

MINUTES

CITIZENS BASEBALL STADIUM REVIEW COMMITTEE

PUBLIC WORKS CONFERENCE ROOM, THIRD FLOOR, CITY HALL

5:00 p.m., Thursday, August 20, 2009

Present: Council Member Wanda Merschel, Ex-Officio Member (excused herself approximately 6:30 pm)
Council Member Joycelyn Johnson, Ex-Officio Member
Ron Bird, Member
Brenda Diggs, Member
Danny Freeman, Member
Dolores Hill, Member
Howard Hudson, Jr., Member
William (Bill) Kay, Member
J. Aubrey Kirby, Member
Eric Prior, Member
Mary Reynolds, Member
Gordon Slade, Member

Staff Present: Gregory M. Turner, Assistant City Manager
Lee D. Garrity, City Manager
Martha Wheelock, Assistant City Manager
Denise Bell, Finance Director
Angela Carmon, City Attorney
Jerry Kontos, Assistant City Attorney
Kevin Lyons, Civil Engineering Supervisor
Robin M. Watson, Administrative Asst. to City Manager

Others Present: Levi Broeker, Samet Construction Company
Charles Hutchings, Samet Construction Company
Media

The meeting was called to order by Gregory M. Turner, Assistant City Manager at 5:10 pm. Mr. Turner introduced new member William (Bill) Kay who is the replacement for Gary Strickland who resigned this week. It was also stated that Dan Barrett resigned for undisclosed reasons.

It was stated that some members were concerned that they needed to know the names of the private investors and bank executives, to determine if they had a conflict or could have conflict of interest since all parties funding the stadium weren't identified. One member stated he did not know whether or not he had or may have had business dealings with those who are investors in the baseball stadium. City Attorney Carmon stated that if a member is unaware of a relationship with investors, then that member can't disclose information he/she is not aware of. The investors have been given the names of the committee members and have been asked to identify any they have business relationships with.

It was also questioned what would happen if civil litigation was brought against the committee or its members. City Attorney Carmon stated that the members and staff of the Committee would be covered through the City if they are acting within their responsibilities as committee members.

Mr. Turner stated the members need to elect a chair and vice-chair. Everyone agreed to paper ballots. Gordon Slade nominated Brenda Diggs as Chair and Bill Kay nominated Eric Prior as Chair. Eric Prior was elected the chair with six votes out of ten. Chair Prior immediately took over the meeting and thanked everyone for their support. He then stated he would like to suggest Brenda Diggs as the Vice Chair. Howard Hudson made a motion to accept Brenda Diggs as the Vice-Chair. It was unanimously approved.

It was then asked if a new member would replace Dan Barrett's seat. Mr. Turner stated the Mayor is looking into this situation.

Chair Prior asked for a motion to accept the minutes from August 6, 2009. Vice Chair Diggs made a motion to accept the minutes and Mary Reynolds seconded. Discussion: Mr. Kirby stated he would like the K. in front of his name to be changed to J. It was agreed and unanimously approved by the committee to accept the minutes with that one change.

Chair Prior then asked if there were questions from the review of the materials that were provided since the last meeting. Several questions were raised:

- 1) What is the difference between Sports Menagerie, LLC and Sports Menagerie, Corp.? Ans: City Attorney Carmon stated that Sports Menagerie, LLC is a franchise and Sports Menagerie, Corp. is the management entity.
- 2) Since the City will own the stadium why can the City only use it twice a year for free? Ans: The stadium will be leased to the management company, and this is the usage that the City negotiated for in the lease agreement. More than twice a year wasn't on the table at the time.
- 3) Who negotiated the agreement contract? Ans: The City Attorney, Chief Finance Officer, City Manager and all parties involved.
- 4) On Exhibit A, the building on lot 3, should the City receive 25% of the lease payments once a major tenant is acquired? Ans: Yes.
- 5) What happens if Prim Companies default on the loan? Ans: The City would have the option to step in on the first lien. And yes, the stadium could go into foreclosure and the City could lose; but the City could have to step in before that.
- 6) Where does Prim stand financially? Ans: At this point, he is highly leveraged.
- 7) Are we close to closing or not? Ans: Yes, it is our hope to close mid-week either Wednesday or Thursday.
- 8) Is there a \$1.00 surcharge on ticket sales? And how much would that amount be for the City? Ans: Yes, there is a \$1.00 surcharge on tickets that is already included in the ticket pricing. It adds up to \$350,000 per year for the City even if ticket sales aren't met.
- 9) The ticket pricing is it comparable to other stadiums of this size? Ans: Yes, the average ticket price is \$12.00 per ticket.
- 10) Has Prim pledged ownership of the team as collateral? Ans: No, the bank will not allow him to do so.
- 11) When will lease payments be due to the City? Ans: Lease payments will be due semi-annually on June 1 and December 1 of each year.

Vice Chair Diggs suggested that all questions be written by members and sent directly to Mr. Turner to be answered at a later date. This would then allow a running document of all questions for future reference and free up time in meetings. It was agreed by members to follow this process.

Mr. Turner explained in order for the discussion of the next items of the closing process and possible review of payment request due at closing, the committee need to go into closed session. Mary Reynolds made a motion to go into CLOSED SESSION at approximately 6:15 pm. Gordon Slade seconded the motion. Unanimously approved. The media was excused.

The committee concluded CLOSED SESSION and resumed the regular meeting at 7:24 pm.

Chair Prior asked how the committee should handle media requests and questions. Howard Hudson made a motion for all communications with the media to be handled by the Chair and Vice Chair only to avoid miscommunications and different answers. Ron Bird seconded the motion and it was unanimously approved. It was also asked if the City would assist with notifications and Martha Wheelock, Assistant City Manager stated she would coordinate with Ed McNeal, Marketing and Communications Director to assist when needed.

Mr. Turner asked if the committee wanted to have sub-committees. Chair Prior then explained at this point and time, the committee would work as one entity until later where the need may arise for subcommittees. Everyone agreed.

Before adjournment, it was stated that City staff would provide a list of MWBE contractors involved with the baseball stadium and would provide information on the difference between hard costs and soft costs for committee members.

Bill Kay made a motion to meet again on Monday, August 24 at 5:00 pm in the Public Works Conference Room. It was seconded by Ron Bird.

The meeting was adjourned at 7:38 pm by a motion from Bill Kay and seconded by Howard Hudson. Unanimously approved.