

**MINUTES OF A REGULAR MEETING OF  
THE SPORTS AUTHORITY OF THE COUNTY OF  
KNOX AND THE CITY OF KNOXVILLE, TENNESSEE  
April 26, 2022 – 9:00 AM**

The 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") began at 9:04 AM on Tuesday, April 26, 2022, in the Community Room of the Knoxville Operations Center located at 3131 Morris Avenue, Knoxville, TN 37909.

Alvin Nance, Chair of the Sports Authority Board of Directors, called the meeting to order. The following Directors were present at the meeting, constituting a quorum, Joan Cronan, Richard Bass, Jeff Hagood, Tim Hill, Alvin Nance, Nikitia Thompson, and Rosalyn Tillman. Also present at the meeting were Stephanie Welch, Chief Economic and Community Development Officer and Deputy to the Mayor of the City of Knoxville, Doug Kirchhofer, Chief Executive Officer of Boyd Sports, LLC, and R. Culver Schmid, Attorney at Baker, Donelson, Bearman, Caldwell, & Berkowitz, PC. Members of the media and other visitors were also in attendance.

**Approval of Meeting Minutes**

As the first order of business, Mr. Nance presented the minutes from the Tuesday, March 22, 2022, meeting for the Authority's review. Mrs. Thompson moved that the Authority approve the minutes. Mr. Bass seconded the motion. The Authority approved the March 22, 2022, meeting minutes by a unanimous voice vote.

**Internship Committee Update**

An update from the Internship Committee was the second order of business. Mrs. Ball stated that most of the employers associated with the program had completed the process of interviewing the candidates that the committee selected for them. Three students have received offers. Mrs. Tillman added that one student, Kristen Theilmann, has been hired by S&ME. Two of the students have been interviewed and were awaiting decisions from the Knoxville Utilities Board (KUB). Three students are in the process of being interviewed. Updates are expected later this week. Mrs. Tillman also stated that all candidates interviewed well with the Internship Committee prior to being suggested to the employers.

Mrs. Tillman explained that five candidates withdrew from consideration for personal reasons or had accepted positions elsewhere. One candidate was released from the program due to a misunderstanding of the program's intent. Two candidates were released from the program by an employer due to age and local residence requirements. The committee plans to communicate the residence expectations more clearly and screen for age requirements more carefully in the future. The committee desires that students who live and/or attend school in the Knoxville area benefit from the program but does not want residency outside of the area to be an eliminating factor.

Mrs. Tillman stated that the Internship Committee will meet again on May 4<sup>th</sup> and will discuss adjusting the timeline to better match the needs of the students as well as the hiring organizations. She commended the committee on the hard work that was done to take the program from an idea to a running program in a short period of time. The lessons learned for the inaugural year will be used to improve future years of the program. She also expressed the hope that the Sports Authority Internship Program could be used as a model that would inspire other organizations to offer opportunities to more students of diverse backgrounds.

Mrs. Ball also commended the committee for taking the time and putting in the effort to ensure that every student was given the opportunity to interview with them. Mrs. Tillman added that the committee was encouraged by the quality of the students that they interviewed.

Mr. Hill asked if the Committee considered the fact that the student who lived in Memphis was willing to move to Knoxville before her release from consideration. Mrs. Tillman explained that the decision to release the student was not that of the Committee but that of the hiring organization which was under the impression that the students in the program were required to be local residents.

Mr. Kirchhofer stated that Boyd Sports interviewed three candidates from the program and made two offers for which replies had not yet been received. He added that Boyd Sports was very happy with the process and with the quality of the candidates. He also stated that during a conversation with him, Mrs. Bumpas expressed that the interview

process had been a tremendous experience for her and that she was encouraged by the interaction with the students and the process as a whole. Mrs. Tillman mirrored the sentiment and explained that the students were insightful and engaging.

Mrs. Tillman explained that although there were few students of color that applied, several were females and so the program did meet its primary goal of serving underrepresented and underserved students from a gender perspective. She explained that some of the marketing strategies and language may need to be adjusted.

### **Development Timeline Review and Update**

As the next order of business, the Authority received an update regarding the development timeline. Mr. Kirchhofer stated that Mr. Boyd met with the Mayors and afterward an announcement was released that the Smokies would not be able to make the move to Knoxville in time for the 2024 baseball season. The timeline for the move of the team has shifted to the 2025 season. It remains likely that the stadium could open in the fall or winter of 2024. He explained that the shift in the timeline is due to the uncertainty caused by the current state of the construction industry and the difficulty with which meaningful pricing and bids based on the design development documentation could be obtained. The decision was made to reconcile the design development scope with the schematic design to prepare the construction documentation to allow the contractor and subcontractors the ability to prepare bids using actual documentation.

Mr. Kirchhofer explained that other work can be done in the meantime and stated that the first phase of utility infrastructure work, which would move the water and sewer lines, will begin in early May. The final demolition and removal of the existing foundation and basement structure will begin within the next 30 to 60 days. The rough grading package is also in the planning stage and moving forward. These steps are being addressed now so that when the construction documents are ready, a guaranteed maximum price can be generated, and the project can move forward quickly.

Mr. Hagood stated that he was glad that the announcement had been made and that the steps outlined by Mr. Kirchhofer were being taken. Mr. Kirchhofer expressed that having the stadium completed well before the move of the team is the best option for all involved parties. He also reiterated that the completed stadium could have events before the start of the baseball season.

Mr. Nance stated that the uncertainty in the construction industry is being felt nationwide and commended Mr. Kirchhofer and Boyd Sports for making this difficult but wise decision. Mr. Kirchhofer stated that to do the best job and make the best decisions, removing as much uncertainty as possible was important.

Mr. Hagood asked if prices had begun to stabilize at all since the beginning of the year. Mr. Kirchhofer stated that he has heard from other sources that prices seemed to be stabilizing but was not sure.

Mr. Hill asked if the water and sewer relocation would begin soon. Mrs. Welch replied that through an agreement with RR Land the water and sewer line relocation will occur over the next few months. Mr. Kirchhofer added that the first phase to move the water and sewer lines from the middle of the site to the surrounding streets would take about 3 months. Mr. Nance added that seeing construction on the site will help to keep people excited about the project.

### **Bond Financing Update**

An update regarding the Bond Financing was the next order of business. Mr. Bass stated that the financing team has suspended meetings for the time being due to the shift in the timeline which was previously explained by Mr. Kirchhofer as well as an uptick in the bond markets. He explained that the underwriting team has been selected based on the decision by the Board during the last meeting and everyone is prepared to move forward when the time is appropriate.

Mr. Nance asked if the financing team will continue to monitor interest rates. Mr. Bass replied in the affirmative and added that rates, as well as inflationary costs, are expected to settle down.

### **Agreements Update**

As the fifth item of business, Mrs. Welch presented the Authority with an update regarding the agreements associated with the project. Mrs. Welch provided the Board with a summary of the agreements to which she would be referring and thanked Mrs. Cronan for suggesting that the document be created. The summary outlines the agreements

timelines and stadium construction. Mrs. Welch encouraged the Board to celebrate the amount of work that has been completed.

Mrs. Welch explained that the Development and Lease Agreements have both been approved with conditions by the Board and are in the process of review by insurance consultants to address the insurance concerns. That review should be completed soon. The MLB has also reviewed and approved the lease. Once the guaranteed maximum price and bond financing have been obtained, the process will be ready to move forward.

Mrs. Welch also stated that the initial phases of the public infrastructure work can begin through agreements between KUB and RR Land. The overarching agreements that affect the water, sewage, electric, and gas infrastructure are being negotiated. As reported in the Compass, the KUB Board has set aside \$13 million of its budget for utility relocation. She went on to explain that KUB will self-perform the relocation of the electrical infrastructure. No contract with the Authority will be necessary for that portion of the work. The developer will perform the work as it pertains to water and sewer systems. The Authority will be a party to the agreement with the developer for that portion of the work. Subcontractors that are hired to complete the infrastructure work will be selected from KUB's approved subcontractor list. Some discussion about Disadvantaged Business Enterprise (DBE) qualified contractors will need to take place. Mrs. Welch explained that a commitment has been made to the community to ensure that every aspect of this project benefits those who have been historically disinvested. DBE contractors are part of that equation as is the internship program.

Mrs. Tillman asked if some of the contractors on the KUB list qualify as DBE contractors. Mrs. Thompson replied that there is a small pool but that she did not know the number. She explained that the Procurement Department would be able to provide that information.

Mr. Hagood asked how many total approved subcontractors KUB has. The answer was not known; however, Mrs. Welch stated that the most current list of contractors obtained from the Procurement Department, listed one water and wastewater qualified DBE contractor. The list contained DBE contractors that were qualified in other areas. She stated that this scenario highlights the reason for the commitment to DBE participation in this project and that the pipeline of DBE contractors needed to be cultivated to ensure that DBE contractors would be able to participate in these kinds of projects.

Mr. Nance asked what percentage of the infrastructure work to be completed on the site was represented by the water and wastewater. Mrs. Welch was unsure of the exact number and estimated that it was approximately 2/3 of the work but said that she would get that information.

Mrs. Welch also stated that the City has approved a \$14 million Public Infrastructure Agreement in which \$7 million from the fiscal year ending 2022 budget and \$7 million from the fiscal year ending 2023 budget will be used on the street and plaza construction associated with the stadium. Those agreements will come before the Authority.

Mrs. Welch then explained that negotiations regarding the Private Development Agreement are still in progress and are going well. She also stated that Lawler-Wood is working on behalf of the Authority as its representative and will attend meetings related to the stadium design, supply chain, and budget issues.

### **Questions and comments**

Mrs. Cronan stated that she and Mr. Kirchhofer had the opportunity to address the Leadership Knoxville class on sports and sports culture during which they reported on the stadium and what it will mean for the Knoxville area. She explained that there was great interaction and feedback.

Mr. Bass represented the Authority and gave a presentation to the Rotary regarding the stadium project that was also very positive.

Mr. Nance stated that he believes that people remain excited about the stadium and about having the Smokies in Knoxville. He reminded the Board that they have done great work.

### **Adjournment**

The next meeting of the Sports Authority will be held on May 24, 2022, at 9:00 AM in the Community Room of the Knoxville Operations Center. Mr. Nance adjourned the meeting at 9:43 AM.