

MINUTES OF A REGULAR MEETING OF  
THE SPORTS AUTHORITY OF THE COUNTY OF  
KNOX AND THE CITY OF KNOXVILLE, TENNESSEE

May 20, 2021 – 9:37 A.M.

The inaugural meeting of the Board of Directors of The Sports Authority of the County of Knox and the City of Knoxville, Tennessee (the "Authority") was held at 9:37 a.m. on Thursday, May 20, 2021, in the Pat Summitt Rotunda at the Women's Basketball Hall of Fame, located at 700 South Hall of Fame Drive.

Stephanie Welch, Chief Economic and Community Development Officer and Deputy to the Mayor of the City of Knoxville, called the meeting to order. The following Directors were present at the meeting, constituting a quorum, Richard Bass, Joan Cronan, Jeff Hagood, Tim Hill, Alvin Nance, Nikitia Thompson, and Rosalyn Tillman. No Directors were absent. Also present at the meeting table were Chris Caldwell, Chief Financial Officer and Deputy to the Knox County Mayor, Doug Kirchhofer, Chief Executive Officer of Boyd Sports, LLC, Kim Bumpas, President of Visit Knoxville, and Mark Mamantov, attorney at Bass, Berry & Sims, PLC. Members of the media and other visitors were also in attendance.

Introductions

The Directors and representatives of the City of Knoxville, Knox County, and Boyd Sports introduced themselves and provided information about their backgrounds and interest in the proposed stadium project.

Election of Chair Pro Tempore

The first order of business was the election of the Chair Pro Tempore. Ms. Tillman nominated Ms. Cronan, and Mr. Nance seconded the nomination. The nomination was approved by a unanimous voice vote.

Multi-Use Stadium Project Overview

The next order of business was the discussion of the multi-use stadium project. Ms. Cronan requested that Ms. Welch provide a history of the project. Ms. Welch explained that the Tennessee Smokies, an AA baseball team, left Knoxville in 1999. Professional or semi-professional baseball has been a part of the rich history of East Knoxville since the early 20<sup>th</sup> century, and there has been substantial community interest in bringing the Smokies back to East Knoxville. Former Mayor Rogero began discussions with the baseball team more than two years ago, and Mayor Kincannon and Mayor Jacobs have continued to move the project forward. The return of the team and the construction of the proposed multi-use stadium would provide economic benefit to the community, increase community pride and create vibrancy in the area. The creation of the Sports Authority is an important early step in the process and has the support of both the City and the County.

Ms. Cronan requested that Mr. Kirchhofer provide the Authority with the current status of the project from the team's perspective. Mr. Kirchhofer noted that the project site is the former Lay's meatpacking plant and former Knox Rail Salvage location. The property is surrounded by Jackson Avenue to the north, Willow Avenue to the south, Patton Street to the west, and Florida Street to the east. Mr. Kirchhofer explained that Boyd Sports, LLC engaged Populous, an international architecture firm specializing in athletic facilities, to determine whether a stadium and mixed-use development would fit on the site and to provide some initial conceptual design drawings. Mr. Kirchhofer presented the conceptual designs to the Authority. The designs reveal that the stadium would fit on the proposed site along with surrounding private development. The stadium would be capable of hosting baseball as well as rectangular sports. The stadium would have conference and event facilities built into the design, and similarly-sized facilities have hosted up to 400 events per year. The concourse area of the stadium would be open daily from dawn to dusk for exercise and gathering. There are also opportunities on or adjacent to the site for greenways and a rail trail. The

design presented to the Authority has a warehouse aesthetic to serve as an extension of the Old City, and the proposed design would allow for downtown views from the stadium.

Mr. Kirchhofer informed the Authority that Boyd Sports, LLC also engaged BarberMcMurry Architects and Design Innovation Architects, Inc., two Knoxville architecture firms experienced in downtown development, to gauge the possibilities for private development. Those studies revealed that private development options could include an active public plaza area, a farmers' market, breweries, retail, and restaurants in the 600,000 square feet of available space.

Mr. Kirchhofer explained that the demolition of the Lay's meatpacking plant site and the Knox Rail Salvage site is complete. The site contains some hazardous materials that are being removed, and the removal should be complete by mid-June. In addition to the architecture firms, Boyd Sports, LLC has engaged Compass Partners, LLC and Partners Development for project management services, and Denark Construction, Inc. for construction management and budget development. Mr. Kirchhofer informed the Authority that all of these engagements were cancelable, and each would be used to assist the Authority in its decision-making processes.

Mr. Caldwell then explained that legislation was approved in April that would allow the County to capture all sales taxes produced by stadium events, not just baseball events. The sales taxes collected will be paid directly to the Authority to pay the debt on the stadium. Mr. Mamantov expressed gratitude to State Senator Becky Massey, State Senator Richard Briggs, and State Representative Jason Zachary for carrying this legislation. In addition, Mr. Caldwell explained that, with the support of the Governor's office, the Authority was approved by the legislature for a one-time grant from the State for \$13,500,000 to promote economic development.

Mr. Caldwell informed the Authority that the City and County worked together to obtain proposals for an economic impact study for the stadium. Boyd Sports, LLC has previously completed an economic impact study, but the independent study would allow the Authority to verify the findings of the previous study, to look into the impact of the potential private development and the impact as a whole on the City and County, and to assess the market value of the lease with the baseball team. Mr. Caldwell explained that Conventions, Sports & Leisure International Inc. (CSL) was selected to do the study, and the study would take nine to twelve weeks to complete.

Mr. Caldwell then explained that the City and County would cover the cost of the Authority's legal counsel. The grant funds from the State would not arrive until the next fiscal year, which commences in July, and the Authority would need to establish a bank account before the receipt of the grant.

Ms. Cronan then requested that Mr. Mamantov discuss the next steps and considerations for the Authority. Mr. Mamantov explained that the Authority is a separate legal entity from the City and the County, and the Directors have broad statutory protections. Despite these protections, Mr. Mamantov explained that similar entities sometimes obtain insurance for directors' liability. Mr. Mamantov noted that the Authority is subject to open meeting laws, and if two or more Directors desired to meet that proper notice must be given. The Authority is also subject to open records requests. Mr. Mamantov explained that bylaws and a public records policy are required by law and that he highly recommended considering the adoption of an ethics policy and a public forum policy. An important step for the Authority is to hire independent legal counsel. The Authority will also need to hire an auditor, but since funds would not be paid to the Authority until after June 30<sup>th</sup>, an auditor will not be needed until the fiscal year ending June 30, 2022. Mr. Mamantov noted that the Authority would also need to retain a financial advisor to assist in issuing the bonds to finance the cost of the stadium.

Mr. Mamantov then summarized some of the more significant items the Authority would need to address: the grant agreement from the State of Tennessee, a development agreement with respect to the construction of the stadium, the real estate documents related to subdividing the parcels for private development, the financing of the project, and the lease with the team to govern future use of the stadium. Mr. Mamantov then explained that Boyd Sports, LLC currently had no commitment from the City, the County or the Authority to get reimbursed for the substantial work on the site that has already been done. Mr.

Mamantov further noted that the Authority would be the issuer of the bonds needed to finance the stadium. The sources to repay the bonds include the sales tax from inside the stadium, the rent from the baseball team, and the incremental property tax revenue from the private development surrounding the stadium. Mr. Mamantov explained to the Authority that property taxes cannot be raised to pay for the debt service on the bonds.

Mr. Bass asked if any credit enhancement has been discussed. Mr. Mamantov responded that the Authority's debt would be backed by the City and County, both of which have very high credit ratings.

Ms. Thompson asked if the lease and development agreements need to be approved by the City and County. Mr. Mamantov explained that City Council and County Commission will vote on an agreement that will authorize the Authority to borrow funds to construct the stadium. They will have the development agreement, lease agreement and financing plan documents to review and inform their vote.

Ms. Tillman asked about community involvement in the project. Ms. Welch responded that several approaches are being used and being planned, and encouraged the Authority to provide input community engagement strategies.

Ms. Thompson asked if Directors can meet with city and county staff and Mr. Mamantov between meetings. Mr. Mamantov responded that the open meetings law only applies to meetings that include more than one Director. Meetings with staff are not subject to public notice.

Ms. Cronan then asked for Ms. Welch to explain the timeline to the Authority. Ms. Welch explained that she would have a more concrete timeline ready for the next meeting and that the public processes and approvals involved with each decision would need to be considered. An important item for the Authority to address is garnering community input for the project.

#### Election of Officers

The next order of business was the election of officers. Ms. Cronan announced that the Authority needed to elect a Chair, a Vice-Chair, and a Secretary/Treasurer of the Authority. Mr. Bass nominated Mr. Nance to serve as Chair, and Ms. Thompson seconded the nomination. The nomination was approved by a unanimous voice vote.

Mr. Tillman then nominated Ms. Thompson to serve as Vice-Chair of the Authority, and Mr. Nance seconded the nomination. The nomination was approved by a unanimous voice vote.

Ms. Cronan then nominated Mr. Bass to serve as Secretary/Treasurer of the Authority, and Mr. Nance seconded the nomination. The nomination was approved unanimous voice vote.

#### Administrative Items

Ms. Bumpas then announced that Visit Knoxville was happy to assist the Authority with this important project. Ms. Bumpas explained that she will assist with the scheduling and the preparation of meetings. The meetings will be monthly for approximately two hours. After discussion, the Directors agreed that the next meeting of the Authority should be on Tuesday, June 22, 2021, at 9:00 a.m. Ms. Bumpas noted that she would poll the Directors to determine the best dates for the meetings in July through December.

Ms. Welch announced that she would email the Directors a copy of Mr. Kirchhofer's presentation, along with contact information for herself, Mr. Caldwell, Mr. Kirchhofer, and Mr. Mamantov. After further discussion, Mr. Nance explained that he would work with Ms. Welch, Mr. Caldwell, and Mr. Mamantov to identify recommendations for legal representation for the Authority.

Mr. Nance then adjourned the meeting of the Authority at 11:41 a.m.