

**MINUTES OF A REGULAR MEETING OF  
THE SPORTS AUTHORITY OF THE COUNTY OF  
KNOX AND THE CITY OF KNOXVILLE, TENNESSEE  
July 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 9:02 AM on Tuesday, July 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, Chris Caldwell, Chief Financial Officer and Deputy to the Knox County Mayor, Doug Kirchhofer, Chief Executive Officer of Boyd Sports, LLC, Mark Mamantov, Attorney at Bass, Berry & Sims, PLC, R. Culver Schmid, Attorney at Baker, Donelson, Bearman, Caldwell, & Berkowitz, PC, and Kim Bumpas, President of Visit Knoxville. Members of the media and other visitors were also in attendance.

Mr. Nance introduced the Authority to Craig Myles, a first-year student at Karns High School shadowing Mr. Nance to gain real-world exposure to and experience with corporate business. Dr. LaToya Myles, Craig's mother, was also introduced. Mr. Myles expressed his thanks to Mr. Nance for allowing him the opportunity to shadow him, observe the meeting, and learn more about the stadium.

**Approval of Meeting Minutes**

As the first order of business, Mr. Nance presented the minutes from the Tuesday, April 26, 2022, meeting for the Authority's review. Mr. Hagood moved that the Authority approve the minutes. Mr. Hill seconded the motion. The Authority approved the April 26, 2022, meeting minutes by a unanimous voice vote.

**Update from the Stadium Developer**

Mr. Kirchhofer provided an update from the developer to the Authority by stating that although an estimate of the final stadium cost was not currently available, he wanted to share information about the current status, progress history, and future outlook regarding the project.

Mr. Kirchhofer stated that, with regard to the current status of the project, the design team has a final stadium plan, subject to confirmation of a few final details, and is preparing to produce construction documents based on that plan. He explained that construction documents are the fourth phase in the progression of the process. He stated that the construction manager is engaged in phase one utility work, which is relocating and replacing water and sewer lines around the site. They are prepared to begin rough grading to move forward with the preparation of the entire site. They expect to begin moving dirt early next month. This will involve further street closures and the kind of heavy equipment that you would typically associate with a project like this. He also stated that once the design team completes the construction documents, the construction manager will go back to the market for bids on the project to develop a guaranteed maximum-price contract for the construction of the stadium.

Mr. Kirchhofer explained that the initial cost estimates were based upon the conceptual design that was developed during phase one of the project and that last year, stadium construction cost estimates were discussed based on the schematic designs produced during the second phase. To stay on schedule for a 2024 stadium delivery date, the design team provided the construction manager with design development information at the end of 2021. In March, the construction manager reported that the results did not produce a realistic estimate and all members of the project team agreed. Uncertainty due to unprecedented spikes and variations in material and labor costs, general economic uncertainty particularly in the construction industry, the absence of construction documents, and the fact that the size and scale of the stadium and some of its elements had grown noticeably during the design development process were identified as contributing factors. All parties decided to make adjustments that would reduce costs, improve the efficiency of the design, and identify any size increases and eliminate them. Mr. Kirchhofer stated that he would point

out the revisions The design team has been charged with producing construction documents based on the result of the revised design. That work will be completed in the fall. He explained that those construction drawings will allow the construction manager to receive bids and potentially provide a GMP (guaranteed maximum price) later this year or in January 2023.

Mr. Kirchhofer explained that phase 1 of the utility work is ongoing and will continue. Rough grading will prepare the site for both the stadium construction as well as the construction of the private development building and will need to be completed before the foundations can be poured. Design of the new streets and plazas surrounding the stadium will need to be undertaken so that they can move forward when the area is ready. He stated that until project funding is available, the ongoing work which is essential to maintain the late 2024 – early 2025 completion schedule is being funded by the developer.

Mr. Kirchhofer added that the disadvantaged business enterprise (DBE) efforts have been ongoing since the beginning of 2021 and have been robust. The DBE team consists of the Knoxville Area Urban League, representatives from Partners Development, Compass Partners, LLC, Denark Construction, and Barton Malow. The team meets on a bi-weekly basis and their efforts produced positive results during the initial bidding process that took place in February and March. The team believes that opportunities to further improve DBE participation exist and is working towards that goal. Mr. Kirchhofer suggested that the DBE team attend a future meeting of the Authority to provide a more detailed report and more accurately and completely describe their process, the results that have been achieved, as well as their plans and goals as they move forward.

Mr. Hill asked if site work will begin before the GMP has been acquired. Mr. Kirchhofer replied that it would. He explained that the timeline indicates that the site work will begin in August and will be completed in late 2022. The GMP will be available in late 2022 or January 2023.

Mr. Hagood asked if construction documents are necessary to obtain a real price. Mr. Kirchhofer replied that they are necessary due to the economic situation and circumstances that followed the pandemic. The high demand for construction work and materials highlighted the need to move forward with the complete information provided by construction documents.

Mr. Hagood asked if the Authority would have the cost information in the Fall. Mr. Kirchhofer stated that to numbers would be provided to the Authority in late Fall 2022.

Mr. Bass asked if a 2025 completion date was still realistic. Mr. Kirchhofer replied in the affirmative.

Mrs. Thompson asked about the status of the construction documents. Mr. Kirchhofer explained that they are in process. He added that the design team, which is comprised of Barber McMurry and Design Innovations in partnership with Oculus, revised the design which has been approved. The design team has been given the green light to prepare the construction documents.

Mrs. Thompson asked if the Authority will be able to see the changes during the virtual tour. Mr. Kirchhofer stated that he would highlight them during the tour.

Mr. Nance stated that the critical comments as he understood them were:

1. The team continues to work on providing the Authority with a GMP contract.
2. The design team has revised the design to lower the cost and increase efficiency.
3. The Authority should anticipate a rebid in December 2022 or January 2023.

Mr. Kirchhofer confirmed each of the statements.

Mr. Hill stated that he was informed by a general contractor on a separate project that the Associated General Contractors of America provided a producer price index (PPI) that showed an 18% cost increase in non-residential construction from December 2021 to June 2022. He added that there are some indications that costs have begun to decline which provides him with some optimism. Mr. Kirchhofer agreed that he is both optimistic and hopeful that costs will decline.

Mr. Nance explained that the pandemic has created an unprecedented environment as well as some challenges.

### Update from the Sports Authority Representative

Mr. Brooke, Executive Vice President of LawlerWood, LLC explained that he has had numerous meetings with the development team which has shared a great deal of information. He explained that the process is very appropriate. The project is very complex and a key to the schedule is the infrastructure relocation so that once the GMP has been determined, the project can move forward quickly. He expressed appreciation for the openness that the developer has shown. He agreed with the value engineering process and expressed that it has gone well.

Mr. Hagood asked if Mr. Brooke has been meeting with the developer regularly. Mr. Brooke replied in the affirmative.

Mr. Nance asked about some of the market challenges. Mr. Brooke explained that he is hopeful that the fluctuations have declined and that the approach the developer has taken is wise. He explained that bid day participation will be better with final drawings and that will result in lower costs.

Mr. Hill asked if there were any value engineering items that Mr. Brooke has identified and discussed. Mr. Brooke stated that the original design called for a steel frame and outdated light standards which have been updated in the revised design. The increase in scale or scope creep, which occurred from the schematic design to design development and is common, has also been addressed to bring the design back to the scale that was originally intended. Mr. Brooke explained that the stadium project actually consists of 3 projects: infrastructure, stadium, and private development, all of which need to be done and coordinated simultaneously at a time when construction costs have been unpredictable.

Mr. Nance asked Mr. Brooke to describe the examples of scope creep. Mr. Brooke explained that the baseball office and one of the locker rooms both grew in scale but have been redesigned and addressed. He added that the design must meet the approval of Major League Baseball, the City of Knoxville, Knox County, and the Sports Authority as well.

Mrs. Thompson asked what percentage the construction prices have fallen if at all and if demand has fallen over the last 2 or 3 months. Mr. Brooke explained that a number would be difficult to assess because contractors are working off the backlog of projects that have been on hold due to interest rates and costs. He stated that lumber and steel are down. He expects that the project will go back up for bid in November or December.

Mrs. Thompson asked if LawlerWood is attending the bi-weekly DBE team meetings. Mr. Brooke stated that LawlerWood has had a couple of meetings about DBE but has not participated in the DBE team meetings.

Mr. Hagood stated that he is encouraged that a subcontractor has called and requested work. Mr. Brooke agreed that it was a positive sign.

Mrs. Cronan stated that the updates that the Authority received were both expected and appropriate.

### Virtual Stadium Tour

Mr. Kirchhofer introduced Makayla Murry, an associate at Barber McMurry, who piloted the virtual stadium tour. Mr. Kirchhofer then narrated and directed a virtual tour through the stadium, highlighting the following elements and design revisions:

- Outfacing retail opportunities that will activate Jackson Avenue
- Outfacing retail opportunities along the western side of the Delaney Building
- Second-story rooms on the right that were intended to be the team's administrative offices in the original design were removed
  - The team will lease space in the Delaney building that attaches to the concourse
- Second-story rooms on the left which were intended for food and beverage operations as well as retail space were also removed
  - Food and beverage operations were moved to the commissary area
  - Retail space was determined not to be effective
- Pedestals in the east-facing plaza will accommodate statues celebrating the Knoxville Giants
- Panoramic view of the city from either entrance
- Second-floor party decks and additional seating on either side of home plate have been tightened
- Club area available for non-event activities (dinners, receptions, etc.)
- Two oversized suites have been downsized

- Water Tower is on the wish list which would be a character piece but is not currently part of the plan
- First Creek will no longer have to be covered. The concourse will go around and behind it and connect with a bridge to a second field.
- Activity area that can be utilized for parties (could include minigolf, cornhole boards, ping pong tables, etc.)
- Yardley Building apartment space
- Picnic area
- Required batting cages have been moved to the second-floor concourse level
- Team locker rooms and stadium operations were reorganized
- 1,000 square feet of maintenance and storage space has been moved to a standalone building
- The scoreboard in the shape of the state of Tennessee

Mr. Hill asked if GEM Construction would be building the other buildings on the site or if it would be done in partnership with other developers. Mr. Kirchhofer stated that there will be partnerships.

Mr. Hill asked about the status of that process. Mr. Kirchhofer explained that the expectation is that construction will begin on the other buildings shortly after stadium construction begins.

Mr. Hill asked if the developers could be disclosed. Mr. Kirchhofer stated that they have not yet been publicly announced.

### Timeline

Mr. Kirchhofer presented the following timeline:

- Currently: Phase 1 Utility work (water and sewer relocations)
- Currently – October: Design team prepares construction documents
- August – December: Rough grading
- October: Phase 2 Utility work begins (power, additional water, sewer, and gas)
- November – January 2023: Bidding and GMP contract generated
- January 2023: Construction plan begins
- Late 2024 – Early 2025: Completion
- April 2025 – First baseball game

Mr. Bass asked what the anticipated timeframe for the funding of the bond issue is based on that schedule. Mr. Mamantov replied that bonds would be issued as soon as a final GMP is received.

Mr. Bass asked if the Authority still has \$13.5 million. Mr. Mamantov replied in the affirmative.

### Internship Committee Update

Mrs. Tillman explained that the Internship Program Committee has begun planning for the summer of 2023. The committee is reviewing the committee structure and documentation to increase efficiency and improve the student experience. Mrs. Tillman asked that the Authority allow the addition of new members.

Following the suggestion by Mr. Schmid, Mrs. Cronan moved that the Authority authorize the chairman of the board to add additional members to the Internship Program subcommittee taking into account the recommendations of the Subcommittee on specific individuals, on behalf of the Authority. Mrs. Thompson seconded the motion. The motion carried by a unanimous voice vote.

Mrs. Tillman stated that the program has placed student interns at the Knoxville Utilities Board and S&ME. Comments from the managers as well as from the students have been positive. The program timeline for the summer of 2023 will begin by announcing the program on August 31, 2022. Employers will be asked to submit offers to the students by March 1, 2023.

### Public Forum

#### **Mr. Jerome Miller, Citizen**

Mr. Miller asked who approves the design documents, construction documents, and contracts.

Mr. Nance replied that legal documents associated with the project are approved by the Sports Authority, City Council, and County Commission. Mr. Mamantov clarified that the Interlocal Agreement was subject to the approval of the City Council and County Commission which received drafts of the Development Agreement and the Lease Agreement during that approval process. The Development Agreement, Lease Agreement, Interlocal Agreement, designs, as well as other legal documents associated with the stadium project are subject to the approval of the Authority.

**New Business**

Mrs. Cronan asked if any of the changes would affect soccer. Mr. Kirchhofer replied that soccer was not affected.

**Adjournment**

The next meeting of the Sports Authority will be held on August 23, 2022, at 9:00 AM in the Community Room of the Knoxville Operations Center. Mr. Nance adjourned the meeting at 10:02 AM.