

SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY  
Minutes of September 15, 2016 Meeting of the Board of Directors  
Nissan Stadium  
10:30 a.m.

**Board Members:** Kim Adkins, Dudley West, Bob Obrohta, Khalat Hama, Lisa Howe, Chuck Meriwether, Margaret Behm

**Staff:** Monica Fawknorton, Ilesha Montesrin, Margaret Darby (Legal), Jason Bobo (Legal)

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

**Predators:** Sean Henry, Kyle Clayton, David Kells, Michelle Kennedy, Danny Butler, Keith Hegger

**First Tennessee Park:** Doug Scopel (Senior Vice President)

**Visitors:** Ed Henley (Commonwealth Development), Larry Atema (Commonwealth Development), Jordan Wyman (Commonwealth Development), Roxianne Bethune, Christiana Ukoli, Brasher Burbank (Stewart Parking Solutions), Chase Oeser (Stewart Parking Solutions)

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 August 18, 2016 meeting.**

***Executive Director's Report***

Chairwoman Adkins recognized Ms. Monica Fawknorton to give the Executive Director's Report. Ms. Fawknorton began by recognizing Ms. Teresa Phillips, Tennessee State University's Athletics' Director in the audience. Ms. Phillips, who has served as TSU's AD since 2002, will return in the next few months to give a TSU report.

Ms. Fawknorton continued that, in addition to monthly facility reports, the Board will be asked to consider a resolution that would authorize the Authority to continue the current contract with Commonwealth Development Group. The resolution would allow for assessments to be performed on the stadium and the arena through Venue Solutions Group. There will also be further discussion about the Bridgestone Arena explorative study that was presented by Populous at the previous meeting. Ms. Fawknorton concluded her report by stating that since the last meeting, the Sports Authority, through Metro HR, has posted two open staff positions. The position was posted for a week and 125 people applied. . Metro Human Resources is currently vetting the applications and will disclose more information at the next meeting.

***Authorization of Commonwealth Development Group to engage Venue Solutions Group to perform Nissan Stadium and Bridgestone Arena facility assessments***

Chairwoman Adkins recognized Ms. Fawknorton to discuss the resolution before the board. During the July board meeting, Mr. Rich Reibling discussed the need for Nissan Stadium to undergo a complete assessment for the purpose of better understanding the comprehensive needs of the facility and, ultimately, the projected expense. Present needs of the facility are currently outpacing the Metro's

\$1 million annual contribution. Bridgestone Arena will also be included in the scope of work. Venue Solutions Group has stood out as a firm that specializes in facility operations and conducts evaluations of facilities as a whole. They have analyzed and evaluated many professional and collegiate sports facilities across the country. The scope of work will include the following:

- Architectural
- Major Systems (Mechanical, electrical, plumbing, fire protection)
- Structural
- Entertainment Electronic Systems
- Operations and Electronic Systems
- Food Service, Concessions, Catering, Merchandise
- Vertical Transportation
- Roofs
- Playing Surface (Nissan Stadium)
- Capital Expense Matrix (Research, develop, and deliver a capital expenditure matrix that will assist in budgeting and making decisions)

Ms. Fawknorton stated that since Commonwealth Development already serves as the Sports Authority (owner) representative for Nissan Stadium, it was fitting to allow them to manage this project as well. Commonwealth Development Group will subcontract Venue Solutions Group. The total cost for this contract is \$355,000 (53% towards the work at the stadium and 47% towards the arena). An additional \$45,000 will go to Commonwealth Development Group for their services and project contingencies. The facility assessments will be funded from contingency proceeds from the seat replacement project at the stadium and surplus revenue from the arena.

In response to a question from Ms. Margaret Behm on arena surplus revenue, Mr. Bob Lackey stated that there are many sources of revenue from the arena that belong to Metro (sales tax, seat surcharge revenue, and rent from the reserved areas inside the facility). These revenues are pledged to the arena debt service and are all held in the Arena Revenue Fund within Metro. This fund has many obligations that include payments to debt service on arena bonds, debt service on Ford Ice Center, management fee for the Arena, loss cap, and the incentive fee. Mr. Lackey stated that after calculating the expenses for all of the obligations, there is a surplus that is allocated towards other needs of the facility. Ms. Fawknorton concluded by stating that the study is expected to be completed by the end of March and updates will be provided regularly. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the resolution to utilize the project management contract between the Metro Government and Commonwealth Development Group for the engagement and performance of facility assessments for both Nissan Stadium and Bridgestone Arena.**

#### ***Project Management Report- Nissan Stadium***

Chairwoman Adkins then recognized Mr. Larry Atema with Commonwealth Development Group to give the Project Management Report. Mr. Atema began by stating that all of the seats have officially been replaced at the stadium. There is still work to be done on the expansion joints, and the top coat is

being applied to the cracks in the concrete on the third floor. The budget is on schedule, and approximately \$1 million in contingency money is still available. With this surplus, they will pay for the assessment from Venue Solutions Group and they will also complete a few items from the prioritized list of needed improvements.

Mr. Atema then recognized Ms. Roxianne Bethune to give an update on the Diversity Business Enterprise (DBE) component of the project. Ms. Bethune stated that they have recently itemized the various subcontractors, as it relates to participation. She provided a list that included the DBE dollars earned to date for each organization, which totaled \$2,990,092. Collectively, the DBE percentage to date 26.19%. Ms. Bethune concluded by stating that there are currently five small businesses, four minority-owned businesses, and one woman owned business working on this project.

### ***Nissan Stadium Report***

Chairwoman Adkins recognized Mr. Bob Flynn to give the Nissan Stadium report. Mr. Flynn reported that in the last month, they hosted the Titans' second preseason game on August 20<sup>th</sup>, Tennessee State University's John Merritt Classic on September 3<sup>rd</sup>, and the Titans' regular season opener on September 11<sup>th</sup> against the Minnesota Vikings. Upcoming events include:

- Beyoncé (October 2<sup>nd</sup>)
- Mexico vs. New Zealand Soccer Game (October 8<sup>th</sup>)

Mr. Flynn stated that they are currently in the process of placing their PSL Founder Walls at gates one and six. He also stated that 27 suites had been upgraded and they have added murals to the Nissan Hall of Greats.

Chairwoman Adkins recognized Ms. Jenneen Kaufman, Executive Vice- President and 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 \$787,146.05 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 (\$1,673,607.89)
- 2015 Stadium Prior Bond Reserve (\$1,900,000.00)
- 2015 Stadium Construction Fund Summary (\$2,104.06)

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 additionally reported that the Capital Stadium Fund has a balance of \$1,158,765.76, and includes the annual \$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 Manitou and the non-slip coating for the tunnels have been moved to the completed project list. The storm water pumping station is a new addition to the current projects due to annual invoices from Metro Water. The telecommunication room clean agent system has been moved to the current list. Ms. Kaufman concluded by stating that two additional items have been incorporated onto the current list and include insulation throughout the stadium due to leaks and the antenna for the radios is also in need of replacement as well.

### ***First Tennessee Park***

Chairwoman Adkins recognized Mr. Doug Scopel, Senior Vice-President of the Nashville Sounds, to give the First Tennessee Park Report and congratulated him on his recent engagement. Mr. Scopel stated that the Sounds' season is officially over after being knocked out of the playoffs in the first round. The Sounds welcomed about 500,000 fans two years in a row while at the new facility. The team's manager, Steve Scarosone, was named PCL Manager of the Year. The Sounds hosted pregame baseball clinics for members of the Girl Scouts on August 13<sup>th</sup>, and Sounds players visited the Monroe Carell Children's Hospital on August 30<sup>th</sup>. On September 9<sup>th</sup>, First Tennessee Park hosted the Goodlettsville Little League All-star team and took the field with the Sounds players before the start of the game. Upcoming events include:

- Drink.Eat.Play Fest (September 24<sup>th</sup>)
- Albert Pujols Family Foundation Home Run Derby (October 2<sup>nd</sup>)
- Vanderbilt fall baseball scrimmages (October 28<sup>th</sup>-30<sup>th</sup>)

There are no capital improvements to report.

### ***Bridgestone Arena-Populous Study Discussion***

Chairwoman Adkins reminded the board that at last month's meeting, a request was made to add the Bridgestone Arena explorative study back to the agenda for further discussion. Ms. Adkins asked if there were any questions or concerns and there were none at the time.

### ***Bridgestone Arena/Ford Ice Center Report***

Chairwoman Adkins recognized Mr. David Kells, V.P. of Booking, to give the Bridgestone Arena report. July 1<sup>st</sup> is the beginning of Bridgestone Arena's fiscal year. Totals revenues for July were at \$962,358; total expenses were \$947,464. Projections for this month were ahead by \$200,000 for the month of July.

During the month of June, Bridgestone Arena hosted six events including the Barbershop Convention, Louis CK, G-Eazy, Hillsong United, 5 Seconds of Summer, and Beachbody. With regards to building improvements, the 200 and 300 level seats have been replaced, and more bathrooms are scheduled for completion. Additionally, the south-end retail store is being upgraded as well to accommodate merchandise from all events at the arena (not just Predators). Bars that are located in

the FOX Sports Tennessee zone are being expanded as well. Upgrades are expected to be started in the Lexus Lounge, All-inclusive zone, and the team's locker room by the end of the year.

Predators' tickets went on sale in August, and within the first week, they were up 50% from any year in franchise history. For the second year in a row, all 82 of the Predators' games will be broadcasted on television. Ford Ice Center will celebrate its 2<sup>nd</sup> birthday on September 25<sup>th</sup>. This celebration will include a team scrimmage, public skate, and an autograph signing.

***There being no other business, the meeting was adjourned.***