

**SUBSTITUTE BILL NO. 096-221**

**A SUBSTITUTE ORDINANCE APPROVING AN INTERGOVERNMENTAL PROJECT AGREEMENT BETWEEN THE SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY AND THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY REGARDING THE FINANCING, CONSTRUCTION AND OWNERSHIP OF A FOOTBALL STADIUM.**

**WHEREAS**, by Resolution R95-100, the Metropolitan Council approved the Stadium and Relocation Agreement, dated November 15, 1995, between the Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") and the Houston Oilers, Inc. (the "NFL Team Entity"), which set forth the basic framework for the relocation of the NFL Team Entity to a new stadium to be constructed on the east bank of the Cumberland River in downtown Nashville (the "Project"); and

**WHEREAS**, by Substitute Resolution R95-29, the Metropolitan Government authorized the creation of the Sports Authority of the Metropolitan Government of Nashville and Davidson County (the "Sports Authority"), pursuant to Tennessee Code Annotated, § 7-67-101 *et seq.* to undertake certain financial and management responsibilities under the Stadium and Relocation Agreement; and

**WHEREAS**, by Resolution of the Board of Directors of the Sports Authority (the "Board") adopted February 13, 1996, the Board authorized the Sports Authority to enter into an Intergovernmental Project Agreement (Nashville Stadium Project) with the Metropolitan Government of Nashville and Davidson County, in accordance with the terms set forth therein; and

**WHEREAS**, it is deemed necessary and desirable by the Metropolitan Council that it enter into the Intergovernmental Project Agreement with the Sports Authority in order to set forth the public funding of the Project, the acquisition of the land and construction of the Stadium, and the payment of the costs related thereto, the transfer and conveyance of the Stadium to the Sports Authority, and the disposition and administration of the funds needed to pay principal of and interest on indebtedness incurred to fund the Project.

**NOW THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE  
METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:**

**SECTION 1.** That the Intergovernmental Project Agreement between the Metropolitan Government of Nashville And Davidson County and the Sports Authority of the Metropolitan Government of Nashville And Davidson County, a copy of which is attached hereto as Exhibit A and incorporated herein, is hereby approved, the Metropolitan County Mayor is hereby authorized to execute the same on behalf of the Metropolitan Government and bond proceeds identified in the Intergovernmental Project Agreement are hereby authorized to be expended.


**SECTION 2.** This Intergovernmental Project Agreement can be amended by a resolution of the Metropolitan Council which receives at least twenty-one (21) affirmative votes.

**SECTION 3.** This Substitute Ordinance shall take effect from and after its passage, the welfare of the Metropolitan Government of Nashville and Davidson County requiring it.

APPROVED:

  
Joe Huddleston  
Director of Finance

APPROVED AS TO FORM AND  
LEGALITY:

  
Metropolitan Attorney

INTRODUCED BY:



\_\_\_\_\_  
Members of Council

INTERGOVERNMENTAL PROJECT AGREEMENT  
(STADIUM PROJECT)

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This Agreement is made and entered into this 29th day of February, 1996, by and between The Metropolitan Government of Nashville and Davidson County ("the Metropolitan Government") and The Sports Authority of The Metropolitan Government of Nashville and Davidson County (the "Authority").

W I T N E S S E T H :

WHEREAS, the Authority, the Metropolitan Government, Houston Oilers, Inc. and Cumberland Stadium L.P. have entered into a Development Agreement, dated as of even date herewith (the "Development Agreement"), providing for the construction and development of a professional football stadium and related facilities, as more fully described therein and defined therein as the "Stadium" (herein, the "Stadium"), and related improvements, more fully described in the Development Agreement and defined therein as the Project (the "Project"), in and for the Metropolitan Government, and the Authority and Cumberland Stadium, L.P. have entered into a Stadium Lease, dated as of even date herewith (the "Stadium Lease") providing for the lease of the Stadium to Cumberland Stadium, L.P. and the use, occupancy, operation, maintenance and repair of the Stadium, and certain other matters collateral thereto; and

WHEREAS, pursuant to Ordinance No. 096-163, the Metropolitan County Council (the "Council") of the Metropolitan Government has approved on third and final reading a redevelopment plan titled "East Bank Redevelopment Plan," providing for the redevelopment of certain real property (the "Land"), designated therein as the "East Bank Redevelopment Project," including the acquisition of the Land, the relocation of residents thereof, and preparation of the Land for redevelopment in connection with the Project, all as more fully described therein; and

WHEREAS, pursuant to Substitute Resolution No. R96-178 (the "Metro Bond Resolution"), the Council has authorized the issuance and sale of not to exceed \$77,000,000 in aggregate principal amount of its General Obligation Public Improvement Bonds, Series 1996, (the "Metro Bonds"), the proceeds of which will be used to purchase the Land, undertake redevelopment activities thereon, construct certain public improvements in and for the Metropolitan Government, and pay the costs of Stadium construction attributable to the use and ownership thereof by the Metropolitan Government or the Authority, as more fully set forth therein; and

WHEREAS, pursuant to a resolution (the "Authority Bond Resolution") of the Board of Directors of the Authority (the "Board"), adopted \_\_\_\_\_, 1996, the Board has authorized the

issuance and sale of its not to exceed \$65,000,000 in aggregate principal amount of Public Improvement Revenue Bonds (Stadium Project), Series 1996 (the "Authority Bonds"), the proceeds of which will be used to pay a portion of the costs of construction of the Stadium, as more fully set forth therein, and the execution and delivery of a Trust Indenture relating thereto (the "Indenture"); and

WHEREAS, pursuant to a resolution of the Board, adopted \_\_\_\_\_, 1996 (the "Authority Loan Resolution"), the Board has authorized a loan or loans from one or more local financial institutions in an aggregate principal amount of not to exceed \$7,500,000 (the "Bank Loan") to be evidenced by Lease Rental Revenue Bonds (Stadium Project), Series 1996 (the "Lease Rental Revenue Bonds"), the proceeds of which will be used to pay a portion of the costs of construction of the Stadium, as more fully set forth therein; and

WHEREAS, the Authority has sold and continues to sell to the general public personal seat licenses entitling the purchasers thereof to certain rights to purchase tickets in the Stadium (the "PSL's"), to be payable in installments; and

WHEREAS, pursuant to Section 67-6-712(d)(1), Tennessee Code Annotated, the Authority is entitled to receive all sales tax revenues collected from the sale of the PSL's under the 1963 Local Option Revenue Act (the "Sales Tax Revenues"); and

WHEREAS, pursuant to Memorandum of Understanding, dated \_\_\_\_\_, 1996, between the State of Tennessee (the "State"), the Authority and the Metropolitan Government, the State has agreed to contribute to the Metropolitan Government funds in an amount not to exceed \$55,000,000 (the "Grant Funds") to fund costs of the Project and to construct certain infrastructure improvements related to the Project, all as more fully set forth therein; and

WHEREAS, it is deemed necessary and desirable by the Council and the Board that the parties enter into an agreement addressing the public funding of the Project, the acquisition of the Land and construction and development of the Project, the payment of the costs related thereto, the transfer and conveyance of the Project to the Authority, and the disposition and administration of the funds needed to pay principal of and interest on the indebtedness incurred to fund the Project; and

WHEREAS, for the purpose of establishing the agreements and rights of the parties hereunder, the parties enter into this Agreement.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, and other good and valuable

consideration, the receipt and sufficiency of all of which is hereby acknowledged, the parties agree as follows:

1. Duties of the Metropolitan Government. The Metropolitan Government covenants and agrees as follows:

(a) The Metropolitan Government will cause to be issued and sold the Metro Bonds in accordance with the schedule set forth in Article 7 of the Development Agreement and shall cause the proceeds of said Bonds to be deposited to the Land Acquisition and Public Improvement Construction Fund, established pursuant to the Metro Bond Resolution, to be used (i) to purchase the Land, to demolish buildings and structures therein, relocate residents thereof, and generally prepare the Land for redevelopment and exercise all powers with respect to redevelopment projects and urban renewal projects with respect to the East Bank Redevelopment Project, as provided in Sections 13-20-201 et seq., Tennessee Code Annotated; (ii) to construct, reconstruct, renovate, improve and acquire streets, roads, riverfront improvements, docking facilities, parking facilities, bridges, plazas, public buildings, parks, green spaces, sidewalks, and lighting and drainage improvements in and for the Metropolitan Government; (iii) to pay such portion of the costs of construction of the Stadium as shall be attributable to the use and ownership thereof by the Metropolitan Government or the Authority; and (iv) to pay legal, fiscal, architectural, administrative and engineering costs incident thereto and to the issuance and sale of the Metro Bonds. Money in the Land Acquisition and Public Improvement Construction Fund shall be used only for said purposes. Funds shall be disbursed from said Fund as needed for said purposes as directed by the Director of Finance of the Metropolitan Government, or his designee, and invested and managed as provided in the Metro Bond Resolution.

(b) The Metropolitan Government will accept from the State the Grant Funds, deposit the Grant Funds to the Grant, Loan and Sales Tax Subaccount of the Development Fund hereinafter described, and apply and administer said funds as provided herein with respect to said Subaccount.

(c) The Metropolitan Government will administer for and on behalf of the Authority funds of the Authority derived from the sale of the PSL's, net of costs of the Authority incurred in connection with the sale and marketing of the PSL's and sales tax payable to the State, (the "Net PSL Revenues"), maintain said funds in the PSL Subaccount of the Development Fund hereinafter described, and apply and administer said funds as provided herein with respect to said Subaccount.

(d) The Metropolitan Government will administer for and on behalf of the Authority the Sales Tax Revenues, maintain the Sales Tax Revenues in the Grant, Loan and Sales Tax Subaccount of

the Development Fund hereinafter described, and apply and administer said funds as provided herein with respect to said Subaccount.

(e) The Metropolitan Government will establish the following special funds and subaccounts of the Metropolitan Government to be kept separate and apart from all other funds of the Metropolitan Government and applied and administered as herein provided:

- (i) Land Acquisition and Public Improvement Construction Fund established pursuant to and more fully described in the Metro Bond Resolution (the "Metro Bonds Acquisition and Construction Fund");
- (ii) Stadium Project Development Fund established pursuant to this Agreement and more fully described in Section 3 hereof (the "Development Fund");
- (iii) PSL Subaccount of the Development Fund established pursuant to this Agreement and more fully described in Section 3(a) hereof;
- (iv) Grant, Loan and Sales Tax Subaccount of the Development Fund established pursuant to this Agreement and more fully described in Section 3(b) hereof;
- (v) Interest Subaccount of the Development Fund established pursuant to this Agreement and more fully described in Section 3(c) hereof;
- (vi) Construction Fund (Stadium Project) established pursuant to and more fully described in the Indenture (the "Indenture Construction Fund").

(f) The Metropolitan Government, acting by and through the Metropolitan Development and Housing Agency, will acquire the Land, construct the Stadium, and develop the Project, as contemplated by the Development Agreement.

(g) Upon Substantial Completion of the Stadium and the Project, the Metropolitan Government will convey the Project to the Authority as required by the Development Agreement. The term "Substantial Completion" as used herein shall have the meaning ascribed to it in the Development Agreement.

2. Duties of the Authority. The Authority covenants and agrees as follows:

(a) The Authority shall cause to be issued and sold the Authority Revenue Bonds in accordance with the schedule set forth in Article 7 of the Development Agreement and shall cause the proceeds of said Bonds to be deposited to the Indenture Construction Fund to be used to pay a portion of the costs of construction of the Stadium. Money in the Stadium Construction Fund shall be used only for said purposes. Funds shall be disbursed from said Fund as needed for said purposes as directed by the Director of Finance of the Metropolitan Government, or his designee, and invested and managed as provided in the Indenture.

(b) The Authority shall cause to be issued and sold the Lease Rental Revenue Bonds in accordance with the schedule set forth in Article 7 of the Development Agreement and shall cause the proceeds thereof to be deposited to the Grant, Loan and Sales Tax Subaccount of the Development Fund hereinabove described, to be applied and administered as provided herein with respect to said Subaccount.

(c) The Authority will cause to be deposited to the PSL Subaccount of the Development Fund all Net PSL Revenues, as and when received by the Authority, to be applied and administered as provided herein with respect to said Subaccount.

(d) Upon Substantial Completion of construction of the Stadium and development of the Project, the Authority will accept title to the Project as required by the Stadium Agreement.

3. Funds and Subaccounts.

(a) The PSL Subaccount of the Development Fund will be established for the purpose of serving as a depository for the Net PSL Revenues. Funds in the PSL Subaccount shall be used solely to pay the Relocation Fee described in Section 9.3 of the Development Agreement, pay any relocation fees required to be paid to the National Football League, if any, as described in Section 9.10 of the Development Agreement, pay the costs to construct the Practice Facility, as described in the Development Agreement, and, after all the foregoing payments have been made or duly provided for, pay any and all costs required to be paid by the Metropolitan Government or the Authority pursuant to the Development Agreement not otherwise provided for by any other fund or monies described herein.

(b) The Grant, Loan and Sales Tax Subaccount of the Development Fund will be established for the purpose of serving as a depository for the Grant Funds, the proceeds from the Bank Loan, and the Sales Tax Revenues. Funds in the Grant, Loan and Sales Tax Subaccount shall be used solely to pay the costs of construction of the Stadium.

(c) The Interest Subaccount of the Development Fund will be established for the purpose of serving as a depository for interest earnings on all funds in the Development Fund. Funds in the Interest Subaccount shall be used solely to pay the costs of construction of the Stadium.

(d) Monies shall be disbursed from the Funds and Subaccounts described in Subsection 1(e) hereof as directed by the Director of Finance of the Metropolitan Government, or his designee (the "Finance Director"), as needed to pay the costs permitted to be paid from each such Fund or Subaccount. In the case of Funds and Subaccounts eligible to be used in whole or in part for the payment of the costs of construction of the Stadium, the Finance Director shall have sole discretion as to which funds are spent first.

(e) Any funds remaining in the Development Fund upon completion of construction of the Stadium and development of the Project and payment of authorized expenses shall be returned to the Authority to be used to pay principal of and interest on the Authority Revenue Bonds, create any reserves deemed necessary by the Board in connection with the Stadium, or applied in reduction of the outstanding principal amount of the Lease Rental Revenue Bonds, as the Board in its discretion shall determine. Any funds remaining in the Indenture Construction Fund upon completion of construction of the Stadium and development of the Project and payment of authorized expenses shall be applied as provided in the Indenture. Any funds remaining in the Metro Bonds Acquisition and Construction Fund upon completion of construction of the Stadium and development of the Project and payment of authorized expenses shall be applied as provided in the Metro Bond Resolution.

(f) Monies in the Funds and Subaccounts described in Subsection 1(e) hereof shall be invested as directed by the Finance Director in such investments as shall be permitted by applicable law. Earnings on the investment of funds in the Metro Bonds Acquisition and Construction Fund and the Indenture Construction Fund shall be retained in the respective Fund from which the earnings are derived and used for the same purposes as all other funds in the respective Fund. Earnings on the investment of funds in the Development Fund shall be deposited to the Interest Subaccount of the Development Fund.

4. Collection of Parking Revenues. The Authority hereby designates the Metropolitan Government as its agent for the management and administering of all parking facilities at any time located on the Land, including the execution of such contracts and other agreements with private management firms for the management of the facilities as the Finance Director shall deem appropriate, the establishment of rules and procedures for the use of said facilities, and the collection of all revenues from the operation of said facilities. All revenues received by the Metropolitan



Government from the operation of said facilities, after the payment of all current expenses of operation thereof, including the payment of all management fees, and the establishment of all reserves deemed necessary and advisable by the Finance Director, shall be deposited by the Metropolitan Government to the Bond Fund established under the Indenture in the manner and amounts set forth therein to be used to pay principal of and interest on the Authority Revenue Bonds.

5. Non-PSL Sales Tax Revenues. Pursuant to Section 67-6-712(d)(1), Tennessee Code Annotated, the Authority is entitled to receive all sales tax revenues derived from the sale of certain tickets, concessions and merchandise under the 1963 Local Option Revenue Act. For a complete description of the sales from which such sales tax revenues shall be collected by the Authority, reference is hereby made to Section 67-6-712(d)(1), Tennessee Code Annotated. In consideration for the agreements of the Metropolitan Government contained herein, the Authority hereby agrees that all such sales tax revenues described in this Section, excluding the "Sales Tax Revenues" described in Subsection 1(d) which are otherwise provided for herein, shall be made available to the Metropolitan Government to pay principal of and interest on the Metro Bonds, and any bonds issued to refund in whole or in part said Bonds, until said Bonds, and any such refunding bonds, are paid in full and retired. The Metropolitan Government is authorized to receive and account for said sales tax revenues from the State in the same way it receives and accounts for other local option sales tax revenues payable to the Metropolitan Government by the State.

6. Term. The term of this Agreement, and the duties and responsibilities of the parties hereunder, shall commence as of the date hereof and shall continue until the earliest to occur of (i) performance of all obligations of the parties hereunder, (ii) termination by mutual consent of the parties, or (iii) termination pursuant to Section 7 hereof. The termination of this Agreement shall not be permitted if such termination would impair in any way the ability or capacity of either of the parties hereto to fully and timely its obligations under any contract or agreement with any third party, including the holder or owner of any of the bonds described herein.

7. Default. In the event either of the parties hereto shall fail to perform any of its obligations hereunder or shall become unable to perform by reason of bankruptcy, insolvency, receivership or other similar event, either of the parties, so long as said party is not itself in default hereunder, (i) may terminate this Agreement, whereupon the terminating party shall be relieved of any further obligations hereunder, or (ii) seek specific performance, mandamus or other extraordinary relief to compel the defaulting party to perform hereunder, the parties hereto hereby recognizing

that the duties and obligations hereunder are such that money damages are an insufficient and incalculable remedy.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.


9. Entire Agreement. This Agreement contains the entire understanding among the parties with respect to the matters contained herein, and supersedes any prior understanding and agreements between them respecting the within subject matter. There are no representations, agreements, arrangements, or understandings, oral or written, between or among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein. Notwithstanding the foregoing, to the extent this Agreement or any of the terms hereof shall conflict with the terms of any of the other documents or agreements referenced herein, the terms of said documents or agreements shall control.

10. Headings. The paragraph headings are inserted only as a matter of convenience and for references and in no way define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement.

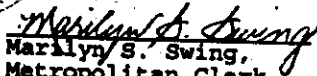
11. Authorized Representatives. Any action required of or permitted to be taken by any of the parties hereto may be performed by an authorized representative of the respective party without further action by the governing body of such party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

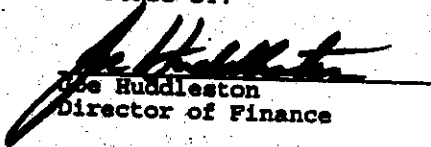
THE METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY

By:   
Philip N. Bredesen,  
Metropolitan Mayor

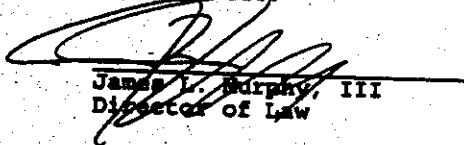


BY:   
Marilyn S. Swing,  
Metropolitan Clerk

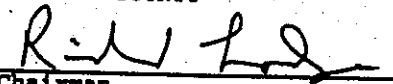
APPROVED AS TO AVAILABILITY  
OF FUNDS BY:

  
Joe Huddleston  
Director of Finance

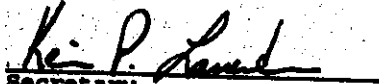
APPROVED AS TO FORM  
AND LEGALITY:

  
James L. Murphy, III  
Director of Law

THE SPORTS AUTHORITY OF THE  
METROPOLITAN GOVERNMENT OF NASHVILLE  
AND DAVIDSON COUNTY

By:   
Chairman

ATTEST:

  
Secretary

