

Minutes: Meeting of the Metropolitan Government Board of Fair Commissioners

Date: August 14, 2018 8:00 a.m.

On the above referenced date the August meeting for the Board of Fair Commissioners was held in Wilson Hall at the Fairgrounds. Those in attendance were Chairman Ned Horton, Vice-Chairman Erin McAnally, Commissioner Caleb Hemmer, Commissioner Bonna Johnson and Commissioner Jason Bergeron. Also present were Fairgrounds Executive Director Laura Womack, Finance and Administrative Manager Felicia Bowman, Metro Attorney Susan Jones, and Metro Attorney Jon Cooper. Ron Gobbell and Michelle Scopel with Gobbell Hays Partners were both present as well. Mary Cavarra representing Nashville Soccer Holdings was also in attendance. Metro Councilmen Colby Sledge and John Cooper were present. And Ed Henley with Pillars Development was in attendance as well.

Chairman Horton called the meeting to order at 8:06 and then read the appeal announcement. He then moved to the approval of the minutes of both of the July meetings. Commissioner Hemmer made a motion to approve the July 11th meeting and the July 17th meeting minutes. Vice-Chairman McAnally seconded the motion. All were in favor and both sets of minutes were passed. He then moved to the Public Comment Time item on the agenda.

Duane Dominy, a local resident, asked if some other citizens could yield their 3 minutes to him. There was a brief discussion and it was decided that he could not. Mr. Dominy expressed his concerns about hosting a fair and read from the Metro Charter about the duties of the Fair Board. He also read from the Charter about surplus property and asked the Board to honor the Charter. Metro Attorney Susan Jones clarified about the 3 minute rule for public comment time and that this was only a rule that the Board had practiced for public comment time and added that it was not a public hearing. Lynn Tacker, a local resident, expressed his concerns about the State Fair and Flea Market continuing and stated that the facilities should be fixed up and not torn down. Tony Watson, a local resident, stated that he was disappointed in all of the decisions that the Fair Board had made and that he wanted a copy of the 3 minute rule. George Gruhn, a local businessman, expressed his concerns about the decisions being made and that they were violating the Sunshine Rule and that they should each be removed from office, in his opinion. Daniel Baron, a local resident speaking on behalf of his grandmother, stated that only 5 out of the 225 signatures he had collected stated that they wanted the mixed use development. He also expressed concerns about the site analysis, data gaps and concerns about a cave system being under the property and added that the blasting had not been addressed yet and he asked the Board to please address that. Councilman Colby Sledge asked the Board to consider the impact to the neighborhood in the operation of the stadium and to consider the existing events in the Operation Agreement. Rick Williams, a local resident, asked the Board to do their job and take care of the property. Chairman Horton then moved to the Financial Report.

Director Womack introduced Felicia Bowman as the new Finance and Administrative Manager. She thanked the staff and downtown for bridging the gap until Felicia could be hired. She briefly went over the financial papers in the board packets and stated that the end of year 2018 still needed to be audited. She reported that they would be looking at insurance rates and auditing those expenditures in the future. Commissioner Hemmer stated that he would like to see about depreciation for year end and Director Womack stated that she could get that for him once all of year end was wrapped up. There were a few questions and some discussion from the Board about insurance and internal service charges, current fund balance, A/C repairs, buying a new scrubber, overages, parking, etc. Chairman Horton then moved to the Executive Director's Report.

Director Womack explained that, concerning the car museum idea, Mr. Shin simply expressed some interest in a classic car auction and museum but that it had not been discussed in some time and that they would continue to reach out to them. She added that a Speedway Hall of Fame had also been suggested to her as well. She then went over the important dates coming up concerning the soccer vote. Chairman Horton then moved to the Fairgrounds Improvement Project Update item on the agenda.

Ed Henley went over the sheets in the board packets and then went over the improvements of the grandstands. He asked the Board to keep in mind that the information given was about 45-60 days behind the actual work. Director Womack added that some of the grandstand work would have to be done after the Fair. Michelle Scopel with GHP also went over some of the improvements that had been done and what was ahead. Chairman Horton then moved to the MLS Stadium Update item on the agenda.

Ms. Scopel stated that the construction management interviews had occurred the week before and that a decision should be made soon. She reported that designs were being worked on. Chairman Horton then moved to the New Business items on the agenda.

Mr. Jon Cooper stated that the Board needed to consider two things today concerning the MLS: 1) Consideration of the mixed use ground lease and land surplus. 2) Consideration of the Term Sheet for the Stadium Operation Agreement. He then started with the ground lease and land surplus information and the key terms of the agreement. There was a lengthy discussion and several questions from the Board which included bankruptcy, the additional \$200,000 revenue, subletting, who was responsible

for utilities, any leftover funds and where it would go, the surplus property process, an escalator, etc. He then went over the Operating Term Sheet. Again, there were several questions. He stated that one change had been made that morning that the team had agreed to mirror the provisions of the racing contract on curfew times and monitoring sound levels and about when concerts were scheduled and how late they could go. Commissioner Johnson asked a question about the Fair Board being charged rent to use the stadium and Mr. Cooper stated that this was more of a cost reimbursement for expenses and that once the actual contract was drawn up that could be addressed. Commissioner Johnson asked if that could be cleared up and Ms. Cavarra nodded that the word "rent" could be taken out. Director Womack then asked that the date for the Fairgrounds to provide their schedule to the team be changed to September 2nd so that they would have the speedway schedule.

At this point, Metro Attorney Susan Jones stated that the Metro Charter did reference having a Tennessee State Fair on this property and the Private Act of 1923 referenced a divisional fair. She stated that the law was recently amended and that the Tennessee State Fair Commission (at the state level) in conjunction with the TSFA (Tennessee State Fair Association) was now the sole body for hosting the Tennessee State Fair and that the "Tennessee State Fair" name could only be used by that body. That provision superseded the action of the Charter; therefore, this Board no longer had the authority to have the "Tennessee State Fair". However, this Board would have the responsibility to put on a divisional fair and that they could certainly still work with the TSFA to host a fair here. She then read from the amendment that she was referring to. Ms. Jones then asked if Mr. Cooper had anything to add and he said, "No."

Commissioner Bergeron then made a motion referring to the Ground Lease stating, *"I move that we declare the 10 acres, which is the subject of the proposed Mixed Use Ground Lease, to be surplus property and I would further move that we approve the Mixed Use Ground Lease between the Fair Board and Nashville Soccer Holdings Development LLC, subject to further approvals by the Metropolitan Government-including the Metro Council-and that we authorize the Chair to make any non-substantive corrections to the form or language, as may be deemed necessary upon the recommendation of the Executive Director in consultation with the Department of Law."* Vice-Chairman McAnally seconded the motion. Commissioner Hemmer brought up an escalator and several of the Commissioners stated that they would be interested in this as well. There was quite a bit of discussion about this and it was decided that the team would need to get together to see if that was possible. Commissioner Hemmer then made a friendly amendment to the motion on the table stating, *"I make a motion to amend from the section five rent portion to change the words "...revenue generated "by" to "in addition to" such non-soccer events..." and the second change would be to put in an escalator starting at year 11."* There was more discussion and Commissioner Hemmer then decided to recall his amendment. Because of the pressing time line, it was decided that the Board would come back for a special meeting later in the week and vote so that the team could discuss the escalator. Commissioner Bergeron then withdrew his motion.

Ms. Jones then went over the three changes of the term sheet (mentioned above). Commissioner Bergeron made a motion stating, *"I make a motion that we approve the MLS Stadium Operation Term Sheet as amended as discussed here by counsel."* Commissioner Hemmer seconded the motion. All were in favor, there were no opposed, and the motion was passed.

Commissioner Bergeron then made a motion stating, *"I make a motion that we defer action on the approval of the Ground Lease and land surplus action until a special called meeting of the Board of Fair Commissioners on August 16, 2018 at 8:00 a.m. and would ask the Chair to call such meeting on his authority."* Vice-Chairman McAnally seconded the motion. All were in favor, there were no opposed and the motion was approved. Chairman Horton then moved to the State Fair Update item on the agenda.

TSFA Fair Manager Scott Jones gave an update of the Fair and went over some of the events at the Fair. There were some questions and discussion about the needs of the Fair and the new commission that had been established and Mr. Jones stated that they had not met yet. Commissioner Hemmer asked Mr. Jones to let them know or send them a letter once the commission had been established and had met.

Commissioner Johnson made a motion to adjourn. Vice-Chairman McAnally seconded the motion. All were in favor and the meeting was dismissed.

Respectfully Submitted,

Chairman, Ned Horton

Executive Director, Laura Womack