

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

Minutes of the December 6, 2011 Meeting of the Board of Directors
LP Field- Media Room
8:00 a.m.

Board Members: Kim Adkins, Margaret Behm, Cathy Bender, Lauren Brisky, J.D. Elliott, Rusty Lawrence, Steve North, Ralph Perrey, Edward Temple, Nancy Vincent, Helen Walker
Staff: Emmett Edwards (Sports Authority), Theresa Costonis (Metro Legal), Rich Riebeling
Predators/Powers Management: Jeff Cogen, Sean Henry, Michelle Kennedy, Beth Snider
Titans/ LP Field: Jenneen Kaufman, Don MacLachlan, Walter Overton, Scott Rayson
Visitors: Lillian Blackshear, Jeff Oldham

Mr. J.D. Elliott called the meeting to order at 8:00 a.m. and recognized Ms. Terri Costonis to read the Metro Code of Laws (Ordinance No. BL2006-1050). **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the minutes of the November 7, 2011 meeting.**

Executive Director's Report

Mr. Elliott recognized Mr. Emmett Edwards to give the Executive Director's Report. Mr. Edwards began by reporting that a list of media-covered events at LP Field had been provided to the board. Ms. Kim Adkins reported that she had met with Titans executives to discuss opportunities for potential events at LP Field and possible reporting mechanisms to keep the Sports Authority informed. Mr. Edwards continued by reporting that Metro Purchasing is continuing to work through the process of procuring RFP #11.255 for the management of LP Field parking lots and requested a deferment until the January meeting.

Consideration of Debt Management Policy

Mr. Elliott recognized Metro Finance Director Richard Riebeling to address the Sports Authority. Mr. Riebeling reminded the board that the Funding Board of the State of TN requires all public entities to adopt a debt management policy. The purpose of the policy is to provide transparency and to assure the public that proper consideration has been given prior to taking on debt. Mr. Riebeling noted that the policy before the Sports Authority is very similar to the debt management policy currently in place with the principal difference being the addition of language regarding conflicts of interest and signed agreements by bond counsel. **Upon a motion duly made and seconded, the Sports Authority voted unanimously to approve the Debt Management Policy.**

LP Field Report

Mr. Elliott recognized Mr. Don Maclachlan to discuss the proposed LP Field Improvement Bonds. Mr. Maclachlan introduced Mr. Scott Rayson who gave a brief history of portions of the 1995-1996 negotiations between Metro and the Titans, and explained that the Sports Authority has the responsibility to keep the stadium in compliance with applicable law, to keep the stadium in good condition and repair, and to ensure that the stadium has the level of improvements and technology as found from time to time at "comparable facilities." Mr. Maclachlan then reviewed the following proposed improvements, noting that the improvements have already been made in the majority of LP Field's "comparable facilities":

- Video Boards (\$6.9 million)

- LED Ribbon Boards (\$2.915 million)
- Distributed Sound System (\$4.8 million)
- Control Room (\$4 million)
- Elevators to Upper Deck (\$6.5 million)
- Fan Zones (\$1.7 million)

Mr. Maclachlan reported that proposed improvements total approximately \$23.5 million and noted that the figure had been both calculated and approved by the Metro Finance Director's Office. Mr. Maclachlan reminded the board that all improvements will be put out for bids and that the Titans will work with the Sports Authority throughout the entire process.

Upon a motion duly made and seconded, the Sports Authority voted to approve the Initial Resolution authorizing the issuance of not to exceed twenty-eight million dollars (\$28,000,000) in aggregate principal amount of taxable public improvement revenue bonds, series 2012 of the Sports Authority of the Metropolitan Government of Nashville and Davidson County. Mr. Rusty Lawrence stood opposed.

Upon a motion duly made and seconded, the Sports Authority voted to approve the authorization, issuance, and sale of taxable public improvement revenue bonds of the Sports Authority of the Metropolitan Government of Nashville and Davidson County; approving a supplemental trust indenture relating to said bonds; pledging certain revenues of the Authority to the payment of the bonds; and authorizing the preparation and distribution of an official statement in connection with the sale of the bonds. Mr. Rusty Lawrence stood opposed.

Upon a motion duly made and seconded, the Sports Authority voted to approve the authorization, issuance, and sale of taxable public facility revenue refunding bonds of the Sports Authority of the Metropolitan Government of Nashville and Davidson County; approving a supplemental trust indenture relating to said bonds; pledging certain revenues of the Authority to the payment of the bonds; approving a refunding escrow agreement and authorizing the preparation and distribution of an official statement in connection with the sale of the bonds.

Titans Report

Mr. Elliott recognized Mr. Walter Overton to give the Titans Report. Mr. Overton reported that since the last board meeting LP Field has hosted two TSU football games as well as two Titans games. December matchups at LP Field include Titans vs. Saints, Titans vs. Jaguars, and the Music City Bowl. During the first half of 2012 LP Field looks forward to hosting USA Soccer, The Good Guys Auto Show, CMA Music Festival, and Tim McGraw/Kenney Chesney.

Bridgestone Arena Report

With the arena refunding bonds already approved, Mr. Elliott moved to the year end deadlines. The Sports Authority has the option to alter or terminate components of the financial arrangements between the Sports Authority and the Manager/Team as of June 30, 2012, provided Sports Authority gives the Manager/Team notice that it will be electing to do so 180 days before that date, i.e., on December 31, 2011. Chairman Elliott reported that the Sports Authority received a letter dated November 30, 2011 from the Predators authorizing an extension of the notification deadline to 120 days into the year 2012. The Sports Authority can accept the

extension without giving up any rights to the discussion. Negotiations will be led by the Mayor's Office with a representative from the Sports Authority at the table. Ms. Behm requested that someone be present at the January Board meeting who can report on the consequences of Ms. Terri Costonis' memo to the board in financial terms. **Upon a motion duly made and seconded, the Sports Authority voted to accept the notification deadline extension. Ms. Nancy Vincent abstained.**

Mr. Elliott recognized Mr. Sean Henry to discuss the Bridgestone Arena budgets. Mr. Henry reported that September was a very strong month for the arena with 3 sold out shows and two strongly attended pre-season Predators games.

Mr. Henry reported that the arena has submitted the FY13 proposed operating and capital budgets. He noted that the FY13 capital submission is a resubmission of prior projects. Over \$13 million of capital expenditures have been submitted, approved, but not funded for the years 2007-2010. With regards to the proposed FY13 Operating budget, Mr. Henry reported that they are approaching the budget in a very aggressive way, projecting \$5.7 million loss for FY13 as opposed to a \$6.1 million loss for the current fiscal year. Mr. Henry reported that the arena has outperformed every submitted budget in recent years and believes that they will outpace projections for FY13. Finally, Mr. Henry stated the importance of looking at all possible revenue streams to assist with funding for capital expenditures. **Upon a motion duly made and seconded, the Sports Authority voted to approve the Bridgestone Arena FY13 proposed operating and capital budgets. Ms. Nancy Vincent abstained.**

There being no other business, the meeting of the Sports Authority adjourned.