

SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

Minutes of August 18, 2016 Meeting of the Board of Directors

Bridgestone Arena

10:30 a.m.

Board Members: Kim Adkins, Margaret Behm, Cathy Bender, Bob Obrohta, Ralph Perrey, Rip Ryman, Dudley West, Emmett Wynn, Khalat Hama, Lisa Howe, Chuck Meriwether

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

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

Predators/ Powers Management: David Kells, Kyle Clayton, Michelle Kennedy, Keith Hegger, Tim Friedenberger, Jill Ormandy, Will McCaskill

First Tennessee Park: Doug Scopel (Senior Vice President), Adam Nuse, Bryan Mayhood

Visitors: Rich Riebeling (Mayor's Office), Bob Lackey (Metro), Eddie Stewart (Stewart Parking), Brasher Burbank (Stewart Parking), Chase Oeser (Stewart Parking), Roxianne Bethune (Commonwealth Development), Edward Henley (Commonwealth Development), Jordan Wyman (Commonwealth Development), Christiana Ukoli (Commonwealth Development)

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. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the minutes of the July 21, 2016 meeting.**

Executive Director's Report

Chairwoman Adkins recognized Ms. Monica Fawknorton to give the Executive Director's Report. Ms. Fawknorton began her report by stating that in addition to monthly facility reports, the Board will need to approve the CMA parking settlement and there will also be a presentation to discuss the outcome of a facility study that was done on Bridgestone Arena. In the February meeting, Mr. Adam Stover and Mr. Sean Henry stated that they had intentions to initiate a study on the Arena to explore the many possibilities for the future of the facility and they are ready to discuss their findings.

Ms. Fawknorton also reported that the EV chargers that have recently been installed at Nissan Stadium are now live. The branding of the chargers, which was approved at the previous meeting, is almost complete and is expected to be finished prior to the Titans' home opener on September 11th. Nissan has also discussed having a ribbon cutting ceremony to officially welcome the new chargers to the stadium.

Ms. Fawknorton next shared that there has been continuing discussions about the installation of two cellular antennas on the arena's spire. Ms. Margaret Darby with Metro Legal recently sent Baker Donelson a draft of the contract and it is currently being reviewed. Baker Donelson is also in the process of providing a structural analysis of the spire to ensure that it can withstand the installation of the 80 pound antennas.

Finally, Ms. Fawknorton stated that recently, Sports Authority staff member Ms. Ilesha Montesrin completed compiling records and sent them to Metro Archives. This shipment was comprised of 14 boxes that included materials that dated back to when the Sports Authority was established. After multiple conversations with Metro Records Management staff, it was recommended that a new schedule be created specifically for the Sports Authority's records. This will make it so that the records are retained for the life of the building or three years after it has been sold by Metro. This new schedule must be approved by the Public Records Commission at the upcoming meeting in the fall.

Project Management Report

Chairwoman Adkins recognized Mr. Larry Ateama with Commonwealth Development Group to give the Project Management Report. Mr. Ateama reported that, to date, only 2,500 seats are in need of being replaced. Tennessee State University engineering students have recently done testing of the new seats by sitting in every single one and another test is scheduled on August 19th. During the Titans' first home game, there will be employees from the contracting group on site to ensure that any seats that are malfunctioning be replaced immediately.

The budget is tracking on schedule and currently 69% of the \$15,000,000 has been spent. There is also roughly \$1.5 million in unspent contingencies and allowances. DBE (Diversity Business Enterprise) participation is tracking steadily at 26%. Mr. Ateama then stated that a few additional issues that will need to be addressed are on the Club level and level one. Various sections of the expansion joints have deteriorated more than anticipated and will require extra maintenance. Mr. Ateama recommended continuing on with the needed repairs and utilize the \$1.5 million in contingencies and allowances that is available. As of now, Mr. Ateama believes it will take the entire excess of funds to correct the issues and is expected to be completed by the end of fall. This will require the reengagement of the engineers and working around events at the stadium.

Nissan Stadium Report

Chairwoman Adkins recognized Mr. Bob Flynn, Vice President of Facilities, to begin the Nissan Stadium report. Mr. Flynn stated that they recently held two Open Houses because the first date was rained out. The first Preseason game was held on August 13th against the San Diego Chargers.

Upcoming events include:

- Preseason Games- August 20th
- John Merritt Classic- September 3rd
- Regular Season Opener- September 11th
- Beyoncé- October 2nd
- Mexico vs. New Zealand National Soccer Game- October 8th

Mr. Flynn stated that they have made progress on the South Lawn project but it has been delayed due to the need to perform drainage testing. New signage has been placed on the North and South side of the stadium for their partners (Tennessee State University, Music City Bowl, and Country Music Association). A new addition to the facility is the Nissan Hall of Greats which includes 10 touchscreen computers that will give highlights and statistics for every past and present Titans player. These projects will all be paid for by the Titans.

Mr. Flynn then recognized Mr. Stuart Spears, Senior Vice-President and Chief Revenue Officer, to discuss ticket sales. Mr. Spears reported that the renewal for Season tickets began in February with the help from the new Service team that is comprised of six full-time employees. There has also been a series of fan engagement activities which include:

- Training camp visits
- Season ticket deliveries
- Lunches hosted by Mike Keith
- Titans pregame tunnel experience
- Pregame receptions

Chairwoman Adkins recognized Ms. Jenneen Kaufman, Chief Finance Officer, to give an update on the financials. Ms. Kaufman reminded the board that the \$3.00 ticket tax is divided 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 \$474,341.75 and has been pledged to pay the bonds for previous improvements in 2012. The Stadium Improvement Bonds have been broken down into three separate funds, which include:

- 2015 Stadium Revenue Fund Reserve (\$1,445,075.80)
- 2015 Stadium Prior Bond Reserve (\$1,900,000.00)
- 2015 Stadium Construction Fund Summary (\$2,018.47)

Ms. Kaufman stated that the 2015 Stadium Loan is currently at \$9.2 million, which is cumulative for the seat and expansion joints replacement. The ticket tax paid to date (from inception) totals \$15,567,406.00. Ms. Kaufman also 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. Thus far, the Titans have paid six installments, each in the amount of \$162,000.00. Ms. Kaufman additionally reported that the Capital Stadium Fund has a balance of \$1,158,765.76, which includes a \$1 million contribution from Metro. The Unfiled Reimbursement Receivable is at \$4,259,389.88 and the Casualty Receivable is \$6,617.17.

In regards to projects listed on the Cap Ex Communication Tool, Ms. Kaufman reported a few updates. The Club Furniture project and the magnetometers were moved to the completed project list. The annual inspection of the parking lots has been completed and two quotes were received. Two

additions to the Ticket Office project is an awning for the exterior of the windows and the replacement of carpet (neither of which were on the original bid). Refurbishment of the Access Control System is now underway due to the contract now being finalized. Additionally, the NFL is requiring the installation of non-slip surfaces to line the tunnels to the field. The Titans have already received a quote for this project and they have been installed. Ms. Fawknorton added that the process has begun to conduct a facility study to have a better understanding of anticipated projects in the years to come. Finally, Mr. Flynn stated that the Titans' home opener on September 11th is also the conclusion of Marine Week in Nashville. The Marines will be having helicopters fly down Broadway Avenue and circle around the stadium as part of a demonstration on the Cumberland River. This demonstration will include the staging of an assault on bunkers that are located on the river bank and the use of amphibious vehicles. There will also be the use of Pyro approximately one hour prior to kickoff. The Titans have stressed how crucial it is to notify the public so the fans attending the game do not panic.

Approval of 2016 CMA Parking Settlement Report

Chairwoman Adkins recognized Ms. Monica Fawknorton to give the 2016 Parking Settlement Report. Ms. Fawknorton began by stating that according to the 2012 License Agreement between Sports Authority and the Country Music Association (CMA), the Sport Authority grants the CMA permission to utilize the stadium for three event days each year. In exchange for use of the facility, revenues from parking are divided and paid out to Sports Authority (25%), Titans (25%), and the CMA retains 50%. The revenues from four-day passes were \$192,918.08 and the revenue from one-day passes was \$286,162.01. The parking expenses associated with the CMA's was \$102,262.02, a decrease from last year. The total net parking that will be divided three ways is \$183,899.99, giving Sports Authority and the Titans \$45,975, while the CMA received \$91,950.00. This year's Sports Authority settlement is only \$41 less than last year. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the 2016 CMA parking settlement. Ms. Margaret Behm abstained.**

Bridgestone Arena- Populous Facility Study Update

Chairwoman Adkins recognized Mr. Sean Henry, CEO of the Predators, to give an overview of the Populous Facility Study Update. Mr. Henry began by stating that the purpose of this study is to explore the various options for the future of the Arena. In a previous vision study, there were over 100 projects that were in need of being completed. This led to roughly \$60 million in improvements, some funds from the Capital Improvement Fund (CIF) and some originated from the owners of the Predators, as well as private investors.

Mr. Henry then recognized Mr. Adam Stover, Principal of Populous, to discuss the findings of the facility study. Mr. Stover discussed a few potential projects that include:

- Increase the number of restrooms and concession stands
- Increase the number of entry lobbies

- Additional sheet of ice
- Conference center
- New office space for staff members
- Standing platform on Upper Level
- New tower
- Meeting and retail space on Broadway Avenue
- New outdoor terrace on Upper level
- Creation of canopy over plaza for year-round use
- Outdoor space on the corner of 5th and Demonbreun
- Relocation of box office

Ms. Margaret Behm requested to have a full discussion about the study at the next meeting.

Bridgestone Arena/Ford Ice Center Report

Chairwoman Adkins recognized Mr. Kyle Clayton, Director of Financial Reporting, to give the Bridgestone Arena/Ford Ice Center Report. The month of June brought Bridgestone Arena's fiscal year to a close with a record breaking \$12,500,000 in revenues for the year. Last month the Predators announced that they would contribute \$500,000 to improvements within the facility and now they will contribute an additional \$300,000. This investment will be used for mechanical repairs and a new ice deck floor covering.

In the month of July, Bridgestone Arena hosted 6 events which included the CMT Awards, Selena Gomez, Justin Bieber, and Slipknot. The Predators schedule was also released in June and their home-opener is on October 14th. Mr. Clayton recognized Ms. Rebecca King, Executive Director of the Predators Foundation, for being awarded with the Nashville Emerging Leaders Award. Meanwhile at Ford Ice Center, a number of tournaments were held during the month of June and this includes the Honkey Tonk Showdown. The Adult Hockey League is all filled up with 50 teams and over 700 participants.

Mr. Clayton then recognized Mr. David Kells to continue the report. Mr. Kells began by stating that renovations are still ongoing and with the hockey season over, the 200 and 300 level seats have now been completed. Even though the Arena has undergone the seat replacement, since May there were 11 concerts, CMT Awards and two week-long conferences without any interruptions. Concession stands and ten bathroom renovations are still ongoing as well. Finally, some upcoming shows include: Professional Bull Riding, Cirque du Soleil, Demi Lovato, and Give Thanks.

Nashville Sounds/First Tennessee Park Report

Chairwoman Adkins recognized Mr. Doug Scopel, Sounds' SVP, to give the Nashville Sounds/First Tennessee Park Report. Mr. Scopel began his report by stating that the Sounds have hired a new Vice President of Sales, Bryan Mayhood. Since May 24th, the Sounds have been in first place with high hopes

of seeing the Playoffs this year. The number of home games left is down to six and the Sounds will have the opportunity to host between one and six Playoff games at First Tennessee Park. This month, the Sounds welcomed their 1 millionth fan in Ballpark history. Additionally, last month the Sounds staff built a playground for a local Elementary School and on August 11th they had the Grand Opening during the school's Open House. Rascal Flatts held #1 party for the Sounds' 16th #1 hit at the ballpark on July 13th. July 26th brought Cole Swindell to the ballpark during a Sounds game to record part of his music video. On July 29th, the Nashville Sports Council hosted "Olympic Breakfast" which featured a guest speaker and Olympic gold medalist, Shawn Johnson. Upcoming events include Drink.Eat.Play Fest (repeat event from the fall) and the Albert Pujols Family Foundation Home Run Derby. Finally, Mr. Chuck Meriwether thanked the Sounds for naming their umpire room after himself.

Chair's Remarks

Chairwoman Adkins noted the next meeting will be held at Bridgestone Arena on September 15th at 10:30am.

There being no other business, the meeting was adjourned.