

SUBSTITUTE ORDINANCE NO. BL2018-1289

An ordinance approving the demolition of certain buildings and structures necessary for the construction of a new Major League Soccer Stadium at The Fairground Nashville, and amending Title 5 of the Metropolitan Code to impose a privilege tax on the sale of tickets to events at the new Major League Soccer Stadium.

WHEREAS, on November 7, 2017, the Metropolitan County Council (“Metro Council”) adopted Substitute Resolution No. RS2017-~~900~~910 conditionally approving the issuance of public facility revenue improvement bonds by the Sports Authority of the Metropolitan Government of Nashville and Davidson County (“Authority”) for the construction of a new Major League Soccer Stadium (the “Stadium”) at the Fairgrounds Nashville located at 300 Rains Avenue; and

WHEREAS, Metro and the Fair Board of the Metropolitan Government of Nashville and Davidson County (“Fair Board”) have determined that the construction of the Stadium and related facilities at the Fairgrounds Nashville will improve and enhance the Fairgrounds; and

WHEREAS, Section 11.602 of the Metropolitan Charter provides that no demolition of the Fairgrounds premises shall be allowed to occur without approval by ordinance of the Metropolitan Council receiving twenty-seven affirmative votes; and

WHEREAS, prior to the issuance of debt by the Authority, Substitute Resolution No. RS2017-910 provides that the Metro Council must approve an ordinance with twenty-seven affirmative votes authorizing the demolition of structures at the Fairgrounds Nashville necessary to construct the Stadium and the infrastructure necessary for the Stadium; and

WHEREAS, it is in the best interest of Metropolitan Government that the buildings and structures identified on Exhibit A incorporated herein be demolished and new replacement buildings and structures be constructed at the Fairgrounds Nashville; and

WHEREAS, it is the intention of the Metropolitan Council that the replacement buildings and structures be constructed prior to any demolition that would disrupt the regular operation of the Fairgrounds; and

WHEREAS, prior to the issuance of debt by the Authority, Substitute Resolution No. RS2017-910 further provides that the Metro Council must approve a ticket tax pursuant to Section 7-3-202 or 7-3-204, Tennessee Code Annotated, in the amount of one dollar seventy-five cents (\$1.75) per ticket sold or given away during years one through five of the Operating Team Lease, two dollars twenty-five cents (\$2.25) per ticket sold or given away during years six and seven, ~~and two dollars fifty cents (\$2.50) after~~ per ticket sold or given away during years seven-eight and nine, two dollars seventy-five cents (\$2.75) per ticket sold or given away during years ten through fourteen, and three dollars (\$3.00) per ticket sold or given away from and after year fifteen of the Operating Team Lease, with a portion of the tax after year five of the stadium’s operation to be deposited

into a reserve account maintained by the Metropolitan Government Department of Finance to be used for long-term capital expenditures at the Stadium; and

WHEREAS, Section 7-3-204, Tennessee Code Annotated, authorizes the Metro Council to enact a privilege tax upon the privilege of attending any event at a municipal stadium in an amount not to exceed ten percent (10%) of the consideration charged for spectators attending the event.

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

Section 1. Demolition of the buildings and structures identified on the Attached Exhibit A is hereby approved.

Section 2. That Chapter 5.14 of the Metropolitan Code is hereby amended as follows:

I. By amending Section 5.14.010 to add the following new definition:

“Municipal soccer stadium” means a structure with seats for not less than thirty thousand (30,000) spectators, which is constructed after July 7, 1977, and which is used primarily for professional soccer events and other related activities and is currently financed or was financed by general obligation bonds, revenue bonds or other indebtedness issued by a metropolitan government or any public instrumentality of a metropolitan government.

II. By amending Section 5.14.020 by adding the following new subsection B. and re-lettering the remaining subsections accordingly:

“B. Municipal soccer stadium.

1. In lieu of the provisions of subsection A. of this section, there is levied a privilege tax upon the privilege of attending any event at the municipal soccer stadium. The amount shall be as follows:
 - a. Effective for events scheduled to occur during the first five years of the operation of the municipal soccer stadium, the amount of one dollar seventy-five cents (\$1.75) per ticket;
 - b. Effective for events scheduled to occur during years six and seven of the operation of the municipal soccer stadium, the amount of two dollars twenty-five cents (\$2.25) per ticket;
 - ~~c. Effective for events scheduled after the seventh year of the operation of the municipal soccer stadium, the amount of two dollars fifty cents (\$2.50) per ticket.~~
 - c. Effective for events scheduled to occur during years eight and nine of the operation of the municipal soccer stadium, the amount of two dollars fifty cents (\$2.50) per ticket;
 - d. Effective for events scheduled to occur during years ten through fourteen of the operation of the municipal soccer stadium, the amount of two dollars seventy-five cents (\$2.75) per ticket;
 - e. Effective for events scheduled to occur from and after year fifteen of the operation of the municipal soccer stadium, the amount of three dollars (\$3.00) per ticket;

2. One dollar seventy-five cents (\$1.75) of the ticket tax for the municipal soccer stadium will be dedicated to the payment of debt service on the bonds for the construction of the municipal soccer stadium. From and after the fifth year of the operation of the municipal soccer stadium, the amount of the ticket tax above one dollar seventy-five cents (\$1.75) per ticket shall be deposited into a reserve account maintained by the metropolitan finance department to be used for long-term capital expenditures at the municipal soccer stadium.”

Section 3. This ordinance shall take effect from and after its final passage, the welfare of the Metropolitan Government of Nashville and Davidson County requiring it.

INTRODUCED BY:

Colby Sledge

Member(s) of Council

APPROVED AS TO AVAILABILITY
OF FUNDS:

Talia Lomax-O'dneal
Director of Finance

APPROVED AS TO FORM
AND LEGALITY:

Jon Cooper
Director of Law