

AMENDMENT NO.   A    
TO  
RESOLUTION NO. RS2019-1644

Mr. President –

I move to amend Resolution No. RS2019-1644 as follows:

- I. By adding the following recitals clauses between clauses 10 and 11 of the Resolution:
- WHEREAS, the Nashville Convention Center Authority (CCA) receives tax revenues from a variety of sources, including portions of a hotel/motel tax (authorized under Tenn. Code Ann. §7-4-110), hotel room occupancy fees (Tenn. Code Ann. §7-4-202), a rental car tax (Tenn. Code Ann. §67-4-1908), campus sales taxes (Tenn. Code Ann. §67-6-103), airport departure taxes (Tenn. Code Ann. §7-88-101), and sales taxes collected within a Tourism Development Zone surrounding and extending beyond the convention center (Tenn. Code Ann. §7-88-101), which zone includes the Nashville Yards project designated as the site of the Amazon, Inc. incentive proposal; and
- WHEREAS, the project proposal submitted by Amazon, Inc. will generate significant increased inflow of revenue to the CCA from the increase in employees in the downtown area and the other anticipated businesses which will be part of the Nashville Yards development; and
- WHEREAS, under the terms of this Resolution, the Metropolitan Government may be obligated to pay a cumulative seven-year total of \$17,500,000, assuming creation of 5,000 new jobs for each grant year totaling \$2,500,000 annually; and
- WHEREAS, the Metropolitan Government will be required to pay up to \$15,250,000 from the general fund in order to reimburse the Nashville Yards project for infrastructure items at its project site; and
- WHEREAS, in fiscal year 2017, the CCA received over \$92,365,781 in revenues generated by the tourism-related taxes and fees described above, and \$102,539,865 in fiscal year 2018; and the CCA will receive substantial additional future revenues following completion of this Nashville Yards project, as well as others currently under construction; and
- WHEREAS, as of June 2018, the CCA held \$124,392,777 in cash and cash equivalents of unrestricted funds in unencumbered surplus revenue (inclusive of sales taxes, other revenue streams dedicated to the convention center, and operating profits); and
- WHEREAS, funds generated or received by the CCA may be applied to its operating expenses and/or to general CCA purposes; and
- WHEREAS, the bylaws of the CCA provide that among the “purposes” for which the Authority is organized are to operate within the meaning of and exercise all powers granted to it by state law, including the promotion of tourism *and business opportunities* through accommodating conventions or other means, and to do what is reasonable and necessary to promote and further develop tourism, convention *and employment opportunities*; and
- WHEREAS, the CCA has previously defrayed expenses incurred by the Metropolitan Government by appropriating approximately \$10,441,661 from CCA revenues to the

general fund of the Metropolitan Government. Pursuant to a Memorandum of Understanding signed May 8<sup>th</sup>, 2018 between the CCA and the Metropolitan Government, the CCA appropriated portions of its receipts from hotel/motel tax revenues, hotel room occupancy tax revenues, and campus sales tax revenues; and

WHEREAS, the CCA further committed to appropriating between \$1,500,000 and \$3,000,000 annually between 2018 to 2027 to assist with funding the proposed transit improvement program (which failed at referendum in May 2018); and

WHEREAS, this appropriation of funds as a reimbursement by the CCA of expenses incurred by the Metropolitan Government has been construed as consistent with the operating expenses and/or purposes of the CCA; and

WHEREAS, it is therefore appropriate that the CCA be requested to voluntarily pay for the economic and community development incentive grant, using the same means as the Memorandum of Understanding between the Metropolitan Government and the CCA dated May 8<sup>th</sup>, 2018; and

- II. By revising the economic and community development incentive grant agreement ("Agreement"), as referenced in recital clauses 10 and 11 and in Sections 1, 2, 4, and 5 of the Resolution, by amending Section 2.4 of the Agreement by deleting it in its entirety and substituting therefore the following:

**2.4 Annual Appropriation.** Notwithstanding anything to the contrary herein, the Metropolitan Government's obligation to make any payments hereunder is contingent upon:

(a) the annual appropriation of funds for such purpose by the Metropolitan Council. Without limiting the generality of the foregoing, if the Metropolitan Council does not appropriate funds for payments hereunder during a Grant Year, then the Grant Payment request may be resubmitted in subsequent Grant Years. Furthermore, if the Metropolitan Government fails to comply with any of its obligations set forth in this Agreement, including the failure to appropriate funds as specified in this Section, AMAZON's obligations under this Agreement shall cease; and

(b) the solicitation by the Metropolitan Government of a voluntary appropriation of funds from the Convention Center Authority (CCA), in an amount equivalent to the economic and community development incentive grant addressed herein, using legal revenue sources consistent with the operating expenses and/or purposes of the CCA; and

(c) the receipt of a response from the CCA to the solicitation by Metropolitan Government for a voluntary appropriation; the response to be delivered by the CCA to the Metropolitan Council prior to the adoption of the Budget Ordinance of the Metropolitan Government of Nashville and Davidson County for Fiscal Year 2020.

- III. By adding a new Section 3 to the Resolution as set forth below, re-numbering the remaining sections as necessary:

Section 3. Notwithstanding anything to the contrary herein or within the Agreement, the Metropolitan Government's obligation to make any payments hereunder is contingent upon (a) the solicitation by the

Metropolitan Government of a voluntary appropriation of funds from the Convention Center Authority (CCA) in an amount equivalent to the economic and community development incentive grant approved herein, using legal revenue sources consistent with the operating expenses and/or purposes of the CCA; and (b) the receipt of a response from the CCA to the solicitation by the Metropolitan Government for a voluntary appropriation, to be delivered by the CCA to the Metropolitan Council prior to the adoption of the Budget Ordinance of the Metropolitan Government of Nashville and Davidson County for Fiscal Year 2020.

INTRODUCED BY:

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John Cooper  
Member of Council

AMENDMENT NO. B

TO

RESOLUTION NO. RS2019-1644

Mr. President –

I move to amend Resolution No. RS2019-1644 as follows:

I. By amending Section 2 by deleting it in its entirety and substituting therefore the following:

Section 2. That the amount of the annual incentive grant payments authorized hereby be calculated by multiplying the number of Amazon Jobs (as defined in Exhibit A hereto) for each Grant Year (as defined in Exhibit A hereto) by five hundred dollars (\$500.00), provided that the annual incentive grant payment shall not exceed two million five hundred thousand dollars (\$2,500,000) in any given year, representing a maximum of five thousand Amazon Jobs. Any increase in this yearly payment amount must be approved by a resolution of the Metro Council.

II. By amending the Economic and Community Development Incentive Grant Agreement ("Agreement"), attached as Exhibit A to this Resolution and incorporated therein by reference, by adding the following as the thirteenth recital clause:

WHEREAS, in order to establish explicit limitations upon the obligations of the Metropolitan Government of Nashville and Davidson County under this Agreement, a cap of two million five hundred thousand dollars (\$2,500,000) upon annual incentive grant payments, representing a maximum of five thousand Amazon Jobs, is proper and necessary.

III. By further revising the Economic and Community Development Incentive Grant Agreement ("Agreement"), attached as Exhibit A to this Resolution and incorporated therein by reference, by deleting the definition of "Grant Payment" in Section 1.2 of the Agreement and replacing it with the following:

**"Grant Payment"** shall mean, with respect to each Grant Year, the amount calculated by multiplying the number of AMAZON Jobs as of December 31 by Five Hundred and No/100 Dollars (\$500.00). Notwithstanding any other provision of this definition or this Agreement to the contrary, the annual incentive grant payment shall not exceed two million five hundred thousand dollars (\$2,500,000) in any given year, representing a maximum of five thousand Amazon Jobs.

INTRODUCED BY:

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Angie Henderson

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Dave Rosenberg  
Members of Council