**Nashville Sounds Stadium's Rushed Timeline Blamed for Busted Budget, Report Says**

By: Joey Garrison July 17, 2017

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Two years after the first game at the Nashville Sounds' First Tennessee Park, a new Metro audit says the final cost of the publicly-financed project ballooned to $91 million when adding the amount spent to make improvements to the surrounding area.

The same audit also blames an expedited, 13-month construction timeline as one reason the minor league baseball stadium overshot its budget for construction and land acquisition by around $10 million.

Metro contractors worked to complete what was one of former Mayor Karl Dean's signature projects by the April start of the 2015 minor league baseball season, which was also Dean's final year office.

"Initial cost estimates were based on a two-year-old feasibility study and did not factor a compressed design and construction schedule to complete the project for the spring 2015 season opening game," the audit reads.

Ballpark required more than $21 million in related work not part of budget

First Tennessee Park, which is in the middle of its third season, was approved by the Metro Council in December 2013 when it passed $65 million in municipal revenue bonds proposed by Dean. The total was meant to cover $60 million for stadium construction and acquisition of state-owned land as well as $5 million in capitalized interest.

The ballpark's construction and land acquisition ended up costing $69.8 million — nearly $10 million more than Dean's administration announced prior to the start of construction. The budget overshoot was announced a month before the stadium opened.

But the overall cost of the project increased further because of $21.2 million in other related work needed to make the Sulphur Dell stadium site in North Nashville ready for development.

This included $9.5 million for a new greenway outside the ballpark; $5.6 million in infrastructure around the stadium for street paving, sidewalks and electrical work; $3.6 million in improvements to address flooding and $1.7 million in water and sewer work.

These costs were paid for with existing Metro capital funds.

Mayor Megan Barry's Chief Operating Officer Rich Riebeling, who helped orchestrate the parameters of the ballpark deal as Dean's finance director, said several issues arose that contributed to the pile-up of infrastructure costs including the early identification of soil contamination.

He said winter weather also complicated the construction.

"We felt that because of the growth of the area and potential growth of the area, we ought to go ahead and upgrade the infrastructure for future needs of the area," he said. "I think the project worked. It's been very successful. It's been good for the city. And it's been good for that area if you look at the development around it."

Riebeling also rejected any notion that the project was sped up so that First Tennessee Park, which replaced the Sounds' former home Greer Stadium, would open while Dean was still in office.

"I understand people are saying that this was all political to get it done, and I understand who's saying it, and that's fine," said Riebeling without identifying any names. "But it wasn't political. We don't control when the season starts. It's baseball. We had approvals and everybody wanted to get it opened. You really had no alternative: Where (else) are you going to play? Greer was really in poor condition at the time."

**Expedited Timeline Led to OT Billings**

The audit, which was finalized in April and presented by Metro Auditor Mark Swann to the six-member Metropolitan Nashville Audit Committee last week, was conducted after the stadium was built because the total cost significantly exceeded projections. The objective was to review Metro's fiscal management and administrative oversight with the ballpark, which is owned by Metro and lease to the Sounds.

"It was basically 13 months from approval to Opening Day," Swann told The Tennessean. "When we were going through the billings, you could see where we were paying overtime for expedited deliveries."

The audit does not quantify how much in overtime costs were paid.

In a statement to The Tennessean, Dean, a Democratic candidate in the 2018 Tennessee governor's race, said there was a "pent-up demand" in the area for the more than $20 million in infrastructure work.

He said the "overdue investment in North Nashville" has already supported new housing, restaurants and commercial development, and that it would "more than pay for itself over time in property taxes and job growth."

He also defended the project's aggressive timeline, saying it was driven by the Sounds' schedule and that the baseball organization reimbursed Metro for some of the stadium's upgrades including its guitar-shaped scoreboard.

"I'm proud of the stadium project and the way it has transformed an important commercial corridor in North Nashville," Dean said.

Under the stadium's finance plan, sales tax from the stadium, tax-increment financing and property tax revenues from two private developments — a 250-unit residential development by Embrey Development Corp. and a promised $50 million mixed-use development planned by the Sounds' owners sons that still hasn't been built — are supposed to pay off the city's $65 million stadium debt.

Dean's administration covered the $10 million construction budget overage by transferring $5 million in tax increment financing — or TIF — from the Metro Development and Housing Agency's Jackson Redevelopment District, which includes the new stadium.

Another $1.5 million came from already-collected TIF dollars in reserves. And another $1 million came from the stadium's initial revenue bond sale, which generated an additional $1 million in proceeds than anticipated.

Among other findings, the audit says that some construction work was completed before the Metro Procurement Office had approved a purchase order. In addition, Barton Mallow/ Bell/ Harmony, the joint construction team leading the project, did not retain documentation of unsuccessful subcontractor bids for work on the project.

"Lack of documentation of unsuccessful competitive solicitation bids makes it difficult to demonstrate to the public that the best value provider was selected," reads the audit, which includes a list of recommendations for contracts during future capital projects.

A lesson for potential soccer stadium project, councilman says

The release of the audit comes as Barry's administration is in talks with an ownership group led by Nashville businessman John Ingram about a public-private deal for a new soccer stadium at the city's fairgrounds to try to land a Major League Soccer expansion franchise. The mayor's office has suggested a proposal could come in the fall.

At-large Councilman Bob Mendes, a member of the audit commission, said the baseball stadium project and audit offers a "lesson" for the potential soccer stadium project.

"It reinforces that the council really needs to know not just the cost of the soccer stadium going forward, but all of the related infrastructure, and greenways and parks improvements," Mendes said.

The price-tag associated with First Tennessee Park was an evolving one from the beginning.

An initial presentation of the project that Dean's administration gave to the Metro Council in late 2013 listed the ballpark construction cost at $37 million with $23 million set aside for land costs.

In actuality, the assembly of land for the project cost was $17.7 million when excluding $10.7 million that Metro captured from the sell of other land that went toward the project. However, ballpark construction, the parks greenway, flood abatement and other infrastructure added up to $73.4 million, according to the audit.

Five months prior to the stadium's opening, The Tennessean reported in November 2014 that Dean's administration planned to pump $5 million into the project to cover new water lines, electrical lines and paving. That amount was ultimately not enough.

The final contract with Barton Malow/ Bell/ Harmony and Associates was valued at $65.7 million and not finished until July 2015, after the stadium had already opened.