

SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY
Minutes of March 17, 2016 Meeting of the Board of Directors
Nissan Stadium
10:30 a.m.

Board Members: Kim Adkins, Christie Wilson, Cathy Bender, Emmett Wynn, Dudley West, Bob Obrohta, Ralph Perrey, Khalat Hama, Lisa Howe

Staff: Monica Fawknotson, Ilesha Montesrin, Jason Bobo (Legal)

Titans/ Nissan Stadium: Jenneen Kaufman, Walter Overton, Steve Underwood, Stuart Spears

Predators: Sean Henry, Gerry Helper, Kyle Clayton, David Kells, Michelle Kennedy, Danny Butler

First Tennessee Park: Doug Scopel (Senior Vice President)

Visitors: Ed Henley (Commonwealth Development), Larry Atema (Commonwealth Development), Jordan Wyman (Commonwealth Development), Anthony Lambkin (Nissan), Tracy Woodard (Nissan)

Chairwoman Kim Adkins called the meeting of the Sports Authority to order at 10:30 a.m. and welcomed all in attendance. Ms. Adkins reminded everyone that the appeals process for decisions by the Authority could be found at the top of the agenda. Chairwoman Adkins thanked Mr. Marcus Currie and Mr. David Wicker for their dedicated service to the Board and the City of Nashville. Additionally, she welcomed two new Board members, Ms. Khalat Hama and Ms. Lisa Howe. Ms. Howe is the Executive Director of the Nashville LGBT Chamber of Commerce and recently completed the Nashville Emerging Leaders Program. Ms. Hama is a cancer clinical researcher at Vanderbilt and has been working actively with the Salahadeen Center of Nashville. She is also an advocate that has worked to connect minority groups to build a better sense of community. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the minutes of the February 18, 2016 meeting.**

Executive Director's Report

Chairwoman Adkins recognized Ms. Monica Fawknotson to give the Executive Director's Report. Ms. Fawknotson began by congratulating Ms. Hama and Ms. Howe on their appointments to the Board. She also congratulated Chairwoman Adkins and Ms. Margaret Behm on their reappointments to the board. Ms. Fawknotson noted that three agenda items would require board action: the FY17 Sports Authority Operating Budget, Nissan Stadium EV Chargers Proposal, and the Competitor Group License Agreement. She continued by stating that, in regards to events, it was a very busy month for both Nissan Stadium and Bridgestone Arena, which hosted the US Women's Soccer's SheBelieve's Cup, and the SEC Men's Basketball Tournament, respectively. Ms. Fawknotson also reported that she had the opportunities to speak before Metro Council's Convention, Tourism, and Public Facilities Committee and Leadership Knoxville about the role of the Sports Authority. Ms. Fawknotson concluded her report by announcing that the 2016 National Pro Fastpitch college draft will be held on April 14th at the Country Music Hall of Fame in the CMA Theater. She invited everyone to attend.

Finance Committee Report

Chairwoman Adkins recognized Mr. Ralph Perrey to give the Finance Committee Report. Mr. Perrey began by stating that the Finance Committee met on March 3 to vet the Sports Authority's FY17 budget. Mr. Perrey stated that it is essentially the same budget the board approved last year, with the exception of an increase of \$35,000 for an additional staff position. This full time employee will be primarily dedicated to working with special events held in and around Nissan Stadium's parking lots. Ms. Fawknorton added that the base pay is \$35,000 and that \$18,700 is additionally being requested for fringe (health) benefits. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the Sports Authority's FY17 Operating Budget.**

Mr. Perrey continued his report with the introduction of a new report related to stadium improvements. The report was created by the Titans, with collaboration from Sports Authority Staff, Metro Legal and Metro Finance. The report categorizes stadium projects into current, anticipated, and completed projects, and provides information such as when the board was noticed of the project, the estimated project cost, and the timeline for completion. Mr. Perrey reminded the board that, under the lease, Metro is financially responsible to provide the Titans with \$1 million annually for Capital Projects. Should the costs of the projects exceed this figure, the Titans pay the remainder and carry the debt until a time when Metro is able to reimburse them. Currently, the Titans are carrying a balance of roughly \$5 million- the largest amount to date. Mr. Perrey commended the Titans on their initiative with capital improvements, noting that it has helped to increase the stadium equipment's life. While the stadium seats were expected to need replacements in year 7, due to the Titans' upkeep they lasted until year 17. Mr. Perrey concluded his report by stating that it is the Finance Committee's recommendation to discuss options of repayment with Metro Finance to ensure that the Titans do not have to carry a balance as large as this particular one.

Nissan Stadium Report

Chairwoman Adkins recognized Mr. Walter Overton to give the Nissan Stadium Report. Mr. Overton began his report with an overview of the SheBelieve's Cup, the most recent event at the stadium. This event was comprised of four teams which included the United States, England, France, and Germany. There was a record setting attendance of 25,363 fans- the largest group to watch a women's soccer match in the state with tickets purchased in 42 states, Canada, England, and Germany. Other upcoming events that will be held at Nissan Stadium include a Beyoncé concert on May 5th, the CMA's on June 9th-12th, and Monster Jam on June 16th.

Mr. Overton continued by discussing ongoing improvements at the stadium, including the painting of the east side ramp, pressure washing of the entire stadium, light rakers painting, and the addition of two new concession stands on the upper deck. The Titans have also added new signage to the parking lots to ensure a better understanding of the locations.

Mr. Stuart Spears, Senior Vice President and Chief Revenue Officer, continued the presentation by reporting that the Titans are continuing their efforts to reach out to season ticket holders through direct mailings and a new off season engagement strategy. To that aim, the Titans held a dinner for

season ticket holders last month, and upcoming events for ticket holders include Titans Tuesdays, a Draft Night Party, Titans Caravan, and the Titans 5K. Mr. Spears concluded his report by stating that new ticket sales are ahead of last year, renewals are tracking similar to last year, and the 2016 home schedule includes the Green Bay Packers and the Denver Broncos.

Chairwoman Adkins next recognized Ms. Jenneen Kaufman, CFO with the Titans, to conclude the Nissan Stadium Report with a financial overview. Ms. Kaufman reminded the board that the \$3.00 ticket tax is split into two separate categories (\$2.00 ticket tax and the \$1.00 ticket tax for 2015 Stadium Improvement Bonds). The \$2.00 ticket tax is currently holding \$209,138.61 and has been pledged to pay the bonds for previous improvements. The Stadium Improvement Bonds have been broken down into three separate funds.

- Stadium Revenue Fund (\$1,878.75)
- Stadium Reserve Fund
 - Stadium Revenue Fund Reserve (\$401,559.49)
 - Stadium Prior Bond Reserve (\$1,900,000.00)
- Stadium Construction Fund (\$706,749.30)

Ms. Kaufman stated that the ticket tax paid to date (from inception) totals \$14,318,917.00. Contributions thus far, for 2016, total \$433,992.00. Ms. Kaufman discussed the User Fee Recap which was initiated last season at the request of the Board. The Titans estimate they will pay \$1.6 million into the ticket tax during the season and have divided this amount into installments to be paid over 10 months. After each game the box office will provide a true up of actual tickets sold and pay the difference. Ms. Kaufman additionally reported that the Capital Stadium Fund has a balance of \$157,947.56. The Unfiled Reimbursement Receivable is at \$3,364,571.75, not including a Wi-Fi installation of \$2.5 million, and the Casualty Receivable is at \$23,405.63. Ms. Kaufman noted that the Titans recently received a check from Metro to pay a portion of the Casualty Receivable and that was not included in this report. The Titans have recently composed a Cap Ex Communication Tool to identify the status of current, completed and anticipated Capital Projects at the stadium. The communication tool for current projects includes a special column for the total cost estimate and the cost incurred to date. The combined total of the estimates for these projects is \$2,475,850.00 and includes:

- Storm water pump generator (\$325,850)
- Light raker paint project (\$575,000)
- Light pole project-Includes inspection of poles and new parking lot identification signage (\$125,000)
- Parking lot reseal and striping (\$18,575.40)
- Leak repairs (\$9,783.49)
- Magnetometers (\$500,000)
- Club renovation- furniture, tables, and trash cans (\$950,000)

Ms. Kaufman noted that most of the anticipated projects have "TBD" listed under the contract completed category because they have not finalized the contracts. Anticipated projects with a cost estimate are below and total \$5,125,318.00:

- Club window gaskets and glazing replacement (Price TBD)
- Roof replacement on concession stands and other buildings (Price TBD)
- Security video surveillance system (\$1,050,000)
- Access control system (\$85,000)
- Lighting control system (\$500,000)
- Telecommunication room clean agent system (\$70,000)
- Direction signage- Interior (Price TBD)
- Manitou- Fork lift for use on the field such as stair setup (\$60,000)
- Control room equipment- wireless PL system and wireless camera system (Price TBD)
- East and west freight elevators- new controllers, gates, and gate controllers (\$425,000)
- Door replacement throughout the Stadium (Price TBD)
- Jersey barrier covers (Price TBD)
- Speakers at gate entrances (Price TBD)
- Bathroom renovation- Floor coating for slipping and repaint (Price TBD)
- Truck bay and field side fiber optic cable management (\$475,000)
- Two way radios (\$250,000)
- Concourse high bay lighting (Price TBD)
- Phone system replacement (Price TBD)
- Paint all structural steel and scoreboard structures (Price TBD)
- Sports lighting system (\$1,800,000)

The completed projects collectively have a balance of \$1,420,276.31 and include:

- HVAC Motor VFD Project (\$31,939.88)
- Domestic water valve install (\$20,883)
- Moisture mitigation design project in upper concourse (\$86,700)
- Expansion joint replacement test area (\$157,570)
- Club renovation- LED video walls (\$439,956.43)
- HVAC unit in main computer room (\$82,884)
- Inflatable field cover (\$466,659.40)
- Various equipment (\$133,683.60)

To conclude her report, Ms. Kaufman stated that she has compiled invoices, proposals, and contracts for all of the improvement projects, as requested by Ms. Margaret Darby. She will be presenting it to Ms. Monica Fawknotson at the end of the meeting along with a letter from Mr. Steve Underwood. In response to a question asked by Mr. Dudley West, Ms. Kaufman reported that the Unfiled Reimbursements plus the Wi-Fi installation total roughly \$5 million. Mr. West stated that Metro's annual contribution of \$1 million is insufficient to reimburse what is outstanding, and made a

motion that the board requests a recommendation from Metro Finance as to how these current and future projects will be funded. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to request a recommendation from Metro Finance to determine the contractual obligations for reimbursement purposes and how these obligations will be met.**

Nissan Stadium Refurbishment Project Management Update

Chairwoman Adkins recognized Mr. Larry Atema from Commonwealth Development Group to give the Nissan Stadium Refurbishment Project Management Update. Mr. Atema reported that all of the seats in the upper west deck have been removed, 4,000 new seats have been installed, and 8,000 seats are ready to have the bottoms installed. Project managers anticipate they will complete 2,000 seats a day. In addition to the seats, the restrooms and concession stands have been stripped down in order to waterproof the structure and flooring and damaged concrete is being replaced with epoxy. While removing seats, engineers are performing inspections to determine what areas are in need of additional repair. They are also pressure washing to clean areas beneath the original location of the seats.

With regards to joint work, contractors have torn out a number of expansion joints and are waterproofing prior to installing the new joints. After the joints are removed, the measurements are sent in so the new expansion joints can be created. After a few weeks, the new joints arrive, are installed, and finally the concrete around them is patched. Mr. Atema reported that his group intends to have the upper deck of the stadium concert ready in time for Beyoncé to take the stage in May. Mr. Atema concluded his report by noting that his group continues to pay close attention to the budget numbers, and still expects the project to be completed before the opening of the season.

Nissan Stadium EV Chargers Proposal

Chairwoman Adkins recognized Ms. Fawknorton to review the Nissan Stadium EV Chargers Proposal, which was proposed at the February 18 board meeting. Ms. Fawknorton reminded the Board that Nissan North America has requested six spaces in the North side of Lot R for the placement of three electric vehicle charging stations. Nissan's partner, NRG EV Services, LLC (EVgo), will have sole responsibility of the chargers including maintenance, operations, electricity, and installation, and associated expenses. The agreement is for a ten -year term with automatic month-to-month renewals and at no cost to the Sports Authority or the Titans. Ms. Fawknorton reminded the board that it voted to defer action at the February meeting due to questions about the termination policy. The parties came to a consensus in the weeks following the meeting , with the Sports Authority having the right to terminate the agreement with a 90- day written notice to EVgo, if it is determined that the charging stations are a risk to the public's health, safety, welfare, or due to public emergency. The Sports Authority also grants NRG access to the shared calendar that lists all of the events taking place in Lot R. NRG understands that they may not have access to the chargers at all times due to contractual events.

Ms. Fawknorton concluded by stating that the installation for the project is estimated to take six weeks and the area will be fenced off during construction for public safety. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the resolution authorizing the Sports Authority to enter into a contract with NRG EV Services, LLC to install electric vehicle charging stations at Nissan Stadium.**

Competitor Group License Agreement

Chairwoman Adkins recognized Ms. Monica Fawknorton to give an overview of the Competitor Group License Agreement. Ms. Fawknorton noted that Competitor Group, Inc. manages the Rock N' Roll Marathon, formerly known as the Country Music Marathon. The race will be held on April 30, 2016 and Competitor Group, Inc. has requested additional access to the stadium lots a few days before. Under the license agreement they will have access to:

- Lot P on April 27th through April 29th for the setup of a water station.
- Lot R on April 27th through April 29th for attendee parking for the Health & Fitness Expo that will be held at the Music City Center.
- Lot N on April 27th through April 29th for volunteer parking needs.

As compensation for this agreement, Competitor Group, Inc. will pay the Sports Authority a \$10,000 rental fee. In the past, Competitor Group, Inc. has gone through the typical civic event application process, but due to the large scale of the event, a more formal process is appropriate. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the resolution authorizing the Sports Authority to enter into a license agreement with Competitor Group, INC. to use the parking lots and stadium facilities for its Rock N' Roll Marathon.**

Bridgestone Arena/Ford Ice Center Report

Chairwoman Adkins recognized Mr. Kyle Clayton to give the January Bridgestone Arena and Ford Ice Center Report. During January, Bridgestone Arena generated \$7.3 million in revenue. This is 23% ahead of last year and 8% ahead of the current budget. Expenses also increased and are 14% ahead of last year. In regards to renovations/building improvements, the Capital Improvement Fund (CIF) is being used to fund the ongoing seat replacement. Other CIF projects include suite renovations and an upgrading of the lighting system.

January events at the arena included the Harlem Globetrotters, Madonna, Monster Jam, Men's SEC Tournament, Blake Shelton and Tool. A few of the upcoming events to Bridgestone Arena include Barry Manilow, Martin Lawrence, Rihanna, All for the Hall, Justin Bieber, Selena Gomez, Adele, and Dixie Chicks.

The Predators, with the help of the NHL and McDonald's, unveiled the NHL All-Star Legacy Project. This is a 30,000 square foot renovated space for the Nashville Inner City Ministry, as part of the 2016

NHL All-Star Legacy Family Life Center. It includes new furniture, eight rooms, a pantry with shelves full of food, and two fully stocked classrooms with smartboards.

Mr. Clayton recognized Mr. David Kells to continue the report, beginning with a recap of the Men's SEC Tournament and the tournament's success which Mr. Kells stated was, in part, due to the entire team at the Arena. Between February 29th and March 17th, Bridgestone Arena was the home to 15 events, bringing in approximately 300,000 people. The Predators sold out 28 of 33 home games. On March 31st, the Predators will host their wine tasting event and, in the next few weeks, will be awarding over \$450,000 in grants to the community. Mr. Kells concluded his report by stating that 8 of the final 12 Predators games will be played at home.

First Tennessee Park Report

Chairwoman Adkins recognized Mr. Doug Scopel, Senior Vice President of the Nashville Sounds, to give the First Tennessee Park Report. Mr. Scopel began his presentation by noting that Opening Day on April 7 is quickly approaching. Mr. Scopel announced that both the 2016 regular and promotional schedule have been released, with tickets on sale as of March 7th. As of now, tickets sales are tracking ahead of last year due to a great opening season.

Mr. Scopel stated that Phase 2 construction is scheduled to be completed next week. Phase 2 consists of the park beyond the outfield that connects with the garage. Mr. Scopel additionally reported that the Ed Temple statue will be moved to its permanent location, just up the greenway.

Mr. Scopel also reported that, due to the increase in rideshare companies and bicycle riders to events, Metro Police and Public Works intend to designate a specific lane for drop-offs/pickups and pedestrians to assist the flow of traffic on Fifth Avenue. Mr. Scopel concluded his report by announcing that almost 2,500 tickets have already been sold to the NCAA Basketball game between Vanderbilt and Belmont on March 29th.

Finally, Chairwoman Adkins stated her desire for the board to have a facility liaison for each venue. She requested that interested board members contact her or Ms. Fawknorton.

There being no other business, the meeting was adjourned.