



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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Fact Sheet

Sulphur Dell Ballpark Proposal

NASHVILLE, Tenn. – Details of a proposal and financing plan in a significant public-private partnership that allows Metro to build and own a new minor-league ballpark at Sulphur Dell is being presented to members of the Metro Council and Nashville Sports Authority today. The Triple-A Nashville Sounds would lease the ballpark from Metro under a 30-year lease.

Overview

- The project is a nearly \$150 million public-private investment in the Jefferson Street/Germantown area.
- The proposal includes agreements with the State of Tennessee, the Nashville Sounds and Embrey Development Corp., a leading multi-family developer.
- A majority of the investment is private, including more than \$50 million by the Nashville Sounds for a multi-family/retail development and \$37 million by Embrey for a multi-family development. Metro's participation in the total investment would be \$65 million.
- The deal allows the public investment in the ballpark campus to largely pay for itself using five sources of revenue and eliminating some existing budget allocations.
- The deal is a multi-party transaction with approvals yet to be sought from the Metro Council, the Nashville Sports Authority and the State Building Commission.
- Metro is seeking to finalize all property and financing agreements before the end of the year in order for the ballpark to open in time for the 2015 season. First reading with the Metro Council is scheduled for Nov. 19.
- The proposal paves the way for baseball to return to its historic home at Sulphur Dell, the original home of professional baseball in Nashville. Sulphur Dell was home to several minor league teams and the Negro League's Elite Giants.
- The ballpark will link downtown with the Jefferson Street/Germantown area and offer sweeping views of downtown. A new greenway will offer easy pedestrian access and enhance the ballpark's park-like feel.

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Financing

- What it will cost: **Total: \$65 million**, including \$37 million to construct ballpark; \$23 million payment to State for land; \$5 million for capitalized interest during construction.
 - Sports Authority will issue revenue bonds (30-year term)

- How Metro will pay annual debt payment of **\$4.3 million**:
 - **Sources of revenue to make payment**
 - Sounds lease: \$700,000
 - Sales tax redirect: \$650,000
 - Property tax revenue from Sounds development: \$750,000
 - Property tax revenue from Embrey development: \$675,000
 - Existing MDHA Tax-Increment Financing (TIF): \$520,000
 - Total: \$3.295 million**

 - **Budget costs eliminated**
 - Sounds obligation: (\$250,000)
 - Lease at Nashville School of the Arts: (\$410,000)
 - Total: (\$660,000)**

 - Annual net operating impact to Metro budget: **\$345,000**

Basic transaction

- Metro gets the following property:
 - Land for ballpark development, plus adjacent greenway land, from State of Tennessee, Embrey and Nashville Sounds.

 - 28 acres at the former Tennessee Preparatory School, which Metro has been leasing from the State.

- State receives money from Metro to construct a parking garage onsite to replace parking lots being developed into ballpark, which will include 1,000 spaces for Sounds patrons, and to construct another parking garage for future State parking.

Metro and State Agreement

- State property transferring to Metro:
 - Land for ballpark, greenway and development parcel.
 - Tennessee Preparatory School property (on Foster Avenue).
 - **Total: Appraised value of \$21million plus**

- What Metro pays the State:
 - \$18 million to construct 1,000-space garage for State employees and Sounds patrons.
 - \$5 million to construct future underground garage at proposed new Tennessee State Library and Archives.
 - **Total: \$23 million**

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Metro and Embrey Development Corp.

- Land swap between Metro and Embrey includes Metro's right to acquire property from Embrey for the ballpark for \$3.45 million, while Embrey has a right to acquire development parcel from Metro for \$3.45 million (less reimbursement of duplicative costs).

Lease terms for Nashville Sounds

- 30-year lease, beginning with the opening of the ballpark in 2015 and ending in 2045 unless extended by the parties.
- Sounds will pay rent to Metro in the amount of \$700,000 per year.
- Sounds will operate and manage the ballpark.
- Sounds will maintain the parking garage and keep revenue generated during baseball games.
- Sounds will be responsible for ballpark maintenance, while Metro will be responsible for major capital expenditures.

Metro Council Legislation

- Financing ordinance: Approve Nashville Sports Authority issuing \$65 million in revenue bonds.
- Real estate ordinance: Agreement with State of Tennessee and with Embrey Development Corp.
- Extending terms of Phillips Jackson Redevelopment District (MDHA) to 2045 and increase the debt capacity by \$50 million.

Sports Authority Action

- Adopt resolution at Nov. 11 meeting (today) requesting approval to issue bonds to finance ballpark project.
- Following Metro Council action, Sports Authority must approve issuance of bonds and other financing matters.

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