

SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

Minutes of the August 19, 2015 Meeting of the Board of Directors
Bridgestone Arena- Conference Meeting Rooms
8:30 a.m.

Board Members: Kim Adkins, Cathy Bender, Marcus Currie, Chuck Meriwether, Bob Obrahta, Ralph Perrey, Rip Ryman, Ed Temple, Dudley West, Christie Wilson, Emmett Wynn

Staff: Toby Compton, Monica Fawknotson, Margaret Darby (Legal)

Titans/Nissan Stadium: Jenneen Kaufman, Bob Flynn, Walter Overton, Scott Rayson, Tina Tuggle, Steve Underwood

Predators/Powers Management: Sean Henry, Kyle Clayton, David Kells, Michelle Kennedy, Sean Marshall, Danny Butler

Nashville Sounds: Doug Scopel

Visitors: Rich Riebeling (Finance), Bob Lackey (Finance), Ron Gobbell, Michelle Barbero, Tommy Lynch (Metro Parks), Brasher Burbank (Stewart Parking Solutions)

Vice-Chair Kim Adkins called the meeting of the Sports Authority to order at 8:30 a.m. and welcomed all in attendance. After reminding the audience that the appeals process for decisions by the Authority could be found both on the agenda and on the Authority's website, Chairwoman Adkins began by acknowledging that the Sports Authority has been terribly saddened by the recent passing and unexpected loss of Chairman J.D. Elliott who served on the board for 11 years. Chairman Elliott was a dedicated leader and public servant who touched many lives through his profound service in the non-profit community. Chairwoman Adkins called upon Executive Director Toby Compton to read a proclamation from Mayor Karl Dean, following which she read a resolution from the Sports Authority.

Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the posthumous resolution of appreciation, and the chairwoman requested that staff furnish Mr. Elliott's family with a copy.

Following the tributes to Mr. Elliott, Chairwoman Adkins introduced the Authority's newly appointed and confirmed board member, Mr. David Wicker, noting that he will fill Mr. Elliott's remaining term. Mr. Wicker comes to the Authority after serving on Metro's Education, Community, and Arts TV Corporation's Board of Directors. Mr. Wicker is an attorney with his own practice and a mentor with the Nashville Entrepreneur Center. The Authority welcomed Mr. Wicker to the board.

Chairwoman Adkins next acknowledged that Sports Authority bylaws require the board to fill the position of Chair for the remainder of the term which ends in December. **Upon motions duly made and seconded, the Sports Authority voted to elect the current Vice-Chair, Kim Adkins, to the position of chair and Ms. Margaret Behm to fill the Vice-Chair vacancy. Next the Authority, upon a motion duly made and seconded, voted to approve the minutes of the July 22, 2015 Board of Directors Meeting.**

Chairwoman Adkins recognized and welcomed State Representative Bill Beck who presented a proclamation to Bridgestone Arena in acknowledgement of them being named Pollstar Magazine's 2014

Venue of the Year. Representative Beck congratulated Bridgestone Arena on its success, and Mr. Jeff Cogen thanked the Sports Authority, Metro Government, and arena staff for making it all possible.

Executive Director's Report

Chairwoman Adkins next recognized Mr. Toby Compton to give the Executive Director's report. After briefly summarizing the meeting's agenda items, Mr. Compton reported that the Tennessee State Museum, through a charitable donation, has opened an exhibit featuring the Mississippian-era artifacts found during excavation of First Tennessee Ballpark. Mr. Compton said the exhibit is very well done and encouraged members of the Authority to visit the museum.

Mr. Compton further reported that last week he attended a round table discussion at the state capitol with Metro Legal Director Saul Solomon regarding guns and facilities. Mr. Compton reiterated that, contrary to what was indicated in a news story, guns are not allowed in Sports Authority facilities. He noted that Sports Authority facilities have an excellent track record when it comes to public safety, and stated that the Authority will continue to work with Metro Police to ensure that the buildings remain safe for all visitors and employees.

Nashville Downtown Partnership Parking Agreement

At Chairwoman Adkins' request, Mr. Compton continued with a report on the Sports Authority's contract with the Nashville Downtown Partnership (NDP). Mr. Compton reminded the Board that at its July meeting it chose to defer amending the NDP contract until all necessary modifications to the agreement were made. Using a map of the Nissan Stadium parking lots, Mr. Compton reviewed which Sports Authority-controlled lots are used by the NDP for downtown employee parking and events, and also noted how other lots are used by Metro Parks, Ascend Amphitheater, Bridge Building tenants, and others. Mr. Compton reported that the Downtown Partnership would like to exercise its option to extend its contract with the Sports Authority for two years, or until October 1, 2017. The other modification to the contract essentially keeps Nissan Stadium Parking Lots A and D open around the clock for a night time shuttle route that will benefit non-traditional, downtown workers (i.e. musicians, restaurant employees, and others in the hospitality industry) who currently pay up to \$15 per night for parking. Under the new program, late night downtown workers, or their employers, will purchase a monthly pass allowing them to park in Lot A and take the night time circulator. **Mr. Russell Payne of the Nashville Downtown Partnership thanked the Board for its continued support of the NDP's 13-year parking program and, upon a motion duly made and seconded, the Sports Authority voted to approve the amendments to the Downtown Partnership contract.**

Sports Authority and Metro Parks MOU

Chairwoman Adkins recognized Mr. Compton to discuss the proposed Memorandum of Understanding (MOU) between the Sports Authority and Metro Parks. Mr. Compton reported that Parks' construction project on the East Bank has led to discussions regarding the use and prioritization of the space and Lot R. Under the MOU, the Sports Authority will notify Metro Parks as soon as reasonably possible of any contracted event that would prevent Parks' use of Parking Lot R. Visitors to Cumberland Park and the Landing will continue to park for free, but the Sports Authority will retain its right to charge a nominal fee for parking in Lot R for ticketed or permitted events. Finally, with the permission of the Authority, Metro Parks may use up to 250 spaces without charge for special events in conjunction with non-profit organizations. Parks and Recreation Director Tommy Lynch stated that the Sports Authority and Metro Parks have had a good partnership, and Mr. Compton noted that the MOU should be viewed as a working document that will be revisited from time to time as the riverfront landscape changes and the demand for riverfront access and parking increases. **Upon a motion duly made and seconded, the Sports Authority voted to approve the resolution that will authorize the Chair and Secretary to sign off on the MOU once approved by the Parks Board.**

Bridgestone Arena, Nashville Predators & Ford Ice Center Report

Chairwoman Adkins next recognized Mr. Sean Henry to give the Bridgestone Arena, Nashville Predators, and Ford Ice Center Report. Mr. Henry began by noting the great impact Mr. J.D. Elliott's philanthropic efforts had not only on the city, but on the Predators organization and Bridgestone Arena. Through Mr. Elliott, the organization began a significant partnership with Soles for Souls, collecting 10,000 pairs of shoes in Davidson County and traveling to Haiti to work on mission there. Mr. Henry also credited Mr. Elliott's leadership of the Sports Authority as one reason for the overall success of the organization and their ability to garner such notable awards and commendations, including their most recent award- the Design Award- for creativity and the design of Ford Ice Center, one of the very few Gold Leed-Certified ice rinks in the country. Mr. Henry stated that while the organization continues to be proud of what Ford Ice Center has accomplished on the ice and in the community, they are most proud of the way the facility handled the threat of violence only two weeks ago. Mr. Henry reported that the facility's emergency plans went into action, the building went on lock down, and that both their full time and part time staff did everything right.

With regards to hockey, Mr. Henry reported that the Predators are doing well and have the core of the team returning this season. They have signed a couple of new players and are extremely optimistic about the future. Bridgestone Arena also continues to do remarkably well, experiencing double digit % growth in every category and having their 5th record-year in a row. Not only have they had a busy summer in terms of events and shows, these shows have taken place while \$10-11 million of improvements have been made to the building. Mr. Henry reported that the new metal detectors have gone live and are currently in the testing phase. He noted that there will be plenty of time to work out "kinks" between now and the Predators first regular season game.

Finally, Mr. Henry reported that Bridgestone Arena hopes to extend its current contract with concessionaire, Delaware North-Sportservice, for 4 years. In turn, Delaware North will incrementally invest \$4.5 million into the building. \$2 million would be invested now, \$500k in 2018, and the final \$2 million in 2025. The additional monies will be invested in food operations and customer experience. Over the past three years concert food and beverage revenue has increased by 17% and, this past year alone, food and beverage increased 34%. Mr. Compton added that the board will receive additional information as it becomes available and will be asked to take action on the proposal at the September meeting. Metro Finance Director Rich Riebeling and Assistant Director Bob Lackey will be at the September meeting.

First Tennessee Park: Construction Project Completion

Chairwoman Adkins recognized Mr. Ron Gobbell and Mr. Rich Riebeling to give their final remarks on the construction of First Tennessee Park. Mr. Riebeling began by acknowledging that after a lot of hard work the city has a ballpark that has exceeded everyone's expectations. Mr. Gobbell quickly walked the Authority through a timeline of events from the January 27, 2014 groundbreaking to Opening Day on April 17, 2015 only fifteen months later. Included in the timeline was the 7-8 day construction delay after finding artifacts from the Mississippian Era as well as the construction delays resulting from snow and ice in February/March 2015. Mr. Gobbell commented that although the ballpark is open there is still work to be done. Historical markers which will tell the history of the site have been designed and will be installed in September. Green way landscaping will go up to the state parking garage which should be completed this winter. Mr. Gobbell thanked Russell Payne and the Nashville Downtown Partnership for the shuttle service they provided during the interim parking plan. Mr. Gobbell additionally noted that many new projects are going up within blocks of the ballpark and that great things are in store for the area.

Nashville Sounds Report

Following the ballpark construction report, Mr. Doug Scopel gave the Nashville Sounds Report and began by thanking the Nashville Downtown Partnership, city leaders, and all involved in making sure the interim parking/shuttle plan was a success. Mr. Scopel continued his report with attendance highlights from the Sounds inaugural season at First Tennessee Park which has drawn 500,000 fans (first time in 25 years), seen 17 sellouts, and will welcome the franchise's 15 millionth fan before the season's end.

The Sounds have also been busy in the community, hosting a school supply drive and a fundraising event for Nashville RBI (Reviving Baseball in the Inner City). Additionally, they have partnered with Delete Blood Cancer to host a bone marrow drive, and hosted Girl Scout Day at ballpark which included on-field clinic with players. The Sounds also, with Mayor Dean and Council Lady Gilmore, hosted the formal renaming of Jackson Street to Junior Gilliam Way. This December the Sounds will host owners and top executives from all 16 Pacific Coast League teams for the PCL board of directors meeting on December 8 during Baseball Winter Meetings.

Mr. Scopel concluded his report by thanking everyone for their support of what has been a phenomenal first season at First Tennessee Park. The last home game will be held on September 3.

Nissan Stadium Report

Chairwoman Adkins recognized Mr. Bob Flynn, Tennessee Titans Vice-President of Facilities and Game Day Operations to give the Nissan Stadium Report. Mr. Flynn welcomed everyone to Nissan Stadium before acknowledging Ms. Tina Tuggle, Director of Community Relations, to report on the Titans' recent events in the community. Ms. Tuggle reported that the Titans had a very busy August filled with activities including:

- Stuff the Bus and First Day of School for Metro
- 8 for 8- Fan Jersey Give Away
- United Way Training Camp Event
- Ladies Health and Safety Clinic
- High School Coaches Visiting Training Camp
- Chattanooga Community Foundation- Heroes Fund Donation
- Nashville Salutes Donation
- Country Music Hall of Fame Donation
- Community Game Day Drives
- USA Football Month

Mr. Flynn continued with a report of upcoming events at Nissan Stadium which include the Titans August 23rd nationally televised preseason game against St. Louis, Titans vs. Minnesota on September 3, University of Tennessee vs. Bowling Green on September 5, and Tennessee State University 's John Merritt Class on September 6. Mr. Flynn also reported that the Titans continue to focus on rebranding Nissan stadium. They have hired traffic and stadium fan experience consultants and have a new cleaning company (SMS). Current building enhancements include:

- The opening of 20-25 new chutes to speed entry time
- New suite furniture (early September)
- Makeover of Club Level concessions stands
- Addition of a Fan Service Team
- New logos on the bollards

Ms. Cathy Bender noted that she was glad to hear the Titans have hired a traffic consultant and hopes that they will implement a new plan that will alleviate much of the congestion in the lots, ultimately allowing fans to enter the stadium in a timely manner. Mr. Flynn reported that he and Mr. Walter Overton have met with MNPD Captain Dave Corman and Mr. Clinton Gray of TSU and are working on a plan for the John Merritt Classic on September 6.

Following Mr. Flynn, Ms. Jenneen Kaufman, CFO, addressed the Board to give the Titans' financial overview. Ms. Kaufman reminded the Authority that the Ticket Tax is divided into two parts:

the \$2 ticket tax (dedicated to the bonds) and the \$1 ticket tax. Currently the \$2 ticket tax has a balance of \$327,306.88 and the \$1 ticket tax a balance of \$2,354,008.69. Since inception the Titans have paid \$12,561,766.00 in user fees. Ms. Kaufman additionally reported that the Stadium Capital Fund has a balance of \$1,210,927.87 and that the Titans currently have \$1,444,348.01 of unfiled reimbursement receivables. Ms. Kaufman noted that reports submitted to the Sports Authority are run and submitted to the Titans by assistant Metro Finance Director Bob Lackey.

Titans Ticket Tax Payment and Audit

Chairman Adkins recognized Mr. Compton to give a few remarks regarding the Titans ticket tax payment and audit. Mr. Compton reminded the Authority that this issue was added back to the September agenda because the board did not have sufficient time to review the audit and other documents prior to the August meeting. Next, Mr. Lackey approached the Board and reported that Metro Finance has thoroughly reviewed both the ticket tax information presented by the Titans and the audit. They have additionally met with the auditors and Titans executives and received extremely detailed and comprehensive information. Mr. Lackey noted that the Titans were very open throughout the entire process and made all information available to the city. Metro is confident that everything owed to the city has been paid. Moving forward, a full, detailed accounting will be provided to both the Sports Authority and Metro, and information will be in full compliance with all statutory provisions. Mr. Riebeling echoed Mr. Lackey's comments and reiterated how open and cooperative the Titans have been throughout this process. Mr. Dudley West added that he has spoken with Mr. Lackey in depth and that his questions have been answered.

Resolution for Construction Services Contract

Chairman Adkins asked Mr. Compton to provide background information on the proposed Resolution for Construction Services Contract. Mr. Compton reported that currently there are capital projects that need to be addressed at Nissan Stadium. Two significant projects, the replacement of seats and expansion joint repair, will achieve a cost savings if done together. Mr. Compton added that the Metro Council has authorized the Sports Authority to issue up to \$15 million in tax revenue bonds for the project which needs to begin as soon as football season ends. Due to the scope of the project, Mr. Compton and Metro Finance thought it wise to bring in an experienced project manager who can serve as the owner's representative. Commonwealth Development Group, Inc., whose principal is Larry Atema, holds the existing Metro contract for such services and was used during construction of both the Music City Center and the Ascend Amphitheater. The Sports Authority would pay for the service through the existing Metro contract procured through Metro Finance. Mr. Riebeling noted that, ideally, the capital projects would have come to the board for approval prior to going before the Metro Council, but due to the council's schedule and upcoming break it simply was not feasible. Mr. Riebeling, Mr. Lackey, and Mr. Compton are currently talking with local financial institutions and additional information will be brought to the board at a subsequent meeting. **Upon a motion duly made and seconded the Sports Authority voted to approve the Resolution for Construction Services contract.**

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

