



# Metropolitan Nashville and Davidson County, TN

## Legislation Text

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**File #:** BL2023-143, **Version:** 1

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An ordinance establishing a Central East Bank Redevelopment Area and authorizing the recovery of costs incurred in constructing sewer pumping and conveyance facilities necessary to serve the redevelopment area through a sewage infrastructure cost recovery charge applicable to properties within said area.

WHEREAS, pursuant to Title 15 of the Metropolitan Code of Laws, development projects generally must bear the cost of building new or expanded water and sewerage facilities when necessary to provide adequate capacity for those projects; and,

WHEREAS, the Metropolitan Government expects the rapid redevelopment of properties on and near the east bank of the Cumberland River in the area (the "Central East Bank Redevelopment Area" or "CEBRA") depicted on the drawing attached to this ordinance as Exhibit 1; and,

WHEREAS, the existing sanitary sewer system currently serving the CEBRA has adequate capacity for existing needs but not for the substantially increased demand expected with redevelopment; and,

WHEREAS, the Metropolitan Government's investment in a new sewage pumping station (the "CEBRA Pump Station") capable of serving the properties within the CEBRA, and the recovery of such investment over time through proportionate contributions from redeveloping properties seeking additional capacity in the public sewer system, will help minimize public costs and disruption; and,

WHEREAS, the total cost for design and construction of the CEBRA Pump Station and related piping and equipment is estimated to be \$32,500,000, approximately \$6,500,000 of which Tennessee Stadium, LLC will pay under the terms of a participation agreement approved by the Metropolitan Council pursuant to BL2023-\_\_\_\_\_, with an estimated balance of \$26,000,000 (the final actual amount being the "Net Pump Station Cost") to be paid by the Metropolitan Government; and,

WHEREAS, the CEBRA Pump Station will be designed and constructed with an initial capacity of 10,000,000 gallons per day, of which 2,000,000 gallons per day representing the expected peak flow from the new stadium, equivalent to 9,143 "Units of Flow" (defined as an average of 350 gallons per day) an amount sufficient to serve both the new NFL stadium project approved pursuant to BL2023-1741 as well as the other properties in the CEBRA at projected uses and densities; and,

WHEREAS, recovery of the Net Pump Station Cost and carrying costs through a sewer infrastructure cost recovery charge applicable to properties within the CEBRA (excluding the new stadium) seeking increased capacity in the Metropolitan Government sewage system (each daily Unit of Flow from such a property that exceeds the average number of daily Units of Flow from such property over the five years preceding the completion of the CEBRA Pump Station being a "New Unit of Flow") in connection with redevelopment is fair and appropriate.

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

Section 1. There is established a Central East Bank Redevelopment Area, which shall include the area and specific properties depicted in Exhibit 1 to this ordinance. The Department of Water and Sewerage

Services may amend the map and add properties to the Central East Bank Redevelopment Area where appropriate to conform to good engineering practice. Any such amended map shall be published on the Metropolitan Government's website.

Section 2. There is hereby established a Central East Bank Redevelopment Area Recovery Charge ("CEBRA Recovery Charge") in the amount of \$2,850 for each New Unit of Flow proposed to be generated on a property within the Central East Bank Redevelopment Area (excluding the new stadium) seeking connection to the public sewer system and service through the CEBRA Pump Station. The CEBRA Recovery Charge shall increase or decrease as of January 1 of each year by (a) a percentage equal to the increase or decrease from the previous calendar year of the annual average in the Consumer Price Index - All Urban Consumers (CPI-U), U.S. City Average, All Items, 1982-1984 = 100, published by the United States Department of Labor, Bureau of Labor Statistics; and (b) a percentage calculated annually such that the charge fully accounts for the Department of Water and Sewerage Services' weighted cost of capital. The CEBRA Recovery Charge, as amended, shall be published on the Metropolitan Government's website.

Section 3. The applicable CEBRA Recovery Charge shall be paid in full prior to the issuance of any grading or building permit in connection with redevelopment of a parcel of property to which the charge applies. If actual sewage flows from a property to which the CEBRA Recovery Charge applies exceed by five percent or more the projected flows on which the charge was calculated at the time of initial payment, the Department of Water and Sewerage Services shall bill and collect the amount necessary to recover the CEBRA Recovery Charge applicable to such exceedance.

Section 4. The funds collected from the CEBRA Recovery Charge shall be allocated exclusively for recovery of the Net Pump Station Cost incurred by the Metropolitan Government.

Section 4. Amendments to this ordinance may be approved by resolution.

Section 5. This ordinance shall take effect from and after its final passage, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

### Analysis

This ordinance establishes a Central East Bank Redevelopment Area ("CEBRA") and authorizes the recovery of costs incurred in constructing sewer pumping and conveyance facilities necessary to serve the redevelopment area through a sewage infrastructure cost recovery charge applicable to properties within the CEBRA.

The CEBRA consists of properties on and near the east bank of the Cumberland River, as depicted on Exhibit 1 to this ordinance. The Department of Water and Sewerage Services ("MWS") is authorized to amend the map and add properties to the CEBRA where appropriate to conform to good engineering practice. Any amended map must be published to the Metropolitan Government website.

The ordinance also establishes a CEBRA Recovery Charge. The charge will be \$2,850 for each new unit of flow proposed to be generated on a property within the CEBRA seeking to connect to the public sewer system and service through the CEBRA pump station. The new stadium will not be subject to the CEBRA Recovery Charge, rather pursuant to BL2023-142, Tennessee Stadium LLC will be responsible for a portion of the capital costs to construct the pump station and for the construction work. The CEBRA Recovery Charge will increase or decrease as of January 1 of each year by (a) a percentage equal to the increase or decrease in the

Consumer Price Index - All Urban Consumers (CPI-U); and (b) a percentage calculated annually to account for MWS's weighted cost of capital. The CEBRA Recovery Charge, as amended, must be published to the Metropolitan Government website.

The CEBRA Recovery Charge must be paid in full before the issuance of any grading or building permit in connection with redevelopment within the CEBRA. If actual sewage flows from a CEBRA property exceed, by five percent or more, the projected flows on which the charge was calculated at the time of initial payment, MWS will bill and collect the amount necessary to recover the applicable CEBRA Recovery Charge.

The CEBRA Recovery Charge revenue will be allocated exclusively for pump station net costs incurred by the Metropolitan Government, which are estimated to be \$26,000,000.

Future amendments to this ordinance may be approved by resolution.