

Metropolitan Government Board of Fair Commissioners Work Session for the Bristol Motor Speedway
Proposal

January 10, 2023 5:00 p.m.

Fairgrounds Expo 3

Present:

Sheri Weiner, Chair

Jasper Hendricks, Vice-Chair

Mario Avila, Commissioner

Todd Hartley, Commissioner

Anthony Owens, Commissioner

Laura Womack, Executive Director Fairgrounds

Satrice Allen, Finance and Administrative Manager

Ann Mikkelsen, Metro Legal

Tom Cross, Metro Legal

Jerry Caldwell, President of Bristol Motor Speedway

Jon Cooper, Waller Lansden representing Bristol Motor Speedway

Chris Rhodes, Vice-President Kimley-Horn and Associates

Chair Weiner stated that they would start with the Kimley-Horn presentation and thanked Vice-Mayor Shulman for being there and then gave the floor to Mr. Rhodes.

Mr. Rhodes explained that he was there representing Bristol Motor Speedway and that Kimley-Horn would be their traffic engineer to assist them with the preparation of a transportation management plan. He stated that he would explain what they would be doing to develop a plan and would be glad to answer any questions. He then went over the report presented. He finished by stating that this was only a game plan and there were still lots of questions to be answered. There were several questions and brief discussions concerning: a plan for when multiple events were going on, past experience with traffic plans for other racing events and how racing fan behavior is different compared to other types of fans/events, infield availability for parking, daily parking management and responsibilities for events (both racing and non-racing), an agreed plan before the lease was signed (and as part of the lease), and parking & traffic problems. Mr. Cooper pointed out that since this was a 30-year lease, a traffic/parking plan would need to be flexible to make changes throughout the years. Chair Weiner stated that she would also like to see them stipulate criteria upon which the decision(s) would be made to make those changes and potentially list the different issues that they saw throughout the area.

Chair Weiner then moved to the approval of the last meetings minutes. Vice-Chair Hendricks made a motion to approve, Commissioner Hartley and Commissioner Owens both seconded. All were in favor and the minutes were approved. Chair Weiner then moved to the Question-and-Answer Session and gave the floor to Director Womack.

Director Womack stated that there were some questions in the board packets (attached) that had not been answered yet and they were still working on getting those responses and added that this would be a working document. Commissioner Hartley asked who provided the input for these responses and she stated that the questions from The Board (and some of her questions as well) were submitted to Bristol (Jon Cooper and the Bristol team), The Administration (Ben Eagles), and Metro Legal (Tom Cross). Commissioner Hartley also asked who was taking notes on the information and questions gathered so far. Chair Weiner stated that both she and Director Womack were compiling all the data and notes, as well as the minutes from the meetings. She also suggested that if any of the Board Members wanted to email their thoughts and ideas to them, to go ahead and do so. Commissioner Hartley stated he just wanted to make sure that these provisions and agreements did get into the lease. Mr. Cross stated that the Board would need to first agree to what they would be asking for in the lease and they would need to vote.

Points of Interest and Questions:

- 1) Who is the customer? Who will be coming to the speedway under this proposal? Director Womack stated that local and out of town fans (more for NASCAR) and the Kimley-Horn and the CSL reports also gave some of that information.
- 2) Will NCVC be held to the same curfew/noise standards as Bristol and the other tenants? Director Womack answered, “Yes”.
- 3) Director Womack noted that mandating participation with the NIAC was missing in the lease and added that Bristol had agreed from the beginning to participate in this.
- 4) On scheduling protocol questions: Director Womack stated more defined protocol was needed and that they were already doing this with soccer-it just needed to be put down in writing, so all parties were in agreement. If three major events wanted the same day-a methodology of who got first choice was needed, and they would get that out to The Board once it was official. Commissioner Hartley felt this should be attached as an exhibit to the lease ahead of time and Mr. Cross said he believed the drafts did contain this as an exhibit already.
- 5) Do project accounts as defined mean that Bristol only contributes if the Sports Authority contribution and the State contribution are insufficient to support completion of the project? Mr. Cross stated at some point they would know the gap between the gmp and the total and whether Bristol would/would not contribute to the deficiency. Mr. Cooper added that Bristol would be contributing throughout the lease and “paying in” to service the debt on the facility.
- 6) Does “requisite capacity” mean the State mandated 30,000 seats? Director Womack explained that state law said to be eligible for ticket tax, the seats must be 30,000 (like the soccer stadium). Mr. Cooper stated that one of the key aspects was the ticket tax so the facility must have 30,000 seats or they would not be able to make the bond payment. There was some discussion about an alternative proposal (and smaller facility). Chair Weiner stated they had asked for a report with numbers from engineers to get the facility up to safety standards and upgrades for a 2023 facility if the Bristol proposal failed and they were still waiting on those numbers. She added that, if Metro had to do these upgrades, the funds would come from another bucket of money that would directly impact taxpayers.
- 7) CSL Cost Study: Was consideration given if there were no sanctioning agreement with NASCAR? Are there other tracks that don’t have sanctioning agreements and what do those cost analyses reflect? Commissioner Hartley stated section 3c in the Operating Agreement addressed the fact that if Bristol did not procure a NASCAR event-they would be covered. Mr. Cooper added there were multiple checks and balances to ensure measures were protected.
- 8) Director Womack stated that clarification had been asked for concerning the agreement of the sound study. It should be characterized as up to a 50% production in the perception of sound and that the definition is important as part of the public education-as “perception of loudness” and not a defined measurement.

- 9) Is another material (other than metal) being considered for the grandstands to reduce reverberation? Director Womack stated they would know more once they got to the design and cost phase and Chair Weiner added that she and Director Womack would both be directly involved in that process. Commissioner Hartley stated that they needed to put on their list to propose as an amendment on what noise mitigation should be since that had not been negotiated yet.
- 10) Didn't Bristol rent increase to a starting of \$1M instead of \$850K? Director Womack answered yes and that this was an adjustment based on the CSL report, along with several other changes.
- 11) If Bristol is not responsible for all capital repairs and improvements to the speedway throughout the lease term, why do we not have a collaborative review and procurement plan with Metro relative to the needs, timeline, and implementation? Director Womack stated that his would have to go to the waterfall and Mr. Cross went over the waterfall process and explained this in more detail.
- 12) Was consideration given for weather and other potential reasons that ticket sales may not live up to expectations as it relates to the Replacement Reserve Fund (funded by ticket tax)? Director Womack answered that this also related to the waterfall and the debt reserve fund and that CSL did absolutely consider impacting events such as weather in their analysis.
- 13) The agreement notes that Metro is responsible for construction of the speedway – isn't Bristol? Director Womack stated Bristol would engage a design builder to design and construct the speedway and there would be a speedway oversight committee set up that would consist of the Executive Director, the Fair Board Chair, and the Finance Director (or a designee) to represent Metro to oversee the development of the speedway and to participate and collaborate with Bristol on that process.
- 14) Why isn't the payment to the Fairgrounds guaranteed up front in whole vs. a partial guarantee and other half in the waterfall? Mr. Cross stated that this was a negotiated term and that the Board Chair was interested in pursuing an amendment related to that. Chair Weiner stated it was on the list. Director Womack gave a summary of how they came up with the number of a partial guarantee (50%). Chair Weiner stated they were in the process of making sure they had updated numbers. There was a brief discussion about the impact of Bristol managing the speedway on Fairground's staff as well as any cost reductions.
- 15) Does the NCVC have rights to any part of the Fairgrounds beyond the speedway? Director Womack stated that if they wanted to use the property beyond the speedway, they would come and negotiate with the Fairgrounds separately. Commissioner Hartley asked exactly what was included in the speedway part of the campus. Mr. Cross stated that the oval, the grandstands, and all of the buildings there were considered the speedway.
- 16) If Bristol is not contractually obligated under the proposed lease agreement to bring any event to the speedway/Fairgrounds nor can they guarantee that NASCAR will continue to allocate races to Bristol, nor is there a sanctioning agreement-should this be cause for concern such that Nashville taxpayers won't be responsible for this debt? Mr. Cross stated that the Board would need to decide if this was cause for concern so that was more of a policy question. There were some protections put in place and also Bristol would be motivated to host events to cover their costs as well.
- 17) Why are Bristol's revenue projections for advertising /sponsorship and Gross Revenue Sharing lower than CSL's numbers? Mr. Cross stated the deal had changed a bit and, in some places, CSL thought Bristol would exceed their projections. Commissioner Hartley expressed his concern that the local racing would be replaced with the larger events to make their revenue quota and he stated that it was important to protect the local racing (and the charter requirements). He asked if there was anything in the lease that required Bristol to host local races. Mr. Cross answered that

while there was nothing in the lease that required local racing, Bristol understood the importance of local racing and the local racing community. Commissioner Hartley added that they might need to include that in the lease that certain races were protected. Mr. Cooper stated that he did not think Bristol had any intentions to stop local racing. Commissioner Avila asked what Bristol had done at other speedways and was local racing a part of other properties. And did the charter say “racing” or “local racing”? Mr. Cooper stated that it was important to make sure that they had the flexibility to host different types of events over a span of 30 years and not to “box in” a type or number of specific events. Commissioner Hartley stated that he felt some races should be set aside for local racing. Commissioner Avila added that it was important to think about the shareholders vs. the stake holders and as a Metro property, they should be considerate about that and understand the difference between the two. He asked, “What are we here to do?”

- 18) Explain the justification of the projected drastic increase in local racing attendance in consideration of tripling the ticket cost from what is currently charged? There was a brief discussion about this, and Commissioner Avila stated that it was important to consider the local racing community and to protect a price threshold. Director Womack stated that in her discussions with Bristol, the whole experience would be so much more elevated with the new amenities and resources which would help justify an increase in ticket price. Chair Weiner added that it was her understanding that they were talking about an average that included some higher priced areas but stated that they should get a clarification on that.
- 19) Is there enough buffer in the revenue streams to protect the General Fund when there is weather, a pandemic, or if NASCAR/Bristol does come to a sanctioning agreement or lose it? Director Womack stated this answer was similar to an earlier question, so she moved to the next question.
- 20) What is the remaining 13 million from NCVC going towards? Director Womack explained that this was one of the changes made after the original CSL report.
- 21) What is the definition of “substantive” regarding the use of procurement and competitive bidding? Director Womack stated that “substantive” meant big trades.
- 22) The lease document says that Bristol will not be under any obligation to provide parking for Fairground events-is there a more cooperative approach to be taken here? Director Womack stated that this would be negotiated separately by everyone and part of the scheduling protocol. Commissioner Hartley stated again that he felt this should be negotiated now rather than later. Chair Weiner added that this (cooperation) has been discussed with all parties on the property. Commissioner Avila asked for more clarity on major events and who would staff and receive the revenue and Mr. Cross went over who would handle parking on specified events/weekends. There was some discussion about this.
- 23) How will food and beverage work at the expos during significant event weeks as it related the contracted vendor that will hold catering, beer permit, and liquor license? Director Womack stated that this would work much like the fair when carving out weeks for the speedway.
- 24) Will the NCVC be subject to Fairgrounds parking fees if parking is needed outside the leased footprint? Director Womack stated that this would have to be a separate agreement with the Fair Board.
- 25) Why isn’t the Bristol lease the same as the soccer lease? Mr. Cooper went over several reasons why the Bristol lease was different.
- 26) What is the value of the 10 acres that was provided to NSC as part of the lease? Is that consistent with the amount that Bristol isn’t willing to commit to? This was covered previously.
- 27) Alternate proposal to renovate the Fairgrounds-at the 11/8/22 meeting, the mayor’s office mentioned that Metro Planning was working on an independent review and costing of necessary capital improvements to the site. What is the status of this work? Director Womack stated this report should be completed by February 3rd and would include the grandstands which was not included in the 2016 report. She added the report in 2016 estimated about 11 million to renovate/upgrade the speedway but about 40% of the lights had already been done from that

report. She stated she expected to get a list of things that needed to be updated for the future with this new report-not just aesthetics but also to function and with a dollar amount attached to it.

- 28) What is the process to have an environmental impact study done on the area where the proposed work will take place? Director Womack stated that would be part of Bristol's responsibility and Mr. Cross stated that that would be part of the construction budget. Vice-Chair Hendricks asked if a study could be done before construction and Mr. Cross stated there would be a study which would include a soil study before construction.
- 29) Where is the 17 million from the NCVC coming from and how is it able to be used for the raceway? Director Womack stated they had enough in their reserve fund to pay a portion up front.
- 30) Is it a lump sum or payments over time? Director Womack answered that it would be both.
- 31) Does this mean that the 17 million minus the 4 million for predevelopment is the same money NCVC will be paying to rent the 20 days or in addition to? Director Womack stated this would be the same answer as the previous question. Vice-Chair Hendricks asked what if the NCVC no longer existed over a 30-year time span. Commissioner Hartley agreed with this concern and asked that language be inserted to say "NCVC or successor" in the lease. Mr. Cross stated he needed to look at the NCVC agreement to be sure about how payments were made. Director Womack added they were essentially "buying dates" and that this decision had been board approved.

Director Womack reported that ten questions were still outstanding and that if they had any other questions to submit them. Chair Weiner stated they would compile the lists and asked the Board to submit any specific requests as well and stated earlier that Director Womack would disseminate the answers once they had them. She added they would wait to schedule another meeting until they had everything they needed and then went over the schedule.

Vice-Chair Hendricks made a motion to adjourn the work session. Commissioner Avila seconded the motion. All were in favor and the meeting was adjourned.

Respectfully Submitted,

Chair, Sheri Weiner

Executive Director, Laura Womack