

**SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE  
& DAVIDSON COUNTY**

Minutes of February 16, 2017 Meeting of the Board of Directors  
Nissan Stadium  
10:30 a.m.

**Board Members:** Kim Adkins, Cathy Bender, Ralph Perrey, Christie Wilson, Dudley West, Khalat Hama, Lisa Howe, Margaret Behm, Catana Starks, Chuck Meriwether, Rip Ryman, Emmett Wynn

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

**Titans/ Nissan Stadium:** Jenneen Kaufman, Walter Overton, Bob Flynn, Robbie Bohren; John Robinson

**Predators:** Kyle Clayton, David Kells, Sean Henry,

**First Tennessee Park:** Doug Scopel, Adam Nuse

**Visitors:** Ed Henley (Commonwealth Development Group), Roxianne Bethune (Commonwealth Development Group), Brasher Burbank (Stewart Logistics, Inc.), Eddie Stewart (Stewart Logistics, Inc.), Chase Oeser (Stewart Logistics, Inc.), Brandon Hess (Metro OMB), Ronnie Steine (Mayor's Office), Eleanor Kennedy (Nashville Business Journal)

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. She acknowledged the recent passing of Ms. Kitty Moon Emery, a founding member and former chair of the Sports Authority. Ms. Emery played an important role in bringing the Nashville Predators and Tennessee Titans to Nashville. She was a role model for the community and was recognized by Mayor Barry for being a devoted, civic leader. Chairwoman Adkins requested a moment of silence be held in honor of the life and memory of Kitty Moon emery.

**Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the minutes of the January 19, 2017 meeting.**

***Opportunity Now***

Following approval of the meeting minutes, Chairwoman Adkins stated that the Mayor's Office, in conjunction with the Nashville Career Advancement Center, is in the midst of deploying a youth employment initiative. The initiative is Opportunity Now and Chairwoman Adkins recognized Mr. Ronnie Steine, the Mayor's Youth Policy Advisor, to discuss the program.

Mr. Ronnie Steine stated that, historically, summertime has not brought adequate opportunities for employment to young adults and is the reason why Mayor Barry initiated the program. Opportunity Now is a chance for young adults to develop job skills, earn a paycheck, and connect with the community. This program was initiated in Chicago and is Mayor Barry's inspiration for bringing it to Nashville. Opportunity Now will create summer jobs for 10,000

scholars, 7,500 of which will be direct hires from employers. Mr. Steine reported that an online portal will go live in a week and will give both employers and students the ability to post what they are looking for. Mr. Steine noted that the largest provider of jobs is Delaware North Sports Services Corp, Bridgestone Arena's concessionaire, with 1,400 opportunities this summer. In addition to the direct hires, 2,500 jobs will be internships, supported by government and private contributions. Interns will receive support from local non-profits, education about financial literacy, soft skills training, and intense support throughout the summer. Opportunity now estimates that the internships will cost \$2,500 per person, including wages, mentoring and all other components. The program is open to ages 14-24, with ages 18 and up being a year-round opportunity. Mr. Steine stated that this ongoing project will cost roughly \$4.5 million and come from public and private funding. Once the portal is active, eligible applicants will be informed of the program from their schools. There will also be advertisements on social media networks to reach those participants who did not receive the information at their school. Mr. Steine concluded his report by stating that any employer can access the portal and create a job opening. All jobs will be facilitated through Opportunity

### ***Executive Director's Report***

Chairwoman Adkins next recognized Ms. Monica Fawknotson to give the Executive Director's Report. Ms. Fawknotson began her report by also recognizing Ms. Kitty Moon Emery. Ms. Moon Emery was the Chair of the Sports Authority Board when Ms. Fawknotson joined the staff. Ms. Fawknotson spoke of Ms. Moon Emery's love for and dedication to the Authority and thanked everyone who attended her memorial service. Ms. Fawknotson stated that following her report, the board would receive the Finance Committee's report, including the two items requiring recommendations from the Authority (Titans' Capital Expense Reimbursement Request and Sports Authority's FY18 Operating Budget). Ms. Fawknotson noted that there would also be a Nissan Stadium/Titans Report and that the board would have an opportunity to ask questions about the facility reports that were distributed the previous week.

Ms. Fawknotson continued by acknowledging the Sports Authority's 2017 committee members and facility liaisons. The 2017 Finance Committee is chaired by Margaret Behm and consists of Vice-Chair Ralph Perrey, and Dudley West. The Executive/Personnel Committee is comprised of the Board's Officers, Kim Adkins (Chair), Cathy Bender (Vice-Chair), Christie Wilson (Secretary) along with Chuck Meriwether. The 2017 facility liaisons are Emmett Wynn (Bridgestone Arena), Lisa Howe (Nissan Stadium), and Bob Obrohta (First Tennessee Park).

Ms. Fawknotson next turned her attention to Metro's FY18 budget calendar noting the following key times:

- February 28<sup>th</sup>: Pre-budget Meeting with the Finance Director
- March 13<sup>th</sup>- 17<sup>th</sup>: Mayor's Budget Discussions with Departments
- March 27<sup>th</sup>- 31<sup>st</sup>: Public Investment Plan Hearings

Ms. Fawknorton invited the board to attend the budget meetings and stated she will keep them apprised as meeting times are finalized.

Ms. Fawknorton followed the budget information with a few brief comments about the Nashville's bid for an MLS Expansion team. The MLS Organizing Committee, headed by John Ingram, Bill Haggarty, and Will Alexander, submitted its package to Major League Soccer by the January 31 deadline. A stadium plan is a critical component of the bid package and Mayor Barry has stated that the Fairgrounds is the only appropriate space for the stadium. Ms. Fawknorton noted that, regardless of the MLS outcome, Nashville will have professional soccer in 2018 with Nashville S.C. Ms. Fawknorton concluded with a report on the United State of Women's Empowerment Forum held on February 1<sup>st</sup> at First Tennessee Park. The forum welcomed several Olympians and the President/CEO of the WNBA Dallas Wings and was live streamed across the country as part of National Girls and Women in Sports Day.

### ***Finance Committee Report***

Chairwoman Adkins recognized Ms. Margaret Behm to give the Finance Committee Report. Ms. Behm stated that on Monday, February 13<sup>th</sup>, the Finance Committee met to discuss the Titans Capital Reimbursement Request and the Sports Authority's FY18 Operating Budget. The 2016 total reimbursement request is for \$1,017,873.37 and is comprised of the following projects:

- HVAC Motor VFD (Variable Frequency Drive) Project- \$31,939.88
- Domestic Water Value Install- \$20,883.00
- Expansion Joint Replacement Test Area - \$157,580.00
- HVAC Unit in Main Computer Room- \$82,884.00
- Inflatable Cover for Field- \$479,180.40
- Equipment/Upgrades- \$138,220.60
- Nissan Stadium Leak Project- \$20,495.49

Ms. Behm stated that the staff's and Committee's recommendation is to approve all of the projects except the inflatable cover for the field (recommend deferral). There was also a recommendation to defer payment of the Expansion Joint Testing Area and the Nissan Stadium Leak Project until Phase Two of the seat/expansion joint replacement has been completed. Should there be any additional money left from Phase Two, it will be used to fund these two projects. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the Titans' Capital Expense Reimbursement Request with the exception of the Inflatable Field Cover which will be deferred to a later time. Payment for both the**

**Expansion Joint Testing Area and Leak Project will be deferred until the completion of Phase Two and, at that time, the project will be funded either from the left over proceeds from Phase Two or the Capital Stadium Fund.**

Ms. Behm recognized Ms. Fawknorton to present the Sports Authority's FY18 Operating Budget. Ms. Fawknorton stated that the department is proposing a 3- year budget (FY18-20) of \$859,100 (FY17 budget is \$832,600) - for an increase of \$26,500. Currently, more than half of the annual budget is allocated to building related expenses, i.e. insurance. Ms. Fawknorton noted that the proposed budgetary increase is the result of an ordinance currently before the Metro Council. Should the ordinance pass, stormwater rates across the county will rise resulting in a projected annual increase of \$26,500 for Nissan Stadium. Ms. Fawknorton stated that increases related to insurance premiums, internal service fees, cost of living adjustments, and merit increases will be adjusted internally by Metro Finance.

Ms. Fawknorton continued by reporting that Public Investment Plans (PIP) will be part of the FY18 budget process. In FY17 the Sports Authority received funding through the PIP process to hire a Special Event Coordinator. Metro Finance has confirmed that the Sports Authority will not be required to submit a second year PIP for continued funding of its Special Event Coordinator. Instead, the funding will be added directly to its budget from the general fund. For FY18 the Sports Authority will submit a PIP for the funding of two Mamava suites, mobile pods which provide nursing mothers a clean and private place to nurse and express milk. Several stadiums and arenas have already implemented the use of Mamavas in their facilities, including the San Francisco 49ers and the Minnesota Vikings. In response to a question by Chairwoman Adkins, Ms. Fawknorton stated that the majority of funds for the Opportunity Now intern will come out of the FY17 budget. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the Sports Authority's FY18 Operating budget.**

***Sports Authority Facility Questions***

Since the 2018 meeting structure does not include presentations from all facilities, Chairwoman Adkins called for any questions board members have after reviewing the written facility reports. Ms. Christie Wilson asked Mr. Doug Scopel, SVP of the Sounds, about ticket sales for the college games hosted by First Tennessee Park? Mr. Scopel stated that he asked the schools to allow the ticketing to go through his box office because his employees are more familiar with the facility than Ticketmaster. Each school is promoting the game but asking patrons to buy the tickets from the Sounds' website. Last year they sold 5,000 tickets and are optimistic about the attendance increasing this year. On Tuesday March 21<sup>st</sup>, Vanderbilt will play Belmont and on Tuesday March 28<sup>th</sup>, Vanderbilt will play Lipscomb. Mr. Scopel also stated that opening day at First Tennessee Park will be on Tuesday, April 11<sup>th</sup>. Season ticket holders should be receiving their packets in the middle of March to kick off the season.

### *Nissan Stadium Report*

Chairwoman Adkins recognized Mr. Steve Underwood, CEO and President of the Tennessee Titans, to give the Nissan Stadium Report. Mr. Underwood shared a tribute for Ms. Kitty Moon Emery, noting how she was crucial to the Titans relocation from Houston, to Nashville. Mr. Underwood then recognized Mr. John Robinson, the first year Executive Vice President and General Manager of the Titans. Mr. Robinson discussed how the Titans used their first overall draft pick last year to receive Right Tackle Jack Conklin, Running Back Derek Henry, and Defensive Lineman Austin Johnson. Through these deals they also received the 5<sup>th</sup> overall pick and a 3 round selection in the 2017 draft.

Mr. Bob Flynn, Vice President of Facilities, continued the Nissan Stadium Report by reporting that upcoming events include:

- CMA Fest (June 8-11)
- Monster Jam (June 24)
- Gold Cup – US Men’s National Team (July 8)

Mr. Flynn announced the following project updates:

- Suite Renovations: 70 east side suites are being updated this year and 75 suites on the west side will be updated next year.
- South Lawn: A new, paved, space outside of the stadium to be used for pregame/concert event space is scheduled to be complete in 6 weeks.
- Safety Act: Mr. Flynn introduced Floyd Hyde who is the new Safety Coordinator with 32 year as a police officer and 40 years military experience.

Mr. Flynn then introduced Mr. Jordan Wyman, Project Manager with Commonwealth Development Group (CDG). He announced that since the last board meeting they have finalized and delivered all warranties and owner manuals for phase one work that was completed at the end of last quarter. They received all materials for expansion joint work and crews are on site, as of last week. There will be weekly progress meetings with PBG builders and will continue for the next two months. The budget for Phase 2 continues to track favorably. Regarding the facility assessments, the drafts have been received and CDG are currently finalizing the format with additional edits for both Bridgestone Arena and Nissan Stadium. The final reports are expected to be delivered to the Sports Authority at the end of the first quarter.

Chairwoman Adkins then recognized Ms. Jenneen Kaufman, CFO, 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 \$1.00 ticket tax for 2015 Stadium Improvement Bonds). The \$2.00 ticket tax is currently holding \$608,002.57 and has been pledged to pay the bonds for previous improvements in 2012. The Stadium Improvement Bonds are divided into three separate funds, which include:

- 2015 Stadium Revenue Fund Reserve (\$1,655,273.18)
- 2015 Stadium Prior Bond Reserve (\$1,900,000.00)
- 2015 Stadium Construction Fund Summary (\$2,134.83)

Ms. Kaufman reported that the 2015 Stadium Loan is currently at \$11.8 million, which is cumulative for the seat and expansion joints replacement. The ticket tax paid to date (from inception) totals \$16,840,126.00. Ms. Kaufman also discussed the User Fee Recap which was initiated last season at the request of the Board. The Titans estimated 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. Now that the Titans' season is over, all payments have been made for a total \$1,845,603.00. Last year, Metro conducted an audit of the ticket tax and the Board should be expecting one this year as well. Season ticket renewals were sent out 2 weeks ago and the Titans currently have a 32% renewal rate- up from 16% this time last year. There are 69,616 seats in the stadium and, of those; 82-83% are season ticket holders. The Titans will hold an event for their season ticket holders and they will also be giving out awards to several of their season ticket holders. Season ticket holders are also invited to many different events throughout the season to keep them actively engaged. Ms. Kaufman additionally reported that the Capital Stadium Fund has a balance of \$1,159,959.32. The projects that were approved from the Capital Reimbursement Request will be deducted from this fund. The Unfiled Reimbursement Receivable currently sits at \$5,014,267.75 while the Casualty Receivable is \$6,617.17.

In regards to projects listed on the Cap Ex Communication Tool, Ms. Kaufman reported that they have recently added a project to the anticipated list that will add a security screening barrier to the fenced areas around the stadium. The Safety Act walk-thru of the facility noted this as a security risk because there are holes in certain areas that could allow people to hand stuff through the fence. Ms. Kaufman also recognized a project that has moved to the current list and that is door replacement throughout the stadium. Almost all of the doors are originals and have been malfunctioning over time (not closing and not locking). Ms. Kaufman stated that the Facility Assessment should be completed in late March. Finally, the Titans provided a 2016 recap video that showed all of the events and updates that had taken place at the stadium.

Chairwoman Adkins stated that the next meeting will be held on March 16<sup>th</sup> at First Tennessee Park. ***There being no other business, the meeting was adjourned.***