

**SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE
AND DAVIDSON COUNTY**

MINUTES OF OCTOBER 29, 2020, MEETING OF THE BOARD OF DIRECTORS
WEBEX VIDEO CONFERENCE
10:30 a.m.

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

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

Titans/Nissan Stadium: Gil Beverly, Bob Flynn, Ashlee Stokley, Tina Tuggle, Dan Werly

Predators/Ford Ice Center: Sean Henry, Kyle Clayton, Danny Butler, Keith Hegger, David Kells

Sounds/First Tennessee Park: Adam Nuse, Doug Scopel

Nashville SC: Ian Ayer, Mary Cavarra

Visitors: Michell Bosch (Metro Treasurer), Michael Carter, Paula Casey, Tom Cross (Metro Legal), Tim DeBuse (Gobbell Hays Partners), Kellen DeCoursey (CAA/ICON), Tom Eddlemon (Finance Deputy Director-Metro Finance), Carol Greenley (Mortenson/Messer), Ron Gobbell (Gobbell Hays Partners), Carol Greenlee, Nick Homrich (CAA/ICON), Bob Lackey, Erika Larsen (Competitor Group), Michelle Lane (Chief Procurement Officer/Purchasing Agent-Metro Finance), Jeff Oldham (Bass, Berry, and Sims), Greg McClarin (Metro Finance Manager), Bill Phillips (Metro Deputy Mayor), Wayne Placide (Hilltop Securities), Jim Pustejovsky (Capital Project Solutions), Chris Rhodes (Kimley-Horn), Drew Wolff (Competitor Group)

Chair Kim Adkins called the meeting of the Sports Authority Board of Directors to order at 10:30 a.m. and welcomed all in attendance. She then reviewed the appeals process and stated that the meeting was being held electronically (via WebEx) to protect the health, safety and welfare of Tennesseans during the COVID-19 outbreak and was being live streamed by Metro ITS on Metro Network 2. There were no objections.

Upon a motion duly made and seconded, the Authority unanimously voted to approve the minutes of the September 17, 2020, Board of Directors meeting.

Women's Professional Sports Ad Hoc Committee Report

Chair Adkins recognized Ms. Cathy Bender, Chair of the Ad Hoc Committee of the Women's Professional Sports Initiative, to give a Committee update. Ms. Bender reported that the Ad Hoc Committee met on October 14, 2020, to discuss potential "Next Steps" for the Women's Sports Initiative. The Committee reviewed the recommended "Next Steps" outlined in the Consultant's Report, developed priorities and discussed the importance of connecting with the leagues to better understand their expansion and relocation plans, the importance of timing, and the identification of suitable venues. Several members of the Advisory Committee attending including Michelle Kennedy, Ian Ayre, and Scott Ramsey, as well as Dan Barrett and Bryan Slater from CAA/ICON. We also had some Board members present. The Committee recommended hiring a consultant to assist the Authority with Next Steps and recommended performing a survey.

Executive Director's Report

Chair Adkins recognized Ms. Monica Fawknorton to give the Executive Director's Report. Ms. Fawknorton thanked everyone for being on the call. She briefly reviewed the agenda, noting that the Finance Committee had several recommendations for the Board to take up. She reported that in addition to the Finance Committee's recommendations, the Board would take up a land use agreement related to a possible historic marker at First Horizon Park commemorating the history of women's suffrage and Suffrage Day at the old Sulphur Dell ballpark. The Authority would also consider approval of a resolution authorizing the chair to execute the license agreement with Competitor Group, Inc., for the use of Nissan Stadium for the Rock'N'Roll Marathon coming up on November 21, 2020. The final agenda item would be facility reports from facility managers and get an update on our venues and on the teams. Ms. Fawknorton provided an update on the new office space, noting that the build out is complete and the staff is in the process of moving in. Finally, Ms. Fawknorton shared that she, along with the Project Managers, Mary Cavarra, and Ian Ayre, had the opportunity to go through the Safety Training class that Mortenson/Messer requires for everyone that is working on the stadium construction site, it was very informative and extremely thorough. Afterwards there was an opportunity to walk the site and in the future a site visit is being planned for the Board.

Finance Committee Report

Chair Adkins recognized Finance Committee Chair, Jon Glassmeyer, to give the Finance Committee report. Mr. Glassmeyer stated that the Finance Committee met Wednesday, October 28, 2020 to discuss the following items presented to the committee:

1. Consider Recommendation from the Women's Professional Sports Ad Hoc Committee with the intent to award a contract for professional consulting services for Phase 2 of the Women's Professional Sports Initiative

Finance Committee Chair Glassmeyer shared that the Finance Committee voted to recommend approval of this resolution to the Full Board.

Director Gill shared that he was interested in a discussion about the need to proceed at this time to get a consulting firm hired. His misgivings included concerns about the timing with civil crisis, economic and health issues prevalent, and the appearance to the public.

Director Hogan shared his interpretation of yesterday's Finance Committee, stating it is the board's job to best position the Sports Authority to move quickly, to resume the momentum that we had before the pandemic. He stated that the committee's discussion was mainly around beginning to initiate a survey in the community as to the appetite and preference for which women's sports would be most appealing and stated the Authority would do well to not lose momentum.

Purchasing Agent Michelle Lane shared the Procurement process, noting that if the board anticipated the expenditure would exceed \$24,999, it would need to go through the competitive bid/ formal solicitation process led by Metro Purchasing. Director Gill asked whether issuing a solicitation/RFP is a commitment to accept a proposal and expend funds. Ms. Michelle Lane stated that even after a solicitation is issued circumstance can change and Metro reserves the right to not move forward.

Ms. Margaret Darby noted that the Board would be only be approving moving forward with steps to hire a consultant- finalizing scope and requesting bids. Contracting with any entity will require approval by the Authority.

Director Bender shared the importance of having knowledge and being in position to move forward at a point in time that might be urgent in the future. She stated that this is an opportunity to better equip ourselves to be more knowledgeable and to learn more about the city of Nashville and understand what our citizens would like to see us consider. She noted that timing is important and that the board is sensitive to the funding.

Upon a motion duly made and seconded the Sports Authority voted to approve the hiring of a consultant for Phase 2 of the Women's Professional Sports Initiative. Director Gill abstained.

2. Consider Approval of a Resolution authorizing the hiring of Bob Lackey on a part time basis for financial consulting and training.

Finance Committee Chair Glassmeyer reported the committee voted to recommend approval of the resolution.

Monica Fawknorton reminded the board that in FY20 the Authority approved the hiring of a Finance Manager. Melissa Wells started in March as most Metro employees began working remotely due to COVID. Over the last couple of months staff has discussed hiring Mr. Lackey on a part-time basis to train Ms. Wells and provide some other consulting services. Staff requests up to \$50,000 to hire Bob. The position will be funded with leftover FY20 Sports Authority allocations from the Arena Account- the same fund that covers the Finance Manager's position. The expected timeline is November 1, 2020-October 31, 2021. Mr. Lackey is a Metro Pensioner and limited to 19.5 hours per week.

Upon a motion duly made and seconded, the Authority unanimously approved the hiring of Mr. Lackey.

3. Consider Approval of a Resolution authorizing the Sports Authority Finance Committee Chair and board liaison to the MLS Stadium to execute change orders to the agreement for construction management services for Nashville Major League Soccer Stadium Project, as amended

Finance Committee Chair Glassmeyer advised that the Committee recommends approval.

Sports Authority Project Manager Mr. Ron Gobbell provided a summary of the resolution, noting that the resolution will authorize the Finance Committee Chair to sign change orders approved by the Development Committee. Potential change orders will first go to the team's project manager, CAA/ICON, for approval. Once approved they will go to the Authority's projects managers, CPS and GHP for review before submission to the Development Committee for review and approval. Once approved by the Development Committee, the Sports Authority Finance Chair can execute the change order. This process is for change orders the team will pay for. If the Sports Authority recommends a change order, it will come back to the Board for approval in advance. In the event the Finance Committee Chair is unavailable, the Sports Authority's liaison to the MLS Stadium may execute the change order on behalf of the Finance Chair.

Upon a motion duly made and seconded, the Authority unanimously approved the resolution.

4. Consider Approval of a Resolution approving an amendment to the agreement with Kimley-Horn for design services for infrastructure improvements related to the Nashville Major League Soccer Stadium Project at the Nashville Fairgrounds

Finance Committee Chair Glassmeyer advised that the committee recommends approval of the resolution

Mr. Ron Gobbell provided an overview of the resolution, reminding the Authority that the Infrastructure project is separate from the stadium project, and funded with \$25M of General Obligation bonds. The project is focused on extensions to Wedgwood and Benton Avenues, a bridge over Brown's Creek, work on utilities and street scaping. In May of 2019 the Authority entered into an agreement with Kimley-Horn, Inc. to provide design services for the infrastructure project. The current contract with Kimley-Horn has a Guaranteed Maximum Price of \$1.5M. As Kimley-Horn has continued its work and gone through the process with various Fairground stakeholders, they have determined more work required and have proposed additional services and a total contract amendment of just under \$400,000. The proposals have been reviewed by staff and Sports Authority's project managers who recommend approval. Proposal was additionally reviewed by the Finance Committee

Upon a motion made and duly seconded, the Sports Authority voted to approve the resolution approving additional services to the Kimley-Horn contract.

5. Consider Approval of a Resolution authorizing the issuance and sale of federally taxable public improvement revenue bonds (MLS Project), Series 2020 of the Sports Authority of the Metropolitan Government of Nashville and Davidson County in an aggregate principal amount of not to exceed \$225,000,000; Approving the execution and delivery of a trust indenture and bond purchase agreement relating to said bonds; Pledging certain revenues of the Authority to the payment of the bonds; Authorizing the execution and delivery of an Intergovernmental Agreement with the Metropolitan Government relating to said bonds; and authorizing the preparation and distribution of a preliminary official statement and official statement in connection with the sale of the bond

Finance Committee Chair Glassmeyer shared that it is the recommendation of the Committee to approve this resolution.

Tom Cross (Legal) shared that these are the bonds that are intended to fund the construction of the MLS stadium. To this point, the Team has been funding construction under an MOU with the SPA; but these bonds will allow the SPA to take over funding of construction through the \$225M.

Metro's bond counselor, Jeff Oldham, provided an overview of the process of issuing bonds. He noted the bond resolution authorizes up to \$225M of taxable bonds with the proceeds of the bonds being allocated to stadium construction and to capitalized interest through the construction period. The basic term of the bond issue is 30 years commencing with the stadium opening; the term matches the state's redirection of incremental sales taxes to this project. Per Federal Tax Law, when you have a non-governmental entity like the Team both using and providing for substantial payment of the debt service, you cannot use tax-exempt bonds. The bond resolution authorizes that these bonds will be sold by negotiated understanding with an

underwriting group led by CitiGroup, selected through a process with Metro Finance. The payment and security for these bonds are revenue streams: incremental sales tax revenues (stadium related), ticket tax revenues (net of the portion set aside for future stadium capital improvement), team rent (net of ticket and sales tax revenues), and if all else fails a pledge of Metro's non-tax revenue. The Sports Authority can only issue bonds with the approval of Metro Council. Metro Council has already approved these bonds with these terms, as subsequently amended this calendar year. Mr. Oldham stated there are additional documents, which will need to be executed:

(1) The Indenture-the contract between the Sports Authority and the bondholders. There is a Trustee on the other side, Regions Bank, acting on behalf of the bondholders, it is the Sports Authority's contract with the bondholders, laying out the terms of the bonds, the obligation to repay, and it creates a handful of funds and accounts such as the construction fund and the debt service fund, which will administer bond proceeds and collect sales ticket tax revenues and team rent, and apply them to the payment of debt service;

(2) The Bond Purchase Agreement is the contract between the Sports Authority and the underwriting group. When it is signed it will lock in the prices and the interest rate on the bonds. The adoption of the bond resolution does not bind the Sports Authority or Metro to anything, it is only when this document is signed that the Sports Authority and Metro will have the actual interest rates and the actual price of the bonds. Then there is a binding contract to issue the bonds.

(3) The Intergovernmental Agreement is Metro commitment to provide ticket tax revenues, and/or non-tax revenues as a backstop. The Sports Authority will administer this project not only in accordance with bond documents, but also with the other documents that have already been approved, like the Team Lease and the Team Development Agreement.

(4) Preliminary Official Statement is the document the underwriter will use to market bonds to potential investors. It describes the Sports Authority, Metro, the bonds, the project, and it tells investors what they want to know in order to decide whether to invest in these bonds or not.

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

MLS Stadium Update

Mary Cavarra (Nashville SC) provided an update on the stadium construction. The stadium project continues to make progress; mass excavation should wrap up this next month. There will be a change order related to the earthwork, the cost is not impacted, and the team is responsible for any cost overage.

Carol Greenlee (Mortenson/Messer) provided an update on DBE participation. The goal established by Metro is 30%- Mortenson Messer is currently at 37% with about 88% bought out. Most of the firms are either women or minority-owned firms, with a smaller percentage of small business enterprises. The majority are located in TN.

Ian Ayre, CEO of Nashville shared that the team has experienced a historic moment,- a guaranteed playoff spot. In the history of MLS history, only four teams have qualified in their first year. Mr. Ayre shared a video showing the layout of the new stadium.

Mr. Jim Pustejovsky (CPS) shared an update on the construction manager solicitation for the infrastructure project. The evaluation panel reviewed three very qualified proposals, and Metro Purchasing has issued an Intent to Award letter to Bell Construction.

Consider Approval of a land use agreement related to the potential selection and installation of a historic marker at First Horizon Park commemorating the history of women's suffrage and Suffrage Day at the old Sulphur Dell ballpark in 1916.

Ms. Fawknorton provided a summary of this resolution. The National Collaborative for Women's History Site and the William D. Pomeroy Foundation have partnered to launch a new historic marker program to acknowledge suffrage activities. There will be five in each state. Two sites have been nominated in Nashville, one that recognizes the ballgames that were played at Sulphur Dell in 1916 in support of women's suffrage and a second one at Meharry Medical College where black suffragist and physical Mattie Coleman graduated and worked to get over 2,500 black women registered to vote. The Pomeroy Foundation will fund the cost of the marker and the transportation cost to get it to the site, Sports Authority will be responsible for installation and future maintenance (the bid for installation is \$75). Paula Casey with the National Votes for Women Trail shared that they will get the land use letter submittal letter submitted, and they feel like it will be approved.

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

Consider Approval of a Resolution authorizing the Chair to execute a License Agreement between the Sports Authority and Competitor Group, Inc. for the use of Nissan Stadium facilities for its Rock 'n' Roll Marathon.

Ms. Fawknorton provided a summary of the resolution. On November 21, 2020, the marathon will return after being postponed due to COVID-19. Competitor Group, Inc. uses Nissan Stadium parking lots on race day and in the days leading up to the event to build the start line, set up the medical tent, and as parking for registrants attending the Expo event. They rent the lot at a cost of \$10,000; the resolution will authorize the license agreement.

Drew Wolff (Competitor Group) shared that participation typically is about 25,000 runners. With the pandemic, they expect closer to about a quarter of that - 8,000-10,000 runners. Safety measures included to enhance social distancing and provide the space needed include moving the start line to Nissan Stadium and a controlled start.

Upon a motion made and duly seconded, the Sports Authority unanimously voted to approve the license agreement with Competitor Group, Inc.

Facility Reports

Titans

Jenneen Kaufman provided an update on the Titans. The Titans are currently 5-1. Ms. Kaufman noted owner Amy Adams Strunk is very committed to Black Lives Matter, reporting the Club has been extremely focused on social justice issues. The Titans have also been working to support the vote, dropping off snacks to the poll works, visiting some of the polls with team members and cheerleaders. They have also adopted "Tennessee Tough" as part of our new branding,

Bob Flynn shared that Nissan Stadium is back in business. In September they hosted four MLS soccer games and one Titans game; in October they hosted three Titans games and four

MLS soccer games. Metro Public Health has attended every game, making sure everything is being done correctly.

Predators

David Kells presented an update on the Predators. They received the Medallion Award from Tre Hargett from the Secretary of State's Office participating in getting out the vote efforts. They have been working out alternative ways to use the facility such as the CMT Awards who used the facility for off-site COVID testing (12-14 days) and a draft party for season ticket holders. Metro Health Department has been involved. Some of the ideas that are being considered for the future are setting up a streaming hub for concerts and some small concerts.

Danny Butter, VP and General Manager of Ford Ice Centers, provided an update on Ford Ice Centers which have operated at almost 100% capacity since reopening. They have received notified of the receipt of two grants - "Goal To Skate Program (Scott Hamilton program) - it is free to the participants and provides a free pair of skates) and a Girls Hockey Program (150 girls were involved in the hockey program pre-COVID), this will include 300 girls ages 4-18 to go through youth hockey program.

Sounds

Adam Nuse, General Manager, provided an update on the Sounds, reporting that the club is optimistic that 2021 will have them operating back to normal. They are exploring the possibility of adding special events and being more than a baseball stadium. Batting practice for small groups- they hosted 186 of them- has wrapped up, and Sports Bar, Third and Home, is back open. The Sounds thanked Bob Flynn and the Titans for showing that fans can be brought into the stadium.

Doug Scopel shared they continue to engage in conversations with Metro Health Department. The Sounds had already planned to have an event during 2020 to honor women's suffrage and are now planning to include the historical marker. There are ongoing repairs from the tornado, the work is almost complete--with roof repairs and internal drywall remaining.

Chair Kim Adkins shared that the next meeting will be November 19, 2020, virtually at 10:30 a.m. The Finance Committee will meet prior to that. Director Gill thanked all of the teams for supporting and assisting with the getting out the vote, the census, Black Lives Matter, and the mask mandates.

There being no further business, the meeting was adjourned.