

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

Minutes of the July 21, 2011 Meeting of the Board of Directors
Bridgestone Arena- Meeting Rooms J-K
8:00 a.m.

Board Members: Kim Adkins, Alfonzo Alexander, Margaret Behm, Lauren Brisky, Cathy Bender, J.D. Elliott, Rusty Lawrence, Ralph Perrey, Edward Temple
Staff: Emmett Edwards (Sports Authority), Theresa Costonis (Metro Legal)
Predators/Powers Management: Sean Henry, Jeff Cogen, Michelle Kennedy, Brock Jones
Titans/ LP Field: Walter Overton
Visitors: Larry Thrailkill

Mr. J.D. Elliott called the meeting to order at 8:00 a.m. and recognized Ms. Terri Costonis to read the Metro Code of Laws (Ordinance No. BL2006-1050). **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the minutes of the May meeting. Upon a motion made and duly seconded, the Sports Authority unanimously voted to approve the minutes of the June Special Called Meeting.**

Executive Director's Report

Mr. Edwards began by reporting that Civic Use Applications for LP Field had been received from Jefferson United Merchants Partnership (JUMP) for its annual "Back to the Bridge" Bash on Friday, September 2 and the Cumberland River Compact for its 5th annual Nashville Dragon Boat & River Festival on Saturday, August 20th. **Upon a motion made and duly seconded the Sports Authority voted to approve parking for both events.**

Mr. Edwards continued by reporting that the TN Sports Hall of Fame, along with Powers Management and the Nashville Conventions and Visitors Bureau (CVB), would like to pursue changes and updates to the Hall of Fame's signage. Changes would include large murals and a multimedia effort. Mr. Edwards noted that signage would have to be approved by the Codes Administration and that this is not a funding request. **Upon a motion duly made and seconded the Sports Authority voted to support the effort to update signage.** The Board also stated its desire to see the graphic images in advance of any changes.

Mr. Edwards turned his attention to the LP Field Parking Contract, reporting that Helen Walker had been appointed by Chairman Elliott to serve as the board's representative on the committee that is currently reviewing the old contract and audit, and making necessary changes so that the new contract reflects the Sports Authority's desire for increased oversight and more easily reconciled documents. Mr. Edwards reported that once the RFP is finalized and shared with the public there will be a two week evaluation and that a contract would likely be entered into 30 days from that point. Mr. Edwards stated his expectation that a contract would be ready around the end of September.

Mr. Edwards reported that a new storm water user fee is now being assessed by Metro Water Services. In order for the Sports Authority to pay the assessed fees an amendment to the FY12 budget will be necessary. Questions pertaining to the total amount owed and the proper allocations are still being researched. **The Sports**

Authority determined that it would wait until total cost and allocation questions are answered before requesting a budget amendment.

With regards to the solar energy assisted electric charging station at LP Field, Ms. Costonis reported that changes have been made to the term sheet that the Sports Authority originally reviewed. Instead of receiving the title when the charging station becomes operational, the Sports Authority will now wait until the end of the term (2012). This means there will be a time when the Sports Authority is operationally responsible but will not have the title. Discussions are still ongoing, but Ms. Costonis stated her belief that a conclusion will soon be reached.

LP Field Report

Mr. Elliott recognized Mr. Walter Overton to give the LP Field Report. Mr. Overton reported that LP Field hosted both the Good Guys Auto Show and the CMA Music Festival with tremendous success. The CMA Music Festival averaged 50,000-65,000 inside and around the stadium each night. Net concession sales from the CMA Festival totaled \$856,678.34. Metro's share (half) of the revenue will total \$428,339.17- a record amount.

Mr. Overton additionally reported that football season is just around the corner and LP Field is getting ready. The first preseason game is scheduled for August 13th and the first college game (University of Kentucky vs. Western Kentucky) is scheduled for September 1st. LP Field will host the John Merritt Classic on September 3rd.

With regards to casualty loss, Mr. Overton reported that property loss was sustained from a storm in late May. Video Boards were damaged and the estimated repair cost is \$80-100,000. The Titans will submit the loss to Metro Claims for reimbursement.

After noting that the seat user fee is expected to be over \$3 million by the September Sports Authority Meeting, Mr. Overton reported that the Stadium Capital Fund has approximately \$600,000 and is expected to have around \$1.2 million after Metro makes its annual subsidy.

Mr. Overton addressed the sub-surface settlement, stating the Titans belief that the sewer line was compromised during the flood, moving up and down due to the flow of water. The Titans will have the pipe removed and replaced with a new one in the next few weeks and they believe that will resolve the problem.

With regards to capital expense reimbursements, Mr. Edwards reminded the Board that the Sports Authority approved the reimbursements subject to reviews by Metro Legal and Metro Finance. The Titans have been reimbursed for the majority of the capital expenses but there is still more than \$60,000 that has not yet been paid. Ms. Costonis reported that she, Mr. Edwards, Mr. Overton, and Mr. Dempsey Henderson have additional discussions regarding the items in questions. The Titans provided a group of invoices, totaling approximately \$20,000 that accounted for one project. The other \$40,000+ worth of invoices are for leak repairs. Ms. Costonis requested that the Sports Authority advise her how they would like to interpret the exception to the "Special Capital Project" definition. **Upon a motion duly made and seconded, the Sports Authority voted to view the ongoing work to address systemic leaks as a capital expense and to additionally consider small, ongoing costs associated with the leak repairs as capital expenditures.** Ms. Costonis also asked the board to advise how

completed studies/surveys that do not result in a project should be viewed. **The Sports Authority, upon a motion duly made and seconded, determined that if facility managers need a completed study/survey for a project that could be considered a capital expense, but there are doubts as to whether the project will ultimately be pursued, the manager(s) should bring the project before the Sports Authority before the survey is done in order that the Board may choose whether or not to approve the study/survey.**

Bridgestone Arena Report

Mr. Elliott recognized Mr. Sean Henry to give the Bridgestone Arena Report. Mr. Henry reported that April and May were great months for the arena, with the building hosting five sold out shows in six days (Sugarland, Lady Gaga, Bob Seger, 2 hockey play-off games). Year to date revenues for May show an increase of over 42% and a net income more than 12% better than planned. Mr. Henry additionally reported that many individual revenue line item numbers have actually already surpassed or are nearing the budgeted full year plan. These line items include: parking revenue, rent from Predator games, actual seat user revenue, actual box office revenue and actual food and beverage revenue. Since the arena's operating budget is submitted six months prior to the beginning of the fiscal year, the Sports Authority agreed that it would be helpful to have budget forecasts, or contemporaneous reviews, of where facility managers believe the operation will end up.

Mr. Henry continued by reporting that arena management is dedicated to building energy and excitement and changing "the spirit" of the building. The creation of a "fan zone" will be the center of the excitement. The metal wall separating the upper concourse and the seating bowl in sections 316-319 will be peeled off which will improve acoustics in the building, add additional seating (approximately 100), upgrade ADA seating, and create a unique hospitality for concerts. **Upon a motion made and duly seconded, the Sports Authority voted to approve the build out as "Manager's Construction" and that said construction be made in accordance with the provisions of the Operating & Management Agreement and that plans and specifications be brought back before the Sports Authority's chair-appointed designee for approval.**

Finally, Mr. Henry reported that there are currently two years left on the current concessions agreement with Sports Services. An amendment to the concessions agreement would provide an opportunity to improve the terms of the base deal and invest money into the arena. Updated deal points were provided to the board. Mr. Larry Thrailkill reported that drafts of the agreement are presently being worked on and that a special meeting of the Sports Authority may be called to act upon the completed documents. The board was told that they would receive the documents for review in advance of a meeting. There being no other business, the July 21, 2011 meeting of the Sports Authority adjourned.