

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

Minutes of the May 24, 2012 Meeting of the Board of Directors
Bridgestone Arena – meeting Rooms J-K
8:00 a.m.

Board Members: Kim Adkins, Alfonzo Alexander, Margaret Behm, Lauren Brisky, J.D. Elliott, Cathy Bender, Chuck Meriwether, Ralph Perrey, Steve North, Ed Temple, Nancy Vincent, Emmett Wynn

Staff: Emmett Edwards, Theresa Costonis,

Titans/LP Field: Walter Overton

Predators/Powers Management: Sean Henry

Visitors: **Rich Riebeling (Metro Finance Director)**, Mike Reinfeldt(Titans General Manager), Eddie Stewart(Stewart Transportation), Brasher Burbank (Stewart Transportation)

Mr. J. D. Elliott called the meeting to order at 8:00 am and recognized Theresa Costonis to read Metro Code of Laws (Ordinance No. BL2006-1050).

Upon a motion duly made and second, the Sports Authority unanimously voted to approve the minutes of the March 22, 2012 meeting.

Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the minutes of the April 30, 2012 meeting.

Executive Director's Report

Mr. Elliott recognized Mr. Emmett Edwards to give the Executive Director's Report. Mr. Edwards reported that two civic event applications have been received. The first application submitted to the Sports Authority was from Clear Channel Communication for its annual event, Taste of Music City, to be held this year on June 2. The 501(c)3 beneficiary of the event is the TN Hospitality Association. Because only 501(c)3 organizations qualify for parking waivers and the application/insurance are in the for-profit organization's name, Mr. Edwards was unable to recommend a parking waiver. **The board determined that the application should be re-filed, and, upon a motion duly made and seconded, the Sports Authority voted to approve the application for Clear Channel's Taste of Music City subject to the applicant being the 501 (c)3. Mr. Steve North abstained.**

The second request was from Jefferson United Merchants Partnership (JUMP) requesting use of Lot R on Friday, June 15 for its annual "Bridging the Gap" event. Mr. Edwards expressed that this is an organization that does great civic work and has met all their civic requirements and asked that the Board move for approval. **Upon a motion duly made and seconded, the Board voted to approve the event.**

Mr. Edwards continued by giving a short review and summary of the capital expense reimbursement process for LP Field. Mr. Edwards reiterated that the request starts with an expenditure by the Titans on behalf of the Board for capital improvement. The capital expense is then presented to a committee made up of representatives from Metro Legal, Metro Finance, the Titans' Chief Financial Officer and the LP Field General Manager. Ralph Perrey is the Sports Authority's representative for the committee. The expenditures and supporting documentation are then reviewed. Mr. Edwards noted that it is a very technical and difficult process examining each expenditure to make sure it fits within the confines of the contract. Mr. Edwards asked Ms. Costonis to further speak about the form and the process. Ms. Costonis stated that individual

expenses are being looked at and that Metro Legal is applying the definition from the stadium agreement to them to make sure they fit within the definition of “Capital Expenditure”. Ms. Costonis stated her belief that best evaluation comes from sitting at LP Field and going through everything one by one and checking off the criteria so as to offer an explanation. Ms. Costonis, along with Emmett Edwards, Walter Overton, Jenneen Kaufman, and Bob Lackey, went through this process. Cumberland Stadium’s attorney, Scott Rayson, also discussed the expenditures with Ms. Costonis and determined that none fell into a category that had not been previously approved.

Mr. Edwards continued his report by noting a letter from Ralph Perrey to the Board updating it on capital expenses related to the stormwater pump replacement project that is ongoing at LP Field. Mr. Edwards additionally noted that the board packets contained the annual report from Bridgestone Arena, a copy of the economic impact report, and a letter from Sirius XM radio requesting an addendum to their lease agreement (which the board earlier approved)- the addition of a termination clause. Also enclosed is information regarding the rental rate set for the use of the second and third story space in the tower for Sirius XM. Conventional comparisons of graphs and charts by multiple local real estate organizations that make that determination regarding the state, metro, county and city square ft. lease costs are included. Another chart showed the cost per square foot for the central business district for Nashville, an average of \$24 plus per sq foot which is the range within which the rate was set for Sirius XM Radio. Mr. Edwards stated that it was very difficult to find a tenant for this particular space and that he is glad Sirius XM is there. Mr. North asked whether capital improvements, in the event of an early termination by Sirius XM, would stay with the lessor. Ms. Costonis stated that additional research was needed and Mr. Edwards recommended that the Sports Authority delay a vote on the termination clause until the questions is answered. The Board agreed.

Finally, Mr. Edwards reported that Coach Ed Temple has been inducted into the U.S. Olympic Hall of Fame. Coach Temple is the only track coach in the history of the Olympic Hall of Fame to be inducted. Coach Temple has had 3 of his runners precede him into the Hall of Fame. The Sports Authority acknowledged Coach Temple’s historic achievement with a standing ovation and Mr. Edwards applauded the U.S. Olympic Hall of Fame Committee for its selection.

LP Field Report

Mr. Elliott recognized Mr. Rich Riebeling to give a report on CMA parking. Mr. Riebeling reported that the Country Music Association (CMA) would like to enter into a long-term agreement to use LP Field for the CMA Music Festival, but feels that in the past parking has not been dealt with in the most efficient, financially responsible way, or in a way that considers the needs of the users. The CMA has requested that they be carved out of the main contract with the Sports Authority in order to work with the Titans directly. The CMA proposes that the financial arrangement be essentially divided so that, after expenses, the CMA receives 50% of the gross revenue, the Sports Authority receives 25% to be used toward debt service, and the Titans receive the other 25%. The CMA believes that over time they will be able to increase revenue for everyone because they will have the ability to control the pricing of the ticket sales, etc.

In response to questions as to whether this parking agreement would conflict with the standard parking contractor, Mr. Riebeling verified that this arrangement does not violate the agreement with the present contractor, Stewart Transportation Company. Mr. Edwards added that both the Titans and CMA have also elected to use the same parking operator and, therefore, customers can expect to receive consistent, much improved, high-level customer support across the board in all the activities Ms. Costonis reported that this agreement is still in a draft format and has not been finalized yet and recommended that the Sports Authority approve it contingent upon the few remaining issues being finalized. **Upon a motion duly made and seconded, the Board voted to approve the recommendation subject to the details being worked out and authorized the Chair to sign.**

Capital Reimbursement Requests

Mr. Elliott recognized Mr. Walter Overton to discuss the capital reimbursement requests. Mr. Overton reported that the capital reimbursements have been vetted, that the committee has arrived at a “meeting of the minds,” and that the Titans are seeking reimbursement in the amount of approximately \$757,000. Mr. Edwards noted that there is enough money in the stadium capital fund to cover the reimbursement and recommended that the board vote to approve it. **Upon a motion duly made and seconded, the Board voted to approve the Titans’ capital reimbursement requests.**

Mr. Overton continued by reporting that the Titans are requesting approval for the construction of a performance stage at the bottom of the north end zone scoreboard. Mr. Overton stated that the Sports Authority’s approval is needed before anything is added to the stadium. If approval is given, internal discussions will continue as to whether this is, in fact, a viable project. If approved, the Titans would be responsible for all costs and all liabilities associated with the stage and at the end of the lease the stage will belong to the city. Pictures were passed around for review of the proposal. The proposed performance stage is expected to improve the fan experience, and will be used for pre-game, half-time, and post-game performances, as well as other events. The size would be approximately 30 feet wide and 27 feet long. **Upon a motion duly made and seconded, the Board voted to approve the proposal for construction of a performance stage.**

Next, Mr. Overton turned his attention to the Titans Periodic report. He began by reporting that the Mayor’s Field Day was a tremendous success, bringing approximately 3,200 people to LP Field. In addition to many games played on the field, there were sack races, trolley events, obstacle courses, and a health fair. Several of the Titans players were also on hand to sign autographs. The Good Guys car show was also held in May and was a coming together partnership between Metro and the State. The 2012 Good Guys Car Show turned out to be the second largest event in 7 years. Upcoming events in June include the CMA Music Festival (June 7 – 10) and the Kenny Chesney /Tim McGraw concert on June 23. Mr. Overton stated that the Titans are constantly looking to bring other types of entertainment to the Stadium.

Additionally, Mr. Overton reported that the casualty loss fund remains at a zero balance that the seat user fee balance is slightly more than 3.5 million dollars, and that unfiled reimbursement requests total approximately 2.2 million dollars. Mr. Overton continued by thanking the Board for its approval of the capital expense reimbursement, and noted that the requests were included in the Titans Periodic Report. Mr. Overton reported that the LP Field renovations and enhancements are well underway. A tour is being offered following the meeting or anyone who wishes to see the progress. The Titans believe that the renovations will come together and be in place for the August 23 season opener.

Bridgestone Arena Report

Mr. Elliott recognized Mr. Sean Henry to give the Bridgestone Arena Report. Mr. Henry began by stating that he had hoped the Predators would still be playing hockey and that he would have been forced to miss this meeting. . Even though the Predators didn’t make it out of the second round, they still have reasons to celebrate. They are the only team in the league to play in a second round two years in a row. Also, David Poile was nominated as NHL Executive of the Year for the third year in a row, Shea Weber and Pekka Rinne have been nominated as the best defenseman and best goaltender of the year, and Mike Fisher has been nominated for the community award. Mr. Henry also stated that the Predators are getting noticed by both the NHL and North America. Over 100 million viewers tuned into watch the Predators home and away broadcasts.

Mr. Henry continued by reporting that from an events standpoint it was a magical year with many records set. For the last 3 months every show at the arena has been its highest gross on its respective tour. The numbers have increased dramatically- even with less attendance. 2012 is the busiest June on record with more shows on sale right now than at the same point.

Mr. Henry reported that negotiations with the city are going very well and he expects the agreement will be finalized in the upcoming days or weeks.

Finally, Mr. Henry reported that Bridgestone Arena is working hard with Tickmasters and their lobbyists to address the problem of ticket scalping. He hopes that their work will ultimately protect the fans that sometimes become the victims of fraudulent schemes and also help the state recoup some of the millions of dollars it loses annually to ticket scalping.

There being no further business the Sports Authority meeting adjourned.