

**MINUTES OF A REGULAR MEETING OF  
THE SPORTS AUTHORITY OF THE COUNTY OF  
KNOX AND THE CITY OF KNOXVILLE, TENNESSEE  
May 23, 2023 – 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") was called to order by the Chairman of the Board, Alvin Nance, at 9:05 AM on Tuesday, May 23, 2023, 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, Nikitia Thompson, and Rosalyn Tillman. Joan Cronan was absent. Also, present at the meeting were Kim Bumpas, President of Visit Knoxville, Chris Caldwell, Chief Financial Officer and Deputy to the Knox County Mayor, Harold Cannon, the City of Knoxville Chief Economic Development Officer, Edward Henley III, Founder of Pillars Development, Doug Kirchofer, 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 in attendance.

**Approval of Meeting Minutes**

Chairman Nance presented the minutes from the May 9, 2023 Sports Authority Board meeting for the Authority's review. Director Bass moved that the Authority approve the minutes. Director Hill seconded the motion. The Authority approved the May 9, 2023 meeting minutes by a unanimous voice vote.

**Reappointment of Directors Hagood and Tillman**

Chairman Nance announced that Knox County Commission reappointed Director Jeff Hagood and Director Rosalyn Tillman to the Sports Authority Board during its April 24, 2023 meeting. He thanked both directors for their continued willingness to serve on the Board.

**Internship Program Update**

Bumpas delivered the update for Director Tillman. informed the Board that the Sports Authority Internship Program had a successful second round. The program had twenty-five final candidates and seven employers. Five interns were placed with the participating employers. She explained that unfortunately BarberMcMurry and S&ME were unable to continue their participation in this round due to internal restructuring considerations but would resume participation in future rounds. Interns were placed with Denark Construction, Design Innovation Architects (DIA), Knoxville Utilities Board (KUB), and the Tennessee Smokies. The Tennessee Smokies accepted two interns. One intern was placed with each of the other three companies. Two candidates for the position offered by Moxley Carmichael decided to accept other positions.

Bumpas explained that Director Tillman and the Internship Committee would like the assistance of the Board in recruiting more companies to participate in upcoming rounds of the program. Current participants are also encouraged to consider accepting more placements. As evidenced by the twenty-five final candidates during this round, interest in the program is growing. More internship positions will be necessary to ensure its sustainability and growth. The Knoxville Community Development Corporation has now agreed to participate in upcoming rounds.

Chairman Nance asked how many companies currently participate in the program. Bumpas explained that seven companies participate; however, five candidates were placed with four companies due to the withdrawal of BarberMcMurry and S&ME and having no candidates available to place with Moxley Carmichael due to their acceptance of other positions. She stated that further efforts will be made to attract applicants to the Public Relations track offered by Moxley Carmichael in the future. All candidates that made it to the final phase were quality candidates that the committee would have felt confident in placing were more positions available to do so.

### **Diversity Business Enterprise (DBE) Update**

Henley presented the Board with a report prepared by the DBE team. He explained that a concerted effort has been made to engage subcontractors and suppliers specifically with the purpose of connecting them with prime subcontractors with whom contract negotiations have already begun. He presented an outline of the recent activities the DBE Team has undergone to continue engaging the diverse business community. The team held an outreach event on April 27<sup>th</sup>, identifying and meeting with forty subcontractors interested in working on the project and placing them in contact with the subcontractors that have been awarded the project or are currently in contract negotiations. Interested suppliers were also identified and connected with subcontractors. He stated that the team is having conversations with DBEs on the packages that have contracts that have yet to be let. They were able to identify a fuel vendor that is a minority business enterprise (MBE) and connected them with all currently awarded contractors as well as the companies that will be onsite to assist them in becoming a preferred reference for the project in terms of fuel supply.

Henley explained that the data that populates the report is available a month in arrears. No contracts had yet been executed during the period of this report. The team has been working diligently to connect DBEs to the prime contractors and subcontractors that are in negotiation before fully executing the contracts. They identify areas that can be filled by interested DBEs, have conversations with the contractors, suppliers, and vendors, connect them, and request that they bring their figures to the DBE team. He also explained that the numbers in the Cumulative Contracts Awarded section of the report are likely to change because the contracts have not been finalized but expressed confidence in presenting them to the Board. The numbers are trending up and currently sit at about 12.5%. The team continues to work towards the goal.

Henley stated that three contract scopes remain. Upcoming capacity-building events will be curated specifically toward those needs. Food service equipment and IT, AV, and telecommunications scope-specific event fairs are being planned.

Vice Chair Thompson requested that as the invoices are paid monthly, the amount that has been paid to date be added to the report. She also requested that the DBE Team communicate to the prime contractors that DBE participation is a very important part of the project. Henley replied that the team is happy to add that information to the report and explained that the information will be presented in arrears.

Director Hagood said that DBE participation is important to every member of the Board as well. Henley stated that the DBE Team understands and appreciates that.

Chair Nance asked for clarification on the number of contracts listed in the report. Henley explained that twenty-seven subcontractors, vendors, or suppliers have received contracts and are expected to return them.

Chair Nance requested that dates of connection be added to the comments so that the Board can see the initial contact and follow-up. Henley agreed that the information will be added.

### **Assistant Secretary/Treasurer Appointment**

Mamantov stated that he is requesting that an Assistant Secretary/Treasurer be appointed so that any documents that require signatures while Director Bass is out of the country will not be delayed. Mamantov recommended that Director Hagood be appointed to the position. Vice Chair Thompson moved that the Board appoint Director Hagood to the position of Assistant Secretary/Treasurer of the Knoxville Knox County Sports Authority Board. Director Hill seconded the motion. Director Hagood was appointed to the position of Assistant Secretary/Treasurer of the Knoxville Knox County Sports Authority by a unanimous voice vote.

### **Financing Update**

Mamantov stated that rates have risen by forty basis points over the last few weeks. He explained that this project has a \$65 million principal cap and a cap on interest costs. The rise in rates will mean that a larger contribution will be required of Mr. Boyd to make up the shortfall. The team is meeting to look at preliminary bond pricing. Mamantov is confident that the bonds will go to market within the next couple of weeks.

He explained that a key aspect of the bond financing is the reinvestment of the bond proceeds. The more that can be invested, the less will need to be contributed to a shortfall. The proceeds will be invested conservatively in accordance with the investment policy approved by the Board and will also try to maximize earnings. An investment strategy is being developed based on a draw schedule. Raymond James is recommended to manage the investments and deliver them to the trustee where they will be held. As they mature, they will be invested in a governmental money market fund.

Mamantov commented that final approval of the lease from Major League Baseball is expected today. Kirchhofer stated that they have received verbal approval but are waiting for the final documents.

Chair Nance stated that the national debt ceiling issue is having an impact. Mamantov explained that it is creating terrible volatility.

Director Hagood stated that the \$3 million estimated interest earnings could be higher. Mamantov agreed and stated that if the investments make more than the draw requires then the account will have more to invest going forward. He said that the tax-exempt bonds could have a one percent to one and a half percent spread.

**New Business**

The next meeting will be held on Tuesday, June 27, 2023, at 9:00 AM in the Board Room of the Knoxville Community Development Corporation.

**Adjournment**

Mr. Chairman Nance adjourned the meeting at 9:33 AM.