THE FAIRGROUNDS NASHVILLE

160 unique events annually drawing more than 1.4 million attendees
FAIRGROUNDS MASTER PLAN

Improvements

• Speedway

• Building Upgrade and Replacement

• MLS Stadium

• Browns Creek and Greenway

• Fair Park
MUSIC CITY IS SOCCER CITY
Nashville is ready for Major League Soccer

- 100,000+ attended soccer games in Nashville in July 2017
- 40,000+ youth soccer players in Tennessee
- Tennessee high school soccer players +68% since 2002

Source: Tennessee State Soccer Association and Tennessee Secondary School Athletic Association

“We think of ourselves as a league for a new America and we think of Nashville as a city for a new America” – MLS Commissioner Garber
Nashville will benefit from MLS

- Job creation by the team, venue, and increased economic activity
- Elevate Nashville’s profile on a national and international level
- State of the art venue to host non-MLS events
- Regional civic amenity to improve entertainment and recreational options
- Attract additional visitors to Nashville’s urban core
- Unify diverse segments of the community
NASHVILLE’S BID – STRONG POSITION TO LAND MLS EXPANSION TEAM

Nashville’s Strengths

- Engaged community
- Attractive demographics
- Strong economy
- Exceptional attendance at major soccer games
- Globally recognized brand
- Potential corporate sponsors

“Nashville has risen pretty high on the list” – MLS Commissioner Garber
“Cincinnati and Nashville, and Sacramento and Detroit – just to name four where we’ve been to recently. Man, the energy there is off the charts”

August 2, 2017

“Nashville is very much like Major League Soccer. It’s a city on the rise”

July 7, 2017

“It (Nashville) has a ‘can-do attitude’ at all levels”

July 8, 2017

“It (Nashville) comes together around big ideas, which is something that I find really inspiring because that’s not what happens in a lot of cities across the country”

July 8, 2017

“If a very promising market can’t have a stadium, they’re not going to be an MLS expansion team”

August 2, 2017
NASHVILLE’S BID - STRONG POSITION TO LAND MLS EXPANSION TEAM

Major League Soccer Expansion Requirements

- Ownership: ✔️
- Market: ✔️
- Stadium: ✗

A stadium plan is our final requirement.
ECONOMIC IMPACT

Source: Fox, William; "Economic Impact: Nashville MLS Team;" The University of Tennessee Knoxville Boyd Center for Business & Economic Research.

1,886 jobs

$78M annual wages

$15M annual tax revenue
October/November 2017 – Metro Council considers stadium plan

December 2017 – MLS expected to announce next two expansion cities

2018 – Community engagement, feedback, and design work

Summer 2018 – Fair Board and Sports Authority approve various agreements including the bond resolution

Late 2018 – Work would begin on site for new stadium / fairgrounds improvements

March 2020 – Nashville’s MLS team would begin play

March 2021 – New Nashville MLS stadium would open
How will the stadium be funded?

STADIUM FUNDING PLAN

10% Public

90% Private
PROJECT BENEFITS

• Positive economic impact and job creation

• Improve Fairgrounds site while preserving current usage

• Future transit corridor

• Affordable and work force housing

• Minimal fiscal impact to Government

• Stadium owned by Metro Nashville / Sports Authority

• Asset for community and neighborhood
STADIUM LEASE TERMS

• 30 year lease beginning with opening of stadium and ending in 2051 unless extended by parties

• **Team** covers debt service less reduction from ticket tax and sales tax redirect revenues

• Metro responsible for revenue shortfall up to $4M (years 1-5) and $3M (years 6-10)

• **Team** responsible for construction cost overruns

• **Team** operates and manages stadium

• **Team** responsible for stadium maintenance with Metro responsible for major capital expenditures
  
  → Portion of ticket tax designated as capital expenditure reserve
Fair Board

- Adopt resolution approving ground lease to Sports Authority and Metro
  - Land for stadium development and +/- 10 acres for appropriate site development by team required to include affordable and workforce housing

Sports Authority

- Adopt resolution requesting approval to issue bonds to finance MLS stadium project, subject to award of MLS franchise

Metro Council

- Adopt resolution authorizing Sports Authority to issue up to $225 million in revenue bonds to build the stadium
- Adopt resolution pledging GSD non-tax revenues as additional security to support the bonds
Resolution subject to certain conditions

- MLS expansion franchise awarded to team
- Operating lease agreement between team and Sports Authority - team covers construction cost overruns
- Ground lease between Fair Board and Sports Authority
- Authorize $25 million in general obligation bonds for infrastructure and public areas at the stadium
- Authorize $25 million in general obligation bonds for fairgrounds improvements
- Council approval to demolish, relocate, and rebuild fairgrounds buildings (requires 27 votes)
- 20 public use days
- Cooperation with the Fairgrounds regarding fairgrounds events
What does the stadium cost?

• $250 Million

How will the stadium be funded?

* Annual debt service funded by Team Lease Payments, Sales Tax Redirect and Ticket Tax
Sports Authority issues revenue bonds not to exceed $225 million

30 year term

Interest capitalized during construction

Bonds secured by pledge of GSD non-tax revenues

Average annual debt service requirements of $13 million

$50 million cash funded equally by team and Metro (public infrastructure)
QUESTIONS

Private-Public Partnership
Presentation to Metropolitan Council
October 2, 2017