

SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE &
DAVIDSON COUNTY

Minutes of May 17, 2018 Meeting of the Board of Directors

Bridgestone Arena

10:30 a.m.

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

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

Titans/Nissan Stadium: Steve Underwood, Walter Overton, Burke Nihill, Bob Flynn

Predators: Sean Henry, Kyle Clayton, Michelle Kennedy, Keith Hegger, Danny Butler, David Kells, Rebecca King, David Urso

Sounds/First Tennessee Park: Doug Scopel

Visitors: Ed Henley (Pillars Development), Roxanne Bethune (Alliance Synergy Group), Scott Rayson (Metro Legal), Bob Lackey (Metro Finance), Jon Cooper (Metro Law), Mary Cavarra (MLS2Nashville), Chad Moore (Ernst & Young), Shannon Myers (Ernst & Young), Toby Compton (MLS2Nashville), Ron Gobble (Gobble Hays), Dick Darr (Capital Project Solutions), Dave Heflin (Capital Project Solutions), Annie Parrish (Barton Malow)

Chairwoman Kim Adkins called the meeting of the Sports Authority to order at 10:30 a.m. and welcomed all in attendance. She thanked the Predators for hosting the meeting and congratulated them on another successful season. 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 April 19, 2018 Board of Directors meeting.**

Executive Director's Report

Chairwoman Adkins recognized Ms. Monica Fawknotson to give the Executive Director's Report. Ms. Fawknotson reported that the Board would be asked to consider a resolution approving an "Intent to Award" letter by Metro Procurement for the MLS Stadium Architect. She additionally reported that the Board would hear reports from both the Finance and Personnel Committees, which met earlier that morning. Ms. Fawknotson reminded the board that at its April meeting the Authority approved a resolution which ratified approval of previously incurred expenditures related to predevelopment of the soccer stadium. Metro Finance has been working to update and change approval routes in order to include the Sports

Authority as an approver, and she will meet with accounting staff next week to finalize the new process. This same resolution additionally authorized the Executive Director, in consultation with the Chair, to coordinate with the Mayor, Finance Director, and Purchasing Agent to select the most appropriate Metro contracts to provide capital project management services.

Ms. Fawknorton reported that since the April Board meeting she has had multiple conversations with the Chairwoman Adkins, the Mayor's Office, Metro Finance and Purchasing. They have determined that Architectural Firms Gobbell Hays Partners (GHP) and Capital Project Solutions (CPS), both with existing Metro contracts, will serve as the Sports Authority's project managers. She noted that both GHP and CPS were involved in the construction of First Tennessee Park and have partnered with General Services on other Metro projects, including Metro Police Department Headquarters Masterplan. As program manager, Mr. Ron Gobbell served as the technical advisor for the recent evaluation of RFQs for the soccer stadium design.

Ms. Fawknorton recognized Mr. Gobbell to give an update on the community engagement meetings for Fairgrounds improvements. Mr. Gobble reported that his firm will assist the Sports Authority with finalizing the scope of work for the construction of the MLS Stadium. Currently Mr. Gobble's firm is also assisting the Nashville Fairgrounds with implementing community engagement forums. These forums are designed to give members of the community (as well as Fairgrounds/Flea Market Vendors) to meet with the designers of the Fairgrounds Improvement Plan and provide feedback. Ms. Fawknorton concluded her report by stating that Mr. Bill Emendorfer, Executive Director of the Tennessee Sports Hall of Fame, has invited the Authority to attend the 2018 Champion within Luncheon which will be held on June 16th at The Omni and invited the Board to attend.

***Consideration of a Resolution approving Intent to Award letter for MLS Stadium
Architect/Design***

Chairwoman Adkins recognized Ms. Fawknorton to discuss the resolution approving an "Intent to Award" letter for MLS Stadium Architect/Design. Ms. Fawknorton reported that the Sports Authority is the lead department working with Metro Purchasing on the MLS Stadium solicitation. Metro Purchasing was responsible for creating an evaluation committee to review proposals and, if necessary, hold interviews with firms deemed acceptable. Metro Purchasing compiled documentation and the evaluation committee scored each firm based on its ability to

meet the needs of the contract. The information and committee's recommendation was then sent to the Mayor. The Mayor received the information from Metro Purchasing the day before the Sports Authority Meeting and selected Populous (also the committee's recommendation). Ms. Fawknorton stated that the decision, based solely on information provided from the proposers, came down to experience, specifically experience designing MLS Stadiums, and she noted that following approval of the Intent to Award there would be a 10-day waiting period before contract negotiations could begin. Chairwoman Adkins recognized Mr. Jon Cooper, Metro's Law Director to give an update on the stadium documents. Mr. Cooper stated that the team under the agreements the team will be responsible for operating expenses and will keep all revenues from stadium events. Nashville Soccer Holdings will be required to coordinate with the Executive Director of the Fairgrounds when scheduling events, and the Sports Authority will be entitled to use the stadium for events 20 days a year (but will bear responsibility for the cost of utilities/operations). He additionally stated that Major League Soccer requires that it be named as being a third party to the agreements, in case of a default. Mr. Cooper reported that he expects stadium documents to be finalized in June or July at which time, the Authority will be asked to consider them. The Metro Council will be asked to approve the demolition of existing structures, the ticket tax ordinance, lease agreement between the Fair Board and NSH for an additional ten acres, and the issuance of bonds by the Sports Authority. The lease will include a team guaranty with a personal guaranty only required in the event that Mr. John Ingram is no longer the principal owner. Ms. Fawknorton reiterated that following Board approval of the Intent to Award, there would be a 10-day waiting period before contract negotiations begin. At the end of contract negotiations a final contract will return to the Authority for action. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve a Resolution that approves the Intent to Award letter for MLS Stadium Architect/Design.**

Finance Committee Report – Presentation of Agreed Upon Procedures of 2017 Seat Use Fee at Nissan Stadium

Chairwoman Adkins recognized Ms. Lisa Howe, Chair of the Finance Committee, to give the committee report. Ms. Howe stated that the Finance Committee received a presentation of the Agreed Upon Procedures for the 2017 Seat Use Fee audit at Nissan Stadium. The audit was conducted by Ernst & Young, a local auditing firm and was paid for by the Titans. Ernst & Young

representatives, Mr. Chad Moore and Ms. Shannon Myers, stated that it was a clean audit and reported that the total amount of seat user fees paid to Metro was \$1,874,076. The committee was not asked to approve the audit. The committee also reviewed a list of short term capital needs at Nissan Stadium categorized by priority level. Estimates have not yet been received for all items but, so far, totals \$1.1M. The list includes the following projects:

- Replace Boilers and Storage Tanks for Domestic Water Heating Equipment
- Phone System Replacement
- Replace Chyron Operating System
- EVS Slo-Motion Replay System Replacement
- Add Domestic Water Bib's at Perimeter Wall of Field
- Sewer Pumping Station – New Wiring and Controls
- Door Replacement Throughout the Stadium
- Charging Stations for Mobile Devices
- Grab-N-Go Concession Stands
- Install a New Video Booth in the South End Zone (Under the Scoreboard)
- Replace Broadcast Cabling Plant (Truck Bay and Field Side Fiber Optic Cable)

Personnel Committee Report – Authorization of Executive Director's Travel

Chairwoman Adkins stated that the Personnel Committee also met prior to the board meeting and was asked to consider authorizing executive travel. Ms. Fawknotson will travel with nine other Nashville leaders to participate in the 2018 Young American Leaders Program (YALP) at Harvard Business School June 11-14. Young American Leaders Program comes out of Harvard Business School's research on U.S. competitiveness and focuses on cross-sector collaboration as a way of achieving shared prosperity in U.S. cities. The program offers a scholarship for tuition and meals, but participants are responsible for covering travel and housing costs (housing will be in the residence halls on campus). The total travel expenses are estimated to be \$850 and the department's operating budget can absorb the costs. Chairwoman Adkins reported that the Personnel Committee recommended approval of Ms. Fawknotson's travel.

Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the travel.

Facility Questions

Chairwoman Adkins called for questions regarding the facility reports submitted by the Nashville Sounds and the Tennessee Titans. Mr. Steve Underwood, Titans President & CEO, stated that under their agreement the Titans are permitted 30 events a year to use the bowl. They have agreed to temporarily host Nashville's MLS team at Nissan Stadium during the 2020 inaugural season. The MLS team anticipates hosting up to 30 games at the stadium which would cause the Titans to exceed the maximum number of bowl events. Mr. Underwood noted that the Titans will make a formal request for MLS games to be excluded from their reserved dates, but wanted to put it on the Authority's radar.

Bridgestone Arena Report

Chairwoman Adkins recognized Mr. Sean Henry, CEO of the Nashville Predators, to give the Bridgestone Arena report. Mr. Henry began by giving his condolences for two people who passed away recently: Mike Slive, former SEC Commissioner, and Gerald Glover, a loved Bridgestone Arena employee. After highlighting some of the arena's recent accolades, he recognized Mr. David Kells, VP of Booking, to continue the report. Mr. Kells reported that, in addition to hosting five sold-out events within seven days, Bridgestone Arena will play host to the CMT Awards this year. He added that U2 and Paul Simon will play Bridgestone Arena and that they are excited that new content will be coming to the Arena with the help of Latino/Hispanic promoters in August of 2019.

Mr. Kells recognized Mr. Kyle Clayton, VP of Operations, to continue with the financials. Mr. Kells reported that through the month of March, revenues are 27% ahead of prior year, totaling \$2.7 million. Expenses are 8% ahead of the prior year and the bottom line is currently 15% ahead of budget. Mr. Clayton additionally reported that Capital Improvement Fund (CIF) contributions year to date are \$2.1 million (compared to \$2 million at year end in FY17). \$6.7 million has currently been borrowed from the CIF and there is no update on the possible extension of the loan.

Mr. Clayton then recognized Mr. Danny Butler, General Manager of Ford Ice Center, to give an update. Mr. Butler began by stating that Girls Hockey will be a free program offered at Ford Ice Center. The G.O.A.L. program sold-out last season and is currently sold out through the month of January. Mr. Butler reported that Ford Ice Center received a grant from the United

States Figure Skating Association to assist teaching disabled children how to play hockey and will be hosting free skating and hockey camps over the summer.

Next, Mr. Butler recognized Ms. Rebecca King, Director of Community Relations, to conclude the report. Ms. King showed a video of recent community events in which Predators players and staff participated. She reported that the Nashville Predators Foundation gave over \$1 million in cash and approximately \$2 million by means of in-kind donations to the community. Grants have increased by \$100,000 this year and the foundation donated \$240,000 to Monroe Carroll Children's Hospital. Ms. King additionally reported that Predators player PK Subban met with one Police Officer and one child at every home game throughout the season as part of his new Blueline Buddies program. Ms. King concluded her report with videos of the Predators' and foundation's highlights.

Finally, Chairwoman Adkins congratulated Ms. Michelle Kennedy, Nashville Predators COO, for being named as one of "Six Women to Inspire You" by the StyleBlueprint. She noted that the next Board meeting is scheduled for June 21, 2018 **and, there being no other business, the meeting adjourned.**