

RESOLUTION NO. RS2019-1687

A resolution approving the addition of a certain hotel property as a Qualified Public Use Facility within the MCC Tourism Development Zone, further approving a Master Plan Supplement and Minority-Owned Business Participation Plan, and authorizing creation of the Supplement and the filing thereof with the State of Tennessee for approval.

WHEREAS, the Metropolitan Government of Nashville and Davidson County has determined that there is a need for an additional, high quality convention hotel with no less than four hundred twenty-five (425) rooms, with related meeting space, retail, amenities and parking (the "Hotel"), in the vicinity of the Music City Center; and

WHEREAS, Swerdling & Associates, LLC, or one or more of its affiliates (the "Developer"), has proposed to develop the Hotel, to be constructed on the site located at 1333 Korean Veterans Boulevard, Nashville, Tennessee; and

WHEREAS, the success of the Hotel will have a significant impact upon the tourism industry and other related industries in Nashville and Davidson County; and

WHEREAS, the Convention Center and Tourism Development Financing Act of 1998, codified at Tenn. Code Ann. §7-88-101 *et seq.* (the "TDZ Act"), was enacted to provide a financing mechanism for the development of convention centers, tourist attractions, and other similar public use facilities that would attract and serve as major tourism destinations, thereby fostering economic benefits to the state, as well as to hosting cities and counties; and

WHEREAS, in 2009, the Metropolitan Government of Nashville and Davidson County submitted its Application for Certification of the Downtown Tourism Development Zone (the "Application") to the Tennessee Department of Finance and Administration; the Application was approved by the Tennessee State Building Commission on November 12, 2009, and the MCC Tourism Development Zone (the "MCC TDZ") was established; and

WHEREAS, it is proposed that the Application be supplemented pursuant to a Supplement to Application for Certification (the "Supplement") to include the Hotel as a "Qualified Public Use Facility" within the meaning of the TDZ Act; and

WHEREAS, the Supplement and the designation of the Hotel as a Qualified Public Use Facility shall be subject to certification by the State of Tennessee Department of Finance and Administration and approval of the Tennessee State Building Commission; and

WHEREAS, the Metropolitan Council of the Metropolitan Government of Nashville and Davidson County finds that it is wise, necessary and advisable to approve the Supplement to the MCC Tourism Development Zone Master Plan (the "Master Plan Supplement"); and

WHEREAS, the TDZ Act contemplates the creation of a plan to ensure participation of statutorily defined minority-owned businesses in the financing, construction, leasing, equipping, renovation and acquisition, as applicable, of the qualified public use facility; and

WHEREAS, in compliance with the TDZ Statute and to further the Developer's history of minority participation, the Metropolitan Council of the Metropolitan Government of Nashville and Davidson County administration finds that it is wise, necessary, and advisable to seek adoption of such a

minority-owned business participation plan in the form proposed herewith (the "Minority-Owned Business Participation Plan"); and

WHEREAS, Tenn. Code Ann. § 67-4-3003 (the "Surcharge Act") authorizes the Metropolitan Government of Nashville and Davidson County to charge a five percent (5%) Tourist Surcharge on the sale of certain goods and services within all or a portion of MCC TDZ (the "Tourist Surcharge"); and

WHEREAS, the Metropolitan Council of the Metropolitan Government of Nashville and Davidson County finds that it is wise, necessary, and advisable to authorize imposing the Tourist Surcharge on the sale of goods and services within the Hotel and related development and to propose that the proceeds of such Tourist Surcharge be allocated to pay debt service on indebtedness incurred pursuant to the Surcharge Act to finance or refinance the Hotel; and

WHEREAS, the Developer and the Metropolitan Government of Nashville and Davidson County will enter into a Community Benefit Agreement (the "Community Benefit Agreement"), in a form and on terms reasonably acceptable to each party, pursuant to which an amount not to exceed .75% of the proceeds of the Tourist Surcharge will be paid by the Hotel owner and allocated to uses beneficial to the citizens of Nashville and Davidson County as further described therein; and

WHEREAS, the Metropolitan Council of the Metropolitan Government of Nashville and Davidson County desires to (i) approve the addition of the Hotel as a Qualified Public Use Facility within the MCC TDZ, (ii) approve a Master Plan Supplement, (iii) approve the Minority-Owned Business Participation Plan; and (iv) authorize the creation of the Supplement and the filing of the Supplement with the State for approval, and (v) otherwise provide with respect to the foregoing.

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

Section 1. That the designation of the Hotel as a Qualified Use Facility within the MCC TDZ is hereby approved.

Section 2. That the Mayor or his duly appointed designee are hereby authorized to prepare the Master Plan Supplement in the form approved by the Mayor or his duly appointed designee and the Master Plan Supplement is hereby approved.

Section 3. That the Mayor or his duly appointed designee are hereby authorized to file with the Tennessee Department of Finance and Administration the Master Plan Supplement, pursuant to TDZ Act, seeking certification and approval of the Hotel as a qualified public use facility within the MCC TDZ.

Section 4. That the Minority-Owned Business Participation Plan is hereby approved.

Section 5. That the Mayor or his duly appointed designee are hereby authorized and directed to take all steps necessary to enact the Tourist Surcharge, including the negotiation, execution, and delivery of the Community Benefit Agreement, subject only to such further authorizations of the Metropolitan Government of Nashville and Davidson County as may be required by applicable law.

Section 6. That all actions heretofore undertaken by the Mayor or his designee and other officials, employees, attorneys, and agents of the Metropolitan Government of Nashville and Davidson County in furtherance of the intent of this resolution, and of the documents authorized by this resolution, are hereby ratified, confirmed and approved.

Section 7. That the Mayor or his designee and other appropriate officials of the Metropolitan Government of Nashville and Davidson County are hereby authorized to enter into such agreements, and they and other appropriate employees of the Metropolitan Government of Nashville and Davidson County are hereby authorized to execute such certificates or other documents and take such other actions as may be necessary or appropriate to carry out the intent of this resolution.

Section 8. This resolution shall take effect from and after its passage, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

INTRODUCED BY:

Freddie O'Connell
Member of Council