

Joint Meeting of the Sports Authority Board of Directors and the Board of Fair Commissioners
Fairgrounds – Creative Arts Building
Thursday, October 5, 2017 8:00 a.m.

Sports Authority Board of Directors Present

Kim Adkins, Chair
Cathy Bender, Vice-Chair
Margaret Behm
Chuck Meriwether
Ralph Perrey
Rip Ryman
Emmett Wynn
Lisa Howe

Board of Fair Commissioners Present

Ned Horton, Chair
Erin McAnally, Vice-Chair
Caleb Hemmer
Bonna Johnson
Jason Bergeron

Sports Authority Staff Present

Monica Fawknottson, Executive Director

Fair Board Staff Present

Laura Schloesser, Executive Director

Metro Legal

Margaret Darby (Sports Authority)
Susan Jones (Fair Board)
Jon Cooper (Metro Council)

Presenters and Guests

Mary Cavarra – MLS2Nashville Committee
Will Alexander– MLS2Nashville Committee
John Ingram– MLS2Nashville Committee
Rich Riebeling – Chief Operating Officer from the Mayor’s Office

Introduction

Chairman Ned Horton called the meeting to order and read the Appeal Announcement. He then introduced Mr. Rich Riebeling. Mr. Riebeling stated that there were two important points that Mayor Barry’s Administration felt were both unique opportunities: 1) the potential to bring a major league soccer team to Nashville 2) kick start a revitalization of the Fairgrounds property. He then gave the floor to Executive Director Laura Schloesser. Director Schloesser explained that “Connecting the Community with Events” was the mission of the Fairgrounds. She stated that approximately 1.4 million visitors each year attended the Fairgrounds and that they hosted approximately 160

unique events. She stated that Metro had already made a significant financial commitment to the improvement of the Fairgrounds and that they were excited about the future of the Fairgrounds. She added that a MLS stadium could complement improvements to the Fairgrounds. She briefly went over the drawing of the stadium on the PowerPoints presentation. She then introduced Will Alexander, Co-Founder of the MLS2Nashville Committee.

Presenters

Mr. Alexander stated that Nashville was ready for a MLS team and he briefly went through the PowerPoints presentation. He added that bringing a soccer team to the city was a very competitive process and he then went over the advantages and benefits for Nashville. He stated that the only step remaining was to provide an approved stadium plan. He then gave the floor to Mr. John Ingram, lead investor with the MLS2Nashville Committee.

Mr. Ingram gave a quick introduction. He went through each of the boxes that had been checked in this process on the PowerPoints in order to accomplish the goal of securing a team. He talked about local ownership, a thriving market for soccer in the Nashville area, and a viable stadium plan. He thanked both boards for allowing him to come and speak. He then gave the floor to Ms. Mary Cavarra, CFO of Ingram Industries and also the point person for the MLS2Soccer Committee, to go over the details of the stadium.

Ms. Cavarra briefly went over some of the specifics from the presentation. She reported that the cost would be about \$250 million and added that the location of the stadium had been moved slightly to accommodate the activities at the Fairgrounds. She went over the economic impact-not just during construction but also the long term benefits for wages and tax revenue. She finished by talking about time lines. She then turned the floor over the Mr. Rich Riebeling.

Mr. Riebeling briefly went through the financial plan for the stadium from the PowerPoints. He pointed out that while the stadium was important, it was not a requirement for the city and so the taxpayers must be protected and it should only be done if it was best for the city. He stated that 90% would be funded from private sources and revenues generated from the facility and that 10% would be from public money. He talked about project benefits such as the transit system and he then went over the lease terms. He stated that since two public bodies were involved the lease would be a little different. He explained that the Fair Board would do a long term lease of the property with the Sports Authority and the Sports Authority would then issue the debt and do an agreement with the soccer team.

Mr. Riebeling then gave a quick summary of the legislation that needed to happen. He stated that legislation had been filed with the Metro Council. He stated that the Council would need to sign off (or approve the legislation) before the Sports Authority could move forward to issue any debt and to proceed with an operating lease with the team but only if certain conditions were met. The Fair Board would agree to lease the land for the stadium site to the Sports Authority. He stated that most of the responsibility for the payment of this project would be on the team. Therefore, as part of the negotiated package Metro would agree to make available to the team approximately ten acres through a long term lease arrangement to use as some private development (possibly some affordable housing) which would only benefit the site, the area and the stadium. He added that while they did not have the specifics yet, the Fair Board would have to agree on this. He stated the operating lease and the ground lease must both be approved to move forward and that the city must agree to issue \$50 million in general obligation bonds. \$25 million would be for the stadium costs and public infrastructure and \$25 million would be for Fairgrounds improvements. He reminded everyone that to demolish any of the buildings at the Fairgrounds would require 27 approval votes from the Metro Council.

Mr. Riebeling then gave a quick summary of the stadium cost and the investment to the Fairgrounds. He then asked if anyone had any questions.

Questions and Comments

There were questions and discussions from both Boards concerning: short falls, the 10 acres of private development, taxes and bonds, traffic and parking, concerts and non-soccer uses, noise issues and protecting the neighborhoods around the Fairgrounds, the ticket tax, the other cities that were in the running for a franchise and how they were progressing, the 20 public use days, women's soccer use for the stadium, comparisons to other stadium deals, stadium details, whether or not the bonds issued would be taxable or non-taxable, and contingency plans if Nashville was not awarded a team either in December or next year.

At some point Fair Board Commissioner Hemmer asked if the Fair Board would need to vote for anything right away. Jon Cooper with Metro Legal stated that the Fair Board did not need to approve anything (like a lease agreement) right now but at some point would need to make a motion to approve a resolution or to request the Council to authorize the Sports Authority to issue the debt subject to the conditions that Mr. Riebeling had talked about. Sports Authority Board Member Behm asked for a clarification of what was expected from the Sports Authority Board and Mr. Cooper from Metro Legal explained that there had been a resolution drafted and there would need to be subsequent action that the Sports Authority would need to take before issuing any debt once the Council resolution was approved. He added that the Council resolution included the language about the intention to provide the ten acres (plus or minus) for private development but that it was not a condition of the financing and that it would be a recital clause.

Chairman Horton of the Fair Board asked about the timing of this process and Mr. Riebeling stated that the Sports Authority and Fair Board would have to act prior to the Council's meeting on October 17th to adopt the resolution that Mr. Cooper had discussed. This would be to make sure both the Sports Authority and the Fair Board were on board before it gave the Sports Authority the ability to issue the bonds. Mr. Cooper from Legal stated that this was correct. Chairwoman Adkins asked when the resolution was filed and he answered that the resolution to the Council had been filed the day before. He stated that Mr. Cooper would send that resolution to everyone, along with the resolution that the Sports Authority and the Fair Board would have to adopt. He then thanked both boards for their consideration and support.

Meeting Adjourned

Chairman Horton stated that he appreciated everyone's efforts and announced that there would be a Fair Board Public Meeting that night at 6:00. There being no other business, a motion was made to adjourn. All were in favor, there were no opposed and the meeting was dismissed.

Respectfully Submitted,

Kim Adkins, Chairwoman
Sports Authority Board of Directors

Ned Horton, Chairman
Board of Fair Commissioners