

SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

Minutes of November 17, 2016 Meeting of the Board of Directors

First Tennessee Ballpark

10:30 a.m.

Board Members: Kim Adkins, Margaret Behm, Bob Obrohta, Ralph Perrey, Dudley West, Emmett Wynn, Khalat Hama, Lisa Howe, Christie Wilson, Chuck Meriwether, Catana Starks

Staff: Monica Fawknotson, Ilesha Montesrin, Margaret Darby (Legal), Quinton Herring

Titans/ Nissan Stadium: Jenneen Kaufman, Bob Flynn, Steve Underwood, Walter Overton

Predators: David Kells, Kyle Clayton, Danny Butler, Michelle Kennedy, Jill Ormandy

First Tennessee Park: Doug Scopel (Senior Vice President), Adam Nuse (General Manager)

Visitors: Larry Atema (Common Wealth Development), Ed Henley (Common Wealth Development), Jordan Wyman (Common Wealth Development), Roxianne Bethune

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 September 15, 2016 meeting.**

Chair's Remarks

Chairwoman Adkins began the meeting by sadly noting that board member Coach Edward Stanley Temple had passed away since the last Sports Authority Meeting. Mr. Temple was a founding member of the Sports Authority Board of Directors and also a retired Collegiate and USA Olympic track and field coach. After a moment of silence, Ms. Adkins announced that there will be a resolution presented in his honor at the next board meeting. Last month, Mayor Megan Barry appointed Dr. Catana Starks to fill Mr. Temple's seat on the board. During her tenure at Tennessee State University, Dr. Starks became the first female and to coach a male collegiate team. She also coached the women and men's diving teams. In addition to coaching, Dr. Starks served as the Chair of the Human Performance and Sports Science department and retired from TSU in 2011. The film, "From the Rough," is about Dr. Starks' coaching career.

Executive Director's Report

Chairwoman Adkins recognized Ms. Monica Fawknotson to give the Executive Director's Report. Ms. Fawknotson began her report by stating that the Sports Authority office has added to its staff. Ilesha Montesrin has taken the Administrative Services Officer role and Quinton Herring is the new Special Event Coordinator. Ms. Fawknotson continued her report by stating the importance of the Nashville Sports Council to the Sports Authority facilities. She invited the Board to become members of

the Nashville Sports Council to help support the many events they bring to Nashville. Ms. Fawknotson concluded her report by stating that facility reports are the only item on the agenda for discussion.

Ford Ice Center Report

Chairwoman Adkins recognized Mr. Danny Butler General Manager of Ford Ice Center, to give his report. Mr. Butler began by stating that the facility is currently being utilized by home-schooled students on Tuesdays and Thursdays to count as their physical education credit. Ford Ice Center will be hosting the USA Hockey's Sled Hockey Tournament that gives disabled hockey players a chance to participate in the game of hockey. The tournament consists of 24 teams that each has a relationship with an NHL team.

Scott Hamilton, tenant of Ford Ice Center, will host "Scott Hamilton and Friends" at Bridgestone Arena in order to raise money for cancer research. Mr. Butler additionally announced that Ford Ice Center will host the 2018 US Figure Skating Regionals. This event will bring in 300 skaters from the middle region of the country. Mr. Butler concluded by announcing that the outdoor skating rink at Walk of Fame Park reopen this year from November 19th to February 20th for the public's enjoyment.

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. Mr. Clayton began by stating that according to ESPN's Ultimate rankings named the Predators as the #1 team in all of professional sports in three categories: Stadium Experience, Fan Relations, and Affordability. ESPN's rankings are based off of fans' votes and include NHL, NFL, NBA, and MLB.

During the month of September, Bridgestone Arena hosted 6 events which included Demi Lovato/Nick Jonas, Give Thanks, Avenged Sevenfold, Carrie Underwood, Kanye West, and Prophets of Rage. Additionally, Mr. David Kells was named Venue Executive of the Year for the second time.

Only three months into this fiscal year revenues have soared above \$3 million. Meanwhile, expenses are well within budget and made for a successful month. Mr. Clayton stated that he anticipates having the audit for FY16 completed in time for the upcoming Finance Committee meeting. At the September meeting, Venue Solutions Group was appointed a subcontractor to Commonwealth Development Group, in order to conduct a facility assessment on both Bridgestone Arena and Nissan Stadium. Mr. Clayton announced that Venue Solutions Group completed their assessment of Bridgestone Arena and the board should expect to receive the findings from VSG in a report this spring.

The Nashville Predators Foundation currently completed their sixth playground build with their partner, KaBoom! With 200 volunteers they were able to complete two playgrounds within seven hours for Saint Mary's Villa Child Development Center. Mr. Clayton congratulated Board member Mr. Chuck Meriwether for his selection as an inductee into the 2017 Tennessee Sports Hall of Fame. Upcoming Arena shows include: Casting Crowns, Scott Hamilton, Cirque Musica, Charlie Daniels Band, Joel Osteen, Ringling Bros Circus, R Kelly, and Kelly Clarkson.

Project Management Report

Chairwoman Adkins recognized Mr. Larry Atema to give the Project Management Report. Mr. Atema reported that VSG is currently doing the assessment of Nissan Stadium. The arena's assessment is already completed. Mr. Atema mentioned that Venue Solutions Group should have drafts completed by the end of January. The findings of the facilities assessments will be categorized as maintenance, improvements, or capital.

Mr. Atema then recognized Mr. Ed Henley to discuss the remaining funds in the budget. Currently there is about \$1.8 million dollars available. Mr. Henley stated that each category now has a new line item called "Additional Allowance for Repairs." This is the sum all of the contingencies per each category. Adjustments were made within the Project Management Funds to accommodate the additional work for the facility assessments. DBE (Diversity Business Enterprise) participation is tracking at 30.77%. This includes small business enterprises (21.28%), woman owned business (3.02%), total female ethnic minority (0.27%), and total male ethnic minority (6.19%). The total DBE dollars earned to date is \$3,579,969.

Mr. Ed Henley recognized Mr. Jordan Wyman to discuss Phase II of the improvements at the stadium. Mr. Wyman stated that the concrete on the upper concourse deck has been treated with a waterproof coating. Phase II will have a budget of \$1.8 million with the scope of work in the East Club Level includes: all sealants and caulking, additional expansion joints, and guardrail extensions as well. The work on the sealants and guardrail extensions is scheduled for completion by the end of the year. The expansion joints will not be installed until after New Year's due to temperature sensitive material.

Nissan Stadium Report

Chairwoman Adkins recognized Mr. Bob Flynn, Vice President of Facilities, to begin the Nissan Stadium report. Mr. Flynn stated that Nissan Stadium has hosted several events since the last meeting including:

- Titans vs. Raiders (September 25th)
- Beyoncé (October 2nd)
- Mexican National Soccer Game VS. New Zealand (October 8th)
- TSU Homecoming (October 15th)
- Titans vs. Cleveland (October 16th)
- Titans vs. Indianapolis (October 23rd)
- Titans vs. Jacksonville (October 27th)

- Titans vs. Packers (November 13th)

Mr. Flynn reported several updates to suite renovations, the South Lawn project, and the Safety Act Compliance Certification. The South Lawn project will begin renovations at the end of the football season. Mr. Flynn reported that the Titans have submitted their original, preliminary Safety Act report and, on December 11th, they will be visited by homeland security for a walk-through of the entire facility. Once the season is over the Titans will begin to upgrade between 60 and 70 suites.

Chairwoman Adkins recognized Ms. Jenneen Kaufman, Titans CFO, to give an update of their 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 \$683,256.64 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 (\$1,599,458.38)
- 2015 Stadium Prior Bond Reserve (\$1,900,000.00)
- 2015 Stadium Construction Fund Summary (\$2,120.94)

Ms. Kaufman stated that the 2015 Stadium Loan is currently at \$10.6 million, which includes the seat and expansion joints replacement. The ticket tax paid to date (from inception) totals \$16,308,880.00. 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 nine installments, each in the amount of \$162,000.00. Ms. Kaufman additionally reported that the Capital Stadium Fund has a balance of \$1,159,533.02, which includes a \$1 million contribution from Metro. The Unfiled Reimbursement Receivable is at \$4,902,887.27 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. She stated that one additional invoice was received for the insulation and was in the amount of \$600. Also, there was an addition to the Access Control System project for \$1,812.40.

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 next year there will be 71 Sounds games, two Vanderbilt games, and additional events as well. The 2017 Sounds schedule was released and opening day is scheduled for April 11, 2017. Recent events at First Tennessee Park include:

- Drink.Eat.Play Fest- September 24th

- Wedding Receptions- October 1st and 14th
- Albert Pujols Family Foundation Home Run Derby- October 2nd
- Suites N Treats- October 26th

Chairwoman Adkins concluded the meeting by stating that the next meeting will be held on Thursday, December 15th, at First Tennessee Park.

There being no other business, the meeting was adjourned.