

Resolution No. RS2010- 1088

A resolution approving the issuance of Tourism Tax Revenue Bonds by the Convention Center Authority of The Metropolitan Government of Nashville and Davidson County, Tennessee and the execution and delivery of an Intergovernmental Project Agreement (Convention Center Project) by and among The Metropolitan Government of Nashville and Davidson County, Tennessee and the Metropolitan Development and Housing Agency of The Metropolitan Government of Nashville and Davidson County, Tennessee and the Convention Center Authority of The Metropolitan Government of Nashville and Davidson County, Tennessee

WHEREAS, the Metropolitan County Council of the Metropolitan Government (the "Metropolitan Council") hereby determines that the construction of a new downtown convention center and related facilities (the "Convention Center") on property located within the Capitol Mall Redevelopment District (the "Land") will encourage and foster economic development and prosperity for the Metropolitan Government; and

WHEREAS, pursuant to Metropolitan Council Resolution No. RS2009-698, the Metropolitan Council has previously entered into an Intergovernmental Project Agreement (Convention Center Project) with The Metropolitan Development and Housing Agency of Nashville and Davidson County ("MDHA") dated as of June 2, 2009, pursuant to which the Metropolitan Government authorized and engaged MDHA to commence certain pre-development activities relating to the Convention Center, including the acquisition of and clearing of the Land, and authorized MDHA to incur debt for the purpose of financing such pre-development activities; and

WHEREAS, pursuant to such authorization and engagement, MDHA has procured a line of credit in a principal amount up to \$62,000,000, dated as of July 30, 2009, from Bank of America and First Tennessee Bank National Association (the "MDHA Loan"); and

WHEREAS, pursuant to Resolution No. RS2009-881, the Metropolitan Council authorized the creation of The Convention Center Authority of The Metropolitan Government of Nashville and Davidson County (the "Authority") as a nonprofit public corporation under the laws of the State of Tennessee, including without limitation Chapter 89 of Title 7 of the Tennessee Code Annotated (the "Act"), and the Authority has been organized and established as required by the Act;

WHEREAS, pursuant to the Act, the Authority may exercise all powers granted to a convention center authority by the Act, including, without limitation, financing, constructing and operating the Convention Center; and

WHEREAS, the Metropolitan Council now desires to facilitate the Authority's financing of the acquisition and construction of the Convention Center; and

WHEREAS, the Authority has, by resolution of its Board of Directors adopted on January 7, 2010, a copy of which (together with the exhibits thereto) is attached hereto as Exhibit A (the "Authority Bond Resolution"), authorized the issuance of up to \$250,000,000 of its Tourism Tax Revenue Bonds, Series 2010A (the "Series 2010A Bonds") pursuant to an Indenture of Trust by and between the Authority and U.S. Bank National Association (the "Trustee") for the purpose of (1) paying a portion of costs paid or incurred in respect to the planning, design, engineering, land acquisition, construction, equipping, furnishing and opening the Convention Center, (2) paying capitalized interest on the Series 2010A Bonds during the construction of the Convention Center, (3) funding a debt service reserve fund for the Series 2010A Bonds and (4) paying certain costs of issuance of the Series 2010A Bonds (provided the aggregate amount of the Series 2010A Bonds and Series 2010B Bonds, as hereinafter defined, may not exceed \$650,000,000); and

WHEREAS, pursuant to the Authority Bond Resolution, the Board of Directors of the Authority has authorized the issuance of up to \$450,000,000 of its Subordinate Tourism Tax Revenue Bonds, Series 2010B (the "Series 2010B Bonds") pursuant to an Indenture of Trust by and between the Authority and the Trustee for the purpose of (1) paying the balance of the costs of planning, design, engineering, land acquisition, construction, equipping, furnishing and opening of the Convention Center, (2) paying capitalized interest on the Series 2010B Bonds during the construction of the Convention Center, (3) funding a debt service reserve fund for the Series 2010B Bonds, and (4) paying certain costs of issuance of the Series 2010B Bonds (provided the aggregate amount of the Series 2010A Bonds and Series 2010B Bonds may not exceed \$650,000,000); and

WHEREAS, the Act requires that the Metropolitan Council approve any issuance of bonds by the Authority, and the Metropolitan Council wishes to approve the issuance of the Series 2010A Bonds and the Series 2010B Bonds by the Authority on the terms and conditions and within the limitations set forth in the Authority Bond Resolution; and

WHEREAS, pursuant to the Act, the Metropolitan Council is authorized to aid or otherwise provide assistance to the Authority, for such term or terms and upon such conditions as may be determined by resolution of the Metropolitan Council, by granting, contributing or pledging revenues of the Metropolitan Government to or for the benefit of the Authority; and

WHEREAS, the Metropolitan Government currently collects the following taxes pursuant to the statutes listed below, the proceeds of which are specified for and restricted to the financing of convention center facilities for the Metropolitan Government:

(1) 3% of the 6% Hotel/Motel Tax authorized by Section 7-4-102 of the Tennessee Code Annotated and Section 5.12.020 of the Metropolitan Code, less that portion of such tax required to be deposited to the Metropolitan Government General Fund pursuant to Section 7-4-102(b)(3) and Section 7-4-110(f) of the Tennessee Code Annotated (the "Hotel/Motel Tax Revenues");

(2) \$2.00 of the \$2.50 Hotel Room Occupancy Tax authorized by Section 7-4-202 of the Tennessee Code Annotated and Section 5.12.120 of the Metropolitan Code (the "Room Occupancy Tax Revenues");

(3) The entire \$2.00 Contracted Vehicle Tax authorized by Section 7-4-203 of the Tennessee Code Annotated and Section 5.16.130 of the Metropolitan Code (the "Airport Ground Transportation Tax Revenues"); and

(4) The entire 1% Rental Vehicle Surcharge Tax authorized by Section 67-4-1908 of the Tennessee Code Annotated and Section 5.32.190 of the Metropolitan Code (the "Rental Car Tax Revenues"); and

WHEREAS, in accordance with Section 7-88-101 et seq. of the Tennessee Code Annotated (the "TDZ Act"), and pursuant to Metropolitan Council Resolution No. RS2009-603, the Metropolitan Government has requested that the State of Tennessee establish a tourism development zone in the area projected to be affected by the development of the Convention Center, and the State of Tennessee, by approval of the State Building Commission on November 12, 2009, has established such a zone (the "Tourism Development Zone"); and

WHEREAS, the boundaries of the Tourism Development Zone approved by the State of Tennessee vary from those boundaries approved by Metropolitan Council Resolution No. RS2009-603, and the Metropolitan Council wishes to ratify the boundaries of the Tourism Development Zone approved by the State of Tennessee; and

WHEREAS, within 90 days of the end of each fiscal year of the State of Tennessee, commencing with the fiscal year in which the Convention Center opens for public use, the Metropolitan Government shall be entitled to receive from the State of Tennessee an allocation of state and local sales and use taxes (the "TDZ Revenues") relating to sales made in the Tourism Development Zone, all in accordance with the TDZ Act; and

WHEREAS, at the time the Convention Center begins operations, there shall be apportioned and distributed to the Authority an amount equal to the state and local tax revenue derived under Title 67, Chapter 6 of the Tennessee Code Annotated from the sale of admission, parking, food, drink and any other things or services subject to tax under such chapter, if such sales occur on the premises of the Convention Center or on the premises of one or two convention center hotels approved by the State Department of Finance and Administration in accordance with Title 67, Chapter 6 of the Tennessee Code Annotated (the "MCCA Redirect Revenues"); and

WHEREAS, the Hotel/Motel Tax Revenues, the Room Occupancy Tax Revenues, the Airport Ground Transportation Tax Revenues, the Rental Car Tax Revenues, the TDZ Revenues and the MCCA Redirect Revenues are herein referred to collectively as the "Tourism Tax Revenues"; and

WHEREAS, to fulfill the purposes of the statutes and ordinances providing for the collection of the Tourism Tax Revenues, and to facilitate the construction and operation of the

Convention Center and the issuance of the Series 2010A Bonds and the Series 2010B Bonds, the Metropolitan Government wishes to make the Tourism Tax Revenues available to the Authority; and

WHEREAS, to enhance the marketability of the Series 2010B Bonds and thereby reduce the interest costs thereon, the Metropolitan Government wishes to make Non-Tax Revenues (as defined and described in the Intergovernmental Agreement attached as an exhibit hereto) available to the Authority for the payment of debt service on the Series 2010B Bonds in the event Tourism Tax Revenues, Convention Center operating revenues and other funds are insufficient therefor; and

WHEREAS, Non-Tax Revenues are currently pledged in favor of The Sports Authority of the Metropolitan Government's (the "Sports Authority's") Taxable Public Improvement Revenue Bonds, Series 1998 (Arena Project) (the "1998 Sports Authority Bonds") and Public Improvement Revenue Bonds, Series 2004 (Stadium Project) (the "2004 Sports Authority Bonds") and any bonds issued on a parity therewith; and

WHEREAS, the Metropolitan Government intends for a portion of the proceeds of the Series 2010A Bonds and the Series 2010B Bonds (together, the "Series 2010 Bonds") to be used to repay the MDHA Loan in exchange for MDHA conveying the Land to the Authority and transferring and assigning to the Authority all of MDHA's rights, contracts, agreements, warranties and guarantees relating to the development or the operation of the Convention Center (the "MDHA Rights and Contracts"); and

WHEREAS, it is deemed necessary and desirable by the Metropolitan Council that the Metropolitan Government, the Authority and MDHA enter into an agreement addressing the funding of the Convention Center, the payment of the costs thereof and costs related thereto, the transfer and conveyance of the Land and the MDHA Rights and Contracts, and the disposition and administration of the funds needed to pay principal and interest on the Series 2010 Bonds, and for the purpose of establishing the other agreements and rights of the parties hereunder;

WHEREAS, a form of Intergovernmental Project Agreement (Convention Center Project) relating to the foregoing purposes, by and among the Metropolitan Government, the Authority and MDHA, has been presented to the Metropolitan Council and is attached hereto as Exhibit B (the "Intergovernmental Agreement");

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

SECTION 1. The Metropolitan Council hereby approves the issuance of the Series 2010A Bonds and the Series 2010B Bonds upon the terms and subject to the limitations described in the Authority Bond Resolution attached hereto as Exhibit A. The approval of the Metropolitan Council is subject to the (a) written approval of the Director of Finance of the Metropolitan Government (the "Director of Finance") of the particular terms and conditions of the Series 2010A Bonds and the Series 2010B Bonds established by the Bond Purchase Agreement, as described in the Authority Bond Resolution; and (b) the written confirmation by the Director of

Finance of the satisfaction of all requirements of the documents relating to the 1998 Sports Authority Bonds and the 2004 Sports Authority Bonds and the pledge of Non-Tax Revenues to secure payment of the Series 2010B Bonds. The Director of Finance shall report to the Metropolitan Council the terms and conditions of the Series 2010A Bonds and the Series 2010B Bonds so approved.

SECTION 2. The Metropolitan Council pledges and agrees to provide the Tourism Tax Revenues and Non-Tax Revenues to the Authority for the purposes and on the terms and conditions set forth in the Intergovernmental Agreement.

SECTION 3. The form, terms and provisions of the Intergovernmental Project Agreement (Convention Center Project) attached hereto as Exhibit B (the "Intergovernmental Agreement") are hereby approved and the Metropolitan Mayor of the Metropolitan Government (the "Metropolitan Mayor") is hereby authorized, empowered and directed to execute and deliver the Intergovernmental Agreement in the name and on behalf of the Metropolitan Government in the form now before this meeting. From and after the execution and delivery of the Intergovernmental Agreement, the officers of the Metropolitan Government or any of them, are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Intergovernmental Agreement as executed.

SECTION 4. The Metropolitan Council hereby ratifies and approves the creation of the Tourism Development Zone within the boundaries set forth by the State of Tennessee in the November 12, 2009 approval of the State Building Commission, which boundaries are set forth on Exhibit C hereto.

SECTION 5. All acts and doings of the Metropolitan Mayor, the Director of Finance and any other officer of the Metropolitan Government which are in conformity with the purposes and intent of this Resolution shall be, and the same hereby are in all respects, approved and confirmed as may be necessary or appropriate in order for the Metropolitan Government to comply with the terms of the Intergovernmental Agreement.

SECTION 6. The Metropolitan Mayor or the Director of Finance is authorized, on behalf of the Metropolitan Government, to enter into a continuing disclosure agreement for the benefit of the owners of the Series 2010A and Series 2010B Bonds, specifying the details of the financial information and material event notices to be provided and its obligations relating thereto, all as required by Rule 15c2-12 of the Securities Exchange Commission. The form of any such Continuing Disclosure Agreement shall be consistent with the description thereof in the form of Preliminary Official Statement attached as part of Exhibit A hereto.

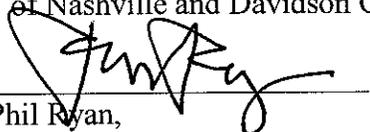
SECTION 7. This Resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government requiring it.

RECOMMENDED BY:



Marty G. Dickens,
Chairman

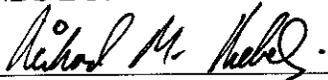
The Convention Center Authority of the Metropolitan Government
of Nashville and Davidson County, Tennessee



Phil Ryan,
Executive Director

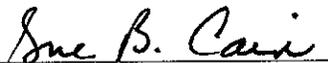
The Metropolitan Development and Housing Agency of Nashville
and Davidson County

APPROVED AS TO AVAILABILITY OF
FUNDS BY:



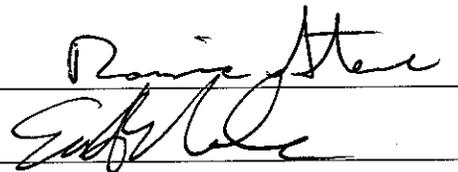
Richard Riebeling
Director of Finance

APPROVED AS TO FORM AND
LEGALITY:



Metropolitan Attorney

INTRODUCED BY:



MEMBERS OF COUNCIL