

SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE &  
DAVIDSON COUNTY

Minutes of July 16, 2020 Meeting of the Board of Directors  
WebEx Video Conference  
10:30 a.m.

**Board Members:** Kim Adkins, Margaret Behm, Cathy Bender, Don Deering, Glenn Farner, Aaron McGee, Melvin Gill, Jon Glassmeyer, Frank Harrison, Dan Hogan, Anna Page, Emmett Wynn

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

**Titans/ Nissan Stadium:** Jenneen Kaufman, Bob Flynn, Ashlee Stokley

**Predators/ Ford Ice Center:** Kyle Clayton, Keith Hegger, Danny Butler, Michelle Kennedy, Jill Ormandy, David Kells

**Sounds/ First Tennessee Park:** Adam Nuse, Doug Scopel

**Nashville SC:** Mary Cavarra

**Visitors:** Ron Gobbell (Gobbell Hays Partners), Jim Pustejovsky (Capital Project Solutions), Brasher Burbank (Parking Management Company), Lora Fox (Metro Legal), Michael Carter (Pinnacle Construction), Michelle Lane (Metro Procurement), Terri Ray (Metro Procurement), Christopher Wood (Metro Business Assistance Office), Greg McClarin (Metro Finance), Kellen DeCoursey (ICON), Marc Farha (ICON), Nick Hormich (ICON), Scott Ramsey (Nashville Sports Council), Steve Jones (Messer), Tom Cross (Metro Legal), Allen Troshinsky (Mortenson)

Chairwoman Adkins called the meeting of the Sports Authority Board of Directors to order at 10:30 a.m. and welcomed all in attendance. Chairwoman Adkins reviewed the appeals process and stated that the meeting was being held electronically via WebEx due to protect citizens during the COVID-19 pandemic. Roll call vote was taken (see Exhibit 1), and **upon a motion duly made and seconded, the Authority unanimously voted to approve the minutes of the June 25, 2020 Board of Directors meeting.**

***Executive Director's Report***

Chairwoman Adkins recognized Ms. Monica Fawknorton to give the Executive Director's Report. Ms. Fawknorton reviewed the agenda before reporting that construction is underway for the department's new office space. She noted that staff hope to move in by Labor Day.

***Consider approval of the September 20, 2018 Meeting Minutes***

Chairwoman Adkins recognized Ms. Lora Fox. Ms. Fox stated that the Board is being asked to reconsider agenda items from the November 1, 2018 Board of Directors meeting. Recent litigation (i.e. Lillard vs. Metro) challenged the amount of notice given to the public by the Sports Authority for its

November 1, 2018 meeting. The Chancellor ruled that insufficient notice was given and that, as a result, all actions taken by the board would be null and void. The Judge noted that the Mortenson/Messer contract did not need to be rebid but would require discussion and re-approval by the Authority. Mr. Glenn Farner stated that he was not present at the meeting and asked how he should proceed with voting. Ms. Margaret Darby stated that it is appropriate for new members to vote on the minutes as they are written (ratifying the actions), rather than approving the content. Roll call vote was taken and **upon a motion duly made and seconded, the Board voted to approve the September 20, 2018 Meeting Minutes.**

***Consider approval of a Resolution authorizing the execution of an agreement with the Nashville Sports Council, Powers Management and the Nashville Convention Visitors Corp. for the SEC Men's Basketball Tournament***

Chairwoman Adkins recognized Ms. Fawknotson to discuss approval of the SEC Agreement. Ms. Fawknotson stated that in 2013, the SEC and Nashville Sports Council solidified a deal to bring the Men's and Women's SEC Tournaments to Nashville. Powers Management agreed to host the Tournament and Metro agreed to pay certain related expenses. Ms. Fawknotson noted that in the new Bridgestone Arena agreement, the Sports Authority receives funding to pay expenses related to the tournaments.

Ms. Fawknotson recognized Mr. Scott Ramsey, President of the Nashville Sports Council, to continue the discussion. Mr. Ramsey stated that historically, cities submit bids for the tournament every three to four years, but Nashville, in 2017, was selected to host the tournament through 2035. The SEC Tournament attracts roughly 185,000-190,000 attendees annually and games are broadcast on national television. The Sports Council anticipates a direct economic impact of \$330M-\$340M per year and about 500 hours of national television coverage, as well as filling up the Arena. Ms. Margaret Darby clarified that the vote is to approve both the resolution and the agreement. It will also be retroactive back to the date of the resolution. A roll call vote was taken and, **upon a motion duly made and seconded, the Board voted to approve the resolution authorizing the execution of an agreement with the Nashville Sports Council, Powers Management and the Nashville Convention Visitors Corp. for the SEC Men's Basketball Tournament.**

***Consider approval of the 2018 CMA Parking Settlement Statement***

Chairwoman Adkins recognized Ms. Fawknorton to discuss the 2018 Country Music Association (CMA) Parking Settlement. Ms. Fawknorton stated that in 2012, the Sports Authority entered into a License Agreement with CMA and Cumberland Stadium, INC. This agreement states that parking revenue is split between CMA (50%), Sports Authority (25%), and Cumberland Stadium, INC. (25%). The total parking revenue for 2018 was \$146,161.18 and the Sports Authority's disbursement was \$36,540.29. Ms. Fawknorton noted that the 2019 disbursement to the Sports Authority was \$41,640. Roll call vote was taken and, **upon a motion duly made and seconded, the Board voted to approve the 2018 CMA Parking Settlement Statement**

***Consider approval of a Resolution authorizing the expenditure of funds for TSU Signage at Nissan Stadium***

Chairwoman Adkins recognized Ms. Fawknorton to discuss the Tennessee State University (TSU) signage expenses. Ms. Fawknorton stated that the Titans received a request from TSU for new internal signage at Nissan Stadium. Signage is to be provided by the Authority as a contractual agreement and cannot be in a revenue generating location. The Titans and the Authority agreed to split the cost of the signage (\$24,640) and the Authority paid its share from its operating budget in FY20. Ms. Darby stated that the Resolution before the Board authorizes the use of the Authority's operating budget. Roll call vote was taken and **upon a motion duly made and seconded, the Board voted to approve a Resolution authorizing the expenditure of funds for TSU Signage at Nissan Stadium.**

***Consider approval of a Resolution authorizing the execution of a Construction Management Agreement between the Sports Authority and Mortenson|Messer Construction for construction of a Major League Soccer Stadium***

Chairwoman Adkins recognized Ms. Michelle Lane (Metro Procurement) to discuss the agreement with Mortenson|Messer for Construction Management of the MLS Stadium. Ms. Lane reported that in June 2018, Metro Procurement issued a Request for Quotation (RFQ) for a Construction Manager for the MLS Stadium. Four offers were received, they were from Barton Mallow, PCL-DF Chase, Skanska-Hunt, and Mortenson|Messer. The offers were reviewed by an Evaluation Committee consisting of Ms. Fawknorton, Ms. Laura Womack (Fairgrounds Executive Director), and Ms. Mary Cavarra (Nashville Soccer Holdings). Project Managers from Gobbell Hays Partners (GHP), Capital

Project Solutions (CPS), and CAAICON served as non-voting technical advisors. Interviews were held on August 8, 2018 and a week later, an Intent to Award was issued to Mortenson|Messer.

Ms. Lane recognized Sr. Procurement Official, Ms. Terri Ray, to discuss the evaluation process. Ms. Ray stated that the Mortenson|Messer joint venture excelled both in experience with MLS venues and projects around Nashville. Mortenson|Messer had a strong diversity plan but lacked experience working together as a joint venture.

Ms. Lane stated that at the time of issuing the Intent to Award, Metro Procurement anticipated a protest by Barton Mallow, related to the methodology when scoring the cost proposal. Ms. Lane determined that the methodology was within Procurement's rights, noting that the city reserves the right to choose the best methodology. In response to a question, Ms. Lane stated that three of the four firms scored 15/15 points for their diversity plan, but Skanska scored a 12.5/15. Procurement requires vendors to submit detailed DBE plans in bid offers and monthly updates throughout the project. Procurement staff provides additional training to assist vendors with increasing DBE participation.

Mr. Christopher Wood, Director of the Business Assistance Office, is tasked with monitoring compliance for DBE participation. Mr. Melvin Gill inquired about the DBE requirements listed in the contract. In response, Mr. Wood stated that the contract with Mortenson|Messer requires 30% DBE participation. To date, two packages have been submitted, both of which include 30% participation. BAO uses a software system to track DBE participation and requires vendors to submit monthly updates.

Mr. Allen Troshinsky (Vice President of Mortenson) stated that their diversity plan was included in the proposal and then amended to be included in the contract. The Diversity Inclusion Plan details prompt pay, DBE reporting and submission of frequent updates to the Authority.

Mr. Melvin Gill asked what happens if contractors are found to be non-compliant with DBE requirements and how does the Authority know that vendors are actually being used for the project? In response, Ms. Lane stated that Procurement will give notice to the contractors stating their status of non-compliance. Ms. Lane stated that DBE progress is monitored by BAO early on to avoid non-compliance at the end of the project and to ensure accurate reporting of DBE dollars spent.

Deputy Law Director Tom Cross stated that DBE participation is an expressed term in the Construction Management Agreement. The Construction Manager (CM) is paid a fixed rate for services listed in the agreement. The role of the CM is to work with the design team to create a

cost estimate. Mr. Cross reiterated that the Authority approved this contract at the November 1, 2018 meeting. The lawsuit was not filed until September 16, 2019 – nearly a year later. The Chancellor determined there was a violation in noticing the meeting, thus voiding everything approved at the meeting. No changes were made to the contract since the November 2018 approval.

Mr. Farner asked what the orders from the Chancellor were? In response, Ms. Fox stated that language from case law includes “items must be more than a perfunctory crystallization of its earlier action.” She noted that the questions and deliberation during this meeting shows the Authority is carefully considering what is before them. At the Authority’s request, Mr. Ron Gobbell stated that monthly updates on DBE participation will be included in the MLS Stadium updates.

Chairwoman Adkins recognized Mr. Michael Carter (Pinnacle Construction). Mr. Carter stated that Pinnacle Construction has been in business since 2007 and is a minority-owned business. Their prime subcontractors’ first meeting includes DBE training. Mr. Carter has worked with Messer for ten years and conducts the hiring and training of subcontractors.

Mr. Farner asked about the process for selecting the Construction Manager. Ms. Lane stated that after vetting the proposals, the Evaluation Committee made a recommendation, which Ms. Lane reviewed with the proposals. After Ms. Lane selected, the Board was given an opportunity to deliberate before issuing the Intent to Award.

Mr. Farner stated that Metro is typically required to choose the lowest bid and then asked why the second highest bid was selected? In response, Mr. Cross stated that due to the Public/Private partnership, Metro was not required to select the lowest cost bid. Ms. Cavarra stated that the Team is responsible for 100% of construction cost overruns. The Sports Authority is contributing \$225M in revenue bonds and \$25M in General Obligation bonds. The current estimated cost of the stadium is \$325M. Ms. Cavarra stated that the GMP is expected to be finalized next month and will come before the Board at that time.

Mr. Gobbell stated that the construction documents were finalized in the Spring of 2020. The demolition of existing Fair Grounds structures is in progress and funded by the Fair Grounds. Mortenson|Messer is now preparing the site for major earthwork.

Mr. Farner asked for additional information regarding allegations made against Mortenson|Messer for bid rigging. Mr. Gobbell stated that his staff is starting to research the allegations which were only recently brought to the Authority’s attention. Mr. Melvin Gill inquired about the status

of the investigation and asked who was conducting it. Mr. Gobbell answered that his staff just recently began investigating.

Mr. Cross stated that Metro learned of the allegations only recently and thus far, are not aware of anything that would disqualify Mortenson|Messer from the project. Should there be evidence that the integrity of the procurement process is in question, it would be brought back to the Board for remediation.

Mr. Troshinsky stated that the allegations against his firm was related to bid-rigging for the convention center in Denver, Colorado. There were no criminal or civil actions filed against Mortenson and an appeal was made when the allegations were made. The parties reached a settlement which included:

- 2-year revocation of pre-qualification status with Denver
- Monetary payments made to Mortenson for discontinuing the agreement
- Reimbursement to the city and county for legal costs
- In-kind construction services provided by Mortenson

After approximately two hours of discussion, roll call vote was taken and, **upon a motion duly made and seconded, the Board voted to approve a Resolution authorizing the execution of a Construction Management Agreement between the Sports Authority and Mortenson|Messer Construction for construction of a Major League Soccer Stadium.**

*Consider approval of a Resolution authorizing execution of Team Lease, the Ground Lease, the Development Agreement, the Construction Administration Agreement, and the Recordation, Non-Disclosure and Attornment Agreement related to a Major League Soccer Stadium*

Mr. Cross gave an overview of the MLS Stadium documents, which included:

- Development Agreement between the Authority and Nashville Soccer Holdings for stadium construction
- Construction Administration Agreement between the Authority and Nashville Soccer Holdings
- Stadium Ground Lease between the Authority and the Fair Board  
Revision to project dates
- Operating Lease between the Authority and Walsh Management for Leasing of the stadium  
Revision to project dates
- Recordation, Non-Disclosure and Attornment Agreement

Roll call vote was taken and, **upon a motion duly made and seconded, the Board voted to approve a Resolution authorizing execution of the Team Lease, the Ground Lease, the Development Agreement, the Construction Administration Agreement, and the Recordation, Non-Disclosure and Attornment Agreement related to a Major League Soccer Stadium.**

*Facility Questions*

Chairwoman Adkins asked if there were any questions for facility partners, there were none. The next Board meeting is scheduled for Thursday, August 20, 2020. Chairwoman Adkins noted that the Finance Committee will need to meet prior to the full Board meeting and staff will send out information in the upcoming weeks. *There being no other business, the meeting was adjourned.*

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