

SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE &
DAVIDSON COUNTY

Minutes of August 22, 2019 Meeting of the Finance & Audit Committee
First Tennessee Park
9:00 a.m.

Finance Committee: Jon Glassmeyer (Chair), Margaret Behm, Dudley West

Board Members: Kim Adkins, Cathy Bender, Jad Duncan, Dan Hogan, Emmett Wynn

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

Titans/ Nissan Stadium: Jenneen Kaufman, Steve Underwood

Predators/ Bridgestone Arena: Sean Henry, Kyle Clayton, Keith Hegger, Michelle Kennedy, Heidi Bundren

Sounds/First Tennessee Park: Adam Nuse

Visitors: Bob Lackey (Metro Finance), Dick Darr (Capital Project Solutions), Ron Gobbell (Gobbell Hays Projects), Scott Ramsey (Nashville Sports Council), Kellen DeCoursey (CAA/ICON), Marc Farha (CAA/ICON), Nick Rouziaz (CAA/ICON), Nancy Amons (WSMV), Jared Guest (WSMV)

Chairman Jon Glassmeyer called the meeting of the Sports Authority Finance & Audit Review Committee to order at 9:00 a.m. and welcomed all in attendance. **Upon a motion duly made and seconded, the Finance Committee unanimously voted to approve the minutes of the May 16, 2019 meeting.**

Executive Director's Report

Chairman Glassmeyer recognized Ms. Monica Fawknotson to give the Executive Director's Report. Ms. Fawknotson reviewed the agenda, stating she did not have a formal report for the committee but would give commentary on the agenda items during each discussion.

Consideration of a Resolution Approving the 2019 CMA Parking Settlement

Chairman Glassmeyer recognized Ms. Fawknotson to discuss 2019 CMA Parking Ticket Settlement. Ms. Fawknotson stated that under the 2012 License Agreement between the Sports Authority 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. Fawknotson noted that net revenues in 2019 were approximately \$11,000 more than in 2018. Ms. Jenneen Kaufman, Titans Chief Financial Officer, noted that while revenues were similar year over year, the number of pre-sold event passes increased. The total net parking revenue for the 2019 CMA Music Festival was

\$159,313.58, of which twenty-five percent (\$41,327.39) was disbursed to the Sports Authority in August. Ms. Fawknorton reminded the committee that all parking revenue is pledged to construction debt at Nissan Stadium. **Upon a motion duly made and seconded, the Finance Committee voted to recommend approval of the resolution approving the 2019 CMA Parking Settlement to the full board.**

Consideration of a Resolution Authorizing an Increase in Project Management Consultant Services Related to Preliminary Planning, Design, and Construction of the MLS Stadium

Chairman Glassmeyer recognized Ms. Fawknorton to discuss a request for the Authority to increase the amount of authorized expenses for project management consultant services related to the MLS Stadium. Ms. Fawknorton reminded the committee that in April of 2018 the Authority approved a resolution authorizing the use of \$75,000 for project/program management expenses for the preliminary planning, design, and construction of the MLS Stadium. In January of 2019 the Authority authorized an additional \$300,000, as a result of delays in issuing the revenue bonds. Ms. Fawknorton noted that as of August 15, 2019, the Authority has spent \$266,525 of the approved \$375,000 with pending invoices for services through July of 2019 in the amount of \$29,984.50. Based on proposals from Gobbell Hays Partners (GHP) and Capital Project Solutions (CPS) for the period August 1, 2019 through January 31, 2020, staff requests that the Authority authorize an additional \$300,000 to cover project/program management expenditures until bonds are issued. Funds authorized for this purpose will be expensed from the Authority's Arena Revenue Fund and will be reimbursed once the revenue bonds are issued. Assistant Finance Director, Mr. Bob Lackey, stated that the Arena Revenue Fund is projected to have a balance of roughly \$4 million after meeting its obligations and is able to absorb the additional increase. **Upon a motion duly made and seconded, the Finance Committee voted to recommend approval of the resolution authorizing an increase in Project Management Consultant Services related to preliminary planning, design, and construction of the MLS Stadium, to the full board.**

Consideration of Amendment to the MLS Architectural & Design Agreement between the Sports Authority and Populous, Inc.

Chairman Glassmeyer recognized Mr. Ron Gobbell, President Emeritus of Gobbell Hays Partners, Inc., to discuss a proposed amendment to the Authority's agreement with Populous, Inc., for architectural and design services related to the MLS Stadium. Mr. Gobbell stated that since the agreement was executed at the June 21, 2018 Board meeting, four Additional Services Directives (ASD) were included to form Amendment No. 1.

- *ASD 001: Wind tunnel study to evaluate potential structural steel savings (\$82,250)*
- *ASD 002: A.) Redesign efforts for concept and schematic design – excavation of field and additional loading docks (\$2,175, 811) and B.) Project scope changes – increased duration due to delays in opening the facility (\$1,263,972)*
- *ASD 003: Rain and heat study to test the impact on attendees and equipment (\$69,500)*
- *ASD 004: Structural Engineer – construct steel and connectors into the design of the building (\$500,000)*

The total increase related to Amendment No. 1 is \$4,091,533. Mr. Gobbell stated that the changes are for increased fan experience and overall operations of the facility. Project Managers meet weekly with all involved parties and expect more specialty studies, and ultimately amendments, in the future. Ms. Fawknorton noted that these additional services will not increase the amount of Metro's contribution to the project. **Upon a motion duly made and seconded, the Finance Committee voted to recommend approval of the amendment to the MLS Architectural & Design Agreement between the Sports Authority and Populous, Inc., to the full board.**

Consideration of a Resolution Approving an Amendment to the Southeastern Conference Basketball Tournaments Agreement

Chairman Glassmeyer recognized Ms. Fawknorton to discuss a request for an amendment to the agreement between the Sports Authority, Powers Management, the Nashville Sports Council (NSC), and the Nashville Conventions & Visitors Corporation for the Southeastern Conference (SEC) Men's Basketball Tournaments. Ms. Fawknorton noted she would not participate in the discussion as a member of the Sports Council's Executive Committee and directed all comments to Metro attorney, Margaret Darby. Chairman Glassmeyer recognized Sports Council President Scott Ramsey who

reported that the SEC Tournament has been in Nashville for 18 years and has had a direct economic impact of \$24 million. The Sports Council is currently responsible for \$63,255.50 for additional tournament costs associated with the rental of a scorer's table and tournament signage during the 2019 Tournament. Ms. Margaret Darby stated that under the SEC agreement the Authority is responsible for reimbursing Powers Management for expenses inside the Arena, the cost of which is currently \$815,500 and scheduled to increase by percentage annually. Mr. Ramsey reported that in the drafting of the schedule for the reimbursement of required tournament expenses the Sports Council omitted costs associated with the rental of a scorer's table and tournament signage. Mr. Ramsey requested that the Authority amend the current agreement to provide for the reimbursement of these tournament expenses for 2019. The NSC will absorb these costs beginning in 2020. **Upon a motion duly made and seconded, the Finance Committee voted to recommend approval of the resolution amending the SEC Agreement to the full board. Margaret Behm, also a member of the NSC's Executive Committee abstained.**

Exploration of the Use of Sports Authority Facilities for Women's Professional Sports

Committee member Margaret Behm stated her interest in seeing women's professional leagues play regularly in Sports Authority facilities and requested that staff explore opportunities for making this a reality. She noted that Resolution No. RS2017-910 authorizing funding for a Major League Soccer (MLS) Stadium, contains language in the recitals expressing a desire for a women's professional soccer team. She additionally requested that staff present a framework for this initiative and include costs related to travel and research for this initiative and recommended using existing money in the Arena Revenue Fund to cover the expenses.

Ms. Behm also noted that the MLS team will play only 17 home games annually, providing an opportunity for a mixed-use facility. She reported that the Women's National Basketball Association (WNBA) is currently looking at a possible expansion. Mr. Dan Hogan stated that most leagues have already conducted studies on various cities and could potentially receive those reports. Ms. Fawknorton stated that the National Pro-Fast Pitch (NPF) is based in Nashville and has expressed interest in an expansion team here. Ms. Behm reiterated that she wants the Authority to be intentional in bringing a women's team to Nashville. Ms. Fawknorton stated that Sports Authority staff will present the framework to the committee in October.

There being no other business, the meeting was adjourned.