

SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY
Minutes of the September 16, 2015 Meeting of the Board of Directors
Howard Office Building- Sonny West Conference Room
8:30 a.m.

Board Members: Kim Adkins, Margaret Behm, Dudley West, Ralph Perrey, David Wicker, Bob Obrohta, Christie Wilson, Ed Temple, Emmett Wynn

Staff: Monica Fawknatson, Ilesha Montesrin (Sports Authority temp), Margaret Darby (Legal)

Titans/ Nissan Stadium: Jenneen Kaufman, Bob Flynn, Walter Overton, Stuart Spears

Predators: Sean Henry, Danny Butler, Sean Marshall, Gerry Helper, Kyle Clayton

First Tennessee Park: Doug Scopel

Visitors: Brasher Burbank (Stewart Parking Solutions), Rich Riebeling (Finance), Jane Madden (Metro HR), Michael Taylor (Metro HR)

Chairwoman Kim Adkins called the meeting of the Sports Authority to order at 8:30 a.m. and welcomed all in attendance. Ms. Adkins reminded everyone that the appeals process for decisions by the Authority could be found both on the agenda and on the Authority's website. Chairwoman Adkins acknowledged the resignation of Sports Authority Executive Director Toby Compton who left to accept a position as President of the Greater Nashville Chapter of Associated Builders and Contractors. Ms. Adkins thanked Mr. Compton for his work and service to the Board and introduced Ms. Jane Madden and Mr. Michael Taylor from Metro Human Resources who will assist the Authority with its search for a new Executive Director. Ms. Madden recommended that an interim be named to assume the responsibilities of the director until the permanent position is filled. **Upon a motion duly made and seconded, the Sports Authority voted to name Monica Fawknatson as the interim Director of the Sports Authority. Upon another motion duly made and seconded, the Sports Authority unanimously voted to approve the minutes of the August 19th, 2015 meeting.**

Executive Director's Report

Chairwoman Adkins recognized Mrs. Monica Fawknatson to give the Executive Director's Report. Ms. Fawknatson gave an overview of the meeting's agenda and added few personal notes about Mr. Toby Compton. Mrs. Fawknatson reported that on September 12th the Mayor and Metro Parks Director Tommy Lynch opened, "Riverfront Landings," the new East Bank Park. She reminded the Board that at the August meeting the Board approved a resolution with Metro Parks that outlines and prioritizes the uses of the new public park. The park opening was followed by the Ninth Annual Dragon Boat Race. In addition to lots of green space, the "Riverfront Landings" has a temporary event space and offers kayak and canoe access to the river.

Nissan Stadium Report

Chairwoman Adkins recognized Mr. Bob Flynn, Vice-President of Facilities and Game Day Operations, to give the Nissan Stadium Report. Mr. Flynn began by reporting on recent events at Nissan Stadium including Titans home games on August 23rd and September 3rd, the University of Tennessee game against Bowling Green on September 5th, and TSU's John Merritt Classic on September 6th. The

Titans will open their regular season at Nissan Stadium on September 27th against the Indianapolis Colts and will play the Buffalo Bills on October 11th. Mr. Flynn continued his report by acknowledging recent building enhancements which include suite and club furniture, Club LED video walls, new plants, and the resealing of two parking lots. Next Mr. Flynn welcomed Mr. Stuart Spears to report on aesthetic changes to the outside of the facility. Exterior improvements include the new name on the East and West sides of the building, a platform on each side of the scoreboard that holds a Nissan Titan truck, and updates to the eight major gates. Ms. Jenneen Kaufman followed Mr. Spears with a financial report, noting that the Ticket Tax Fund currently has a balance of \$1,885,448.80 and the Stadium Capital Fund has a balance of \$1,211,036.53. Unfiled reimbursement receivables are currently \$1,670,993.26.

CMA '15 Parking Settlement

Ms. Kaufman and Mr. Brasher Burbank, with Stewart Parking Solutions, gave a report on the 2015 CMA Music Festival Parking Settlement. Total net parking revenue was \$184,063.77. The Sports Authority and the Titans each received 25% of the net revenue or \$46,015.94 and the CMA received the other 50% which totaled \$92,031.89. Mr. Burbank noted that net parking revenue was down from last year and is the result of an increase of single day tickets over 4-day passes coupled with an increase in the overall parking operation.

Stadium Refurbishment Project

Chairwoman Adkins recognized Ms. Fawknottson to discuss the Nissan Stadium Refurbishment Project. Ms. Fawknottson reported that the project, discussed in previous meetings, consists of the replacement of the original stadium seats which have reached the end of their useful life, and the repair of stadium expansion joints. \$15 million in tax revenue bonds will be issued to pay for the project and repayment of the bonds will come from the \$1.00 portion of the ticket tax as well as the Sports Authority's share of revenue from the CMA's concession sales. Metro Finance Director Rich Riebeling reported that a consortium of banks which include Pinnacle (the lead bank), First Tennessee, and Fifth Third will provide the financing. The loan will have a fixed rate for six years at 4.5% and is structured so as to be paid off in twelve years which coincides with the end of the Sports Authority's lease with the Titans.

Looking at the "Overview of Sports Authority Indebtedness Related to Nissan Stadium" report, Mr. Dudley West raised the question of whether there should be concern about the 2015 bonds not being back-stopped by Metro Non-Tax Revenues, like prior bonds are. He also questioned why there was such a big jump in debt service payment in 2027-the last year of repayment. Mr. Riebeling answered that in 2026 the original bonds that were issued in 1996, for construction of the stadium, will be paid off and that will allow approximately \$4.7 million to return to Sports Authority. Mr. Riebeling noted that the only problem he can foresee occurring is if the CMA decides to hold the CMA Music Festival elsewhere. Metro Finance and Legal are currently working with the CMA and have requested a letter from the CMA committing the music festival to stay at Nissan Stadium. Ms. Margaret Behm expressed her concern about future obligations that the Sports Authority will incur, now that all of the funds are tied up in other bonds. Mr. Riebeling explained that the Sports Authority has \$1.2 million

currently sitting in the Capital Improvement Fund (CIF) and an additional \$1-million is added annually through Metro. He assured her that what is in the CIF would not be used for this project and it would be normal business, in regards to upgrades.

Upon a motion duly made and seconded the Sports Authority voted to approve the Initial Resolution authorizing the issuance of up to fifteen million dollars (\$15,000,000.00) in aggregate principal amount of public improvement revenue bonds, Series 2015 (Federally 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 authorization, issuance and sale of up to fifteen million dollars (\$15,000,000) in principal amount of one or more public improvement revenue bonds, Series 2015, pledging certain revenues of the Authority to the payment of the bonds; and authorizing the preparation and distribution of a loan agreement and related documents and certificates in connection with the sale of the bonds.

Bridgestone Arena/ Ford Ice Center Report

Chairwoman Adkins recognized Mr. Sean Henry to give the Bridgestone Arena Report. Mr. Henry began his report by talking about Ford Ice Center, noting it is used not only as a practice place for the Predators, but also for adult hockey, youth hockey, figure skating, and also as a skating school. It has far surpassed everyone's initial expectations. The Scott Hamilton Skating Academy has increased by 25-30% this year alone. On September 26th Ford Ice Center will celebrate its first anniversary with a party to commemorate their hard work and success.

With regards to Bridgestone Arena, Mr. Henry reported that the arena is currently undergoing renovations estimated at \$10 million. Renovations include lower bowl seat replacement, bathroom renovations, new entry doors, and also walk-through metal detectors to get people in the building more promptly. Half of the renovations have been funded by the Capital Improvement Fund (CIF) and the other half from the Predator's resources. In addition to replacing seats, arena staff has had a busy month of events. Revenue for July 2015 was \$1,157,236.00 compared to \$308,750.00 the prior July. Mr. Henry additionally reported that the Predators recently presented a check for almost \$400,000 to Vanderbilt Children's Hospital for pediatric cancer.

Delaware North Concessions Agreement

Chairwoman Adkins recognized Ms. Fawknotson to lead the discussion on the proposed Delaware North Concessions agreement. Ms. Fawknotson reported that Delaware North Sportservice, Bridgestone Arena's concessionaire service provider, has requested a four-year extension to the current agreement with Powers Management. In return for the extension, Delaware North will invest \$4.5 million in incremental capita. The first portion of the investment is \$2 million will be utilized for a remodel of the food court, new signs for all locations, and an upgrade of the concourse portables. Delaware North will also invest another \$500,000 in 2018 on mutually agreed upon upgrades and then they will spend another \$2 million in 2025 for necessary upgrades as well. In July alone the concessions had over \$250,000 in revenue, whereas the year before that, they did not generate even \$100,000.

Upon a motion duly made and seconded, the Sports Authority voted to approve the extension to the Delaware North Concessions Agreement.

Ed Temple Statue Acceptance Resolution

Chairwoman Adkins reported that On August 28th, 2015 the Ed Temple statue was dedicated at First Tennessee Park to commemorate Coach Ed Temple, long time women's track and field coach at Tennessee State University and Olympic track coach. It was an inspiring, and well attended event with Olympians, former and current Tiger Belles, Mayor Dean and other elected officials, and representatives from the Titans, Predators and the Sounds. Chairwoman Adkins thanked the members of the Authority for attending and gave a special note of thanks to the Temple Statue Committee (Bo Roberts, Howard Gentry, Christie Hauck, and Andrew Maraniss). Coach Temple additionally thanked the Temple Statue Committee, the Sports Authority- especially the former chairman J.D. Elliott, former Executive Director Toby Compton and Monica Fawknotson for their hard work and commitment to the statue. Coach Temple stated that he is thankful to see the statue and so proud of it and the story it tells. He thanked his former athletes, stating it was a true honor to coach them and to represent the United States in the 1960, 1964, and 1980 Olympics.

Following a standing ovation by the Authority, Ms. Fawknotson reported that the Board must formally accept the statue donated to the Authority by Temple Statue Committee. A resolution was drafted to formally accept the statue and any maintenance associated with it. Currently, the statue resides in a temporary location on the 5th Avenue side of First Tennessee Park due to the garage that is under construction. Once the parking garage is completed the statue will be moved to its permanent location 10-15 yards up the greenway. **Upon a motion duly made and seconded, the Sports Authority voted to accept the Ed Temple Statue Acceptance Resolution.**

First Tennessee Park Update

Chairwoman Adkins recognized Mr. Doug Scopel to give the First Tennessee Park Report. Mr. Scopel reported that in its inaugural season First Tennessee Park averaged almost 8,000 fans per game and had 19 sellouts. The attendance for the Sounds season was the highest in twenty-five years with 565,548 fans. Additionally the Sounds welcomed their 15th million fan. The Sounds continue to be active in the community with visits to Vanderbilt Children's Hospital. They have hosted several events in the club lounge in addition to the Ed Temple Statue unveiling and a sports equipment drive in conjunction with The Sports Fund and the Community Foundation of Middle Tennessee.

There being no other business, the Sports Authority Meeting adjourned.