

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

**Board of Directors WORK SESSION MINUTES
Thursday, March 8, 2023 | 9:00 am | Nissan Stadium Press Box**

Attendees

Members: Cathy Bender (Chair), Emmett Wynn (Secretary/Treasurer), Kim Adkins, Don Deering, Melvin Gill, Dan Hogan, Winston Justice, Aaron McGee, Michael Zerah

Staff: Monica Fawknorton (ED), Valda Barksdale, Bob Lackey, Brandon Little, Melissa Wells, Joshua Thomas (Metro Legal), Lexie Ward (Metro Legal)

Visitors: Adolpho Birch (TN Titans), Steven Boero (The Sports Credential), David Briggs (5/3rd Bank), Tom Cross (Metro Legal), Kelly Flannery (Metro Finance), Ross Florey (Fifth Third Bank), Ron Gobbell (GHP), Kate Guerra (Titans), Jason Hill (Fifth Third Bank), Sharon Hurt (Metro Council), Tim Lamson (Clark Construction), Jeff Oldham (Bass, Berry & Sims), Will Traylor (Mortenson), Nancy Van Reece (Metro Council), Daniel Werly (Titans), Sam Wilcox (Mayor's Office), Brett A. Withers (Metro Council)

Call to Order

Chair Bender called the meeting to order by welcoming everyone to Nissan Stadium and thanking the Tennessee Titans for hosting. She also welcomed and recognized Metro Nashville Council Members Sharon Hurt, Brett Withers and Nancy Van Reece. Councilmember VanReece gave an update on the Nashville Needs Impact Fund, sharing that the Metro Council overwhelmingly approved an amendment to the resolution allowing the Nashville Needs Impact Fund to be used for resources related to professional women's sports infrastructure, promotion, marketing and direct recruitment in part by replacing the word "non-profit" with "qualified entities" to allow financially crippled for-profit women's groups to utilize its funding.

Review of East Bank Stadium Documents & Exhibits

Chair Bended noted that today is the first of multiple Work Sessions scheduled to review and discuss documents relative to the new NFL/Titans stadium deal. Kelly Flannery (Metro Finance Director) reported following the upcoming meetings related to the stadium deal:

March 20: Metro Council Budget & Finance Committee and Sports Authority (consultants with expertise in developing NFL agreements will attend the meeting)

March 21: Metro Council Meeting

March 27: Special Joint Meeting of Council Budget & Finance/East Bank Stadium Committee (Metro real estate, development and financial consultants will attend)

March 28: Sports Authority meeting (real estate, development and financial consultants will attend.)

Jeff Oldham (Metro's Bond Counsel, Bass Berry & Sims PLC) reported that today's work session would focus on the Development Agreement, the Amendment to Existing Lease and the Stadium Lease Agreement. Entities involved in the deal in addition to Sports Authority and Metro include: 1) StadCo (Tennessee Stadium, LLC) which will serve as the corporate affiliate of the Titans responsible for stadium development and operations; 2) TeamCo (Tennessee Football, LLC), the franchise holding corporate entity; and 3) Tennessee State University who will engage in a sublease with StadCo. The Metro Team walked the Sports

Authority through a slide deck presentation focused on the Development Agreement, the Amendment to the existing Stadium Lease Agreement and Stadium Lease Agreement, attached hereto as Exhibit A. Due to insufficient time, the review of the Stadium Lease Agreement was delayed (real estate, development and financial consultants will attend the meetings) and will be reviewed at the second work session on March 20.

The following questions and responses were asked/given during the work session:

Q: Will the Sports Authority engage current staff or employ new staff to serve as construction oversight? (Director Deering)

A: No, the objective would be to hire an outside firm funded by revenues generated by the new project (Tom Cross, Metro Legal)

Q: Will the Sports Authority choose and select the construction oversight monitor? (Chair Bender)

A: Yes (Cross)

Q: What role will StadCo have in the selection process of the monitor? (Director Gill)

A: StadCo will assist in vetting however, Sports Authority will give the final approval (Oldham)

Q: What will be the role of the monitor? (Gill)

A: They will follow the progress of the construction to ensure all is going in accordance with the plans and present monthly reports to StadCo and Sports Authority (Oldham)

Q: What will be the Sports Authority relationship with the Bondholders? (Director Justice)

A: The Sports Authority will issue bonds to fund the \$760M and will repay the debt to the bondholders (Oldham)

Q: Will there be an opportunity for board members to meet individually to review the incredible number of documents? (Director McGee)

A: Yes (Oldham)

Q: Will a variety of architectural firms be considered for the project (Gill)? What will be the role of the Architect of Record (AOR)? (ED Fawcnotson)

A: Metro's procurement competitive process will be followed and due to the size and uniqueness of the project there are only a few firms that have the experience. Further, the AOR firm will be responsible for the design and will most likely engage other subconsultants (Cross). *During the March 20, 2023 Work Session II Director Gill requested clarification stating that the AOR does not necessarily have to be the designer and will primarily be the firm that will confirm and sign the construction documents. Mr. Cross confirmed this to be correct.*

Q: Will Leed Gold certification be enforced? (Hogan)

A: It is aspirational (Cross)

Q: Why the absence of a timeline presentation on the Pre-Construction Schedule and Activities document (Director Zerah)?

A: The timeline will be incorporated once the project is approved, hopefully sometime in April with construction anticipated to begin Summer 2024 (Daniel Werly, Titans, Sr VP & COO)

Q: Will there be guidelines in place for the AOR and construction monitor to work together during the financial stages of the project? (Gill)

A: There is typically language in the agreement stating that the two parties work collaboratively from start to

finish (Cross)

Q: What happens if an AOR is proposed but not approved? (Justice)

A: Should the Sports Authority reject a proposal with merit and basis, the Titans would be required to select someone else (Oldham)

Q: What is the minority contractor participation rate (it was noted that Geodis Park often exceeded those goals)? (Bender)

A: Metro Codes does not set a goal; however, it is strongly encouraged that the search for participation of minority owned firms begin extremely early (Cross)

Q: Is it still feasible for the stadium to be completed by Fall 2026? (Hogan)

A: 2027 is more probable (Kate Guerra, Titans, VP Marketing & Communications)

Q: Will the Titans absorb the demolition expenses? (Director Adkins)

A: Yes (Oldham)

Q: Will the Sports Authority be responsible for hazardous material found on the construction site? (Gill)

A: StadCo will be responsible for remediating hazardous waste on the construction site and they are also to avoid creating any environmental conditions during construction. Metro is responsible for waste outside of the Stadium site. (Oldham)

Q: When will the indemnification expire? (Hogan)

A: StadCo will be required to maintain insurance during the construction phase and indemnify the Sports Authority for losses; StadCo's responsibilities will end when the new stadium opens (Oldham)

Director McGee requested that the project budget be made available to help give clarification of monies beings allocated.

Q: When will the \$4m from the water & sewer pilot (which covers bonds issued for Nissan Stadium capital expenditures) discontinue? (Deering)

A: It will cease when the current lease terminates and the new stadium opens (Oldham)

Q: Will obligations from the general fund continue to exist for Nissan Stadium's capital expenses once the new stadium is built? (Adkins)

A: Only the \$1m (already ear marked) will continue for the next three years (for a total of \$3M). This new deal does not contemplate any annual operating fund subsidy from Metro General to pay for the new stadium. A portion of the \$760M will be backstopped only after reserves have been exhausted (Flannery)

Q: Will there be monitoring of minority participation in the project? (Gill)

A: This will be part of discussions during the design phase to ensure there will be appropriate and adequate minority participation (Adolph Birch, Titans, Chief External & League Affairs Officer)

Adjourn

A second Work Session for review of documents will be held Monday, March 20, location is being finalized. The board will also meet March 28 and April 4; calendar invites will be distributed soon. There being no other business, the meeting adjourned.

Exhibit A

East Bank Stadium Project Initial Document Review (Slide Deck)

Sports Authority – March 8, 2023

Respectfully submitted, Valda Barksdale, The Metro Sports Authority

YouTube Link:

<https://www.youtube.com/watch?v=1oGHXJxHqQM&list=PL70A35525EA40FA72&index=1>

