

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

**FINANCE COMMITTEE
MEETING MINUTES**

Thursday, August 15, 2024 | 9:30 am | Nissan Stadium – Press Box Cafeteria

Attendees

Committee Members: Dan Hogan (Chair), Aaron McGee (Secretary/Treasurer), Don Deering, Anna Page

Board Members: Kim Adkins, Cathy Bender, Tiffany Degrafinreid, Monchiere' Holmes-Jones, Emmett Wynn

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

Visitors: David Aronoff (Cumming Group), Adolpho Birch (Titans), Michelle Bosch (Metro Finance), David Butler (Preds), Katie Cafiero (Preds), Brittany Campagna (Pillars), Kyle Clayton (Preds), Jon Cooper (Titans), Haley Davidson (Titans), Adam English (Sounds), Ross Florey (5th 3rd Bank), Carol Greenlee (Business Resource Group), Kate Guerra (Titans), Matthew Gulsvig (DLR Group), Don Hardin (DHG), Edward Healey (Pillars), Keith Hegger (Preds), Heather Hill (Cumming Group), Chris Masters (BMB), Greg McClarin (Metro Finance), Shannon Myers (Titans), Jeff Oldham (Bass, Berry & Sims), Lindsey Paola (NSC), Russ Pulley (Public), Chase Romme (Mortenson Construction), Robert Sampson (R Sampson Consulting), Doug Scopel (Sounds), Paul Tarrants (DLR Group), Matt Toulouisani (Bell), Don Twining (Cumming), Kayla Weller (DLR Group), Dinah Wells (PMC), Don Werly (Titans)

Call to Order

Chair Hogan called the meeting of the Sports Authority Finance Committee meeting to order and welcomed all to Nissan Stadium and thanked the Titans staff for hosting.

Public Comment Period Pursuant to Tennessee Open Meetings Act, Tenn. Code Ann. § 8-44-101

There were no sign ups for Public Comment.

Consider Approval of Meeting Minutes from June 20, 2024

Chair Hogan asked if there were questions or comments pertaining to the June 20, 2024 meeting minutes. There being none,

**Upon a motion made by Director Deering and seconded by Director Page, the Finance Committee
unanimously approved the June 20, 2024 meeting minutes.**

Presentation of Bridgestone Arena 2024 Capital Asset Management Plan (CAMP)

Kyle Clayton, Chief Strategy Officer, Bridgestone Arena, reported that in accordance with the Lease Agreement, Powers Management is required to submit an annual CAMP to identify actions necessary to maintain the Arena and its premises. This includes planning of routine and preventative maintenance requirements and capital expense requirements. Additionally, upon request of the Sports Authority, commencing on the fourth Lease Year and every fourth Lease Year thereafter, the Sports Authority may request an independent inspection and report. The Sports Authority did make such a request and Powers Management/Bridgestone Arena (Powers) engaged CAA ICON to perform the assessment and will present a

written and oral report during the October board meeting at Bridgestone Arena. Executive Director Fawknorton noted that the Authority will be asked to approve ICON's Venue Assessment Report.

Powers employs a team that takes pride in making sure the Arena is and will remain one of North America's marquee venues. The internal team is led by a group with over 178 years of industry experience and 76 years of service with the organization. Powers also maintains an excellent facility operations staff (Plumbers, Electricians, HVAC Techs, Painters, Maintenance Mechanics and Ice Technicians) functioning daily with the objective of not only maintaining but improving the facility.

Director Adkins questioned whether a third-party assessment has ever been conducted to which Mr. Clayton noted, yes, Venue Solutions performed a condition assessment of the Arena in 2016/2017 plus Powers conducts annual internal condition assessments.

Mr. Clayton shared an update on the November 25, 2022 water main break that flooded portions of the Arena. Repairs and efforts to restore the building to its condition prior to the water main break are mostly complete. A few items still in progress include drywall and insulation, freight elevators, electrical switch gear and fire panel repairs. The Terrazzo Concourse Flooring is partially delaminated and flooring consultants engaged on behalf of Powers have recommended replacement. Metro's carrier hired an engineer to take samples of the floor in mid-April and are of the opinion that the damage did not result from the flood, but instead occurred due to the initial installation during the arena's original construction and flooring replacement is not covered under insurance. Further discussions and efforts are needed to have this item rectified.

Chair Hogan questioned whether the initial time frame for water main break repairs was estimated at two years to which Mr. Clayton noted the delays were due to the Arena's busy event schedule as well as post Covid supply chain disruptions and delays. Director Adkins questioned whether the insurance company covered expenses to which Mr. Clayton noted yes and Metro's team, Travelers Insurance and Disaster Recovery Services, were all great to work with in ensuring timely progress was made.

Several ongoing capital projects for Bridgestone Arena that were guided by the initial CAMP performed by the Venue Solutions Group in 2017 are well underway. Some of those include upgrades to backstage areas utilized by guests for rehearsal, renovation of restrooms, replacement of security systems and HVAC upgrades. Moving forward, the latest CAMP performed by CAA/ICON will help guide future capital projects.

New projects include:

- The Studio- A newly created premium luxury hospitality space with 85 seats on Suite Level. As Powers continues to sell out the premium areas, the demand for premium space continues to grow. This new space enables the Arena to continue to fulfill its obligation to keep pace with Comparable Facilities by providing a unique premium experience.
- LED Signage – In an effort to modernize the arena, Powers is replacing existing static signage on the concourse and upgrading existing LED screens that are near end of life with state-of-the-art LED screens. The new screens will be located at our main and south entrance, as well as on our exterior marquee.
- WIFI System – In an effort to enhance fan experience, Powers is replacing and upgrading our arena public WIFI system with a new advanced system. The old system had about 250 access points---the new system will have almost 700 access points and will cover the entire facility.

Mr. Clayton noted that funding for capital projects comes through the waterfall priority payment structure as detailed in the Lease Agreement. Executive Director Fawknorton noted that funding for CAA ICON's inspection and assessment fees are also paid via this structure.

Consider a Resolution Authorizing Reimbursement of Funds to Powers Management, LLC for Cost Associated with Hosting the 2024 SEC Men’s Basketball Tournament

Executive Director Fawknorton reminded the group that in November of 2018, the Sports Authority, Powers Management, Nashville Sports Council and the Nashville Conventions & Visitors Corporation entered into an agreement that provided for Powers Management to be reimbursed by the Sports Authority for staffing and labor costs associated with hosting the SEC Tournament. The agreement limits the reimbursement with a “Not to exceed amount” for three categories: labor, décor, and hospitality. Staff conducted a review of the invoice and supporting documents and, in consultation with Powers Management, agrees that the total reimbursement due from the Sports Authority is \$946,171. The funding amount is noted and allocated as a “Sports Authority Commitment” on Exhibit B of the Bridgestone Arena Lease Agreement (“The Waterfall”) for 2024.

Mr. Clayton reported that Bridgestone Arena is contracted to host the Men’s SEC Basketball Tournament through 2035. Expenses continue to increase for the six-consecutive-day event, however the amount for reimbursement of expenses is capped at \$946,171 for 2024. The SEC has admitted two new teams (Texas and Oklahoma) which will expand the number of game sessions. It is anticipated that these additions will drive a new fan base and generated additional revenue.

Director Hogan noted heightened concerns of security at sporting & concert events and asked what percentage of staff is designated to security and what are plans for ongoing security. Mr. Clayton noted that SEC Tournament and the Stanley Cup are marquee events held at the Arena and, as two of the most attended events, both event organizers install additional layers of security. The Evolv Security Scanners provide high levels of security for all events.

Upon a motion made by Director Deering and seconded by Director Page, the Finance Committee unanimously voted to approve a Resolution Authorizing Reimbursement of Funds to Powers Management, LLC for Cost Associated with Hosting the 2024 SEC Tournament

Consider a Resolution Authorizing the Engagement of Capital Project Solutions, Inc., to Assist the Sports Authority in Reviewing Capital Project Reimbursement Requests for Nissan Stadium

Executive Director Monica Fawknorton reported that the Amended Stadium Lease authorizes Stad Co./Titans to requisition the Sports Authority for up to \$42 million to be used for Capital Expenditures necessary to keep the current Nissan Stadium in compliance with the player/patron safety standard required under the Amended Lease Agreement. Funding to reimburse the Titans comes from redirected sales tax revenue from the Titans’ sale of PSLs.

During the November 2023 meeting, Sports Authority staff presented the board with a proposed process for the review and approval of the reimbursement requisitions. Included in the process was the proposal to engage Capital Project Solutions (CPS) to assist with review and verification of compliance with the Lease. CPS has submitted a proposal for this engagement using rates from CPS’ current contract with Metro. The Sports Authority has the authority to “piggyback” on the Metro contract and is not required to solicit a firm for this work. Staff seeks approval of a resolution authorizing up to \$30,000 per year from the Stadium Fund to engage CPS. Chair Hogan asked whether the Resolution would cover the engagement throughout the life of the project or will it require an annual authorization by the board? The Resolution authorizes a \$30k not to exceed for the entire project, noted Exec Dir Fawknorton, and thus would not require an annual approval by the board. However, if at some point additional funding becomes necessary to satisfy the engagement of CPS’s services, staff would request monies to fund expenses exceeding the \$30k cap. Director Deering questioned whether funds are available to cover the expenses to which Exec Dir Fawknorton noted, yes, the funding will come from Stadium funds.

Upon a motion made by Director McGee and seconded by Director Page, the Finance Committee unanimously voted to approve a Resolution Authorizing the Engagement of Capital Project Solutions, Inc., to Assist the Sports Authority in Reviewing Capital Project Reimbursement Requests for Nissan Stadium

Shannon Myers, SVP & CFO reported that many aspects of the current Nissan Stadium have reached its useful life. Thus, the goal and obligation of the Titans is to maintain the Stadium in a safe, reliable and operable condition through completion of the New Stadium in 2027. Capital Expenditure Maintenance Projects of the current Stadium are no longer a first-class standard requirement. Anticipated projects serving to meet this condition include the restriping/painting of parking lot and fire lane lines (Lots G/M) with an estimated cost of \$12,000.

Consider a Resolution Approving a Second Amendment to an Agreement for Construction Management Services for Infrastructure Related to the MLS Stadium Area by and Between the Sports Authority and Bell & Associates Constructions, LLC

Executive Director Fawknorton reported that in January 2021 the Sports Authority entered into a contract with Bell & Associates for construction management services for infrastructure improvements related to construction of Geodis Park at the Nashville Fairgrounds. The initial contract value of \$19m was based on an estimate that was part of the construction management solicitation that was solicited prior to receipt of subcontractor bids. The contract was later amended and increased to \$20.8m and expires on January 24, 2026. The proposed Second Amendment was requested by Fairgrounds Executive Director Laura Womack and, if approved, will extend the contract expiration date to December 31, 2027.

Ms. Womack reported that the monies allocated to the Sports Authority in support of the MLS Stadium included roadway extensions, connections, public right of ways, bike lanes, sidewalks and new landscaping. The maintenance agreement extension is being requested to allow time for the Fairgrounds office to work with campus partners, GEODIS Park and Market Street mixed use development to develop an overall maintenance plan. Because there are several major construction projects remaining (unrelated to the GEODIS Park), the contract extension will afford opportunities to better develop an inclusive campus maintenance plan and how to best care for the infrastructure. She also noted that all expenses will come from The Fair Board's funding.

Director McGee asked for clarity regarding the current assessment of the infrastructure. Ms. Womack noted that her team will inevitably engage a vendor to provide campus maintenance. However, in the interim, it is in the Fairgrounds best interest to learn and assess all maintenance aspects of the campus to be postured to better vet and manage future maintenance contracts.

Executive Director Fawknorton recognized representatives from Bell & Associates and noted that they are looking forward to continuing the construction management services of the roads and utilities infrastructure at The Fairgrounds.

Upon a motion made by Director Page and seconded by Director McGee, the Finance Committee unanimously voted to approve a Resolution Approving a Second Amendment to an Agreement for Construction Management Services for Infrastructure Related to the MLS Stadium Area by and Between the Sports Authority and Bell & Associates Constructions, LLC

Consider a Resolution Approving a Memorandum of Understanding Between the Metropolitan Board of Fair Commissioners and the Sports Authority of the Metropolitan Government of Nashville and Davidson County

Executive Director Fawknorton reported that the MOU memorializes the Second Amendment noted above. Even though the Sports Authority is entering into the contact with Bell & Associates, the MOU ensures that payments for services is the responsibility of the Fairgrounds.

Joshua Thomas, Metro Legal noted that since the Fair Board is a metro entity, the MOU will go before Metro Council and is subject to Metro Council's approval. Chair Hogan asked what is the anticipated time frame for Metro to approve the MOU. Counselor Thomas noted that it should be approved within 30 days.

Upon a motion made by Director Deering and seconded by Director McGee, the Finance Committee unanimously voted to approve a Resolution Approving a Memorandum of Understanding Between the Metropolitan Board of Fair Commissioners and the Sports Authority of the Metropolitan Government of Nashville and Davidson County

Adjourn

In closing, Chair Hogan announced that the committee recommendations for the resolutions will go before the full board during its meeting immediately following adjournment. There being no further questions or business, the Finance Committee meeting adjourned.

Respectfully submitted, Valda Barksdale, Metro Nashville Sports Authority

Audio File Path:

P-Drive-Sports Authority\SA BOARD\SA Board Materials\FY25\2024 August 15 BOD Mtgs\FC Meeting 2024 Aug 15\2024 Aug 15 FC Recording