

**MINUTES OF A REGULAR MEETING OF  
THE SPORTS AUTHORITY OF THE COUNTY OF  
KNOX AND THE CITY OF KNOXVILLE, TENNESSEE  
January 23, 2024 – 9:00 AM**

The regular meeting of the Board of Directors of The Sports Authority of the County of Knox and the City of Knoxville, Tennessee (the "Authority" or "Board") was called to order by the Chair of the Board, Alvin Nance, at 9:06 AM on Tuesday, January 23, 2024, in the Board Room of the Knoxville Community Development Corporation located at 901 North Broadway, Knoxville, TN 37917.

The following Directors were present at the meeting, constituting a quorum, Richard Bass, Jeff Hagood, Tim Hill, Alvin Nance, and Nikitia Thompson. Joan Cronan and Rosalyn Tillman were absent. Also, present at the meeting were W. Barry Brooke, Executive Vice President of LawlerWood, LLC., Kim Bumpas, President of Visit Knoxville, Chris Caldwell, Chief Financial Officer and Deputy to the Knox County Mayor, La Vonna Hamer, Executive Assistant at Visit Knoxville, Edward Henley III, Founder of Pillars Development, R.J. Justice, Chief of Urban Design and Development for the City of Knoxville, Doug Kirchhofer, Chief Executive Officer of Boyd Sports, LLC, Mark Mamantov, Attorney at Bass, Berry & Sims, PLC, and R. Culver Schmid, Attorney at Baker, Donelson, Bearman, Caldwell, & Berkowitz, PC. Members of the media and other visitors were also there.

**Approval of Meeting Minutes**

Chairman Nance presented the minutes from the September 26, 2023, Sports Authority Board meeting for the Authority's review. Director Hill moved that the Authority approve the minutes. Director Hagood seconded the motion. The Authority approved the September 26, 2023, meeting minutes by a unanimous voice vote.

**Designation of the Sports Authority Board Authorized Representative**

Mr. Schmid explained that it is a requirement that the board designate an authorized representative in the development agreement. An authorized representative is charged with handling and communicating to the Board any significant issues that might arise during the construction period. Mr. Schmid recommended that the Board appoint Chairman Nance as the authorized representative as required by the development agreement.

Chairman Nance asked if the designation would transfer to any future Board chair. Mr. Schmid replied in the affirmative.

Vice Chair Thompson moved that the Board designate the Chair as the authorized representative. Director Bass seconded the motion. The motion was carried with a unanimous voice vote.

**Audit Presentation**

Mr. Caldwell explained that the Board was provided with the audit financial statements as well as the audit report. The audit was performed by Pugh CPAs and overseen by Gary Mitchell who was not able to attend but would be happy to come to a future meeting if needed. Mr. Caldwell reviewed the audit overview. It was a clean audit with one finding that pertained to the fact that the Authority does not have a company managing its financial records. As the Authority's auditing agency, Pugh CPAs cannot manage these records as well. Mr. Caldwell and Mr. Boyce Evans, the City of Knoxville Chief Financial Officer, will research firms that would be capable of managing the financial records for the Authority and bring a quote to the next Board meeting. The firm would need to receive the financial information provided by Regions Bank and prepare it for Pugh to audit.

Director Hagood asked which companies have been approached. Mr. Caldwell replied that no firms had been approached yet. Mr. Evans will reach out to ones with which he is familiar, and Pugh will provide Mr. Caldwell with some contacts to which he will reach out.

Mr. Mamantov pointed out that the Authority does not yet have expenses. He found the audit helpful and stated that Pugh did a great job. Mr. Caldwell stated that Pugh cannot audit financials that they have prepared. An independent firm must prepare financial records.

Vice Chair Thompson stated that the need to acquire a firm to manage the financial statements was a compliance issue for the audit. Mr. Caldwell agreed and added that Chairman Nance submitted a response stating that the Authority would have a firm under contract to handle the issue by February so that moving forward that finding would be cleared.

Vice Chair Thompson asked if there were any other concerns or processes that needed to be changed. Mr. Caldwell and Mr. Mamantov both responded that there were no other findings and that after a thorough audit, Pugh was very satisfied. Mr. Caldwell explained that the audit should give the Board peace of mind.

Director Bass asked if other projects with which the city is involved are handled similarly. Mr. Caldwell responded in the affirmative and added that an independent audit is performed annually. Mr. Mamantov stated that the Authority was different in that it has no independent expenditures other than from bond proceeds or amounts contributed by outside entities such as the state.

Director Bass asked if the accounting process is the same with other revenue bonds where there is an existing trustee. Mr. Mamantov stated that the setup of the Authority is very unusual, so much so that he cannot think of a similar entity in the city or county.

Chairman Nance stated that the important thing to remember is that a clean opinion had been achieved.

Vice Chair Thompson moved that the Board approve the audit. Director Bass seconded the motion. The motion was carried with a unanimous voice vote.

### **Stadium Construction Update**

Mr. Brooke provided the Board with a report and stated that progress on the project had been very good until the snowstorm last week. Work continued as much as possible. He requested that the Board approve the dollar amount associated with the change in seating behind the home plate and the berm picnic area that had already been approved in the previous meeting. The change order amount is \$349,111.00.

Director Hagood asked if the dollar amount was in line with what Mr. Brooke anticipated. Mr. Brooke stated that it is.

Vice Chair Thompson asked if the amount would be considered an overage and added to the bond. Mr. Mamantov explained that a letter of credit exists to cover overages and that this amount would increase the amount of the contract. He stated that the Board has a good degree of protection. Mr. Schmid added that the Board approved the scope during the meeting in September and that the dollar amount is informational.

Mr. Brooke stated that a second request pertains to the audio/visual package. The change order amount of \$593,367.00 would cover a 6 x 150-foot rhythm message board on the left field wall above the bullpens, two 3 x 63-foot ribbon boards on either side of home plate, and an iconic 124 x 31-foot scoreboard in the shape of the state of Tennessee.

Mr. Kirchhofer stated that the oversized Tennessee-shaped scoreboard would be an iconic piece of the stadium like the guitar-shaped scoreboard in Nashville. The ribbon boards are like the ones found in Neyland Stadium and Thompson Boling Arena. These are the types of amenities that are seen in ballparks that are being built and added to ballparks that do not already have them. He stated that the IT package also includes security access control, speaker systems, and the electronic and audio/visual equipment for the control rooms. The items will not be added to the public cost but will be an additional developer contribution.

Director Hagood moved that the Board approve the requested change orders. Director Bass seconded the motion. The motion was carried by a unanimous voice vote.

Vice Chair Thompson requested that the Board receive a report sent to them or presented during meetings outlining overages and coverage.

### **Internship Program Update**

Ms. Bumpas stated that the Internship Program Committee met on January 3<sup>rd</sup> and at that time had twelve applicants, which was two more than at the same time in the process last year. The program currently has seventeen

applicants. She explained that an outreach event was planned for last week, but due to the snowstorm, that event was canceled. Another outreach event is planned for February 1<sup>st</sup> at the University of Tennessee. The application deadline is February 9<sup>th</sup>. The committee anticipates having at least as many applicants as last year but is on pace to exceed that number.

Chairman Nance asked if any new businesses were participating in this round. Mrs. Bumpas replied in the affirmative and stated that GEOServices, Knoxville Community Development Corporation (KCDC), OneKnox and SAM Geomatics are newly added companies this year.

### **Diverse Business Enterprise (DBE) Participation Report**

Mr. Henley provided the Board with the latest report and stated that he would be highlighting activities that occurred throughout the holiday season and until recently. He explained that the team held a trades fair specifically for the IT and audio/visual (a/v) scope in collaboration with the Knoxville Area Urban League on December 4<sup>th</sup>. Four subcontractors attended and have been connected directly to the prime contractor. The team will continue to increase efforts in that area.

Mr. Henley also stated that conversations continue with other minority business enterprise (MBE) contractors to find participation opportunities for them including a rubbish removal company and a labor company. Workforce development efforts continue as well. He explained that conversations are ongoing with a wood supplier supported by the general trades union throughout the project.

Mr. Henley explained that the signage scope has been executed with a woman-owned business enterprise (WBE) and the food service equipment contract award has been completed with a WBE as well. To this point, \$11,837,820.00 in DBE commitment has been reached for the project. All thirty-one scopes have now been completed. The Urban League will continue its capacity-building events and the team will now begin to work on second and third-tier opportunities.

In February, Mr. Henley will work in partnership with the Nashville Music City Center's head of procurement and DBE during their annual small and diverse business forum. The team will be attending that event to speak to contractors and subcontractors who will be in attendance there.

Vice Chair Thompson asked if all the prime contacts had been bid out and signed. Mr. Henley replied in the affirmative.

Vice Chair Thompson asked if opportunities for second-tier participation and matchmaking existed. Mr. Henley stated that opportunities exist in the IT and A/V scope. The team is doubling its efforts in that area. The team is working to create new relationships and inform new subcontractors about available opportunities during the event in February.

Chairman Nance asked if telecommunications, rubbish removal, and lumber supply are opportunities. Mr. Henley replied that those scopes are all active conversations and opportunities with potential.

Vice Chair Thompson requested that WBE and MBE percentages be added to the last page of future reports.

### **New Business**

Chairman Nance reminded the Board that the next meeting is scheduled to be held on Tuesday, February 27, 2024, at 9:00 AM in the Board Room of the Knoxville Community Development Corporation.

Chairman Nance also recognized the addition of RJ Justice as a representative of the City of Knoxville to the Sports Authority Board support team.

### **Adjournment**

Chairman Nance adjourned the meeting at 9:40 AM.