (GPTN) to host a Grand Prix Race on the Nissan Stadium campus. The MOU authorized GPTN to promote the event and demonstrate their ability to raise money. Since that meeting many conversations have occurred between GPNTN, Titans, Sports Authority, the Mayor's Office, and the Nashville Conventions and Visitors Center (NCVC). Collectively, they decided that the city would not pursue the event at this time. Ultimately, there were too many unanswered questions

regarding infrastructure needs and the plan to work around the city's rigorous special event schedule. Ms. Fawknotson concluded her report by stating that while there clearly is interest in Motor Sport events, it must be the right event at the right time.

Music City Circuit Report

Chairwoman Adkins recognized Ms. Julie Navarrete, Chief Development Officer for the Regions Transit Authority (RTA) and Metro Transit Authority (MTA), to discuss the Music City Circuit bus routes. Ms. Navarrete stated that the RTA and MTA services are not only in Davidson County, but also available for commuter access into and out of Nashville. Davidson County offers free rides on the Music City Circuit buses. The Blue Circuit spans from Jefferson Street to Tennessee State University, with buses running every 15-30 minutes from 6am to 11pm. The Green Circuit buses cover all of the downtown area, with stops at Music City Central and at the Music City Star railways. Ms. Navarrete recommended that those who use public transportation, should utilize "The Transit App." This app shows real-time schedules and different route options that utilize the various forms of transit that are offered in major municipalities. She concluded her report by stating that more information can be found on the "Let's Move Nashville" website.

MLS Update

Chairwoman Adkins recognized Ms. Mary Cavarra, CFO of Ingram Industries, to give an update on the MLS expansion process. Ms. Cavarra stated that on November 7th, the Metro Council approved the proposed stadium funding plan. MLS has stated that they will announce their first expansion team around December 20th. The four cities the League is talking with are: Nashville, Cincinnati, Detroit, and Sacramento. Ms. Cavarra stated that should Nashville be awarded a team in December; the Board will act on various agreements and a detailed design process for the stadium, throughout 2018. The current timeline includes:

- Stadium construction begins in 2019
- The team plays at a temporary location in 2020
- The stadium opens in 2021

Ms. Cavarra noted that the Authority will receive updates as new information is available.

Finance Committee Report

A. Titans' Capital Reimbursement Request- Inflatable Field Cover

Ms. Behm reported that the Finance Committee had received an update from staff (including Metro Finance and Legal) on the previously deferred reimbursement request for an inflatable field cover. The total cost for the field cover is \$479,180.40- much cheaper than the estimated cost (\$1.6 million) of the underground heating system recommended in the Facility Assessment Study by VSG. Throughout multiple meetings, staff learned of new NFL mandates

aimed at determining appropriate field conditions necessary to reduce the risk of concussion. The Titans also submitted a letter from their attorney, Burke Nihil, stating the Club's belief that the field cover is a suitable alternative to the pricey underground heating system. The letter additionally stated that they will not seek reimbursement for an underground heating system during the expected life of the field cover (10-15 years). As a result, staff recommended that the Finance Committee approve this request. **Upon a motion duly made and seconded, the Sports Authority unanimously approved the Finance Committee's recommendation to approve the previously deferred request for the inflatable field cover.**

B. Submission/Approval Process for Capital Projects at Bridgestone Arena

Ms. Behm additionally reported that the Finance Committee approved an annual process for the submission and approval of Capital Projects at Bridgestone Arena. The process allows for a more detailed vetting of Capital Projects and assures the Authority has sufficient time for review prior to the May 31 deadline for anticipated projects to be sent to the bank (per the terms of the CIF loan).

Facility Questions

Chairwoman Adkins asked whether there were questions regarding the facility reports submitted by the Nashville Predators and the Sounds. Board member, Mr. Dudley West, congratulated the Predators for being named the #1 Major League Sports franchise among all professional teams.

Nissan Stadium/Tennessee Titans Report

Chairwoman Adkins recognized Mr. Steve Underwood to begin the Nissan Stadium Report. Mr. Underwood stated that the NFL recently conducted a pre-game audit and were pleased with the security of the facility. Mr. Underwood thanked Mr. Floyd Hyde, Head of Security, for his hard work and dedication to enhancing security on campus. Mr. Underwood recognized Mr. Dave McGinnis, Game Day Color Analyst. An NFL veteran, McGinnis has spent 32 years working for Clubs like the Chicago Bears, the Titans, the Arizona Cardinals, the Rams, before deciding to return to Nashville. Mr. McGinnis noted that this was his first time being a Color Analyst. Ms. Margaret Behm complimented Mr. McGinnis on his broadcasting abilities and welcomed him to the team.

Ms. Jenneen Kaufman recognized Mr. Burke Nihill, Titans' General Counsel, to discuss the Safety Act. Mr. Nihill stated that the Department of Homeland Security created the Safety Act after the terrorist attacks on 9/11. Nissan Stadium recently received Safety Act Designation for 5 years, making them the 8th stadium to achieve this. Major upgrades were necessary to receive designation, and everything was paid for by the ownership group. One major upgrade was the addition of a Police Department Booking Room. This allows Metro Police to book a suspect at the stadium instead of having to transport them to a local precinct. This designation

provides significant liability protection for Nissan Stadium, the Sports Authority, and the Metro Nashville Government. Mr. Nihill stated that Mr. Floyd Hyde was hired to manage the process and has made tremendous enhancements to ensure the security of the facility.

Ms. Kaufman next recognized Ms. Tina Tuggle, Director of Community Relations, to discuss the organizations' recent community outreach events. Ms. Tuggle stated that recent community events include:

- Military and First Responder Appreciation
- Hurricane Relief Efforts
- Supporting American Cancer Society and ALS Association
- Game Day Drives
- Shop with a Titan
- Titans Caravan at Fort Campbell
- GI Jane Day at Fort Campbell
- MNPD Officers and Trainees Attend Practice
- NFL Flag Football Event at Fort Campbell

Ms. Kaufman recognized Mr. Bob Flynn, V.P. of Facilities to continue the Nissan Stadium Report. Mr. Flynn stated that recent events at the stadium include:

- TSU-Homecoming (October 14th)
- Titans vs. Colts (October 16th)
- Titans vs. Ravens (November 5th)
- Titans vs. Bengals (November 12th)

Mr. Flynn additionally noted upcoming events at the stadium:

- Titans vs. Texans (December 3rd)
- Titans vs. Rams (December 24th)
- Titans vs. Jaguars (December 31st)
- Kenny Chesney Concert (August 11, 2018)
- Taylor Swift Concert (August 25, 2018)

Mr. Flynn reported on recent project updates at the stadium. Several enhancements were made to improve the fan experience which includes remodeling to the South Lawn and the North Lawn. A zip line was recently added for fans to use before the game. To assist with ingress and egress, Lot T became a ride share area for Uber, Lyft and taxi drivers. Upgrades were made to the concession stands (new designs, new food, a grab-and-go market with healthy foods, and concession carts for the Club level). The North Plaza security checkpoint, previously overgrown with trees, has been upgraded to make an efficient checkpoint for employees. The previous barrier to tunnel entrance regularly malfunctioned needed to be replaced.

Mr. Flynn then recognized Ms. Kaufman began with an updated report of the Financials including:

- Ticket Tax Summary
 - \$1 Ticket Tax (\$2,105,004.38)
 - \$2 Ticket Tax- 2012 Bonds (\$992,864.70)
 - Reserve Fund (\$1,900,000.00)
 - 2015 Project Fund (\$2,245.76)
 - Outstanding Stadium Loan (\$13,296,012.37)
 - Ticket Tax Paid to Date, Since 2010 (\$19,340,446.00)
- Unfiled Reimbursement Receivables (\$5,483,700.92)
- Casualty Receivables (\$4,217.17)

Ms. Kaufman next recognized Mr. Bob Lackey (Metro Finance) to speak on the available balance in the \$1 Ticket Tax fund. Mr. Lackey stated that Pinnacle Bank requires that the fund always carry a balance of at least \$1 million. With the balance being over \$2 million, Pinnacle can pull roughly \$1 million to use towards the repayment of the principal and the fund will still meet the requirements of having a balance of \$1 million. Mr. Lackey stated that the Reserve Fund is another requirement of the bank, in which excess seat-use fees were placed, as additional security on the loan. The term of the loan with Pinnacle is until 2027.

In terms of the Ticket User Fee, the Titans estimate that they will pay \$1.6 million into the ticket tax during the 2017 football season and have divided this amount into installments to be paid over 10 months. Thus far, they have paid nine installments, each in the amount of \$162,000. The Titans have also completed true-ups on games played and figured the difference into future payments. On 10/20/17, the Titans made a payment of \$241,650, which included the regular payment of \$162,000 and an additional \$79,650 for the true-ups from home games played on 9/10 and 9/24.

Ms. Kaufman stated that recent updates to existing projects include:

- Freight Elevators- Work is complete and the final invoice was paid (moved to completed list).
- Security Screening Barrier- Barrier is installed and the final invoice was received.
- Overhead Door Leading into the Loading Dock Area- New door was installed and final invoice has been paid (moved to completed list).
- Ride Share Pick-up and Drop-off Area for Lot T- Work has been completed and all invoices have been paid (moved to completed list).
- North End Zone Plaza Security Upgrade- Work is completed and all invoices have been paid (moved to completed list).

- Paint All Doors throughout Stadium- Work is completed and invoices were paid (moved to completed list).
- Access Control System- Work is completed and invoices have been paid (moved to completed list).
- Stormwater Pumping Station and Sanitary Sewer Pumping Station- Invoice was paid and project has been updated on the completed list.
- Click Effect Crossfire Video Server- Materials have been ordered and wiring is scheduled for Mid-November. No invoices have been received but project is on current list.
- Security Video Surveillance System- Titans staff has completed bid process and selected a vendor to complete the work. Work will not begin until the end of the 2017 season, but project is now listed on the current list.

Ms. Kaufman concluded the Nissan Stadium Report with a video recapping the highlights of 2017.

Chairwoman Adkins concluded by thanking the Titans for hosting the meeting.

There being no other business, the meeting was adjourned.

<https://www.youtube.com/watch?v=yx7PS1IUpY0>