



Metropolitan Nashville and Davidson County, TN

Legislation Text

File #: RS2023-2044, **Version:** 1

A resolution creating a Nashville Needs Impact Fund to help provide resources to nonprofit entities serving Nashville and Davidson County and designating certain amounts thereto.

WHEREAS, Resolution No. RS2022-1827 approved a term sheet describing the terms and conditions of the agreements and transactions required to finance, construct, and operate a new, enclosed multi-purpose stadium on the East Bank of the Cumberland River (the "New Stadium") on a portion of the existing Nissan Stadium campus (the "Campus"), subject to the subsequent approval of final agreements ("Definitive Documents"), and authorizing the Metropolitan Government to pursue other matters related thereto; and,

WHEREAS, Amendment F to Resolution No. RS2022-1827 contemplates the creation of a Nashville Needs Impact Fund to provide resources to nonprofit entities providing services in Nashville and Davidson County involving public education; public transit; affordable housing; and supporting diversity, equity, and inclusion generally including gender equity in sports; and,

WHEREAS, Amendment F to Resolution No. RS2022-1827 further contemplates the possible deposit into the Nashville Needs Impact Fund of certain revenues expected to be generated in connection with the redevelopment of properties comprising a portion of the Campus and other revenues relating to naming rights for the New Stadium; and,

WHEREAS, the Definitive Documents include a proposed lease for the New Stadium, pursuant to the terms of which Tennessee Titans or an affiliate will make a payment (the "Dedicated Payment") during each year of the term of the lease for inclusion in the Nashville Needs Impact Fund; and,

WHEREAS, the amount of the Dedicated Payment will be \$1,000,000 in the first year of the lease term and will increase by 3% in each lease year thereafter, for a total payment of \$47,575,416.

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

Section 1. There shall be established among the accounts of the Metropolitan Government a "Nashville Needs Impact Fund" to be used for the provision of resources to nonprofit entities serving Nashville and Davidson County in public education; public transit; affordable housing; and supporting diversity, equity, and inclusion generally including gender equity in sports.

Section 2. The Metropolitan Government accepts and will designate the Dedicated Payment and consider the designation of a portion of revenues generated on the Campus and in connection with its redevelopment, including (a) incremental property taxes not utilized for campus infrastructure, (b) net rents, and (c) local option sales taxes, to the Nashville Needs Impact Fund during consideration of the Operating Budget each fiscal year.

Section 3. The Metropolitan Council will form a committee each year to receive and consider applications from nonprofit entities and to recommend appropriations from the Nashville Needs Impact Fund, which the Metropolitan Council may make consistent with the purposes of such fund.

Section 4 Any appropriation to a nonprofit organization from the Nashville Needs Impact Fund shall be in accordance with Tenn. Code. Ann. § 7-3-314 and Metropolitan Code § 5.04.070.

Section 5. This Resolution is intended to complement, not supersede, the budget preparation process set forth in Article 6 of the Metropolitan Charter.

Section 6. This Resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government requiring it.

Analysis

This resolution, as amended, establishes a Nashville Needs Impact Fund (“Fund”) as contemplated in Amendment F to Resolution No. RS2022-1827 which approved the term sheet that described the terms and conditions of the agreements related to a new enclosed multi-purpose stadium on the East Bank of the Cumberland River. The final agreements, referred to as “Definitive Documents” in the term sheet, related to the creation of the new stadium reference a “Dedicated Payment” that will be made by the Tennessee Titans to the Fund. The Stadium Lease Agreement, attached as Exhibit C to BL2023-1741 on first reading, includes a provision in section 10.5 expressly requiring an annual donation to the Authority of \$1,000,000 in the first year of the lease agreement which will increase by 3% in each subsequent lease year. The total payment over the course of the agreement will be \$47,575,416. The Intergovernmental Agreement, attached as Exhibit A to BL2023-1742 on first reading, includes a provision in section 3(j) wherein the Sports Authority assigns the annual donations to the Metropolitan Government for deposit into the Fund.

Pursuant to the resolution, the Fund would be used to provide resources to nonprofit entities serving Nashville and Davidson County in public education, public transit, affordable housing, and in supporting diversity, equity, and inclusion in sports, including gender equity. The Fund could also be used for the provision of resources to entities related to professional women’s sports infrastructure, promotion, marketing, and direct recruitment. In addition to the Tennessee Titans annual donation to the Fund and the Metropolitan Government would also consider appropriations of other revenues generated by the new stadium, including the incremental property taxes not utilized for campus infrastructure, net rents, and local option sales taxes, to the fund.

The Council would form a committee each year to receive and consider applications from nonprofit entities and to recommend appropriations from the Nashville Needs Impact Fund, which the Council may make consistent with the purpose of the fund. The committee would also be required to recommend reimbursement of the actual expenses related to the 1% additional hotel occupancy privilege tax enacted by the Metropolitan Council pursuant to Ordinance No. BL2022-1529 for a nonprofit entity that provides hotel and motel rooms for unhoused individuals upon adequate documentation from the nonprofit entity.