



Metropolitan Nashville and Davidson County, TN

Legislation Text

File #: RS2022-1926, **Version:** 1

A resolution requesting that the Metropolitan Government of Nashville and Davidson County decline \$50 million of the proceeds of the State Bonds if the State of Tennessee will agree to use such declined funds to provide adequate and appropriate facilities for children in the custody of the Tennessee Department of Children's Services.

WHEREAS, there is a non-binding term sheet (the "Non-Binding Term Sheet"), attached as Exhibit A to Resolution No. RS2022-1827, for a new \$2.1 billion enclosed football stadium, wherein the financing plan requires the Tennessee Titans to provide \$840 million, the State of Tennessee to provide the proceeds of \$500 million of state general obligation bonds (the "State Bonds"), and the Metropolitan Government, through its Sports Authority, to provide the proceeds of \$760 million of revenue bonds (the "Metro Bonds"); and

WHEREAS, the Metropolitan Mayor's message to the public is that this financing arrangement, including the issuance of \$760 million of Metro Bonds, will help Nashville's "general taxpayers" by getting them "off the hook" for the costs of football stadium maintenance and improvements; and

WHEREAS, The Tennessean similarly reported on December 1, 2022, that the Metropolitan Mayor and the Titans have proposed terms that "allow for a new financing system that takes county taxpayers off the hook for future maintenance costs;" and

WHEREAS, in a press release from the Mayor's Office dated October 17, 2022, the Metropolitan Mayor claimed that the proposal "for a new enclosed stadium...would relieve a nearly \$2 billion burden on Nashville taxpayers by voiding the current lease agreement;" and

WHEREAS, in the October 17, 2022, press release, the Metropolitan Mayor stated that the Metro Bonds will be "paid for by...tourists and spending around the stadium -- not by your family;" and

WHEREAS, in an October 26, 2022, presentation by the Mayor's Office to the Metropolitan Council's East Bank Stadium Committee, the Mayor's Office stated that the Metro Bonds would "be repaid from available sources generated by tourists and users of the Stadium / area;" and

WHEREAS, the Non-Binding Term Sheet, at pages 12 and 13, anticipates that the taxes related to the Metro Bonds will generate substantial "Excess Financing Revenue" above and beyond the amount necessary to repay the \$760 million of Metro Bonds for building the new stadium; and

WHEREAS, while the Non-Binding Term Sheet is silent about the amount of expected Excess Financing Revenue, a representative of the Mayor's Office advised the Metropolitan Council's East Bank Stadium Committee on October 26, 2022, that the amount of Excess Financing Revenue above and beyond the construction bond costs is expected to be "hundreds of millions of dollars;" and

WHEREAS, the Tennessee Department of Children's Services ("DCS") oversees the care of children taken from their families due to neglect and abuse allegations; and

WHEREAS, it is reported in the Tennessee Lookout's November 18, 2022, article DCS: Kids sent to hospitals for up to 100 days because there is no place to put them by Anita Wadhvani that:

- “For months, children taken from their families as a result of abuse or neglect allegations have been forced to sleep on office floors - supervised overnight by already-overworked social workers.”
- “Children in DCS custody who become too ‘disruptive’ when forced to sleep in offices are being sent to hospitals - in some cases for up to 100 days - because the agency lacks appropriate places to care for them.
- “DCS could not immediately say how many children were affected or which hospitals are housing them; and

WHEREAS, DCS is based and headquartered in Nashville, and the media has reported that DCS is using office space in downtown Nashville to house children; and

WHEREAS, it is in the best interests of the residents of Nashville and the State of Tennessee that DCS have access to adequate and appropriate facilities to care for children in DCS’s custody; and

WHEREAS, the Metropolitan Mayor has indicated that the Metro Bonds do not create any cost for “general taxpayers” and that instead the Metro Bonds will be repaid by taxes collected from stadium users and tourists, and therefore the proposed new stadium financing has been said by many to be free to the “general taxpayer”; and

WHEREAS, it is in the best interests of the citizens of the Metropolitan Government and in the welfare of its children for the Metropolitan Government to: (a) decline \$50 million of the State Bond proceeds so that those State Bond proceeds may be used to pay for adequate and appropriate facilities for DCS; and (b) instead increase the Metro Bonds (which are to be paid by tourists and users of the stadium area) by \$50 million.

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

Section 1. The Metropolitan County Council hereby requests that the Metropolitan Mayor immediately offer to the State of Tennessee that Nashville will decline \$50 million of the proceeds of the State Bonds if the State of Tennessee will agree to use such declined funds to provide adequate and appropriate facilities for children in DCS's custody.

Section 2. This Resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government of Nashville and Davidson County requiring it.