

SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE &
DAVIDSON COUNTY

Minutes of November 1, 2018 Meeting of the Board of Directors
Nissan Stadium
10:30 a.m.

Board Members: Kim Adkins, Cathy Bender, Emmett Wynn, Margaret Behm, Bob Obrohta, Jad Duncan, Dudley West, Jon Glassmeyer, Khalat Hama, Catana Starks

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

Titans/Nissan Stadium: Steve Underwood, Walter Overton, Bob Flynn, Jenneen Kaufman, Walter Overton, Burke Nihill, Stuart Spears, Robbie Bohren

Predators/Bridgestone Arena: Sean Henry, Kyle Clayton, Keith Hegger, David Kells, Danny Butler, Gerry Helper

Sounds/First Tennessee Park: Adam Nuse, Doug Scopel

Visitors: Laura Womack (Nashville Fairgrounds), Roxianne Bethune (Alliance Synergy Group), Brasher Burbank (Stewart Logistics), Mary Cavarra (MLS2Nashville), Ron Gobbell (Gobbell Hays Partners), Michelle Scopel (Gobbell Hays Partners), Toby Compton (ABC Contractors), Tom Lampe (Mortenson/Messer), Lyna Littlejohn (Mortenson/Messer), Steve Jones (Mortenson/Messer), Michael Carter (Pinnacle), Ethan Link (Stand-Up Nashville), Jason Rittenbeny (Music City Grand Prix), Joey Garrison (Tennessean), Eleanor Kennedy (Nashville Business Journal), Scott Ramsey (Nashville Sports Council), Dan Werly (Siever & Werly, LLC.)

Chairwoman Kim Adkins called the meeting of the Sports Authority to order at 10:30 a.m. and welcomed all in attendance. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the minutes of the September 20, 2018 Board of Directors meeting.**

Executive Director's Report

Chairwoman Adkins recognized Ms. Monica Fawknorton to give the Executive Director's Report. After briefly reviewing the meeting agenda, Ms. Fawknorton reported negotiations of the parking contract with Stewart Parking Solutions continue. Staff hopes to bring the finalized contract to the Authority at the next meeting. Ms. Fawknorton noted that she is serving as co-Chair of the Metro Employees Consolidated Charities Campaign (MECCC), an annual campaign with United Way that gives Metro Employees an opportunity to give to charities and non-profits that serve our local community. In addition to individual giving, many departments host their own fundraisers. A few weeks ago with the help and generosity of our teams/facility partners, the Sports Authority held a silent auction where Metro employees bid on Titans, Predators, and

Sounds ticket packages. Music City Bowl tickets were also donated and \$1300 was raised. Ms. Fawknorton concluded her report by stating the Fair Board would host the groundbreaking for its new Expo Center buildings later that day.

Finance Committee Report

Consideration of 2018 CMA Parking Ticket Settlement

Interim Finance Chairman West recognized Ms. Fawknorton to report on the 2018 CMA Parking Ticket Settlement. Ms. Fawknorton stated that under the 2012 License Agreement between the Sports Authority, Cumberland Stadium, Inc. and the Country Music Association (CMA), in exchange for the Sports Authority allowing CMA to use Nissan Stadium, the CMA agrees to split the net revenue for parking as follows: 25% to Sports Authority, 25% to Cumberland Stadium, Inc., and 50% to CMA. Ms. Fawknorton noted that net revenues in 2018 were approximately \$400 more than in 2017. Ms. Kaufman, Titans CFO, noted that even though revenues were similar year over year, staff noticed an increase in the number of passes sold prior to the event. The total net parking was \$146,161.18 in 2018 and of that 25% (\$36,540.29) was disbursed to the Sports Authority in August. Ms. Fawknorton reminded the Board that all parking revenue is pledged to the original bonds for the Stadium. Below is a comparison chart for 2017 and 2018 revenues associated with parking during the CMA Festival. **Upon a motion duly made and seconded, the Board voted to approve the 2018 CMA Parking Ticket Settlement.**

	CMA Music Fest 2017	CMA Music Fest 2018
4- Day Parking Revenue- Net	\$161,298.86	\$189,587.19
Individual Day Parking Revenue (Stewarts)- Net	\$112,003.66	\$79,201.34
Total Parking Expense	(\$128,734.15)	(\$122,310.95)
Total Net Parking	\$144,568.37	\$146,161.18
Sports Authority Share (25%)	\$36,142.09	\$36,540.29

Consideration of agreement with the Nashville Sports Council, Powers Management and the Nashville Convention & Visitors Corporation for the SEC Men's Basketball Tournament

Mr. West continued with an overview of the agreement between the Nashville Sports Council, Powers Management and the Nashville Convention & Visitors Corporation (NCVC) for the SEC Men's Basketball Tournament. He stated that in 2013, the SEC and the Nashville Sports Council finalized a deal to bring nine men's basketball championships to Bridgestone Arena between 2015 and 2025. The agreement also included the Women's SEC Tournaments in 2018 and 2022. As part of the deal, Powers Management agreed to waive the facility rental and the city agreed to reimburse Powers Management for expenses related to staffing/labor, décor and hospitality. The SEC has agreed to extend its agreement with the Nashville Sports Council through 2035 under the current terms.

Chairman West noted that the event had \$21.4M in direct economic impact for Nashville in 2017, roughly 190,000 spectators and over 12,000 hotel nights. Since the SEC Tourney came to Nashville, the tournaments have had a direct economic impact of over \$220 million. Extending the contract is expected to increase the economic impact to over \$350 million. Chairman West reported that the Nashville Conventions and Visitors Corporation (NCVC) will contribute \$100,000 towards the reimbursement to Powers Management and the amount will increase to \$150,000 for the duration of the agreement, in 2029. Funding will continue to come from the Arena Revenue Fund and Metro Finance has confirmed the availability of funds. Should funds be insufficient, the Authority has the right to cancel the agreement. **Upon a motion duly made and seconded, the Board voted to approve the agreement with the Nashville Sports Council, Powers Management and the Nashville Convention & Visitors Corporation for the SEC Men's Basketball Tournament, Ms. Margaret Behm & Ms. Kim Adkins, both members of the Sports Council, abstained.**

Consideration of TSU Signage at Nissan Stadium

Mr. West reported that the Titans received a request from Tennessee State University (TSU) for interior signage at Nissan Stadium. Under the TSU's lease agreement between the Sports Authority, TN Board of Regents, and Cumberland Stadium, Inc., the university is entitled to signage in a "permanent, prominent location

with lettering large enough to be readable from most points in the seating area.” Additionally, the Sports Authority is obligated to provide the signage and the signage should not be in a location that’s considered a revenue generator for the Titans. Titans’ major sponsors typically have two signs on the Stadium fascia between the club and lower level: one on the East side and one on the West. However, TSU’s request is to have two signs on each side, allowing their signage to anchor sponsor signage areas on both sides of the building. He reported that Sports Authority staff has asked the Titans to share half the cost of what is now four signs and they have agreed. The Titans received an estimate from A-1 Signs for \$27,800 and agree to split the cost with one stipulation: That the Titans and TSU draft an agreement that acknowledges the location has the potential to be a revenue generator for the Titans and recognizes there may be a future need to make an adjustment to the location. Should that happen the Titans will find a new prominent location and cover all expenses associated with the change. The Titans have offered to cover the Sports Authority’s share of the expense and be reimbursed at a later time, but Sports Authority staff’s preference is to fund its portion of the expense (\$13,900) out of its operating budget. Staff and the Metro Finance department believe that the budget can absorb this cost. Mr. West reported that the Finance Committee recommends approval of the purchase of interior signage for TSU, to be shared equally with the Titans and funded from the Sports Authority’s operating budget. **Upon a motion duly made and seconded, the Board voted to approve the TSU Signage at Nissan Stadium.**

Consideration of Construction Management Agreement between the Sports Authority and Mortenson/Messer Construction Co.

Mr. West continued by reporting that at the September 20th Board Meeting, the Authority voted to engage Mortenson/Messer Construction Co. as the Construction Manager for the MLS Stadium Project. Contract negotiations have been on going since that time. Mr. West stated that at the Finance Committee meeting Mr. Cross reported that Construction Management is to not exceed \$650,000 for pre-construction costs and the fixed limit of construction is

\$192 million. The agreement before the Authority is final but still requires the finalization of an exhibit. He noted that any changes to the agreement, requested by the team, would be paid for by the team. **Upon a motion duly made and seconded, the Board voted to approve the Construction Management Agreement between the Sports Authority and Mortenson/Messer Construction Co, Ms. Kim Adkins abstained.**

Facility Questions

Chairwoman Adkins called for questions/comments regarding Bridgestone Arena and First Tennessee Park. Ms. Margaret Behm thanked the Nashville Sounds for the video they sent the Board regarding their “Suites N Treats” event. Ms. Fawknorton then recognized Mr. Adam Nuse and Mr. Doug Scopel, who announced that on November 15th the Sounds will unveil their new logo and branding. Mr. Dudley West congratulated the Sounds for being ranked the number one Minor League Baseball team for the second year straight. He also recognized Mr. Doug Scopel who was named the top Minor League Baseball Executive by Ballpark Digest.

Nissan Stadium/Tennessee Titans Report

Chairwoman Adkins recognized Mr. Steve Underwood to begin the Nissan Stadium/Tennessee Titans Report. Mr. Underwood, President and CEO, showed three videos highlighting the contributions of the Titans organization. Mr. Underwood then recognized Mr. Stuart Spears, Chief Revenue Officer. Mr. Spears stated that individual ticket sales and season tickets are increasing every year. The Titans are also in their first year of mobile ticketing, which will reduce paper waste by scanning patrons’ phones at the gate. Mr. Spears noted that the fan activities on the plaza have been highly successful throughout the season. These activities include live music, games, opportunities for pictures and more.

Mr. Spears recognized Mr. Bob Flynn, V.P. of Facilities, who stated that Nissan Stadium recently hosted the following events:

- Titans vs. Philadelphia (September 30th)
- Ed Sheeran Concert (October 6th)
- Titans vs. Baltimore (October 14th)

- TSU Homecoming 2018 (October 20th)

Upcoming events at Nissan Stadium include:

- NFL Draft (April 2019)
- SuperCross (April 6th, 2019)
- Eric Church (May 25, 2019)
- Gold Cup Soccer (July 3rd, 2019)
- World Cup 2026 – Host cites TBD

Recently completed capital projects at Nissan Stadium:

- Club and Suite level doors replacement
- Ceiling in Club areas
- New video booth (South-end under scoreboard)
- Wi-Fi Access points at the gates
- Charging Stations
- Grab and Go concessions
- Phone switch upgrade – Equipment is onsite and scheduled for install in late October

Mr. Flynn then recognized Ms. Jenneen Kaufman, Titans' CFO, to give a financial update. Ms. Kaufman reported that the \$2.00 Ticket Tax Fund Balance is currently \$1,192,350.59 and the Stadium Improvement Bond Funds (\$1 Ticket Tax) is \$1,850,719.00. Currently, the Outstanding Stadium Loan is \$12,108,404.80. The loan principal paid to date is \$1,791,470.81 and the loan interest paid to date is \$1,251,870.65.

Ms. Kaufman stated that the Titans estimate they will pay \$1.6 million into the ticket tax during the 2018 season and have divided this amount into installments to be paid over ten months. The Titans continue to pay \$162,000 monthly with true-ups being conducted as games are completed. In total, the Ticket Tax program has brought in \$22,193,728.00 since March 2010. The Titans have also included an itemized list of all events that generated Ticket Tax revenue. As of 10/16/18, the Stadium Capital Fund has a balance of \$1,090,863.26. The Unfiled Reimbursement Receivables totaled \$10,530,040.59 as of 10/16/18 (increase of \$527,995.92 since

September). Ms. Kaufman concluded her report with a recap video of the Titans' organizations involvement in the community.

There being no other business, the meeting adjourned.