



Metropolitan Nashville and Davidson County, TN

Legislation Text

File #: RS2025-1062, **Version:** 1

A resolution affirming the determinations of The Metropolitan Government of Nashville and Davidson County to issue general obligation bonds pursuant to certain Initial Resolutions previously adopted by the Metropolitan County Council and consenting to reallocations for specific public works projects.

WHEREAS, the Metropolitan County Council has from time to time previously authorized the issuance of general obligation bonds to finance specific public works projects; and,

WHEREAS, pursuant to Tennessee Code Annotated Sections 9-21-101, *et seq.*, (the "LGPOA"), and in order to authorize the issuance of general obligation bonds, the Metropolitan County Council adopted Resolution No. RS2017-713 on June 13, 2017, and Resolution No. RS2017-963 on November 21, 2017, (collectively, the "Initial Resolutions"); and,

WHEREAS, pursuant to Resolution No. RS2017-713, the Metropolitan County Council had determined to issue general obligation bonds in an aggregate principal amount of not to exceed \$288,000,000.00, such authorized amount reduced to \$287,999,735.00 pursuant to Resolution No. RS2024-195; and,

WHEREAS, pursuant to Resolution No. RS2017-963, the Metropolitan County Council had determined to issue general obligation bonds in an aggregate principal amount of not to exceed \$133,215,000.00, such authorized amount reduced to \$133,209,671.14 pursuant to Resolution No. RS2024-195; and,

WHEREAS, the Initial Resolutions each had exhibits that specified allocations for public works projects including the amounts of \$9,000,000 and \$2,300,000, respectively, to be allocated for Nashville School of the Arts land acquisition; and,

WHEREAS, over time, the priorities of the Metropolitan Government have shifted and now the Metropolitan Government desires to reallocate the amounts that were for costs associated with Nashville School of the Arts land acquisition to costs for consulting, design, planning, and construction for the school; and,

WHEREAS, it is the intent of the Metropolitan County Council that nothing herein otherwise amends or modifies the Initial Resolutions; and,

WHEREAS, the Metropolitan County Council desires to affirm the Initial Resolutions and consent to the changing priorities in public works projects' needs.

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

Section 1. Resolution No. RS2017-713 and Resolution No. RS2017-963, with such authorized amount reductions pursuant to Resolution No. RS2024-195, are hereby affirmed.

Section 2. The Metropolitan County Council finds that public works projects' priorities have shifted and the funding needs for consulting, design, planning and construction for the Nashville School of the Arts outweighs the current need for land acquisition for the school.

Section 3. As more specifically described on [Exhibit A](#) and [Exhibit B](#), the Metropolitan Government shall reallocate to CIB# 14BE0026-for funding the consulting, design, planning and construction costs for the Nashville School of the Arts-the cumulative amount of \$11,300,000 originally intended for the Nashville School

of the Arts land acquisition. Accordingly, both (a) Resolution No. RS2017-713 (as amended) is hereby further amended to reduce the aggregate par amount of bonds authorized thereunder by an additional \$9,000,000, and (b) Resolution No. RS2017-963 (as amended) is hereby further amended to reduce the aggregate par amount of bonds authorized thereunder by an additional \$2,300,000, to eliminate the use of any general obligation bond proceeds authorized pursuant to the Initial Resolutions for the purposes of Nashville School of the Arts land acquisition.

Section 4. For purposes of complying with Sections 9-21-205 and -206 of the LGPOA, this resolution shall constitute the Metropolitan County Council's determination to issue general obligation bonds in the maximum par amount of \$11,300,000 (the "Bonds") for the purposes of financing (a) all or a portion of the costs of the acquisition of land for and the planning, design, development, construction, renovation, modification, improvement, upgrade, expansion, repair, maintenance, rehabilitation, equipping and/or acquisition of the public works projects (Nashville School of the Arts) as more specifically described on Exhibit A (collectively, the "Projects"); (b) acquisition of all property, real and personal, appurtenant to the foregoing and acquisition or construction of certain public art as required by Ordinances Nos. BL2000-250 and BL2020-185, to the extent not already funded pursuant to the Initial Resolutions; (c) legal, fiscal, administrative, architectural and engineering costs incident to all the foregoing; (d) all other costs authorized to be financed pursuant to Section 9-21-109, Tennessee Code Annotated, including without limitation, costs of issuance of the Bonds and (e) the payment or reimbursement of the payment of principal of and interest on any bonds, notes or other debt obligations issued in anticipation of the Bonds. The Bonds described herein shall be issued pursuant to the LGPOA, and no referendum or election shall be required for the issuance of the Bonds unless a petition for an election relating to their issuance is filed within the time and in the manner provided for in said statute. The maximum rate of interest of the Bonds shall not exceed seven and one-quarter percent (7.25%) or the maximum rate permitted by applicable law. Debt service on the Bonds shall be payable from and secured by ad valorem taxes on all taxable property in the General Services District and Urban Services District, fully sufficient to pay all such debt service falling due prior to the time of collection of the next succeeding tax levy; provided, however, taxes so levied in the General Services District shall be levied in an amount sufficient to pay that portion of such debt service attributable to school projects and projects in the General Services District financed by the Bonds; and the taxes so levied in the Urban Services District shall be levied in an amount sufficient to pay that portion of such debt service attributable to projects in the Urban Services District financed by the Bonds; provided, further, however, that the Metropolitan Government shall be unconditionally and irrevocably obligated to levy and collect ad valorem taxes without limit as to rate or amount on all taxable property within the Metropolitan Government to the full extent necessary to pay all debt service on the Bonds, and the full faith and credit of Metropolitan Government shall be irrevocably pledged to the payment thereof.

Section 5. The Metropolitan Clerk is hereby directed to cause Section 4 of this Resolution (along with Exhibit A), upon its adoption, together with the statutory notice required by Section 9-21-206, Tennessee Code Annotated, to be published in full once in a newspaper published and having general circulation in the Metropolitan Government meeting the requirements of Section 1-3-120, Tennessee Code Annotated.

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

Analysis

This resolution would affirm two previously adopted Initial Resolutions to issue general obligation bonds and would also approve a reallocation of project funding for the Nashville School of the Arts.

In 2017, Council adopted two Initial Resolutions ("2017 Capital Spending Plans") authorizing the issuance of

general obligation bonds to finance a variety of public works projects, as that term is defined in state law. Resolution No. RS2017-713 and Resolution No. RS2017-963 authorized funding for projects numbered 18BE0009 and 17BE0014, respectively, both of which would have allocated bond proceeds to finance the costs associated with land acquisition for the Nashville School of the Arts. The aggregate authorized spending amount for the land acquisition was \$11,300,000.

Since the passage of the 2017 Capital Spending Plans, priorities for the Nashville School of the Arts and other school properties have shifted such that the spending authority for land acquisition costs would be better spent on consulting, design, planning, and construction costs for a new Nashville School of the Arts facility. As such, the resolution under consideration would reallocate previously approved \$11,300,000 to project number 14BE0026 - Nashville School of the Arts - New. As indicated in Exhibit B, it is projected that with a new school facility, the savings in maintenance resources can be spread across the district.

In 2024, Council adopted Resolution No. RS2024-195 effectively reducing the authority to issue general obligation bonds and the spending authority in a collection of capital spending plans, including the 2017 Capital Spending Plans which were reduced by a nominal amount having little effect on the Nashville School of Arts projects. Because the original projects were limited to land acquisition, a new spending authorization is needed to broaden the scope of the projects. Thus, the resolution under consideration would additionally reduce the funding authorization in the 2017 Capital Spending Plans in an amount equal to the reallocation amount. Effectively, the total authorization of the 2017 Capital Spending Plans will be reduced by \$11,300,000 and the resolution under consideration will create a new spending authorization of \$11,300,000, resulting in the same total amount of funding.

For compliance purposes, the resolution under consideration will be treated as an Initial Resolution pursuant to Sections 9-21-205 and 206 of the Tennessee Code Annotated. As such Section 4 of the Initial Resolution will be published in a newspaper with general circulation. This section contains the financing purposes, project description, fiscal pledge and interest rate limitation statements, among other things, required by state law.

Rule 21 of the Council Rules of Procedure requires that initial resolutions provide detailed information regarding the identification of projects by CIB project number, the amount to be financed allocated to each project, and the identification of where a proposed project appears (if at all) on the Council's CIB prioritization list.

This resolution was previously deferred one meeting pursuant to Rule 21.