

Metro Council

East Bank Stadium Committee
PUBLIC COMMENT SESSION



Committee Purpose?

Lead Metro Council efforts related to any potential East Bank stadium legislation.

Be central place to gather information for the Council and the public.



Current Stadium Lease

- First Class Condition means

- a) being in compliance with applicable law
- b) being in good condition and repair, normal wear and tear excepted, and
- c) having the level of improvements and new technology from time to time found at a reasonable number of comparable facilities

First Class
Condition

Source: [Council Director presentation, 7/28/2022](#)

Comparable Facilities

- First class sporting and entertainment stadiums that are
 - a) comparable to the Facilities
 - b) of similar age (completed within ten years before or after the substantial completion date July 30, 1999) and
 - c) located in major metro areas of the US, including other football stadiums in which NFL games are played
- Deemed comparable facilities:
 - Carolinas Stadium in Charlotte; Jacksonville Stadium in Jacksonville; Joe Robbie Stadium in Miami area; Coors Field in Denver; Jacobs Field in Cleveland; The Ballpark at Arlington; Oriole Park in Camden Yards; Comiskey Park in Chicago; Olympic Stadium in Atlanta; and BancOne Stadium in Phoenix

Renovate Nissan Stadium?

Minimum due under current lease?

Nissan Stadium Capital Expenditures
(2017 Study)

20 Years

Total Cost:
\$293,244,600

Nissan Stadium Capital Expenditures

Grouping	Total Cost
Architectural & Interiors	59,325,216
Major Systems	29,753,019
Roofs	1,784,807
Structure	32,989,381
Technology	106,597,481
Turf Systems	1,992,659
Vertical Transportation	12,342,627
Food Service	48,459,410
TOTAL COST - 20 YEARS	293,244,600



Minimum due under current lease?

Expenses NOT
contemplated in
the Total Cost of
\$293.2M

Page 9 VSG Study

- Demolition
- Installation
- Architectural fees
- Contractor/Professional Fees
- Taxes
- Insurance
- Product mark ups
- Permits/Licenses

The cost of keeping pace with
“Comparable Facilities”

Preferred renovation?

Titans Presentation to the
Sports Authority: May 19,
2022

Renovated Stadium Cost

(based on a \$1.233 Billion total
budget)

Near- Term Metro Financial Obligation (2023-2026)

Turner/Hunt estimate of hard costs- minus Titans responsibilities*:	\$632M
Estimate of Soft Costs:	<u>\$286M</u>
Total Cost:	\$918M

\$918M + Metro's unpaid obligation of approx.
\$27M (as of April 2022)

Metro's Total Near-Term Obligation = \$945M

*Areas the Titans are responsible for include luxury
suites, locker rooms, corporate offices, and other areas
used solely by the Titans.

Preferred renovation?

Titans Presentation to
the Sports Authority:
May 19, 2022

Renovated stadium
future costs/ New
Stadium Cost

Metro's Full- Term obligation (2027-2039)

Estimated cost to maintain and update Nissan Stadium post-renovation from 2027-2039 (end of the lease) is **\$894M**.

Turner/Hunt estimate of hard costs (post-renovation):	\$688M
Estimate of Soft Costs:	<u>\$206M</u>
Total Cost:	\$894M

\$945M (Reno)+**\$894M** (Maint./upgrades)
Metro's full-term obligation = \$1.839 Billion*

Cost to construct a new stadium: \$1.9- \$2.2 Billion

* Does not contemplate the cost of keeping pace with ¹¹ "Comparable Facilities"

Source: [Sports Authority presentation](#), 8/18/2022

Proposed New Stadium?

Proposed Funding Structure

Overview of Project Funding:

- The Titans, Metro, the Authority, and State will enter into a Project Funding Agreement which will dictate the following contributions
- **\$840MM** from the Titans, NFL, and PSLs. The Titans will also be responsible for construction cost overruns
- **\$500MM** from a one-time State contribution
- **\$760MM** from Sports Authority revenue bonds to be repaid from available sources generated by tourists and users of the Stadium / area, as further described on slide 3

Release of Other Authority Obligations:

- The Titans will waive any claim it has against the Authority for reimbursement of previous capital improvements to Nissan Stadium, currently **~\$32 million**
- The Titans will repay 100% of the Authority's Existing Stadium Bonds (**~\$30 million**)

Source: [Mayor's Office presentation](#), 10/26/2022

Available Sources of Funding

Available Authority Revenue Bond Primary Funding Sources:

- Collections from a **new 1% hotel occupancy tax** – available via State statute only to fund a new, enclosed stadium facility (Public Chapter 1046 of the 2022 Public Acts of the Tennessee General Assembly)
- **100% of State and Local Sales Tax** from Nissan Stadium and the new Stadium (Stadium Sales Tax) – available via State statute only to fund NFL stadium facilities (per T.C.A. 67-6-103(d))
- **50% of State and Local Sales Tax** collected within a zone of up to 130 acres contiguous to the Stadium (Area Sales Tax) – available via State statute only to fund NFL stadium facilities and infrastructure and other public improvements related to the Stadium (per T.C.A. 67-6-103(d))
- A continuation of the \$3.00 per **ticket tax** currently being levied at the Nissan Stadium
- **Titans Rental Payment** equal to \$3.00 per ticket sold to all non-NFL events at the Stadium

Football-Related Funding Sources:

- Private financing sources, including owner equity, secured loans, and NFL G-4 financing
- Sale of Personal Seat Licenses

Unknown?

- Private financing
- Owner equity
- Secured loans
- NFL G-4 financing
- Sale of personal seat licenses

Source: [Mayor's Office presentation](#), 10/26/2022

Application of Excess Revenues

Application of Excess Financing Revenues:

- Any excess Authority revenues after the payment of debt service will be applied as follows:
 1. To a **Maintenance and Repairs Fund** in an amount equal to the sum of all Ticket Tax and Rent Revenues to be used for capital repairs and non-operating maintenance at the Stadium
 2. To **Metro Government** in an amount equal to Area Sales Tax Revenues, if needed to fund the costs of Sales Tax Eligible Infrastructure (campus infrastructure or public improvements that are related to the Stadium, per state statute – for example, Stadium-related parking)
 3. To a **Capital Repairs Reserve Fund** up to an amount to be-agreed between the Authority and the Titans in the Stadium Lease
 4. Any remaining funds will be deposited to an **Authority Surplus Fund** to be used by the Authority to retire Authority bonds or provide additional funding to the Capital Repairs Reserve Fund
- At Metro's election, the Hotel Tax may be terminated upon (A) the retirement of any Authority Bonds and (B) funding of 120% of the total amount scheduled deposited into the Capital Repairs Reserve Fund during the term of the Stadium Lease

Unknown?

Other unknowns?

- 2000 parking spaces
- Stadium Village
- Campus Infrastructure

Source: [Mayor's Office presentation](#), 10/26/2022



Source: [Planning Dept. presentation](#), 11/9/2022



TENNESSEE STADIUM

NOVEMBER 9, 2022



METRO COUNCIL MEETING

MANICA

Source: [Titans presentation, 11/9/2022](#)

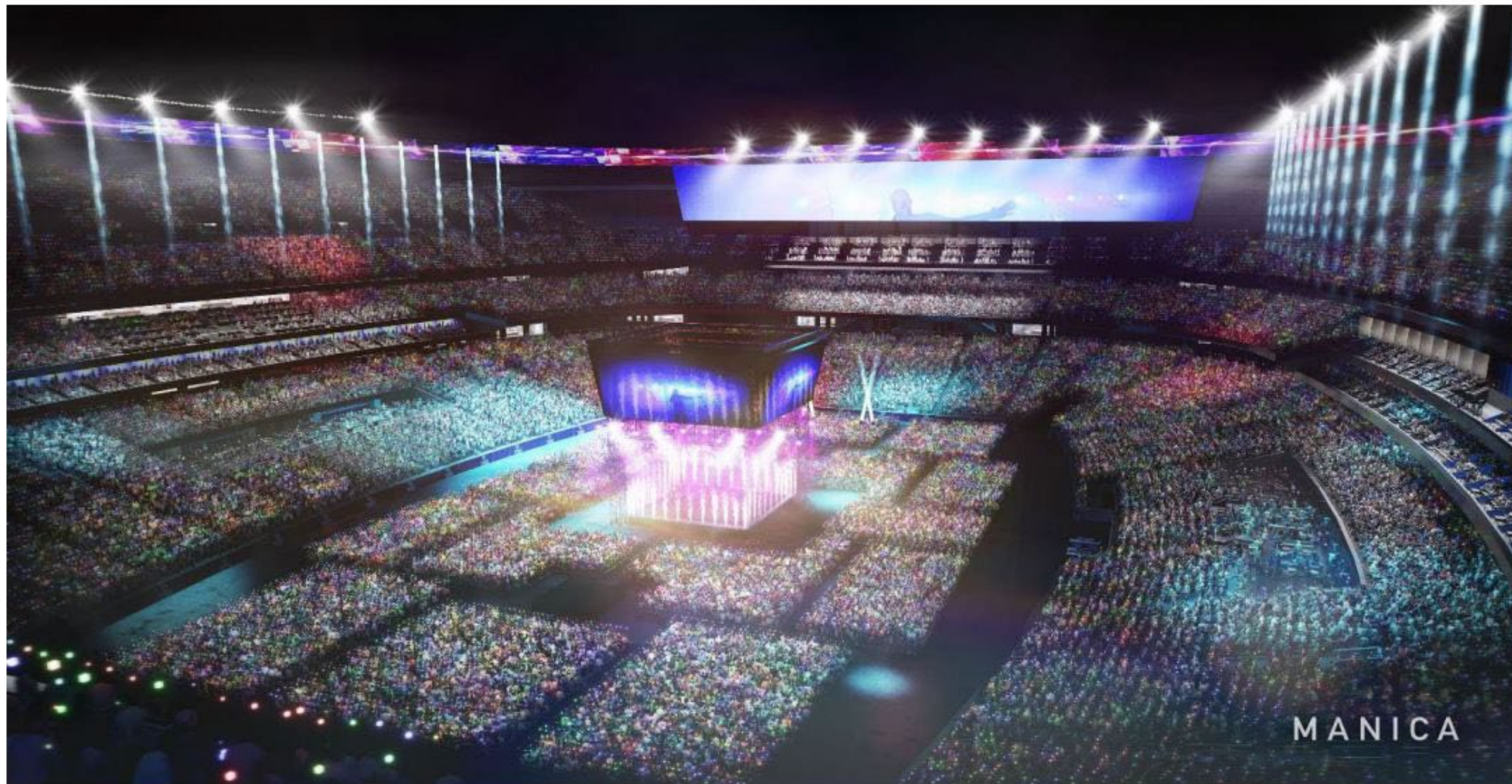
THE PEOPLE'S HOUSE – WRAP AROUND PORCHES



THE NFL: TITANS HOME GAMES + SUPER BOWL



CONCERTS: A PREMIERE INDOOR CONCERT VENUE



Source: [Titans presentation](#), 11/2/2022



ONE COMMUNITY

TENNESSEE TITANS
COMMUNITY BENEFITS PLATFORM



ELEMENTS OF EFFECTIVE CBAs



- NEGOTIATED BY COALITION THAT EFFECTIVELY REPRESENTS THE INTERESTS OF IMPACTED COMMUNITY
- CBA PROCESS IS TRANSPARENT, INCLUSIVE, & ACCESSIBLE TO COMMUNITY
- TERMS PROVIDE SPECIFIC, CONCRETE, MEANINGFUL BENEFITS, AND DELIVER WHAT THE COMMUNITY NEEDS
- CLEARLY DEFINED, FORMAL MEANS BY WHICH THE COMMUNITY CAN HOLD THE DEVELOPER, SUCCESSORS & OTHER PARTIES ACCOUNTABLE TO THEIR COMMITMENTS



Source: [Community Advocate presentation](#), 11/2/2022

SOURCE: COMMON CHALLENGES IN NEGOTIATING COMMUNITY BENEFIT AGREEMENTS



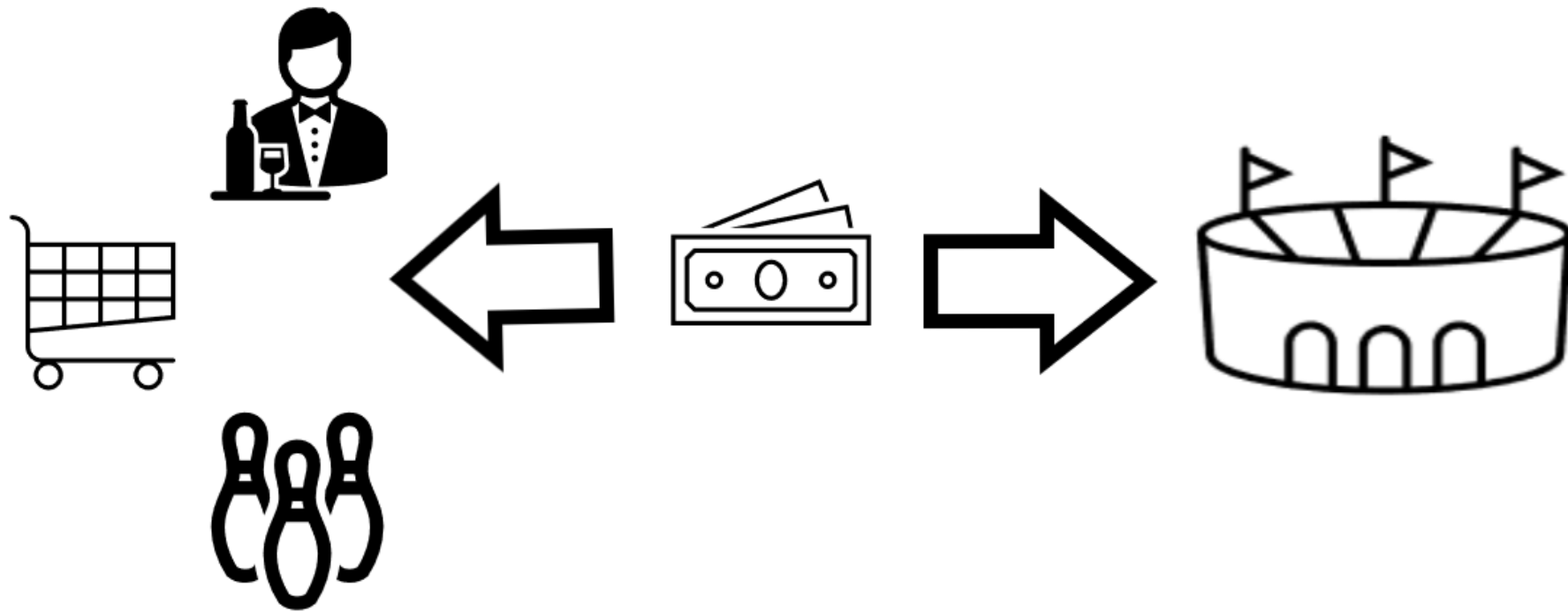
Peter O'Reilly, Executive VP of Club Business & Events

"As we experienced with the 2019 NFL Draft, Nashville is a first-class major event city and destination. Driven by strong local partnerships - led by the Nashville CVC and the Titans - that event helped raise the Draft to new heights. A new, state-of-the-art stadium in downtown Nashville would add another strong pillar to an already terrific host market for future NFL events."

Source: [B. Spyridon presentation](#), 11/16/2022

Why don't stadiums foster economic development?

- Spending at sports events is mostly reallocated local spending
- No new economic activity to generate economic activity or added tax revenue.



Source: [J.C. Bradbury presentation](#), 11/17/2022

Public Comment Session

