

SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

Minutes of the July 1, 2013 Meeting of the Board of Directors
Bridgestone Arena- Meeting Rooms D-G
8:00 a.m.

Board Members: Kim Adkins, Alfonzo Alexander, Margaret Behm, Cathy Bender, Lauren Brisky, J.D. Elliott, Chuck Meriwether, Steve North, Ralph Perrey, Ed Temple, Emmett Wynn
Staff: Toby Compton, Monica Fawknorton, Margaret Darby (Legal)
Predators/Powers Management: Jeff Cogen, Gerry Helper, Ben Bosse
Titans/LP Field: Don Maclachlan, Walter Overton
Visitors: Rich Reibelung (Metro Finance), Brasher Burbank (Stewart Transportation Solutions); Jeff Oldham (Metro Bond Counsel)

Chairman J.D. Elliott called the meeting to order at 8:00 a.m., thanked everyone for attending, and welcomed back Monica Fawknorton from maternity leave. Mr. Elliott called for a motion to approve the minutes of the March 21, 2013, April 5, 2013, and April 25, 2013 board meetings. **Upon three separate motions duly made and seconded, the Sports Authority unanimously voted to approve the minutes of all three meetings. The minutes of the March 21, 2013 will be amended with the correct spelling of Justin Beiber.**

Executive Director Report

Chairman Elliott recognized Mr. Toby Compton to give the Executive Director Report. Mr. Compton reported that his first two months as Executive Director were full of activity and that he has enjoyed getting to meet and speak with different board members. He thanked Metro departments including Finance, Public Works and Water Services for welcoming him back into the Metro family. He additionally thanked the Titans and Predators for their support, and Monica Fawknorton and Norma Dozier for their help.

Mr. Compton continued his report by giving an overview of the board informational packets. He reported that in addition to the previously approved meeting minutes, the packet contained three reports from the Predators covering the months of March, April and May. Mr. Compton noted that Sean Henry was out of town but would be back for the July 18th meeting and would review the reports and entertain questions at that time. Next Mr. Compton addressed a letter, also included in the packet, from Patrick Holcomb, Manager- Construction Analysis, Budget & Finance for the Convention Center Authority. Construction on the Bridgestone Arena South Entrance renovations is scheduled to begin in July, and Mr. Holcomb and his staff will also give a full report at the July 18th board meeting. Mr. Compton continued by acknowledging Stewart Transportation's first year parking statistics as well as the Country Music Association (CMA) parking reports contained in the board packets. Brasher Burbank will present Stewart Transportation's parking revenue report that includes online parking sales managed by the CMA as well as an annual report at an upcoming meeting. Mr. Compton next turned his attention to Metro's FY14 Budget, reporting that the Mayor's budget had been passed and that the Sports Authority's budget presented by the Sports Authority had remained unchanged. He additionally reported that the both the arena and stadium have been busy with LP Field hosting the CMA Music Festival and the Good Guys Car Show and the Bridgestone Arena hosting Cirque Du Soleil. The Predators also hosted a successful draft party at Dave & Busters. Mr. Compton stated that he met with the Nashville Sports Council and the Nashville Conventions & Visitors Bureau about they and the Sports Authority could better work together and he concluded his report by announcing that Oak Ridge National Laboratory is interested in installing a smaller, fast charging electric vehicle station in Lot R.

LP Field Report

Chairman Elliott recognized Mr. Walter Overton to give the LP Field Report. Mr. Overton stated that the Titans would give a full report at the July 18th meeting, but that he would update the board on recent events at the stadium. Mr. Overton reported that since April LP Field has hosted the Country Music Marathon, the "Nashville" first season wrap party, the 2nd annual Mayor's Field Day, the Good Guys Car Show (attended by more than 40,000 people), and the CMA Music Festival which had a record turnout. Looking forward, Mr. Overton noted that the first preseason game is five weeks away and that LP Field is excited about their upcoming football season which, in

addition to Titans games, will include four Tennessee State University (TSU) games, the University of Kentucky vs. Western Kentucky University, and the Music City Bowl on December 31st.

Mr. Elliott recognized Mr. Brent Freeman with Metro Water Services (MWS) to address the Authority with regards to the Dewatering Facility at LP Field. Mr. Freeman reported that all equipment is now operational. The soft starts and smaller duty pumps have all been replaced and the larger duty pumps have been refurbished.

Following the brief update on the Dewatering Facility, Mr. Don Maclachlan was recognized to discuss the new stadium security measures. Mr. Maclachlan reported that the National Football League (NFL) has instituted new policy limiting the size of bags that can be brought into NFL stadiums. Bags must not be greater than 12x6x12 and must be clear so as to allow security to see the contents. Gates will be designated for people with medical equipment and parents of young children with diaper bags. The Titans are working with Metro Police to develop a plan and to notify the public.

Predators Ice Center

Prior to the Predators Ice Center Project Presentation, Chairman Elliott recognized Mr. Steve North to ask his question regarding Bridgestone Arena's monthly financials. Looking at the income statements, Mr. North questioned whether Metro would pay more than the net operating loss and asked what the net result to the taxpayers is. Mr. Jeff Cogen responded that Bridgestone Arena is operating more efficiently than budgeted and that Metropolitan Government's investment is a fixed, no risk amount. Mr. North stated that it would be helpful for the reports to show the actual benefit or cost. Mr. Rich Reibeling stated that he would work with Jeff Cogen, Sean Henry, and Toby Compton to lay out the information contained in the reports in a simpler, less detailed way that would be more helpful. Mr. North additionally asked about the revenue reported for March 2013. \$1,494,264 of total revenue was budgeted and \$1,346,601 was actualized. Mr. Cogen explained that in their attempt to aggressively book shows, some of the shows had proven to be unsuccessful and unprofitable. He again stated that Mr. Henry would be at the July 18th meeting and would answer any questions in greater detail.

Chairman Elliott recognized Mr. Rich Reibeling to discuss the Predators Ice Center. Mr. Reibeling began with a historical overview, noting that while South East Davidson County is the fastest growing area in the county, it is underserved with regards to parks and community centers. The city was presented with an opportunity to purchase the old JC Penney's at the site of the former Hickory Hollow Mall to build a new library and community center. During lease negotiations with the Predators the shortage of ice was discussed and eventually it was determined that adding a community hockey facility for use by the Nashville Predators and the general public could be a way to spur economic growth and energize the new library and community center campus. Metro will invest \$14,000,000 for the community hockey facility which will be 86,000 square feet and include two sheets of ice, a hockey pro shop, concession space, and upgraded locker rooms. The hockey facility will connect to the library, community center, and mall by covered walkway. Mr. Cogen stated that the facility is important in that it will provide benefits to Davidson County residents, spur economic growth for Southeast part of the county and will grow the Predators' fan base.

Mr. Reibeling continued with the lease terms of the facility, stating that the Ice Center would be owned by the Sports Authority with ground lease from Metro for land. It will be a 20 year lease for the operation/maintenance of the facility with the Predators paying rent of \$350,000-450,000 annually for a total of \$8 million over the term. The Predators will be responsible for day-to-day operations including all maintenance (other than major structural issues) and the Predators will be responsible for any operating losses. The lease payment is not subject to any early termination/default by the Predators. Also, the Predators have stated their strong commitment to the community and will offer scholarship programs, job training and internships, and free introductory ice skating lessons. They will also partner with Metro's facilities on the shared campus.

In response to questions about the funding of the \$14 million ice facility, Mr. Reibeling reported that in addition to rent paid by the Predators and any Sports Authority revenue received, he expects the city to provide an annual budgeted subsidy of \$300,000-400,000 to the Sports Authority. Mr. Reibeling additionally stated that the city hopes to save \$300,000/year with the issuance and sale of \$47,000,000 of Sports Authority public facility refunding bonds. He noted that the refunding is interest rate sensitive and that the rate will impact the amount of savings. Finally, Mr. Reibeling reported the (tentative) legislative timeline for the project is as follows:

July 5- A resolution will be filed with the Metro Council to authorize the Sports Authority to issue bonds for the project.

July 16- The Metro Council will consider the bond resolution for the Sports Authority and the land-swap ordinance will be on Second Reading.

July 18- The Sports Authority will hold its regularly scheduled meeting seeking approval for the following items: (1) issue new bonds, (2) approve the lease agreement with the Nashville Predators and (3) approve an intergovernmental agreement for the land-swap and construction on the ice rink.

July 26- A resolution will be filed with the Metro Council for approval of the Sports Authority's Intergovernmental agreement on the project.

August 6- The Metro Council will consider the intergovernmental agreement resolution and the land-swap ordinance will be on Third and Final Reading.

August 15- The Sports Authority will hold its regular meeting and consider any outstanding project details.

Mr. Alfonzo Alexander thanked the Administration and the Predators for their commitment to the project, reiterating the need for services in southeast Davidson County and noting that this is the area in which he lives and represents as a member of the Authority. Mr. Cogen stated the Predators' commitment not just to the ice rink but to the community and increased economic growth for this part of the county.

Upon a motion duly made and seconded, the Sports Authority voted to approve the resolution requesting approval by the Metropolitan Government of Nashville and Davidson County of the issuance and sale of not to exceed \$15,000,000 in aggregate principal amount of public facility revenue improvement bonds, Series 2013A (Taxable) of the Sports Authority of the Metropolitan Government of Nashville and Davidson County.

Upon a motion duly made and seconded, the Sports Authority voted to approve the resolution requesting approval by the Metropolitan Government of Nashville and Davidson County of the issuance and sale of not to exceed \$47,000,000 in aggregate principal amount of public facility revenue refunding bonds, Series 2013B (Taxable) of the Sports Authority of the Metropolitan Government of Nashville and Davidson County.

There being no other business, the meeting adjourned.