

SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE &
DAVIDSON COUNTY

Minutes of April 19, 2018 Meeting of the Board of Directors

First Tennessee Park

10:30 a.m.

Board Members: Kim Adkins, Cathy Bender, Dudley West, Catana Starks, Lisa Howe, Khalat Hama, Emmett Wynn, Bob Obrohta, Chuck Meriwether, Jad Duncan

Staff: Monica Fawknatson, Ilesha Montesrin, Quinton Herring, Margaret Darby (Legal), Bob Lackey (Metro Finance), Kim McDoniel (Metro Finance)

Titans/Nissan Stadium: Steve Underwood, Walter Overton, Burke Nihill, Bob Flynn, Jenneen Kaufman, Scott Rayson

Predators: Kyle Clayton, Michelle Kennedy, Keith Hegger, Chris Junghans, David Kells

First Tennessee Park: Doug Scopel, Adam Nuse, Destiny Whitmore, James Cannon (Nashville Soccer Club)

Visitors: Larry Atema (Commonwealth Development Group), Ed Henley (Commonwealth Development Group), Roxanne Bethune (Commonwealth Development Group), Mary Cavarra (Nashville Soccer Holdings), Vilma Salinas (CMA), Chris Harrington (CMA), Brasher Burbank (Stewart Logistics), Toby Compton (MLS2Nashville), Nancy Amons (WSMV Channel 4)

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 introduced new board appointee, Mr. Jad Duncan. Mr. Duncan is a native Nashvillian from Bellevue and a graduate of the University of Tennessee and Nashville School of Law. He is a law partner at Hamilton, Gorham & Duncan, where his primary focus is Estate Planning, Estate Representation and Small Business matters. Mr. Duncan was selected as one of the “Top 3 Attorneys in Nashville” by the Nashville Scene in 2010. Ms. Adkins welcomed him to the Sports Authority. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the minutes of the March 15, 2018 Board of Directors meeting.**

Executive Director’s Report

Chairwoman Adkins recognized Ms. Monica Fawknatson to give the Executive Director’s Report. Ms. Fawknatson reported that the Rock N’ Roll Marathon was in need of volunteers on April 27-29 for both setup and on event days. Anyone interested should contact Ms. Fawknatson or the Nashville Sports Council.

Ms. Fawknotson additionally reported that the deadline for proposals for the RFQ for MLS stadium architect and design was April 3rd. The Evaluation Committee is in the process of reviewing the proposals and more information will be provided at the next meeting. After noting that the Sports Authority's budget hearing with the Metro Council is scheduled for May 7th at 5:45pm, she gave a brief review of the meeting agenda.

Finally, Ms. Fawknotson reported that after learning of the soccer stadium pre-development expenses paid from the Arena Revenue Fund, Chairwoman Adkins directed staff to request the following information:

1. All invoices supporting any work performed
2. Documentation demonstrating the payment approval process
3. Copies of any contracts under which the work was authorized

Staff, Metro Finance, and Commonwealth Development Group then reviewed the invoices and created a new process for approval of future invoices. Expenditures from the Arena Revenue Fund will be reimbursed either from a future bond issue or, if the Authority is unable to issue bonds, the Sports Authority's Operating Fund Balance.

Finance Committee Report

A. Consideration of Titans Capital Expense Reimbursement Request

Chairwoman Adkins recognized Finance Committee Chair Ms. Lisa Howe, to give the Finance Committee Report. Ms. Howe reported that the Titans are requesting reimbursement for the following three projects:

- Stormwater Pump Generator (\$310,649.54)
- Security Magnetometers (\$481,345.06)
- LED Video Wall- Club (\$454,609.47)

The request totals \$1,246,604.07 and there is currently \$1,329,521.23 available in the Stadium Capital Fund. Ms. Howe stated that all invoices have been reviewed by Sports Authority staff, Metro Legal, and Metro Finance.

In addition to the Cap-Ex Reimbursement projects, Ms. Howe reported that the Titans have two-way radios they need to replace before the start of CMA Music Festival in June. The radios are listed on the "Anticipated" Capital Project List at a cost of \$307,318.98. Ms. Howe concluded by stating that the Finance Committee recommends

approval of the reimbursement request. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the Titans Capital Expense Reimbursement Request, in the amount of \$1,246,604.07.**

B. Consideration of Bridgestone Arena's FY19 Capital Improvement Fund (CIF) Projects

Ms. Howe stated that the Finance Committee was also asked to consider Bridgestone Arena's FY19 Capital Improvement Fund (CIF) Projects. Mr. Kyle Clayton submitted a final list of proposed Arena CIF projects with short descriptions for Fiscal Year 2019. All items on the list were recommended for 2018-2019 in the Bridgestone Arena Facility Assessment Study. In accordance with the terms of the bank loan, the final list of approved projects must be presented to the bank by May 31, 2018. The list of proposed projects totals \$20,682,633 and includes:

- Center-hung Scoreboard/In-bowl LED (\$8,900,000)
- Digital Concourse Signage (\$1,000,000)
- Video Control Room (\$3,100,000)
- Building Infrastructure (\$1,600,000)
- Outdoor Signage (2,300,000)
- Sound System (\$1,900,000)
- Security System (\$1,197,633)
- Concert Folding Chairs & Storage Carts (\$245,000)
- Followspots/Spotlights (\$240,000)
- Wireless Local Area Network (\$200,000)

Currently, there is approximately \$3 million in the CIF; however, the loan was implemented with a cap of \$10 million and since inception, roughly \$2 million is repaid each year. With this repayment schedule, the loan would be paid-off at the end of the contract and would not allow for additional funds to be used. In order for the Predators to continue to utilize this fund, they would either have to make additional payments towards the balance or extend the life of the loan. Metro Finance is currently in discussions with the bank to see how the CIF loan program can be modified. **Upon a motion duly made**

and seconded, the Sports Authority unanimously voted to approve Bridgestone Arena's FY19 Capital Improvement Fund (CIF) Projects.

C. Consideration of a resolution approving the utilization of project management contract and ratification of stadium pre-development invoices

Ms. Howe reported that the Finance Committee additionally considered a resolution approving the previous pre-development MLS stadium expenses. The committee reviewed the invoices from Commonwealth Development Group (CDG), Adkisson & Associates, and Neiman-Ross Associates. Invoices totaled \$132,617.25 and were charged to the Arena Revenue Fund. She stated that the proposed MOU will ratify approval of these expenses and authorize future project management consulting work. Ms. Fawknorton recognized Mr. Larry Atema with Commonwealth Development Group (CDG), to give an update. Mr. Atema stated that CDG is currently contracted with Metro, but the contract expires in March of 2019. Since the soccer stadium project is estimated to span over 48 months, Mr. Atema recommends that the Authority solicit a different project management company that can complete the project. Ms. Fawknorton noted that last week the Finance Committee recommended approval of a resolution (1) authorizing the utilization of Metro's project management contract with CDG with a cap of \$75k for expenditures and (2) ratifying the previously incurred stadium pre-development invoices. She then stated that the revised resolution before the Authority (1) ratifies approval of the previously incurred pre-development expenditures related to the stadium; and (2) authorizes the Executive Director (in consultation with the Chair) to coordinate with the Mayor, Finance Director, and/or Purchasing agent, to select the most appropriate of the Metro Contracts to provide for project management consulting services which shall not exceed \$75k and which will be paid from Arena Revenue Fund's surplus available revenue. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the revised resolution approving the utilization of a Metro project management contract and ratifying approval of previously incurred stadium pre-development invoices.**

D. Consideration of a resolution approving a Memorandum of Understanding (MOU) between the Sports Authority and Nashville Soccer Holdings (NSH)

Ms. Howe continued by reporting that the Finance Committee also recommended approval of a resolution approving a Memorandum of Understanding (MOU) between the Sports Authority and Nashville Soccer Holdings (NSH), which authorizes NSH to directly pay vendors for design, development and pre-construction costs. The committee requested that language be added to the MOU stating that the Authority will not be responsible for reimbursing NSH for expenses related to design, development, or pre-construction costs in the event the Sports Authority does not issue bonds. If the bonds are issued, NSH will receive a credit for all expenditures incurred. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the revised resolution that approves a Memorandum of Understanding between the Sports Authority and Nashville Soccer Holdings.**

E. Consideration of the FY17 Stewart Logistics Inc. Audit

Ms. Howe stated that the Finance Committee was also asked to consider the FY17 Stewart Logistics, Inc. audit. Auditors found that, in all material respects, the schedule of revenues and disbursements of Stewart Logistics, Inc. was presented fairly. Deficiencies in and recommendations for the following areas were found:

- Parking ticket collections/ special event revenue
- Timeliness of remittances
- Incomplete listing of Special Events

Ms. Howe recognized Mr. Brasher Burbank from Stewart Logistics to give an overview on FY17 event revenues. Mr. Burbank reported that in FY17 twenty new events were held in the Sports Authority controlled parking lots at Nissan Stadium. Currently, FY18 revenues total \$346,000, compared to \$333,000 YTD for FY17. Mr. Burbank stated that Kane Construction Management Inc. (KCMDI) submitted a proposal for the design of the soccer stadium and asked for Stewart Logistics' assistance on the design of the parking lots. Mr. Burbank concluded his presentation by stating that Stewart Logistics currently has 6 full-time employees and approximately 200 seasonal (part-time) employees. He also noted that FY18 marks the end of Stewart Logistics

contract with the Sports Authority. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the FY17 Stewart Logistics, Inc. Audit.**

Consideration of the 2018 CMA Festival parking contractor & expenses

Chairwoman Adkins recognized Ms. Fawknorton to discuss the 2018 CMA Festival parking contractor and expenses. Ms. Fawknorton reminded the Authority that the License & Use Agreement between the Sports Authority, Country Music Association, and Cumberland Stadium, Inc. requires prior approval of the parking contractor and administrative parking expenses that are provided for the CMA Music Festival. CMA has chosen Stewart Logistics as the parking contractor and requests that the parking expenses (totaling \$12,459.30) be split between CMA, the Sports Authority, and Cumberland Stadium, Inc.

Ms. Fawknorton recognized Mr. Chris Harrington, CMA Manager of Event Ticketing, to provide details of the parking expenses. Mr. Harrington stated that the festival will be held at Nissan Stadium June 7th through June 10th. 7,500 parking spaces will be utilized for patron parking on event days and parking for CMA staff, prior to the festival. The total parking expenses include the following:

- Printing of 13,135 parking passes – 50 different types (\$5,200)
- Hiring of Terry Aldridge, to mail parking passes (\$5,825.30)
- Shipping of parking passes to 4,000 accounts (\$1,400)

Mr. Harrington concluded by stating that each entity would be responsible for paying \$4,153.10 (one-third) of the total parking expenses. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the 2018 CMA Festival parking contractor and expenses.**

Facility Questions

Chairwoman Adkins asked whether there were questions regarding the facility reports submitted by the Nashville Predators and the Tennessee Titans. Board members congratulated both the Titans on their uniform unveiling and the Predators for advancing to the Playoffs.

First Tennessee Park Report

Chairwoman Adkins recognized Mr. Adam Nuse, General Manager, to give the First Tennessee Park Report. Mr. Nuse stated that each year staff members create a word with qualities that the organization strives to achieve. This year, that word is G.R.I.T.

G – Go from good to great

R – Represent the organization positively, inside and outside the ballpark

I – Impress with unexpected customer service

T – Teamwork

Mr. Nuse recognized Ms. Destiny Whitmore, Head of Community Relations, to give an update on the team's involvement in the community. Ms. Whitmore reported that this past off-season, staff members' community involvement included:

- 273 service hours
- Volunteer work with: Nashville Food Project, Wear Red for Women Day, Read Me Week, Second Harvest Food Bank, and Thistle Farms
- Sounds Foundation Scholarship

Ms. Whitmore additionally reported that the Foundation awards \$10,000 in scholarships annually- \$2,500 to four students, and showed a video of this year's recipients being awarded their scholarships while in class. Ms. Whitmore noted that the Sounds engage in community programs throughout the year. 2018 programs include the following:

- Charity of the Game
- Hometown Hero
- Booster's Book Club
- Sounds Foundation Ticket Grant Program
- Player visits to Monroe Carell Jr. Children's Hospital

Ms. Whitmore concluded by stating that non-profit organizations wanting to be a Charity of the Game, can apply online. Once chosen, they can choose a game from the available options.

Mr. Doug Scopel continued by reporting that First Tennessee Park has purchased new metal detectors to be used on event days. Prior to the purchase, the ballpark was the only entertainment venue in Nashville without them. The metal detectors have already been used for

the first home stand and Nashville SC match. Also added were two picnic pavilions located on the concourse. Mr. Scopel concluded with a report on upcoming events including:

- March – October: 15 – 18 Nashville SC games
- April – September: 70 Sounds games
- April 28th: St. Jude Rock & Roll Marathon runs through the ballpark
- May 19th: Big Guitar Brewfest
- June 9th: City of Hope celebrity Softball Game part of CMA Fest

Mr. Scopel then recognized Mr. James Cannon, V.P. of Marketing & Communications with Nashville SC. Mr. Cannon stated that Nashville SC is an amateur club that was founded in 2013. It is their first year as part of the United Soccer League (USL). Mr. Cannon stated that there are currently 33 USL teams and each team will play 34 games during the regular season. He reported that the team has played three games this season:

- February 10th: Pre-season game at the ballpark (9,049 in attendance)
- March 24th: Home-opener at Nissan Stadium (18,922 in attendance)
- April 7th: Regular season game at the ballpark (7,487 in attendance)

Mr. Cannon noted that Nashville SC will be the first team to host a nationally televised “USL Game of the Week.” He concluded the report by showing a recap video and by stating that the team’s moto is “Our Town. Our Club.”

In response to a question from Chairwoman Adkins, Mr. Cannon stated that the team has partnered with voter registration and has provided them with a space at each of the home games. The next Nashville SC game will be held on May 13th.

There being no other business, the meeting was adjourned.