EAST BANK STADIUM COMMITTEE QUESTIONS

I. Pre-Stadium Project Agreement Ordinance (BL2023-1741) Filing Q&A

A. AFFORDABLE HOUSING

1. **Are there any efforts to mitigate hypergentrification by being proactive of inclusion of affordable housing so we're not just developing unattainable housing?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

   Yes. The Mayor's Office and Metro Housing Division are committed to creating housing opportunities that are affordable and attainable to Nashvillians at all income levels. This commitment is reflected in the guiding principles outlined in the draft vision document. The Metropolitan Government is further able to mitigate hyper-gentrification in several key ways:

   - First, with no housing currently in existence on the East Bank, development will not displace residents.
   - Second, by retaining ownership of its land, by requiring development partners to include affordable housing, and by specifically dedicating parcels to achieve deep affordability, Metro controls perpetual affordability on the East Bank, thereby offsetting the impacts of gentrification.
   - Third, specific housing goals will address Nashville's housing needs at all income levels. With a phased approach, the city has built-in touch points with the community as development of the East Bank proceeds over the course of many years; this accountability mechanism ensures that affordability and attainability remain priorities. (Proceeding with development of the East Bank without adoption of a development plan -- in effect leaving development to private interests – risks significant diminution of affordable and workforce housing opportunities.)
   - Fourth, Metro will deploy resources in surrounding neighborhoods (and countywide) to preserve and create affordability for homeowners and renters.

   To establish goals for the initial phase of development and to further refine the recommendations in the vision document, Metro's Housing Division is engaging the Affordable Housing Task Force and hosting two (2) housing-focused public meetings. The purpose of these meetings is (a) to collaboratively arrive at affordability targets for the initial phase of development, (b) to identify additional tools that support the feasibility of affordable housing development, and (c) to incorporate resources and strategies that reduce barriers to attaining and retaining housing. The Affordable Housing Task Force convenes on September 7th and 21st, and the two (2) public meetings are scheduled for September 12th and 15th.

2. **Does the Administration intend to commit to any targets for affordable housing on the public land considered in the terms sheet prior to approval?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

   The RFQ for the Master Developer for a portion of the land currently owned by the Sports Authority expressly refers to the Imagine East Bank vision plan, and that vision plan includes principles for housing, as well as infrastructure and other community goals. The quality of the responses will be reviewed against how successfully respondents meet the vision's goals, including those involving housing.

3. How will affordable housing units be built?

a. **What tax incentives will be provided, and how will housing be subsidized by taxpayers? Will there be incentives to owners and/or builders to cover costs?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

See previous responses that address how affordable housing units will be built on Metro owned land.

Metro expects that Master Developers will outline the incentives and tools needed to meet the vision's goals, including but not limited to the current tools at Metro's disposal.

B. COMMUNITY BENEFITS AGREEMENT (CBA)

1. Will the team and all of its contractors and anyone paid for services in building the stadium receive a minimum wage of at least $15/hour for full-time work?

a. **Will that pay be auditable for gender and race equity, which can be reported anonymously by race, gender, and position rather than by specific personnel?**
b. **How many positions will the team and all of its contractors and anyone paid for services in building the stadium will be hired by local Nashvillians?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

Through the Titans Economic Inclusion Plan, included in the team's ONE Community plan, the Team has committed to at least an $18/hour minimum wage for its full-time employees. The plan also facilitates an MBE/SBE/DBE and workforce development program maximizing minority inclusion and opportunities in stadium construction and beyond. The Team will be able to provide more details when the construction process is established.

C. DEVELOPMENT, INFRASTRUCTURE (STADIUM, NORTH & SOUTH VILLAGE, CAMPUS, SURROUNDING AREAS)

1. **[In relation to RS2022-1828, solicitation for development of portions of the Nissan stadium campus] Has a Transit Oriented Development District been considered to assist with infrastructure and affordable housing along the revamped 5th Street corridor? If not, how are we going to effectuate / pay for infrastructure and affordable housing?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

Our goal is to have developers fund infrastructure on the campus. In order to do this, we expect that we will need to (1) make available an incremental property tax incentive, (2) defer a portion of ground rents, and/or (3) make available a portion of the 50% area sales tax revenues – to the extent the infrastructure is stadium-related, as required by state statute.

2. **The existing stadium and proposed new stadium are in a flood zone, who has jurisdiction? The city or corps? If the corps does and approves the stadium flood mitigation plan, how could that affect Percy Priest and Old Hickory lakes in terms of having to hold back water to keep the stadium from flooding? If there is to be residential property next to the stadium as part of the project – can it be approved in a flood zone? Will downtown be subject to increased flood risk?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The playing field and some lower levels of the existing stadium are located in the base flood elevation. The proposed stadium is not located in flood plain. In terms of jurisdiction, Metro Water Services is responsible for ensuring that all developments within Metro are compliant with our Stormwater Regulations and the minimum requirements of the National Flood Insurance Program (NFIP). The US Army Corps of Engineers (USACE) has no jurisdiction over the review or approval of development projects.

The East Bank is downstream from Old Hickory and Percy Priest dams. Old Hickory Dam is a “river run project” and does not provide storage for flood control. J Percy Priest is a small project and does not have a significant impact on flooding on the Cumberland River.

All properties in Davidson County have to be built to flood resiliency standards. Minimum floor elevations are required and all fill placed in the floodplain must be offset with an equal volume of cut, so you are not burdening other properties. *Imagine East Bank's* stormwater and flood resiliency strategies are imperative for this area. The riparian framework, district stormwater system, and laying back the bank proposed in the plan would serve to reduce flooding pressure. During the planning process, Metro Planning and Metro Water along with consultants, Sherwood Design Engineers, worked with the US Army Corps of Engineers (USACE) Nashville District to undertake a hydraulic analysis of the East Bank to evaluate the impact of development, specifically the construction of a new East Bank Boulevard. The results show basically no change to flood profiles with the addition of the Boulevard.

Downtown is on the high side of the river and will not be subject to increased flood risk if all developments are designed and built according to the proper standards.

3. **A large portion of the East Bank is currently occupied by PCS Metals, is there currently any agreement or plan to relocate in order to develop? Will there have to be any environmental remediation to the land and who’s responsible?** *Answer provided by the Mayor’s Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

To date, there is no agreement in place with PCS Metals regarding relocation. Because these parcels are privately owned property, the extent of environmental remediation that would be required prior to development is not known by the Metropolitan Government. Per state and federal regulation, the responsibility for any required remediation is typically borne by the property owner(s).

4. **Can we have a more granular view of the improvements to connection at Cowan Street as well as the new connection to West Trinity Lane and Brick Church Pike? I want to specifically see the impact, if any, to Vashti Street and Baptist World Center Drive.** *Answer provided by the Mayor’s Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

As shown in the *Imagine East Bank* vision document, the northern terminus of the boulevard extends through a new connection at Cleveland to Dickerson Road, a planned high-capacity transit corridor. The East Bank study team (including members of the Metro Planning Department, Nashville Department of Transportation, consultants, and others) also did preliminary investigation of the Northern extension at Vashti, but these connections are more conceptual and will require additional study and public engagement. Should the need to improve the Vashti extension or revisit its purpose and function in the future emerge, these departments would work with area Councilmembers to discuss options. At this point, the study team is focusing on the boulevard which is much further along in terms of planning and technical analysis.

5. **Is it anticipated that any of the new traffic flowing the East Bank and RiverNorth will flow up Cowan to Vashti and Baptist World Center Drive?** *Answer provided by the Mayor’s Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The East Bank study team is focused on the Cleveland extension to Dickerson Pike, which serves as the northern terminus of the boulevard. The boulevard is intended to carry the most weight for mobility. Any other connections that already exist today, such as the Vashti/Baptist World Center connection, could support broader mobility objectives but will not be as vital a connection as the new Cleveland Street extension. For example, the proposed greenway could eventually extend along the river near Vashti. During technical analysis for the Vision Plan, the study team assigned only approximately 5% of daily trips to the Vashti connection. In other words, it is intended to serve as a local connection between RiverNorth and the Haynes Trinity area. One day in the future, additional work could be completed to re-envision the mobility to and through the Haynes Trinity neighborhood with the redevelopment of the Combs Gub SP, the Riverside SP, and other redevelopments – but this work would be conducted in concert with the neighborhoods in the area.

6. **Has there been any collaboration with American Baptist College to see how development (in partnership with the college) on its campus can help improve connectivity as well as bring amenities to the Haynes Trinity area?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

Yes. A representative of American Baptist College (ABC) attended an in-person public engagement session in September regarding the *Imagine East Bank* vision document. During that meeting, the ABC representative indicated that they are in a planning process with a development partner to best understand their options. The ABC property is located within the Haynes Trinity Small Area Plan. The Metro Planning Long Range Planning Group will be the coordination group with the ABC Team for Metro Government.

7. **Does the administration have a plan (5-year, 10-year, etc) for development of the East Bank. i.e., action steps to remove TA, relocate TPAC, find developers to build xyz units with anticipated locations and delivery dates. I'm trying to get at a specific plan for tax revenue generation timeline so it's not just in the abstract.** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

Metro cannot directly control or predict the timing of East Bank development other than on the Metro-owned land surrounding the Titans campus. The Council-approved RFQ/RFQ will identify a master developer for a portion of the Titans campus. If that process is successful, Metro anticipates development of that portion of the campus to begin in 2024 and span several years. Metro intends to employ a similar process to identify one or more developers for the balance of the Titans campus. The timing of this subsequent development will depend upon prevailing economic conditions, the pace at which the first portion of the campus is being developed, and the demolition of the existing stadium, which is anticipated to occur in 2027.

8. **Can the public land around the stadium be redeveloped today? A. Who has the authority to redevelop the land? B. Are there specific provisions per parcel/acreage indicating constraints or who has the redevelopment authority?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The existing stadium lease prohibits the development of the public land surrounding Nissan Stadium without the Team's consent.

D. FUNDING AND COSTS, REVENUES, INVESTMENTS, ECONOMIC IMPACTS

1. **What is the cost of any new infrastructure necessary to build and operate an enclosed stadium in the East Parking Area of the current Nissan Stadium campus? Is there a clear delineation between what infrastructure is absolutely necessary for the stadium, and what is associated with the East Bank vision that affects Rosebank, Lockeland Springs, Cleveland Park neighborhoods, the Oracle Campus, Cayce, Napier, and the neighborhoods along Murfreesboro Pike from Napier to Cane Ridge?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

- According to current estimates, the infrastructure costs required to open the new stadium and demolish the existing stadium would amount to less than 10% of the total stadium project budget. All of these costs would be included within the stadium project budget which will be funded through contribution from the State, the Team, and Sports Authority revenue bonds.
- The stadium development plan currently under discussion would require Metro to fund the costs of structured parking (replacing expansive surface parking lots and preserving green space). The exact financing mechanism for financing these costs has not yet been determined, but debt service

payments are expected to be made primarily from excess stadium-related revenues (i.e., the 50% campus sales tax diversion described below).

- The remaining infrastructure costs needed to complete the Central Waterfront in a manner consistent with the East Bank vision are still being evaluated.
- The East Bank Vision Study assessed 330 acres along the east bank of the Cumberland River, extending from Jefferson Street to I-24. This visioning document – as of this posting – remains in draft form. Nevertheless, the Study sets forth an aspirational vision for which the process of pricing the infrastructure necessary for implementation – anticipated to be built out over the course of a decade -- has just begun.
- The East Bank study area does not extend along Murfreesboro Pike to Cane Ridge, nor does it include the Oracle campus contained within River North. Accordingly, these areas have not been included in cost estimates.

2. **The cost of a new stadium has been reported as $1.9 – 2.2 billion. Do we know if that covers maintenance and if so, how long (how many years of maintenance does that cover)?** *Answer provided by Council Office Director and Special Counsel.*

BL2022-1268, the FY23 Capital Improvement Budget, adopted by the Council on June 14, 2022, includes project #19SP0005 indicating funding up to $2.2 billion for either the cost of constructing a new stadium or renovation of the new stadium. Maintenance costs are typically not considered capital expenses, rather they are considered operating expenses. It is unclear at this time how operating expenses will be explicitly addressed for a new stadium and more information should be forthcoming when the Mayor's Office and the team announce their proposed stadium financing plan.

3. **What has Metro invested in Nissan Stadium over the last 26 years compared to what the Titans organization and stadium visitors/patrons via their ticket taxes have invested? Is a comparison available? Can you confirm if taxpayers have invested $25 million?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

	Metro	Team
1996 GO Bond Debt Service(1)	$ 137,760,553	
Water & Sewer PILOT Payments	$ 100,000,000	
General Fund Contributions	$ 19,330,766	
Remaining Outstanding Bonds(2)	$ 24,622,500	$ 24,622,500
PSL Sale Proceeds Contributed to Stadium Construction		$ 71,000,000
Ticket Tax Revenues		$ 31,940,605
Capital Expenses Claimed for Reimbursement by Team		$ 30,440,766
	$ 281,713,819	$ 158,003,871

(1) 1996 Bonds were issued to acquire land that comprises Titans campus; reflects debt service paid through 2022; does not factor savings from refundings

(2) Divided evenly between Metro and Team based on approximate equality of water and sewer PILOT and ticket tax collections

4. **Is there an explanation of the state legislation that the Titans have secured related to funding the stadium and how each works: a. How can revenue be used? b. What do we anticipate those revenue streams to look like? c. When would revenue streams begin?**

Answer provided by Council Office Director and Special Counsel:

T.C.A § 67-4-1401, et seq, was recently amended to allow for an addition 1% to be added to the hotel occupancy tax assessment (HOT).

The proceeds from the new 1% HOT are to be used exclusively for payment of debt service for the construction of an enclosed stadium and for future capital improvements to the enclosed stadium.

The additional 1% HOT must first be approved by ordinance of the Metro Council. Collections of the tax would begin thereafter and retained for the use described above. Since the proceeds are exclusively designated for the construction of the enclosed stadium, it would not be appropriate to enact the additional tax until approvals of the debt for construction are underway.

T.C.A. § 67-6-103(d) related to the distribution of state sales tax was amended in 2021 to allow for the creation of a 130-acre area contiguous to the stadium facility wherein state sales taxes will be collected and utilized to fund capital projects at the sports facility. The funds can also be used to fund capital projects "associated with the sports facility" or at "any onsite or offsite infrastructure necessary for the operation of the sports facility." The 130-acre area must be approved by ordinance or resolution of the Metro Council and approved by the state commissioner of finance and administration.

Collection and distribution of the state sales tax must continue for at least 30 years from the date of debt issuance or 35 years from July 1, 2021, whichever is shorter. The sports authority will be obligated to file reports detailing the fiscal performance of the 130-acre area to the state finance, ways and means committees of the general assembly and file with the state department of finance and administration.

Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority:

- Pursuant to Tenn. Code Ann. Section 67-4-1415 (enacted in 2021), the General Assembly authorized the Metropolitan Council to levy an additional 1% hotel occupancy tax. The proceeds of the tax levy must be applied solely toward construction costs related to an enclosed stadium with at least 50,000 seats, or related debt service. For the fiscal year ended June 30, 2022, a 1% hotel occupancy tax generated approximately $18.6 million.
- Pursuant to Tenn. Code Ann. Section 67-6-103(d)(1)(A)(ii)(a) (first enacted in connection with the construction of the existing stadium), the General Assembly has diverted 100% of state and local option sales tax revenues from the sale of admissions to all existing stadium events, sales of food, drinks, and merchandise sold on stadium premises, all parking charges, all related services, and all sales by the Titans within Davidson County of authorized merchandise, to fund the capital costs of the existing stadium and related debt service.
- This sales tax diversion would continue at the existing stadium, if renovated, or the new stadium, if constructed. The Sports Authority's 2023 projections estimate state sales tax revenues related to the existing stadium to be $5.34 million and local tax revenues to be $3.3 million. Note that (a) the state sales tax diversion is only on 5.5% of the 7% state sales tax, and (b) the state revenues currently reflect a statutorily-required hold-back of approximately $3.2 million through 2029, which is used by the state to repay debt service on the bonds it issued to fund a share of the costs of constructing the existing stadium.
- The Team projects that the state and local sales tax diversion would increase significantly (approximately 70%) if an enclosed stadium is constructed, due primarily to the increased number of events that could be held at an enclosed stadium. Metro will pursue independent verification of the reasonableness of any stadium sales tax projections.
- Pursuant to Tenn. Code Ann. Section 67-6-103(d)(1)(A)(ii)(b) (enacted in 2021), the General Assembly has authorized the diversion of 50% of state and local option sales tax revenues from sales made within an area of up to 130-acres contiguous with the existing or newly constructed stadium, to fund the capital costs of the existing/new stadium and related debt service. The diversion would not occur until (a) the

Metropolitan Council designates the boundaries of the sales tax diversion area, and (b) the state commissioner of finance and administration approves the designated boundaries. Note that, as with the stadium sales tax, the state sales tax diversion is only on 5.5% of the 7% state sales tax.

- There is no sales tax collection history for the vast majority of properties within any sales tax diversion boundaries because they have yet to be developed. Assuming the full development of the Central Waterfront and some immediately surrounding properties, Metro's consultants have estimated that the 50% sales tax diversion could range from $15-$30 million annually.

5. **Is the $500,000,000 from the state and the increase in the hotel/motel tax contingent upon the stadium being enclosed?** *Answer provided by Council Office Director and Special Counsel.*
   Yes

6. **If the state money and hotel/motel tax money are not available for the stadium project, what sources of revenue are left to fund Metro's obligation for stadium improvements?**

   Answer provided by Council Office Director and Special Counsel:

   Assuming the question is referring to existing obligations for stadium capital improvements, Metro would have the full range of options to pay stadium improvement obligations – i.e. bond debt, operating budget appropriations, fund balance appropriations.

   Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority:
   - The 100% in-stadium sales tax diversion described above;
   - The 50% 130-acre sales tax diversion described above (but note that the potential revenues would be significantly diminished due to Metro's inability to facilitate the development of the Central Waterfront)
   - Revenues from ticket taxes currently levied at the existing stadium;
   - $4 million annual water and sewer PILOT payment; and
   - $1 million annual general fund contribution (required under current lease).

7. **What is the bonding capacity for the revenues in the question above (Metro's revenue sources to fund obligated stadium improvements)? i.e. How much would be generated for a project construction fund? If these revenues are not sufficient to restore the stadium to first-class condition, is it fair to assume that general obligation bonds would be required?** *Answer provided by Council Office Director and Special Counsel*

   There is not sufficient information currently to answer the question. Metro would need to engage its financial advisor.

8. **If a new stadium deal is not approved, would Metro have to issue general obligations or make a payment from the Undesignated Fund Balance to cover the $30,000,000 it owes the Titans for prior improvements made under the lease?** *Answer provided by Council Office Director and Special Counsel*

   Metro would have to pay some amount, $30 million isn't necessarily the exact number. Metro would have the full range of options to pay this bill like any other – i.e. revenue bond debt, general obligation bond debt, operating budget appropriations, fund balance appropriations.

9. **Are general obligation bonds backed by the full faith and credit of the Metro Government, meaning backed by property tax dollars?** *Answer provided by Council Office Director and Special Counsel*

Yes

10. **Would issuing general obligation bonds for a stadium project reduce the amount of funding available for other capital projects such as schools, roads, fire stations, parks, etc.?** *Answer provided by Council Office Director and Special Counsel*

    No, general obligation bond funding availability would only be affected if Metro were at its maximum borrowing capacity which it is not. When Metro issues its general obligation bonds it covenants that it will levy property taxes sufficient to pay debt service obligations.

11. **Revenue bonds are backed by Metro. If adequate revenues do not come in, Metro covers the gap with general funds. How much do we typically spend covering these gaps? What revenue bonds are underperforming and require us to make up?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    - Revenue bonds (for example, those issued by the Sports Authority or the Convention Center Authority) are not required to be backed by Metro. Metro has typically backed the revenue bonds of these authorities, but there is at least one example of revenue bonds not backed by Metro. Approximately $200 million of the almost $625 million of convention center bonds were issued on a "revenue-only" basis. Metro has no obligation to back-stop these bonds, and bondholders are entitled to look only to the tourist-related revenues pledged to the repayment of the bonds.

    Where Metro does back-stop the revenue bonds of the Sports Authority or the Convention Center Authority, Metro has pledged to use non-tax revenues (general fund revenues derived from sources other than tax levies) to pay any debt service shortfall. The Sports Authority's ballpark bonds are the only Metro-supported bond issue that has ever experienced a debt service shortfall that required Metro to deploy its non-tax revenues. The highest annual shortfall payment on those bonds was $1,549,000, and the shortfall payment for the 2021-2022 fiscal year was approximately $500,000.

    The current plan is to fund Metro's contribution to the construction of a new stadium with Sports Authority revenue bonds. We expect most, if not all, of those revenue bonds to be issued on a revenue-only basis (i.e., payable solely from the hotel taxes and sales taxes described above).

12. **Is the map of parcels that are included in the sales tax capture area for NFL stadium financing already determined? If so, can that map be shared for discussion? If not, when will that parcel map be set and through what process?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    The map has not been determined. As described above, the map is subject to approval by the Metropolitan Council. It is expected that the map presented to Council for approval will include all developable acreage within the Central Waterfront and could be expanded to encompass other properties likely to be developed.

13. **Can you clarify and confirm that the given Stadium Project Scope does include what's listed in Exhibit 1 and that, specifically, the on-site parking (player parking etc) is included in this scope to be included on the Stadium Site and in the budget and that no other capital requirement, outside of the 2000 capacity parking, will be expected or demanded as part of the Stadium Project? Can you also confirm that player parking etc. should not be needed in the "Stadium Village"?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The current lease makes available 1,250 parking spaces for the exclusive use of the Team at all times. As indicated in the term sheet, the parties are continuing to negotiate the amount of parking that will be provided to the Team within the Stadium Village. One option available that would satisfy the Team's parking requirements, at no cost to Metro, would be to leave the North Village as surface parking. As the term sheet described, Metro will have the right to develop the campus, including the North Village. Should Metro elect to develop the North Village, and displace a portion of Team parking, Metro could be required to incur some additional expense in replacing that parking as part of the Metro development or in some other portion of the campus. If this were to be the case, the excess 50% area sales tax revenues would be used to pay Metro back.

14. **For the 2000 parking spaces requirement, since the debt will be the Authority's liability, that obligation should be satisfied, along with any monies needed for repairs and maintenance, before revenue is diverted away from the Authority. Once those debt, maintenance and repair obligations and requirements are satisfied on an annual basis, parking revenue from StadiumCO revenue to be split 50/50 between StadiumCo and the Metropolitan Government. StadiumCo to receive Club event parking revenue in its entirety. Parking revenues related to TSU events pursuant to the TSU Lease. At all other times, the Metropolitan Government shall be entitled to use such parking spaces and retain all revenues related thereto. Can you confirm**? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    The Team will have the exclusive right to the use and revenues of the 2,000 parking spaces during Stadium events. Metro/Authority will have the exclusive right to the use and revenues of the 2,000 parking spaces at all other times. This is an improvement over the current lease in which Metro makes available 6,250 parking spaces to the Team for their exclusive right to use and retain all revenues from event days. The 50% area sales tax revenues will be made available to the Authority to provide for the payment of the costs of constructing these parking facilities, including related debt service. The parties have not yet come to an agreement on the allocation of parking operating expenses between them. TSU parking revenues will be handled in the manner set forth in the TSU lease.

15. **Can you specify if any other parking or loading requirements exist that would encroach into the Stadium Village outside the scope of the Stadium Project not included in the Project Budgeted Costs? Any debt requirement or cost to metro for these needs should be paid for with revenue in the above stated manner.** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    See above related to parking. A portion of the North Village will be needed to accommodate loading and staging. We believe that this is all at surface and will not be an item of expense for Metro.

16. **[Stadium Financing] Can you codify that it's 100% of the in-stadium state and local sales tax, and what that term is? Can you address where these funds would or could go when the bond obligation is satisfied**? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    Yes, it's 100%, and those funds are required by state law to be allocated for Stadium capital expenses (including debt service) as long as an NFL franchise occupies the facility. Once bonds are paid, future revenues would be applied to capital improvements at the Stadium per state law.

17. **[Stadium Financing] Can you codify that it's 50% of the campus state and local sales tax and articulate the end date of 2056? Can you address where these funds would or could go if the bond obligation is satisfied before 2056?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

Yes, it's 50%, and the term is the earlier of the final maturity of the initial construction Bonds or 2056. We expect the Bonds to mature over 30 years from the opening of the new stadium, so the expiration date should be 2056. Those funds are required by state law to be allocated for capital expenses (including debt service) for the Stadium itself or for on- or off-site infrastructure that is necessary to the Stadium. A good example of that type of infrastructure is parking. The term sheet describes that this revenue stream will be allocated to the costs of any eligible infrastructure (like parking) prior to funding capital expenses at the Stadium. Once the Stadium bonds are paid, future revenues would be applied through 2056 either to capital improvements at the Stadium or to the payment of eligible infrastructure costs – until 2056, at which time there would be no more diversion of the Area Sales Tax revenues.

18. **Can you articulate that the PILOT for water and sewer is intended to be used, if at all, for only a few years until revenues ramp up? Can you articulate that those funds could be redesignated legislatively**? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    The term sheet describes that the PILOT will in no event extend beyond the final maturity date of the existing stadium bonds (2033). Subject to market conditions, we hope to be able to shorten that period by several years. Once the PILOT is no longer pledged to Stadium bonds, Council may either terminate it or allocate it to another purpose such as to the general fund, affordable housing or transit.

19. **Could you codify that the Metro Water PILOT in the amount of $4M has a hard end date that coincides with the current end of the current bonds?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    See (6) above.

20. **The Term Sheet articulates that "StadiumCo will be responsible for all costs associated with the stadium project including, without limitation, operating, utilities, insurance, maintenance costs, capital repairs, and capital improvements." Understanding that, can you specify when and under what terms or conditions the "Maintenance and Repairs Fund" and/or the "Capital Repairs Reserve Fund" be utilized? Can you provide projected balances requirements of these two funds?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    - The Capital Repairs Fund will be funded with the 100% in-stadium sales tax revenues, 50% area sales tax revenues and 1% hotel tax revenues, after debt service has been paid on the Sports Authority bonds and – in the case of area sales tax revenues, after debt service on any stadium-related infrastructure has been paid. The Capital Repairs Reserve Fund can only be used to fund capital repairs and improvements to the Stadium.
    - The Maintenance and Repairs Fund will be funded with the ticket tax revenues and Team rent, after debt service has been paid on the Sports Authority bonds. The Maintenance and Repairs Fund can be used at any time to fund capital repairs and improvements to the Stadium. The Maintenance and Repairs Fund may also be used by the Team to fund costs of Stadium maintenance that are operating in nature, as opposed to capital; but only if the Capital Repairs Fund is fully funded.

21. **Can you give at least a ballpark estimate of all other infrastructure needs and costs for the purposes of understanding the entire scope of this project holistically and how those needs will be funded**? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    The Stadium Project does not require that we develop the Campus. However, should Metro pursue the development of the campus surrounding the Stadium, the costs of roads, utilities, and parks and greenspace to be constructed and installed must be included. We expect for the Campus to develop over the course of the next decade. The first portion will be the new stadium and surrounding Village parcels. All of the infrastructure necessary for the stadium to open and for the Village to be developed is included in the Stadium Project Budget. The second portion of the Campus to be developed will be the non-Village parcels included in RS2022-1828. Metro estimates that the infrastructure necessary for this second portion of development to be $150M. We have included in this total cost the expected amount required to fund the 2,000 parking spots committed to in the term sheet, even though we expect that the majority of this parking obligation to be incurred along with the final phase of development. Given that the final phase of development will not be able to occur until 2027 at the earliest, we are still doing our homework as to how much the remaining infrastructure will cost. Once Metro completes the procurement process for a Master Developer for the Village and first portion of the Campus Development, we expect to have a more refined estimate for the first portion of Campus development infrastructure. Regardless of phase, our goal is to have developers of the campus fund infrastructure on the campus. In order to do this, we expect that we will need to (1) make available an incremental property tax incentive, (2) defer a portion of ground rents, and/or (3) make available a portion of the 50% area sales tax revenues – to the extent the infrastructure is stadium-related, as required by state statute.

22. **What assurances can we have on costs and budget? What assurances could we get from the contractor, as well as a financial report from the Titans to show they can at least cover a 5% cost overrun? In today's environment, material costs are very volatile. That along with long term supply chain concerns impact budget negatively. On the flip side, what happens if we come in below budget? Where does that money go – who benefits**? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    The Sports Authority will not issue its bonds until it has received at least a preliminary guaranteed maximum price (GMP) contract. This will provide a significant degree of certainty regarding total stadium project costs. Metro's sports and legal advisors will be tasked with undertaking the diligence necessary to confirm that the Team has the financial wherewithal to fund (1) all GMP cost not otherwise covered by the Authority Bonds or the State, and (2) a reasonable amount of cost overruns (at least 5%). In return for accepting the risk of any construction cost overruns, the Team's contribution would be reduced in the unlikely event the project came in under budget.

23. **Can you provide a detailed explanation of costs to renovate and how that would be paid for, and what revenue streams are available? If we renovate, could a new lease be negotiated or are we stuck with the current one until the end of its term?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    The only revenue streams that are available to fund Metro's obligation under the current lease, including debt service on bonds, would be the 100% in-stadium sales taxes, the 50% area sales taxes, the water/sewer PILOT and ticket tax revenues. The land surrounding Nissan Stadium is encumbered under the current lease, and therefore the development of the surrounding acreage is not guaranteed as the team would need to approve an amendment to the current lease in order for the city to do. If the Team did not approve such an amendment (as it would impact their parking), the area sales tax capture would continue to be de minimis. Significantly, the hotel tax revenues would not be available to pay debt service. Metro could seek to amend the current lease, but the Team would have to agree to any amendment. The proposed transaction is, effectively, the renegotiation of the current lease. In any event, a renegotiation of the existing lease (and renovation of the existing facility) would not benefit from the $500 million state contribution or access to the 1% hotel tax to help fund debt service on the Authority's bonds.

24. **Should we choose to renovate, to what extend will the Titans/NFL participate in the renovation construction costs? Currently, they have pledged at least $840,000,000 as well as covering any cost overruns. Additionally, should we choose to renovate what is the extent to which the campus could be developed?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The current lease does not require the Team to participate in the renovation construction costs. The current lease does not permit Metro to develop the campus. Metro could seek to renegotiate the existing lease, but the Team would need to consent to any change in terms. The proposed transaction is, effectively, the renegotiation of the current lease. In any event, a renegotiation of the existing lease (and renovation of the existing facility) would not benefit from the $500 million state contribution or access to the 1% hotel tax to help fund debt service on the Authority's bonds.

25. **Could we make sure that the renovation estimate from VSG only includes line items that coincide with the current lease requirements? There is language around comparable stadiums in the current lease and the structures must have been built within 10 years prior or up to 10 years after Nissan Stadium was built. Additionally, it states that the amenities have to be in the majority of other comparable stadiums. For example, a retractable roof or roof of any kind would not be appropriate to add to this renovation cost according to the lease.** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    VSG was asked to report only as to the costs required by the current lease.

26. **[Current Stadium] Is there a 3-year breakdown of the annual expenditures by Metro to fund the current Stadium? This would include things like the annual payment to the Capital Project Expenses, the $4,000,000 Water Service Pilot, Metro funded improvements, etc. I would like a clear picture of the amount of General Fund money Metro spends on the current stadium.** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    Each year, Metro funds (1) $1,000,000 from the general fund to pay capital expenses at the Stadium, and (2) $4,000,000 from the water/sewer PILOT to pay debt service on bonds issued to construct/improve the Stadium. Metro is obligated to fund all capital expenses at the Stadium. In the past several years, Metro has not done so. In the absence of Metro funding, the Team has funded approximately $32 million of capital expenses. Metro is contractually obligated to reimburse the Team for these expenditures. As part of the proposed transaction, the Team would waive its right to this reimbursement.

27. **One slide [from Mayor's Office term sheet presentation] showed that revenues could not just come from the potential new stadium, but also the current stadium. What revenues from the current Nissan Stadium would potentially be taken for the new potential stadium project, and what does that do to our current operating budget or debt payments towards current obligations?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    The Metropolitan Government is authorized to use in-stadium sales taxes collected with respect to the current stadium and the new stadium to pay debt service. Beginning in 1998, State law has directed in-stadium sales taxes to Metro in order to offset stadium debt and capital costs. This allocation would continue with respect to the old stadium, while operational, and the new stadium, once opened. The funds would be applied as previously -- to fund debt service and capital costs related to the NFL stadium.

28. **The claim is that the Titans will be the largest investor into the new stadium at $840M, however, they also cite funding from the NFL and PSL sales, so how much funding is coming from the team/ownership? Can they break down the amount of each source i.e. How much is the NFL putting in, how much are they expecting to get from PSL sales?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    Under the proposal, the Titans are responsible for delivery of all funding beyond the Metro and State contributions. The team will utilize football-related sources, including (1) an application for G4 funding through the NFL, which can allot up to $200,000,000 million dollars toward stadium projects, and (2) PSL sales in a new stadium toward its estimated $840 million contribution. The Titans organization does not currently have PSL sales estimates or goals because of yet-to-be-determined seating inventory. Nevertheless, regardless of eventual sales results, the Titans must cover its contribution.

29. **The $760M in bonds that Metro will take out will be paid back in part by taxes generated by a redeveloped East Bank. Development of the EB will take time, possibly years, so how will the bonds be paid while the EB develops?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    The revenue bonds will be paid almost exclusively from hotel occupancy taxes, in-stadium sales taxes, ticket taxes and team rent. Campus area sales taxes may also be pledged to repay bonds.

30. **Are there discussions about the terms of the bonds that would allow Metro to have access to any excess revenue collected by the stadium campus? Or will this be a repeat of the Music City Center situation?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    Metro will be able to benefit from surplus revenues in three ways. First, campus area sales taxes will be available to help fund campus infrastructure related to the stadium. (For example, this infrastructure could include parking that will used by the Team on event days and by Metro on all other days.) Second, the transaction will be structured to allow Metro to accelerate the repayment of the Sports Authority's stadium bonds. Third, once the Authority Bonds are retired and a fund for capital expenses has been satisfactorily funded, Metro will have the option to rescind the hotel tax.

31. **How much per year will be saved if a new stadium is built? What impacts will this have on the budget and the water department?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    In response to similar questions, the Metro Finance Department is currently analyzing costs and will compare and contrast Metro's obligations under the existing lease and under the term sheet for the enclosed stadium.

    Under the new arrangement, the Water Department PILOT would not extend beyond the life of the outstanding bonds for the existing stadium (2033).

32. **Will Metro still be on the hook for any of the current debt and/or repairs for the current stadium during the construction period for a new stadium?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    Under the terms of the current lease, Metro owes approximately $32 million in outstanding construction and maintenance obligations costs for the upkeep of Nissan Stadium. As part of the new proposed stadium agreement, the Team would agree to waive Metro's $32 million obligation. Additionally, as part of the overall project budget, the Team has agreed to pay off the remaining $30 million in bonds owed on Nissan Stadium.

    Metro and the Team are currently working on a plan to limit additional capital expenditures in the existing Nissan Stadium until the opening of the new stadium, at which time the existing stadium's operative documents would expire. The overall finance plan will provide funding for any budgeted costs during the remaining life of Nissan Stadium.

33. **The mayor's press release stated that some of the taxes collected will go to MNPS, is that allowed under the terms of the State law? What mechanism/justification allows MNPS to receive these taxes?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

Under state law, 50% of the local option sales taxes in any campus-area sales tax zone designated by Metro Council will be applied to the costs of constructing the new stadium and funding campus infrastructure that is related to the stadium (*e.g*. parking), and the remaining 50% will be paid to Metro -- 2/3 of which would be allocated to MNPS. (Under Tennessee law, Metro is required to allocate to MNPS at least 50% of each dollar of local option sales tax revenue. Metro has historically allocated 2/3 of each dollar of local option sales tax revenues to MNPS. However, state law diverts 100% of in-stadium local option sales taxes to the costs of constructing and maintaining the stadium. Hotel taxes have never been allocated to MNPS, and the newly enabled 1% hotel tax may only be applied to the costs of constructing an enclosed stadium.)

34. **Is the Convention and Visitors Corps putting any money towards funding the stadium since this is being billed as supporting tourism?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    Yes. The Nashville Convention & Visitors Corp (NCVC) has expressed strong support for the stadium proposal currently before the Council, and the NCVC has offered to utilize portions of its Metro reserve to fund initial infrastructure work. NCVC President and CEO Butch Spyridon relayed theses updates before the East Bank Stadium Committee on November 16, 2022.

    The hotel occupancy tax that funds the NCVC's contract with the city is allocated for tourism sales and promotion efforts. A conservative approach to budget recovery, coupled with a robust recovery in FY22, left an unusually considerable amount of approximately $30 million in the NCVC's Metro reserve. The NCVC has offered for Metro to utilize the majority of this surplus for two (2) proposed projects: the Titans Stadium and the Fairgrounds Speedway. The NCVC has worked with Metro to appropriate $17 million from this reserve for the Speedway project (and Metro has agreed in principle for the NCVC to have up to 20 dates annually to book economic impact projects at the Fairgrounds). The NCVC has further proposed an allocation of $10 million for initial infrastructure work for the proposed Nissan Stadium. It is recommended that the reserve not be spent down completely, thereby maintaining preparedness for potential market disruptions (*e.g.,* pandemic, flood, tornado, *etc*.)

    If approved by Council, the NCVC has indicated its intent to further support a new stadium by recruiting new events previously unavailable to Nashville without a domed stadium.

    As a whole, the hospitality industry has been a strong proponent of the 1% hotel tax legislation based upon the merits of the project and its potential to bring significant economic value to the community. Linked here is a letter of support submitted to *The Tennessean*. The hotel tax would be paid directly by local hoteliers and their customers.

35. **How much does the Music City Center/CVC currently have in surplus funds/revenue?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    See response to Question no. 8, above.

36. **Titans' reps promote the stadium, once completed, will be LEED Gold, are they seeking Federal or State rebates? Why not go for Platinum Certification?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    The Titans have expressed their commitment to creating a sustainable building with the objective of constructing to a LEED Gold standard – the same standard applicable to other city-owned buildings within the Urban Services District. (See, Metropolitan Code, sec. 16.60.050). Available federal and state funding will be considered in order to address budget considerations and what makes the most sense for this particular building.

37. **Can we get a summary of the annual and long-term general fund obligations under the current lease, and the proposed renovation and or new stadium?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    A discussion of the Metropolitan Government's financial obligations under the current lease is included as a response to the last question, below. Certain councilmembers have asked the Finance Director to assess the Metropolitan Government's capacity to fund its obligations under the existing lease. That capacity analysis is attached as Exhibit A.

    The revenue streams described in the capacity analysis attached as Exhibit A would also be used to satisfy the Metropolitan Government's obligation under a new stadium transaction, except that:

    - The Water and Sewer PILOT would be terminated no later than 2033
    - The General Fund Contribution would cease immediately
    - TSU rent will likely be reduced to $0
    - The revenues from a new 1% hotel tax would be available
    - The team would pay rent under the new lease

38. **Has Metro or the Sports Authority hired its own advisor or consultant to determine revenue projections related to the costs for a new stadium?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    Hilltop Securities serves as Metro's municipal advisor and is charged with providing advice with respect to structure, timing, terms, and other similar matters related to debt issuance. Additionally, Inner Circle Sports (ICS) has been retained to present a set of objectives for determining investment and terms around a stadium transaction. If Council approves preliminary legislation (*e.g.*, RS2022-1827), the Finance Director in concert with the Sports Authority, expects to retain a feasibility consultant. The feasibility consultant will likely provide a market analysis of revenue assumptions contemplated in the stadium project and determine projected stadium activity that a new stadium could expect.

    a. **If so, and the below documentation exists, please provide the complete documentation for the following:**

        i. **The most recent "pro forma" analysis of all expected revenue streams related to proposed new stadium; and**

        ii. **The most recent "pro forma" analysis of all expected revenue streams related to proposed approximately 130-acre sales tax capture zone; and**

        iii. **All projections or analyses related to the proposed new stadium revenue bonds.**

        A preliminary pro forma including all existing and new revenue sources available for the construction of, and debt service payments related to, a new stadium and ongoing cap-ex is attached as Exhibit B. Certain of these revenue streams are also available to fund stadium-related infrastructure, and are labeled as such in Exhibit B.

    If any of the above documents exist but are not provided in response to this question set, please explain the reason for exclusion.

    b. **If not, please provide an explanation of the decision not to hire an advisor or consultant to analyze the revenue projections from the proposed project.** N/A

39. **Is it possible for Metro to establish a designated revenue stream for the expansion of transit in Davidson County from revenue generated through the new stadium? Also, is it possible that the designated transit revenue could be used in connection with any future developments around regional transit plans?** *Answer provided by the*

Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

While the revenues generated broadly to Metro as a result of an enclosed stadium's increased activation and economic impact will be available to fund other government initiatives (including transit), the revenue streams specific to the new stadium are almost entirely restricted by state law to fund costs of the new stadium or related infrastructure.

40. **What will removal of the old stadium cost and who will pay for it if the new stadium is approved?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    It is estimated that the costs of removing the existing stadium will total $25-$50 million. Those costs are included as part of the new stadium construction budget.

41. **Regarding the pro forma attached as Ex. B to the latest set of responses (question 38 above) Follow-up questions:** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    a. **Footnote 1 suggests that the pro forma, as it relates to In-Stadium Sales Tax, does not include any projected increases in revenue based on additional new programming for an enclosed stadium and instead is strictly a mathematical 3% annual increase based on a projected 2023 sales tax revenue number.**

    Correct. Prior to finalizing any finance plan, Metro will require the Team to provide a detailed projection of the likely increase in in-stadium sales tax revenues that would result from new programming, and Metro would engage a third-party consultant to review those projections for reasonableness.

    b. **Also, please describe how the projected 2023 sales tax revenue number was calculated.**

    Metro was provided the 2023 sales tax revenue projection by the Team which based the projection on scheduled events at Nissan Stadium and anticipated attendance/spending. However, as described above, any projections that are used as part of a finance plan will be reviewed for reasonableness by a third-party consultant.

    c. **Please describe the "State Holdback" column. What is the basis of this holdback?**

    Tennessee Code Annotated Section 67-6-103(d)(1)(A)(ii)(a), which provides:

    > *(ii)(a) In addition to the allocations provided in subdivision (d)(1)(A)(i), if there exists in a municipality a sports authority organized pursuant to title 7, chapter 67, and if that sports authority has secured a major league professional football franchise (National Football League or Canadian Football League, or its successors or assigns), and only if such municipality or any board or instrumentality of the municipality reimburses the state for any costs to reallocate apportionments of such tax revenue under this section, then an amount must be apportioned and distributed to the municipality equal to the amount of state tax revenue derived from the sale of admissions to all events occurring at the sports facility of the major league professional football franchise and also all sales of food, drinks, and merchandise sold on the premises of the sports facility in conjunction with those events, all parking charges, and all related services, all sales by the major league professional football franchise within the county in which the games take place of authorized franchise goods and products associated with the franchise's operations as a major league professional football franchise. The allocation of state tax revenue provided in this subdivision (d)(1)(A)(ii)(a) must continue so long as a major league professional football franchise (National Football League or Canadian Football League, or its successors or assigns) holds a lease on the sports facility;*

provided, however, that the following amounts are excluded from this allocation to pay annual outstanding bonded debt repayment obligations through fiscal year 2029, or the date such existing bonded debt is repaid, whichever is sooner:

Fiscal Year 2022 $3,700,000
Fiscal Year 2023 $3,350,000
Fiscal Year 2024 $3,500,000
Fiscal Year 2025 $3,300,000
Fiscal Year 2026 $3,300,000
Fiscal Year 2027 $3,300,000
Fiscal Year 2028 $3,200,000
Fiscal Year 2029 $3,200,000

d. Footnote 3 describe that a 2% annual growth rate was used for the hotel occupancy tax. Please describe the basis for believing that this is a reasonable growth assumption.

The average annual growth rate of the hotel occupancy tax in Davidson County has exceeded 2% historically. However, while Metro has seen relatively high growth rates for its hotel occupancy tax, the COVID-19 pandemic underscores the risk and volatility to tourism taxes. Rating agencies will want to be assured that any growth assumption is appropriately conservative. In providing a credit rating for the bonds, rating agencies will look to the 1% hotel occupancy tax, along with the in-stadium sales tax and other revenue streams, to provide sufficient debt service coverage.

Metro has yet to engage with the credit rating agencies on this project and has thus not yet concluded, for this purpose, what an appropriate growth rate should be.

In preparing a plan of finance, Metro will test any financing and funding model at various revenue growth levels to ensure that financial resources are being appropriately applied. Just as one example, Metro will evaluate and structure its finance plan so that if hotel tax revenues grow at higher rates than assumed for credit rating agency purposes, those increased revenues will be deployed in a manner that allows Metro to more quickly retire debt and terminate the hotel tax.

e. Footnote 4 describes the assumptions about Campus Sales Tax only very generally. Please provide as much detail as possible about the basis for these assumptions. If RCLCO (mentioned in the footnote) provided any written support for their assumptions, please provide that written support.

The Campus Sales Tax revenues are a very preliminary estimate of the expected 50% area sales tax revenues from (1) approximately five million square feet of development over the course of 10-15 years within the Titans campus, and (2) the RMR Group's East Bank truck-stop redevelopment project. No reports or more detailed projections have been prepared given the preliminary nature of the potential campus development project.

f. Related to the previous question, if RCLCO has provided any analysis of expected property tax revenue on the Campus or any part of the East Bank, please provide that analysis and any related written supporting documentation.

Utilizing the same preliminary assumptions described above, an estimate of the property taxes generated by redevelopment of the Metro-owned property surrounding the new stadium is listed below:

2027	$2,881,000
2028	$4,133,000
2029	$4,257,000
2030	$6,677,000
2031	$8,278,000

2032	$10,381,000
2033	$11,941,000
2034	$14,879,000
2035	$16,723,000
2036	$19,730,000
2037	$22,329,000
2038	$22,999,000
2039	$24,875,000
2040	$25,621,000
2041	$26,390,000
2042	$27,182,000
2043	$27,997,000
2044	$28,837,000
2045	$29,702,000
2046	$30,594,000
2047	$31,511,000
2048	$32,457,000
2049	$33,430,000
2050	$34,433,000
2051	$35,466,000
2052	$36,530,000
2053	$37,626,000
2054	$38,755,000
2055	$39,918,000
2056	$41,115,000

g. If Exhibit B (from question 38 above) provided to the Council is part of a larger report or documentation, please provide the entire report/documentation.

The information was prepared on a preliminary basis and was not part of a larger report.

42. Regarding the previously provided revenue projection in Exhibit B, please provide information about the anticipated bond debt to be paid with this projected revenue, including without limitation: *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

a. The interest rate for the bond debt.

Interest rates vary with (i) bond credit ratings and (ii) economic conditions. A plan of finance has not yet been developed for submission to the credit rating agencies. When definitive documents are submitted for approval, it is expected that one or more rating agencies will have been engaged and Metro will have received unofficial commentary on their perception of the credit quality of the bonds. It is not yet known what the prevailing economic conditions will be when the bonds are issued. As such, at this time, we cannot provide any more meaningful indication of what interest rates will be.

b. A bond payment schedule for each year for the life of the bonds.

The bond payment schedule will depend upon prevailing interest rates, fully-vetted projected revenue streams, and bond credit ratings. As described above, Metro has yet to engage a rating agency in indicative rating processes that will provide its perception of the credit quality of the bonds and the proposed revenue streams. As such, at this time, we cannot provide any meaningful bond payment schedule.

c. **Will there be level payments for the entire life of the bonds? Or will there be a period of lower payments for the first years of the bond payments? If so, how many years will there need to be a reduced payment before an increase to level payments for the rest of the life of the bonds?**

While we generally strive to structure our bond issues with level debt service payments, we anticipate that the bonds may have to be structured such that debt service increases over time. The revenue streams available to pay the bonds are projected to grow over time, and we expect that annual debt service will grow over time in a similar manner.

43. **Please provide information about how the projected revenue will be divided into the various funds described in the term sheet, including without limitation, bond payments, the Capital Repair Reserve Fund (CRRF), the Maintenance and Repairs Fund, the amounts to be distributed to the Metro government, and the surplus fund (see pages 12 and 13 of the term sheet). Provide this information for each year covered in the PDF revenue projection.** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

1% Hotel Tax Revenues – first to bond payments, then to either the CRRF or to the accelerated repayment of bonds from the Surplus Fund. (Metro and the Team are still discussing the proper allocation of excess revenues between the CRRF and the accelerated repayment of debt. A detailed allocation will be included in the definitive documents.)

100% Stadium Sales Tax Revenues – the same as 1% Hotel Tax Revenues.

50% Development Sales Tax Revenues – the allocation of these revenues has yet to be finalized. Metro could pledge these revenues to bond payments to provide additional debt service coverage for the bonds. In that case, they would first be available to pay bond debt service. Assuming other revenue sources are sufficient to pay the bonds, the Development Sales Tax Revenues would be first used to fund eligible stadium-related infrastructure (*e.g*., parking), with any excess allocated between the CRRF or to the accelerated repayment of bonds from the Surplus Fund. If Metro elects not to pledge these revenues to bond payments, then the Development Sales Tax Revenues would be used directly to fund eligible stadium-related infrastructure (*e.g*., parking), with any excess allocated between the CRRF or to the accelerated repayment of bonds from the Surplus Fund. The determination of the use of Development Sales Tax Revenues will be included in the definitive documents.

Ticket Taxes - first to bond payments, then to the Maintenance Reserve Fund.

Team Rent - first to bond payments, then to the Maintenance Reserve Fund.

(Please also see Nashville Stadium Allocation of Excess Revenues (Base Case Revenues) Presentation located as titled under the "Presentations to the East Bank Committee" section of the East Bank Stadium Committee webpage.)

44. **What will be the maximum size of the CRRF? If the maximum size of the size of the CRRF will be different in different years, please provide the maximum size for each year during the expected life of the bonds.** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

Metro and the Team are still discussing the proper allocation of excess revenues between the CRRF and the accelerated repayment of debt. A detailed allocation (including any maximum size) will be included in the definitive documents.

45. **Please provide the revenue projection (Exhibit B) and the other information requested in this set of questions in an Excel spreadsheet such that the different assumptions (about bond interest rate, the size of any initial lower annual bond payments, the length of initial lower bond payments, the size of the Maintenance and Repairs Fund, the amount to be distributed to Metro, and the size of the CFFR, etc.) can be input and changed. Please provide the Excel document such that as many assumptions as possible are described and may be changed to demonstrate the impact of changing individual assumptions.** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

For the reasons describe above, this information is not yet available, but will be determined and made available prior to approval of definitive documents.

46. **Provide information about the impact on revenue projects, bond payments, and the excess fund distribution analysis if a COVID-like event were to happen in the first 5 years of bond payments? After 10 years? After 20 years? Similarly, provide information about the impact of a flood similar to the one in 2010.** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

It is not possible to predict the impact that potential future developments (*e.g.,* another global pandemic, catastrophic weather events, *etc*.) might have on sales tax collections or Metro-wide hotel tax collections. However, we expect that the bonds will have two structuring features that will mitigate the impact of such events. First, the bonds will likely be structured to have debt service coverage of greater than 100%. That is, projected revenues will exceed scheduled debt service, and could fall in some amount without impacting our ability to pay debt service.

Second, the bonds will be structured with a debt service reserve fund that will generally provide for one year's worth of debt service payments should other revenues be insufficient. Coupled with the debt service coverage described above, these features would provide time for the Authority and Metro to navigate through a potential crisis without missing bond payments.

47. **The Administration requested $500 million in the latest Capital Improvements Budget for infrastructure for the East Bank, Is that the expected cost of infrastructure for the Campus footprint? A. Who will be paying for the infrastructure? B. What is the expected source of funds for that infrastructure?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The 2023 CIB request for East Bank Infrastructure – Design and Development is $500 million over four years to fund design, development, and property acquisition for infrastructure, including but not limited to: environmental remediation, new utilities, utility relocation, transit hub and parking for the entire 338 acres of the East Bank -- which includes the campus footprint, otherwise known as the Central Waterfront Neighborhood. Metro Council recently approved a resolution allowing Metro to solicit qualifications from proposers to partner with Metro Government as the Master Developer for a portion of the Central Waterfront Neighborhood. It is anticipated that Metro will leverage that Master Developer (and any future developers) as a partner to provide infrastructure necessary to make sites within the Metro owned lands viable building sites. As an incentive for the Master Developer and future developers to fund these costs, we are prepared to offer a temporary deferral of some portion of ground rents and a portion of incremental property taxes (in a similar manner to the Oracle transaction).

The 2023 CIB request also included other East Bank public improvements such as affordable housing ($4 million for plan/study), parks ($6 million for planning and design), and greenway ($11.7 million for planning from the Central Waterfront to Cleveland Park).

48. **Does the Administration expect to collect property taxes or payments in lieu of taxes (PILOT) from the currently public land? If so, is there a forecast for that yet?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    We expect to enter into 99-year ground leases for all developable land. Under Tennessee law, the tenants will be required to pay ad valorem property taxes as if they owned a fee interest in the land. A very preliminary projection of campus property taxes was included as Exhibit B to our previous responses.

49. **Regarding the decreased seat size of the proposed stadium (15,000-20,000 less seats), will we still meet the obligations with the reduced seats? A. Is it possible to increase the number of seats without adding too much to the cost?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    The current plan is for capacity to be approximately 60,000, which is about 10,000 less than the existing Nissan Stadium. However, the reduced capacity numbers will not impact the stadium's ability to attract large events such as the Super Bowl. Given the enclosed feature, which allows for more events during the winter months and quicker turnaround between events, it is anticipated that the new stadium will host more events and more people annually than the existing Nissan Stadium. This will, of course, drive higher ticket tax, rent, and sales tax amounts in the new building.

50. **Will the Titans make money from non-football events? (i.e. will the $3 ticket tax apply to non-football events like entertainment tickets? Will the Titans receive any part of entertainment ticket sales?)** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    The $3 ticket tax will apply to all stadium events other than TSU games, which are no subject to tax under applicable state statutes. In addition, the Team will pay rent in an amount to $3 per ticket to all non-football events. The Team will retain all revenues and be responsible for all expenses related to non-football events.

51. **Has or is the Mayor going to ask the Titans to add additional money to their share ($840M) of the cost of the new stadium?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    The Team will be responsible for $840 million, plus any increase in the stadium project budget between now and the commencement of construction, plus any project cost overruns experienced after construction begins. This is the commitment that the administration has negotiated from the Team.

52. **On an annual basis, what funding has the Metropolitan Government spent toward capital expense obligations, maintenance, and operation of Nissan Stadium each year since the beginning of the lease? A. How many times have obligations been missed/differed and at what dollar amount?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

    The Sports Authority funded $20.59 million in capital expenses from the inception of the existing lease through 2018. This amount was funded with direct payments of Sports Authority funds. In addition, the Sports Authority has issued $37.86 of revenue bonds to fund capital expenses. These bonds are payable from the Metro Water Services PILOT and ticket tax collections.

    The Team has funded in excess of $32 million of capital expense since 2018. These were the responsibility of the Sports Authority, and the Authority is contractually obligated to reimburse the Team for their funding of these costs.

The Team has also funded $18M for non-capital expenses (repairs/maintenance/service agreement costs) to maintain Nissan Stadium since the inception of the current lease, and $24.2M in capital expenses for suites/locker rooms/offices, all of which was the Team's responsibility under the current lease.

The VSG report estimated the additional capital expenses owed under the current lease.

53. Please describe all remaining financial issues being negotiated with the Titans. For each financial issue still being negotiated with the Titans, please describe the approximate dollar amount of the difference between the parties' respective positions. For example, are the parties $100 apart on a particular issue, or $100,000 part, or $1 million apart? Please let us know whether the total dollar value of all issues still being negotiated by the Mayor's Office and the Titans is more or less than $100 million. *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The Term Sheet identifies three primary areas of additional work to be completed before definitive documents can be brought to the Sports Authority and the Metro Council for consideration. The first requirement is for the Department of Finance to develop a plan of finance. (See the section of the Term Sheet entitled "Stadium Financing".) The plan of finance will hinge significantly upon market conditions generally and the credit ratings expected to be assigned to the bonds. Accordingly, a plan of finance has yet to be developed for submission to the credit rating agencies. When definitive documents are submitted for approval, it is anticipated that one or more rating agencies will have been engaged and provided commentary on their perception of the credit quality of the bonds. At such time, we will be able to recommend a detailed plan of finance for consideration.

The second requirement is to finalize the manner in which stadium revenues are applied following the payment of debt service on the bonds. (See the section of the Term Sheet entitled "Application of Financing-Related Revenues After Payment of Debt".) As the heading indicates, this matter is not only subject to negotiation with the Team, but also derivative of the results of our finance plan. When definitive documents are submitted for approval, remaining negotiations with the Team will have resolved and a recommended plan of finance will be available. At that time, we will be able to present a detailed proposal for the manner in which excess revenues are to be applied.

The third requirement is to finalize the details regarding the manner in which the Metropolitan Government and the Sports Authority will accommodate Stadium parking needs without adversely affecting the Metropolitan Government's ability to develop the Stadium Village. (See the section of the Term Sheet entitled "Stadium Parking Facilities".)

When definitive documents are submitted for approval, we will have a recommended approach regarding each of these matters.

54. Regarding the "Rent" described on page 16 of the Term Sheet, is this $3 per ticket charge to be paid by ticket buyers? Is this different than the $3 ticket tax currently charged for Titans game tickets? If it is different, please explain how it is different. *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The Term Sheet contemplates that the Team will pay the Sports Authority rent in an amount equal to $3 per patron of non-NFL Stadium events. Rent is a charge assessed by a landlord (in this case, the Sports Authority) against its tenant (the Team), in exchange for the tenant's use of the landlord's property. The Team is free to pass-along all or a portion of these rent costs in any manner it chooses (*e.g*., charge more for tickets, for concessions, for merchandise, *etc*.), and/or to absorb all or a portion of the rent costs as an additional operations cost. It affords a level of flexibility.

The Metropolitan Government currently levies a $3 ticket tax at Nissan Stadium, and it is proposed that such $3 ticket tax would continue to be levied at the new Stadium, if approved. A ticket tax is a tax levied by the Metropolitan Government on Stadium patrons for the privilege of attending an event at the Stadium. It is not a charge against the Team, and the Team has no say as to whether a Stadium patron must pay such tax.

55. Operational Standards will be developed to be consistent with comparable NFL stadiums – tell me more. What would happen in, say, 15 years when there's a new thing[technology] that doesn't exist in our imagination today but becomes commonplace in the future? For instance, cell phone technology has changed from 1996 vs 2022. The iPhone was invented in 2007, for instance. *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The Team will be required to maintain the Stadium in a manner consistent with comparable NFL stadiums and fund all costs necessary to do so.

56. Who will own the new naming rights? The current name is estimated to be between $5-6 million per year over 20 years ($100 million in total) and is currently paid to the Team. *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The naming rights will be owned by the Team, but the Team has agreed to, in good faith, explore entering into a revenue share agreement with Metro so that taxpayers can share in this revenue stream.

57. CMA Fest Revenue Streams: how do we know what we are getting? How will revenues be shared, i.e., how is the Net calculated? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

Historically, the Sports Authority has received a portion of F&B and parking revenues from CMA Music Fest. The annual amount received from this sharing arrangement has ranged from approximately $240,000 to $820,000. The Term Sheet requires that the Sports Authority participate in future CMA sharing arrangements on a similar basis.

58. Structured Parking: 50% campus sales tax diversion – when will that revenue be received? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

When retail sales are made within the boundaries of the diversion area designated by Council (up to 130 acres). Retail sales will only be generated when retail and hotel development is completed and operating within that area. Retail sales aren't likely to occur in any significant amounts before 2026.

59. Regarding question 4 [under Funding and Costs, Revenues, Investments, Economic Impacts section], second bullet point under Administration's response:

a. The state "has diverted" the sales and local option sales tax "to fund the capital costs of the existing stadium and related debt service." If this is currently happening, what impact does it have on the existing capital costs (that are owed to the team) and on the debt service? I.e., this sales tax currently isn't covering the city's expenses, so will it in the future? Or will it cover the $500M state bond issuance? Will any of it cover

Metro's costs? If so, explain. *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

State law was amended in 1996 to divert 100% of state and local sales taxes to the existing stadium project. However, under the 1997 State Funding Agreement related to the existing stadium, the State was entitled to withhold all of the State portion of in-stadium sales taxes to offset the debt service costs on the State general obligation bonds issued to help fund the costs of constructing the existing Stadium. Metro has used the local portion of this sales tax diversion to pay debt service on the Metro general obligation bonds issued in 1996 to acquire the stadium campus land. Beginning in 2021, the State revised applicable State law to provide for the continued diversion of State and local sales taxes for the benefit of the stadium, whether renovated or new. In addition, the State limited the amount of State sales taxes to be withheld, to cover only a specified amount of State sales tax revenues to cover the State's debt service costs. As such, the Sports Authority received its first allocation of in-stadium State sales taxes in 2021 and will receive allocations in future years. Beginning in 2030, the State's withhold rights will stop and the Sports Authority will be entitled to receive all of the State portion of in-stadium sales taxes. Metro's few remaining GO bonds will be retired as part of the overall finance plan, so all local stadium sales taxes will be diverted to the Sports Authority. The stadium State and local sales taxes (net of the remaining State withheld amounts) will be deployed by the Sports Authority to help fund debt service on the proposed Sports Authority bonds. You can observe the amounts in the third column of "Exhibit B" in the previous responses.

b. "Metro will pursue independent verification of the reasonableness of any stadium sales tax projections", and since the boundaries are yet to be determined and approved by the State, "Metro's consultants have estimated…$15-30M annually". Will the independent verification take place <u>before</u> or <u>after</u> the new contract ordinance filing? (Question 41 seems to indicate that "prior to finalizing any finance plan…Metro would engage a third-party consultant".) *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

We intend to engage a verification immediately upon the Council's adoption of the term sheet resolution, and anticipate having the results of that verification prior to presenting Definitive Documents for approval.

60. Regarding question 11 [under Funding and Costs, Revenues, Investments, Economic Impacts section]:

a. What if the revenues don't cover the debt service payments? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The plan of finance for stadium construction will identify the portion of bonds that will be issued on a revenue-only basis (i.e. without any Metro back-stop) and the portion of bonds, if any, that will be back-stopped by Metro. Holders of revenue-only bonds are entitled to look only to the pledged revenue streams and bear the risk that those revenues are insufficient to pay debt service. Metro must pay debt service on any back-stopped bonds if pledged revenues are insufficient to pay debt service, so Metro bears the risk with respect to those bonds. In either case, we expect the bonds to be structured with both debt service coverage (projected revenues > scheduled debt service) and with a debt service reserve fund, in order to mitigate the risk of revenues being insufficient to pay debt service.

b. What are the payments – how much, how often? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

We plan to begin rating agency communications immediately upon the Council's adoption of the term sheet resolution. When we present definitive documents for approval, we expect to have engaged one or more rating agencies and will have received unofficial commentary on their perception of the credit quality of the bonds. Once we have that information, we will be able to present estimated debt service schedules of any proposed bonds.

c. What is the consequence of default? Who bears that risk? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

See (a) above.

d. Who then funds the Maintenance & Repairs? Capital Repairs? Authority Surplus Fund (for Cap Repairs Fund)? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The Maintenance and Repairs Fund will be funded with the ticket tax revenues and Team rent, after debt service has been paid on the Sports Authority bonds. The Maintenance and Repairs Fund can be used at any time to fund capital repairs and improvements to the Stadium. The Maintenance and Repairs Fund may also be used by the Team to fund costs of Stadium maintenance that are operating in nature, as opposed to capital; but only if the Capital Repairs Fund is fully funded.

The Capital Repairs Fund will be funded with the 100% in-stadium sales tax revenues, 50% area sales tax revenues and 1% hotel tax revenues, after debt service has been paid on the Sports Authority bonds and – in the case of area sales tax revenues, after debt service on any stadium-related infrastructure has been paid. The Capital Repairs Reserve Fund can only be used to fund capital repairs and improvements to the Stadium.

The Surplus Fund will be funded with any remaining revenues, and will be allocated between additional capital expense funding and the prepayment of Sports Authority Bonds. The specific allocation will be included in the Definitive Documents.

e. Is the backstop for the $760M bond payments the General Fund? (Should the HOT and Sales Taxes not cover them.) *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

Historically, Metro has back-stopped bonds through a pledge of "non-tax revenues" within the General Fund. Should Metro be required to back-stop a portion of the bonds, this pledge of non-tax revenues would be an option. However, no decision has been made as to whether or how to back-stop any bonds. That recommendation will be included as part of the proposed plan of finance for stadium construction.

61. Regarding question 36 [under Funding and Costs, Revenues, Investments, Economic Impacts section]: Regarding LEED Gold certification, why would taxpayers be required for the team's decision to acquire this certification? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

It is Metro's policy that all Metro buildings strive for LEED Gold certification, and we believe that this Metro Sports Authority facility should be constructed in a consistent manner.

E. LEASE AGREEMENT

1. **What is our current liability under the current stadium lease?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

   - The Titans organization has estimated that Metro's costs for renovating and maintaining Nissan Stadium, assuming a lease extension through 2039, total $1.8 billion dollars.
   - Venue Solutions Group has been retained to conduct an independent study of the Metropolitan Government's obligations to the Titans under the current Nissan Stadium lease terms. Although the study is not yet completed, it is anticipated that current lease obligations pose a significant liability upon the Metropolitan Government, potentially in the range of hundreds of millions of dollars.

2. The Titans gave a presentation on this to the Sports Authority in April, can we have the same presentation?

A copy of this presentation is available on the August 18, 2022 East Bank Stadium Committee meeting page.

3. **Is the current lease agreement legally binding upon Metro?** *Answer provided by Council Office Director and Special Counsel:*
   The lease agreement is legally binding on the Sports Authority. Metro and the Sports Authority have entered into an Intergovernmental Agreement wherein Metro has promised to aid the Sports Authority with its obligations under the lease.

   If Metro doesn't maintain the stadium in a first-class condition, would the government be in default of the lease agreement? *Answer provided by Council Office Director and Special Counsel:*
   Potentially. The Lessor, the Sports Authority, will be in default if it does not observe or perform any of the agreements and conditions contained in the lease. There is a cure period which begins upon notice of the failure.

   Is there a reputational risk for Metro to be in default? *Answer provided by Council Office Director and Special Counsel*:
   Yes, a default could affect Metro's credit worthiness in the future.

   Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority: (Is the current lease agreement legally binding upon Metro? If Metro doesn't maintain the stadium in a first-class condition, would the government be in default of the lease agreement? Is there a reputational risk for Metro to be in default? What would the future impact of a lease default be on Metro?)

   - The lease between the Sports Authority and Cumberland Stadium, L.P. is in effect and binding. The Sports Authority is obligated to keep the current stadium in first-class condition and could be in breach of the lease if it failed to do so. Metro should expect that a default on a material contractual obligation will lead to higher prices and interest rates on future transactions as potential business partners factor in the perceived increase in risk.

4. **Is the first-class condition only based upon the specific comparable facilities listed in the lease?** *Answer provided by Council Office Director and Special Counsel:*
   No.

5. **Who decides what counts as a comparable facility?** *Answer provided by Council Office Director and Special Counsel:*
   The lease agreement contains a definition for "comparable facilities." If the parties disagree on whether a specific facility meets the definition, they can try to come to an agreement or allow a court to make the determination through litigation.

6. **Could the Metro Sports Authority and Cumberland Stadium, L.P. decide on their own to amend the current lease without further Council approval?** *Answer provided by Council Office Director and Special Counsel:*

   Yes. The Parties have amended the lease agreement on 6 occasions (all of which can be found on the East Bank Stadium Committee site). If the amendment affects the development agreement or the bond covenants, then it may need additional Council approval.

7. **Under the existing stadium lease, what are Metro's rights and responsibilities as it relates to development of the parking lot areas around the stadium? How might development occur under the existing lease?** *Answer provided by Council Office Director and Special Counsel:*

   Pursuant to Section 7.4 of the Lease Agreement, the Lessor, Sports Authority, can construct material improvements on the parking lots subject to certain conditions. The Sports Authority must either provide a replacement tract to offset the improved area where the replacement lot is of the same size and utility and is adjacent to the stadium site; or, provide a parking deck not greater than 3 stories. The development must be in furtherance of the public interest in connection with the stadium area (such as, but not limited to, a hotel or entertainment facility), must not be considered a nuisance, and cannot be for a casino or other gambling use. Overall, the development tract cannot have a material adverse effect on the Lessee.

8. **Once the stadium has been paid off, will the Titans then lease it from Metro?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

   The Sports Authority will own the Stadium and lease it to the Titans for the duration of the lease, which will extend at least as long as the term of the bonds. Once the lease has expired, Metro will control any use of the Stadium.

9. **Can we get a true analysis of what we are obligated to cover in the lease?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

   This question provides a welcomed opportunity to address recent focus on the minimum amount of funding required to bring the Stadium into compliance with the existing lease agreement (the "Lease") as of November 2022. Such focus may reflect a misunderstanding of the full scope of the Metropolitan Government's obligations.

   Section 7.1 of the Lease requires the Sports Authority to fund all "Capital Project Expenses," defined to mean "all expenses…incurred with respect to a Capital Project that are required to be made in order to cause all or any portion of the [Stadium] to be in First Class Condition." Under the Lease, any project qualifying as a capital expense under generally accepted accounting principles is a Capital Project. This funding requirement extends through the term of the Lease, which could expire as early as the end of the 2028-2029 NFL season or as late as the end of 2038-2039 NFL season, if the Team exercises its extension options.

   The Lease defines "First Class Condition" as a condition satisfying each of the following requirements:

   - *The Legal Compliance Requirement*: being in compliance with applicable law. (For purposes of this response, it is assumed that the satisfaction of the Good Condition Requirement described below would also satisfy this Legal Compliance Requirement.)
   - *The Good Condition Requirement*: "being in good condition and repair, normal wear and tear expected"

- *The Comparable Facilities Requirement*: "having the level of improvements and new technology from time to time found in a reasonable number of Comparable Facilities, provided that, with respect to improvements and new technology that perform a completely new function rather than being a replacement, upgrade or enhancement of then existing portions of the Facilities, this clause…shall be limited to the level of improvements and new technology that at the time in question have been successfully implemented in a majority of Comparable Facilities". "Comparable Facilities" means comparable professional sports facilities of a similar age (opening within 10-years of Nissan Stadium). The Venue Solutions Group report (the "VSG Report") identified 17 NFL stadiums that meet this definition.

Good Condition Requirement

Current Cost. With respect to the Good Condition Requirement, the VSG Report identified approximately $362 million of "enabling projects" that are required to prepare the Stadium for any significant capital improvement project and to maintain Stadium operations. As reported by VSG, these enabling projects are currently necessary to put the Stadium in good operating condition and are therefore a good estimate of the current cost for the Metropolitan Government to comply with the Lease's Good Condition Requirement.

Future Liability. The Authority's obligation to satisfy the Good Condition Requirement does not end upon the funding of these initial enabling projects. The Authority is obligated to fund 100% of all future Capital Project Expenses required to keep the Stadium is good condition and repair, whatever those expenses are. It is impossible to predict the cost of all Capital Project Expenses – we cannot know for sure what capital repairs will be required in the next 17 years, and we cannot know what the costs of related goods and services will be in future years. The VSG Report estimates the ongoing costs necessary to maintain the Stadium in good condition – following the funding of the enabling projects and a renovation project – to be $235 million. While the VSG Report's ongoing cost estimate assumes an initial renovation project consistent with the Gensler/Hastings Plan, there is no reason to believe that pursuing a different renovation plan would have a dramatic impact on the ongoing cost to keep the Stadium in good condition. Given that, the $235 million estimate for the future capital expenses necessary to remain in compliance with the Good Condition Requirement is reasonable.

In sum, it is reasonable to assume that the Metropolitan Government will be required to fund approximately $597 million of capital improvements over the remaining life of the Lease in order to satisfy the Lease's Good Condition Requirement.

Comparable Facilities Requirement

Current Cost. In addition to the Good Condition improvements required above, the VSG Report indicates that a significant renovation of the Stadium will be currently required in order for the Authority to satisfy the Lease's Comparable Facilities Requirement. The relevant terms of the Lease are inherently subjective; the Authority and the Team may have different views on the level of improvements and technology found in other Comparable Facilities and may have different views on what constitutes a "reasonable number" of Comparable Facilities. Disputes such as these are solved only by negotiation or litigation. The Lease does not give the Metropolitan Government sole discretion to the precise renovation program required by the Lease.

The Team commissioned the Gensler/Hastings Plan and undoubtedly believes that its implementation would satisfy the Comparable Facilities Requirement. The VSG Report describes the capital improvement program detailed in that Plan and estimates its cost at $1.5 billion. The VSG Report does not claim that the Gensler/Hastings Plan represents the minimum capital improvement program *currently* required by the Comparable Facilities Requirement, and it is likely that a less expensive capital improvement program would *currently* satisfy the Comparable Facilities Requirement. However, for the reasons described in the preceding paragraph, the Metropolitan Government cannot unilaterally identify a scaled-down renovation program and proclaim with any confidence that the scaled-down program would currently satisfy the Comparable Facilities Requirement of the Lease. Any such modified program would be likely be subject to negotiation or litigation.

Future Liability. As with the Good Condition Requirement, the Authority's obligation to satisfy the Comparable Facilities Requirement does not end upon the funding of the initial renovation projects. The Authority is obligated to fund 100% of all future Capital Project Expenses required to keep the Stadium in compliance with the Comparable Facilities Requirement, whatever those expenses are. Focusing exclusively on the capital costs required by the minimum renovation project required by the Lease in 2022 fails to address, and ignores, this funding liability.

To pick one year for simplicity's sake, in 2032 the Authority will be required to fund 100% of the Capital Project Expenses required to ensure that the Stadium has "the level of improvements and new technology… found in a reasonable number of Comparable Facilities" in 2032. It is impossible to predict if, when, and how each of the Comparable Facilities will be improved in the next decade, and thus it will be impossible to know what type of improvements the Authority will be required to fund in 2032. But it is clear that the Metropolitan Government cannot advocate for the most limited 2022 renovation project without simultaneously acknowledging that it is assuming the risk that Comparable Facilities will be improved in the future in a manner that requires additional capital funding from the Metropolitan Government.

There has been some commentary that the VSG Report does not address the minimum cost required to fund a 2022 renovation project. Funding only a 2022 renovation project would not satisfy the Metropolitan Government's obligations under the Lease and thus was not what VSG was asked to price. The Metropolitan Government asked VSG to assess the likely costs of complying with the Lease for the entirety of its term – not just in 2022. In selecting the Gensler/Hastings Plan for measurement, VSG selected a renovation plan that would more likely bring the Metropolitan Government into compliance with the Lease requirements not just in 2022, but for the duration of the Lease.

The Comparable Facilities Requirement requires the Metropolitan Government to provide funding at some point for each element of the Gensler/Hastings Plan that, at any time during the remaining 17 years of the Lease, is found in a reasonable number of Comparable Facilities. It is reasonable to believe that a "reasonable number of Comparable Facilities" will be improved within the next 17 years such that they have each of these elements, particularly in the context of assessing potential risk to the Metropolitan Government's taxpayers. The VSG scope of work was precisely that required by the Lease. Any scope that ignored the fact that the Comparable Facilities Requirement applies in 2032 just as it does in 2022 would have been pointless.

In short, it is reasonable and prudent for the Metropolitan Government to be prepared over the remaining life of the Lease to fund the $1.5 billion costs identified by the Gensler/Hastings Plan, whether those costs are funded all at once or over time. These costs are in addition to the $597 million of estimated costs required to comply with the Lease's Good Condition Requirement. In addition, the Team has submitted reimbursement requests in the amount of at least $32,000,000 for Capital Project Expenses incurred by the Team, but for which the Authority is responsible, in the last three years.

10. Who is responsible for performing maintenance (i.e., capital improvements) on the current stadium? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The Team is responsible for performing and funding all maintenance and repair costs characterized by accounting rules as operating expenses. Metro and the Sports Authority are responsible for the costs of all maintenance, repair and improvements that are characterized by accounting rules as capital expenses. See our response to the prior question for a description of the amounts paid for these costs under the current lease.

11. When did Metro stop reimbursing the Titans for the cost of improvements under the terms of the current lease? A. Why did Metro stop? B. Did the team agree that immediate payment wasn't necessary? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

2018 – see above. Metro and the Sports Authority had no additional capacity from stadium-related funds (primarily water/sewer PILOT and ticket taxes) to fund those costs. The Team has submitted all costs incurred from 2018 for reimbursement by the Authority.

12. What is the end date of the initial term of the current lease, and what are the extension options in the current lease? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The initial term expires at the conclusion of the 2028-2029 NFL season. The Team has the unilateral right to extend the lease through the conclusion of the 2038-2039 NFL season.

13. How much parking is required under the existing lease terms? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The existing lease requires that all campus land be preserved for event-day stadium parking. The campus accommodates approximately 7,500 parking spaces. Of those spaces, the lease requires that 1,500 spaces immediately surrounding the existing stadium be reserved at all times for the Team's exclusive use.

14. Since the VSG (Venue Solutions Group) report did not answer the basic question about Metro's minimal obligation under the current lease, is there a way to get that information? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The VSG report did identify Metro's obligation under the current lease. See the discussion included in response to the prior set of Councilmember questions.

15. What is the fiscal liability of the current lease according to the Administration? The Titans organization has previously answered this (Question 1. under "Lease Agreement"), but I am looking for a response from Metro (Metro Legal, Finance, Mayor's Office, Sports Authority) *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

Please refer to our previous answer (#9, under "Lease Agreement" section of the East Bank Committee's Q&A)

16. Explain why lease renewal options will be only at the team's option, and not mutual. *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

Professional sports teams will not agree to a landlord's unilateral right to extend the lease. In this case, we are comfortable giving the Team a unilateral right to extend the lease because they would remain responsible for all Stadium costs (both operating and capital) for the duration of the lease extension. This is exactly the opposite of the current lease, in which the Team's unilateral right to extend burdens Metro with additional exposure to capital expenses. We would also note that any lease extension would be accompanied by an extension of the Team's non-relocation agreement. The Team has agreed to explore, in good faith, a mutual option to extend the agreement where both parties would need to agree to extend the lease.

F. <u>MISCELLANEOUS</u>

1. Can the Administration please list the various civic and nonprofit organizations that have endorsed or stated support for the stadium project to date? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

According to representatives of the Titans organization, the following organizations have been identified as endorsing and/or stating support for the proposed stadium project:

Country Music Association
Donelson Hermitage Chamber of Commerce
Goodlettsville Area Chamber of Commerce
Greater Nashville Hospitality Association
Nashville Business Coalition
Nashville Chamber of Commerce
Nashville Convention and Visitors Bureau
Nashville Sports Council
Play Like a Girl
Tennessee Kurdish Community Council
Tennessee Latin American Chamber of Commerce
Tennessee State University
Urban League of Middle Tennessee

The Titans organization advises that announcements of support from additional organizations are forthcoming. (The administration has not solicited civic or nonprofit organizational support and maintains no listing of supportive organizations.)

2. Mayor's intent is to "retain Metro ownership of all Stadium and campus property. Define "property" – real estate? Or other, perhaps something as broad as "brand identity" (not for the team's name, but for other brands, such as the stadium name). *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

Real estate.

G. PSLs (PERSONAL SEAT LICENSES)

1. Have the Titans stated what happens to the existing PSLs and if current owners will have to buy new ones? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

New PSLs will be sold in the new building. The Titans are committed to honoring current PSL holders with a full credit in line with the value of their PSL at the time in which they acquired it for a PSL in a new building. For example, if a PSL holder purchased their PSL from the team in 2019 for $2,000, they will receive a $2,000 credit towards PSLs in the new stadium.

2. What will be the PSL Cost? What will be the average general admission ticket cost? How does that compare to todays' costs? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The Team has not determined ticket or PSL pricing yet, as work on stadium design (and therefore, seating diversity/inventory) will be done once an architect of record is retained. The Team has communicated to its PSL holders that they will receive credit in line with their original PSL investment to put towards PSL purchase in the new stadium. Beyond PSLs, the new stadium will offer a range of seating products, including partial ticket plans and group tickets, in addition to single-game tickets at a diverse range of prices. The Team is committed to ensuring that there is a significant number of affordable seats available to fans.

H. STADIUM OWNERSHIP

1. **Who owns the Cumberland Stadium, L.P.?** *Answer provided by Titans Team and their counsel:*

   Cumberland Stadium, Inc., formally Cumberland Stadium, LP., is a wholly owned subsidiary of Tennessee Football, Inc. (d/b/a the Tennessee Titans).

I. STADIUM-RELATED LEGISLATION / PROPOSALS

1. **What happens if Council votes down the current proposal?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

   The Metropolitan Government would be required to comply with the provisions of the current lease. Compliance with the terms of the current lease would require the immediate funding of a renovation project as well as the funding for capital maintenance costs over the life of the lease. That liability is currently unfunded in Metro's budget, and various revenue sources provided by the State would be unavailable absent development of an enclosed stadium.

2. Is the Administration waiting for approval of the non-binding terms sheet in order to begin final drafting of documents with the team? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

We are actively negotiating and drafting the definitive agreements in hopes of bringing those agreements to Council and the Sports Authority for approval in the first quarter of 2023.

3. Can we get a listing of the binding agreements that the Council will need to approve before the stadium decision is finalized? Is there a timeline or a range of end dates that we could know? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

- The Council and the Sports Authority will need to approve amendments to the existing stadium documents:
  - Stadium Lease
  - TSU Lease
  - State Agreement

- The Council and the Sports Authority will need to approve documents related to the new stadium:
  - Development Agreement
  - Lease
  - Team Non-Relocation Agreement
  - Team Guaranty
  - TSU Lease
  - State Funding Agreement
  - Campus Coordination and Parking Agreement

- The Council will need to designate the 130-acre boundary within which 50% of state and local sales tax are diverted to the Sports Authority to fund either Stadium costs or Stadium-related infrastructure

- The Council will need to approve the issuance of bonds by the Sports Authority and an Intergovernmental Agreement between the Metropolitan Government and the Sports Authority

- The Sports Authority will need to approve the issuance of bonds and bond-related documents:
    - Intergovernmental Agreement
    - Bond Indenture
    - Construction Funding Trust and Disbursing Agreements
    - PSL Administration Agreement

We expect to present all of this legislation in the first quarter of 2023.

4. Can the Council have notice from the Sports Authority & Mayor's Office of at least 6 weeks (3 council meetings) before issuance of revenue bonds. I.e., Council to have time to review and conduct due diligence, perhaps with subcommittees. This includes both the ordinances for the contracts (total of 12 weeks), as well as the debt obligating resolution. Is this acceptable to all parties? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

We agree that Council will need time to review the documents and conduct their own due diligence. To that end, we will introduce the definitive documents as soon as they are completed. Once introduced, Council will have control of the legislative calendar to review, and do any diligence deemed necessary.

5. When does the administration expect that stadium-related legislation will be filed? (A more specific time range other than first quarter of 2023. Clarification of answer to question #3 under "Stadium-Related Legislation / Proposals." *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

Following the December 20, 2022 adoption of Resolution no. RS2022-1827 approving a term sheet describing the terms and conditions of the agreements and transactions required to finance, construct, and operate a new, enclosed multi-purpose stadium on the East Bank, representatives of the Metropolitan Government and Titans have engaged in intensive, detailed and protracted negotiations to finalize definitive documents reflective of the terms and conditions agreed in principle. Because of the nature of these negotiations, a precise filing date for stadium-related legislation cannot be provided. It is the administration's expectation that negotiations will conclude in time for legislation to be submitted by March, 2023.

6. Is there going to be racetrack legislation pending at same time as stadium legislation? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

It has been the administration's longstanding preference that there be no such overlap. But progression of speedway-related legislation is subject to the oversight and respective timelines of the Fair Board and Sports Authority.

7. When introducing the next stadium-related legislative items, can the administration acknowledge and commit to being supportive of deferrals so that the Council has adequate time to deliberate and review the legislative items? (Further clarification of the answer to question #4 under "Stadium-Related Legislation / Proposals") *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The administration is supportive of appropriate deferrals to enable Council to conduct necessary due diligence.

8. We would like to request that if there are future amendments to stadium-related leases, agreements, etc., that these potential amendments come back to Council for consideration and approval prior to implementation. Can the administration commit to this? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

Clarification is respectfully requested. To the extent definitive documents entail agreements extending over twenty (20) years into the future, this administration's oversight is limited to the current electoral term. However, the question may intend to ask whether pending finalized agreements could include contractual provisions requiring future amendments to be approved by Council. Representative legal counsel for the Metropolitan Government recommends that the Sports Authority generally should not amend or permit the amendment of any documents or agreements related to the stadium without the prior written consent of the Director of Finance; and for any amendment that would either (*i*) shorten the term of the lease and related agreements, (*ii*) limit the remedies otherwise available to the Authority upon a breach of obligations under any agreement related to the stadium; or (*iii*) alter the provisions of the lease regarding the application of amounts on deposit, such amendments should require prior approval, by resolution, of the Metropolitan Council.

J. STADIUM-RELATED LOGISTICS, ACTIVITIES

1. **What is the plan for company tailgating when the surface lots are replaced with structured parking?** *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The Team envisions a robust and improved tailgating experience by leveraging remaining surface parking and open spaces on the campus, such as the central park, to create a unique atmosphere for fans.

K. TITANS TEAM

1. Have the Titans expressed a desire to relocate if a new stadium is not built and what assurances do we have that the Titans still won't relocate to another city after a new stadium is built? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

A non-relocation agreement that will extend the entire term of the lease would be included as part of the stadium agreement. The Titans have expressed a strong desire to remain in Nashville for generations to come and maintain the home they have had in Tennessee for 25 years. (Amy Adams Strunk, majority owner of the Tennessee Titans, has directly expressed this to Mayor John Cooper.)

2. To offset parking concerns, can the Team provide free transit to downtown for all stadium events to all regional, Star, and WeGo 50 series routes? The route destination must be downtown (or designate the Star stop); no transfers would be allowed. *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

The Team is committed to working with Metro and WeGo to assess all options for public transit and parking, and they have committed to work with all parties on creative ways to maximize opportunities to utilize and expand options.

3. How many parking spaces does the team need? What is the "as-yet-to-be-agreed" number/estimate? *Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.*

We continue to work with the Team to specify the number of parking spaces that will be provided within the Stadium Village. That number will be included within the Definitive Documents.

4. Will the team provide their employees:

a. Minimum wage?

b. Pay equity for race & gender?

Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

The Team is committed to evaluating and maintaining best practices for their hiring policies and a wage minimum of $18.00 / hour for their employees.

For the new stadium construction project and beyond, the Team will aggressively compete for available resources - local and national, minority and women-owned, to include as vendors and partners. Once they have measured capacity, the Team is committed to setting high goals and exceeding the Metro procurement standards.

II. Post-Stadium Project Agreement Ordinance (BL2023-1741) Filing Q&A

D. FUNDING AND COSTS, REVENUES, INVESTMENTS, ECONOMIC IMPACTS

1. Regarding questions 42 to 46 (under section I. D., page 18-20) that were submitted prematurely, much of the responses to those questions indicated a belief that the questions were premature when originally submitted. Please provide updated, current, and complete responses to questions 42 to 46.

Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

See the data included within the Stadium Project Financing Discussion Presentation, and the CSL Preliminary Market Study. *(These documents are located as titled under the "Presentations to the East Bank Committee" section of the East Bank Stadium Committee webpage.) Please also see Nashville Stadium Allocation of Excess Revenues (Base Case Revenues) Presentation located as titled under the "Presentations to the East Bank Committee" section of the East Bank Stadium Committee webpage.*

2. What was the total amount of Non-Tax Revenues collected by the Metropolitan Government during the most recently concluded fiscal year? Please provide a breakdown of those non-tax revenues by source.

Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

See page 18 of the Stadium Project Financing Discussion Presentation. *(Presentation located as titled under the "Presentations to the East Bank Committee" section of the East Bank Stadium Committee webpage.)*

3. **Is all of the current ticket tax and sales tax going to maintenance? Why has it not been enough to cover that?**
   Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

   Ticket tax is currently being applied to the payment of debt service on the Sports Authority's Nissan Stadium revenue bonds.

   Local stadium sales taxes are being used to pay Metro GO debt service – see question 15 under section I. Stadium-Related Legislation / Proposals, page 40.

   Until July 1, 2021, state stadium sales taxes had been withheld by the State to fund State GO bonds issued to assist in the funding of the construction of Nissan Stadium. Beginning July 1, 2021, the Sports Authority began receiving a portion of state stadium sales taxes (under applicable state statutes, the full amount will not be remitted to the Authority until 2030). Those funds are on hand with the Sports Authority and will be used – among other things – to prepay Metro's GO bonds – see question 15 under section I. Stadium-Related Legislation / Proposals, page 40.

4. **What amount of non-tax revenue is Metro pledging? How much do we expect to have annually? How much is already pledged to other projects?**
   Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

   See page 18 of the Stadium Project Financing Discussion Presentation. *(Stadium Project Financing Discussion Presentation located as titled under the "Presentations to the East Bank Committee" section of the East Bank Stadium Committee webpage.)*

E. LEASE AGREEMENT

1. Do the formal Metro (or Sports Authority) financial statements and/or general ledger show any liability under the current stadium lease? If so, what is the amount? Also, is the approximately $1.8 billion dollar Metro obligation under the current lease (that the Mayor and administration have referred to many times) included in the financial statements and/or general ledger for Metro (or the Sports Authority)? If not, why not?

Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

The liability that is due related to Nissan Stadium as of June 30, 2022 was $30.14 million and is a portion of the $52.2 million included in the Component Unit liability for the Sports Authority on Page F2 of the FY22 ACFR.

For GASB accounting purposes, a liability is a "present obligation to sacrifice resources that the government has little or no discretion to avoid." Essentially, a liability is created when an event or transaction occurs that requires the government to make payments to a specific party. In the case of Nissan Stadium, Metro's liability is created when the Titans make expenditures for repairs/upkeep of the Stadium for which Metro is required to reimburse the Titans. Similarly, when this Council approves Capital Spending Plans providing the authority to spend money to fund designated projects, from an accounting perspective, the liability is not created until the bonds are issued.

I. STADIUM-RELATED LEGISLATION / PROPOSALS

1. **(BL2023-1741), Exhibit A: Intergovernmental Project Agreement) Where are the estimates of proposed revenues from PSL and dedicated sales tax and 1% hotel tax, and what assumptions are those based on? Are those assumptions consistent with the East Bank development as a neighborhood with affordable housing or does it rely on concentration of tourist and commercial businesses?**

   Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

   See the Stadium Project Financing Discussion Presentation for estimated revenues other than from PSL sales. The Team has engaged consultants to provide them estimates for expected PSL sales revenues. We believe that the assumptions are consistent with the mixed income, mixed use neighborhood development presented in the Imagine East Bank plan. *(Stadium Project Financing Discussion Presentation located as titled under the "Presentations to the East Bank Committee" section of the East Bank Stadium Committee webpage.)*

2. **(BL2023-1741), Exhibit A: Intergovernmental Project Agreement) Do the hotel projections change if the state is successful in exempting Gallatin from the 1% hotel tax increase?**
   Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

   We believe this question should refer to Goodlettsville. Yes, they would decrease, but we understand that this legislation will not be advanced by the General Assembly.

3. **(BL2023-1741), Exhibit B: Development and Funding Agreement) If the state takes over the Sports Authority, is the council approval still binding?**
   Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.
   Yes

4. **(BL2023-1741), Exhibit B: Development and Funding Agreement) Can all the cash flows be summarized with graphics to make them easier to follow and to explain to constituents?**
   Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

   See the Stadium Project Financing Discussion Presentation. *(Stadium Project Financing Discussion Presentation located as titled under the "Presentations to the East Bank Committee" section of the East Bank Stadium Committee webpage.)*

5. **(BL2023-1741), Exhibit B: Development and Funding Agreement, page 2) Please show actual operating data from the Sounds Ball Park, Predators, and MLS stadium to demonstrate how the results compare to the projections.**
   Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

   Sounds Ballpark – we are not aware that any projections of stadium-related revenues were prepared.

Predators – the arena was financed with general obligations bonds, and we are not aware that any facility operating projections were prepared.

MLS Stadium – we are not aware that any projections of stadium-related revenues were prepared. The Team agreed to make a rent payment equal to total debt service, net of any ticket tax or sales tax revenue collections at the stadium.

6. **(BL2023-1741), Exhibit B: Development and Funding Agreement, page 4) In the StadCo contract, are there any cost overruns that are NOT payable by StadCo? Does Net Construction Proceeds = Total Project Cost?**
Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

   All cost overruns are payable by StadCo.

7. **(BL2023-1741), Exhibit B: Development and Funding Agreement, page 4) How much does the Sports Authority have to issue in bonds to have $760 million for the construction? Is all of that paid back by the sales tax and ticket tax/rent?**
Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

   See page 7 of the Stadium Project Financing Discussion Presentation for an estimated sources and uses of funds. The Bonds are paid from hotel tax, in-stadium sales tax, development sales tax, ticket tax, rent and the Water/Sewer PILOT (through 2027). *(Stadium Project Financing Discussion Presentation located as titled under the "Presentations to the East Bank Committee" section of the East Bank Stadium Committee webpage.)*

8. **(BL2023-1741), Exhibit B: Development and Funding Agreement, page 4) What research has been done to estimate revenues from PSL sales?**
Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

   The Team has engaged consultants to provide them estimates for expected PSL sales revenues. Regardless of proceeds from PSL sales, the Team is responsible for funding the balance of the cost of construction after the State and Sports Authority project contribution amounts ($500MM and $760MM, respectively).

9. **(BL2023-1741), Exhibit B: Development and Funding Agreement, page 5) When are cost overruns deemed committed?**
Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

   Cost overruns are described in Section 12.1 to mean – at any point in time – the amount by which total project costs exceed available funding sources (i.e. the State's $500 MM, the Authority's $760 MM, any PSL sales proceeds and the StadCo Contribution Amount).

   Section 12.3 obligates StadCo to pay 100% of cost overruns, as and when they are due.

   Under Section 3.5(a)(iv) of the Development Agreement, the Authority's bond proceeds may not be applied to project costs until StadCo has provided evidence of its ability to fund cost overruns.

10. **([BL2023-1741)](), Exhibit B: Development and Funding Agreement, page 6) Can we get third party market study on sales tax revenue before we approve?**
Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

The final market study will not be completed until the bonds are issued. A Preliminary Market Study is in the CSL Preliminary Market Study Presentation. *(CSL Preliminary Market Study Presentation located as titled under the "Presentations to the East Bank Committee" section of the East Bank Stadium Committee webpage.)*

11. **(BL2023-1741), Exhibit B: Development and Funding Agreement, page 6, j) Why is balloon indebtedness allowed as an option? I thought the state prohibits annually increasing payments. Can this be deleted?**
Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

The Authority's bonds will constitute balloon indebtedness for purposes of TCA 9-21-133 because the bonds will have a final maturity that is more than 31 years from the issue date, and because debt service on the bonds is expected to ramp up gradually over the first six years, before becoming level for the remainder of the term. A graphical representation of this structure is shown on page 13 in the Stadium Project Financing Discussion Presentation. *(Stadium Project Financing Discussion Presentation located as titled under the "Presentations to the East Bank Committee" section of the East Bank Stadium Committee webpage.)*

State law does not prohibit this, but does requires that the Comptroller approve the debt structure. This provision cannot be deleted.

12. **(BL2023-1741), Exhibit B: Development and Funding Agreement, page 28) What revenue source would the Sports Authority use to pay for change orders it asked for? Is this included in the financial model?**
Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

The Sports Authority currently has no revenues to pay for a change order, and would not request a change order without revenues first having been identified. We believe that this provision has been included as an option to the Authority in each of its prior development agreements, but we are not aware that the Sports Authority has ever requested a change order that required the expenditure of additional funds.

13. **(BL2023-1741), Exhibit B: Development and Funding Agreement, page 29) What are "amounts available to be requisitioned by the Sports Authority" in cost overruns?**
Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

The $760MM Authority contribution.

14. **(BL2023-1741), Exhibit B: Development and Funding Agreement, page 44) Is Metro waiving our rights to legal solutions and jury trials? Is this an acceptable risk?**
Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

Yes. The Metropolitan Department of Law believes that – in disputes related to complex contracts – Metro tends to fare better when the disputes are handled by a bench trial, rather than a jury trial.

15. **([BL2023-1741)](), Exhibit B: Development and Funding Agreement, page 45) Why is the Sports Authority defeasing $8.1 million land acquisition bonds? What land is this? Is this different from the $30 million bond being paid off by the Titans?**
Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

Metro issued GO bonds in 1996 to acquire the stadium campus. As of July 1, 2023, approximately $8.1MM of those bonds will remain outstanding. Debt service on these bonds has been paid from the local portion of stadium sales taxes, pursuant to the Intergovernmental Agreement between Metro and the Sports Authority related to Nissan Stadium. In keeping with the spirit of that agreement, the Sports Authority will use stadium-related funds on hand to discharge these remaining Metro GO bonds related to the stadium campus.

16. **(BL2023-1741), Exhibit B: Development and Funding Agreement, Sch. 4.1) When are the adverse land conditions due?**
Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

The Team will conduct environmental diligence on the stadium site prior to the execution of the Development Agreement. The results of that diligence will be reflected in Schedule 4.1.

17. **(BL2023-1741), Exhibit B: Development and Funding Agreement) sets "first class" standard by Minneapolis, Atlanta, and New Paradise. Exhibit C: Stadium Lease Agreement, just excludes SoFi in Inglewood, CA. Do these two sets of criteria complete the conditions?**
Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

The Development Agreement requires that the Stadium be designed and constructed in a manner consistent with "Comparable NFL Facilities" as defined in the Stadium Lease (first-class NFL stadiums generally), with the stadiums in Atlanta, Minneapolis and Las Vegas being specifically identified as examples. Given the recent construction of the stadiums in Atlanta, Minneapolis and Las Vegas, those stadiums are effectively the required benchmark under the Development Agreement.

The Lease Agreement requires the new Stadium do be maintained and improved (both from an operating and capital expenses perspective) consistent with "Comparable NFL Facilities". The Lease defines Comparable NFL Facilities to include first-class NFL Stadiums of a similar size and age as the new Stadium. SoFi is referenced as an exclusion to this requirement only with respect to "Capital Improvements". This means that SoFi would be a comparable facility for determining StadCo's requirement to operate and repair the new Stadium, but the lease would not require StadCo to make capital improvements to the new Stadium consistent with the capital improvements in place at SoFi.

18. **(BL2023-1741), Exhibit C: Stadium Lease Agreement, page 31) Is the scoreboard part of the Fixtures, Furniture, and Equipment?**
Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

Yes

19. **([BL2023-1741)](#), Exhibit C: Stadium Lease Agreement, page 31) Section 7.1 says Stadco pays utilities including DAS. Should that be DES - District Energy System? If so, has it been decided that the facility will be on the DES? Who pays for extending the chilled water line to the new location?**
Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

No. DAS stands for distributed antenna system, which is equipment that enhances wireless service within the stadium.

20. **([BL2023-1741)](#), Exhibit C: Stadium Lease Agreement, page 33) Stadco gets revenue from parking at Stadium Events. What area does that cover?**
Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

The parking within the North Village and the 2,000 spaces committed by Metro as part of the Site Coordination Agreement.

21. **([BL2023-1741)](#), Exhibit C: Stadium Lease Agreement, page 36) Does Sports Authority get any other revenue besides PSL sales, sales tax, HOT, and $3 ticket tax/rent?**
Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

No.

22. **([BL2023-1741)](#), Exhibit C: Stadium Lease Agreement, page 42) Can we extend Nashville Needs contribution after 30 years?**
Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

The Lease expires at the end of 30 years. Any extension requires Council approval. Council may, at that time, condition any approval upon the extension of the Nashville Needs contribution.

23. **([BL2023-1741)](#), Exhibit C: Stadium Lease Agreement, page 48) Is there a limit on how much the Sports Authority can use the Stadium facility other than working around NFL and TSU schedule?**
Answer provided by the Mayor's Office in consultation with Metro Legal, Finance Department, Planning Department, and the Sports Authority.

Yes. The Authority is entitled to five days use of the stadium, rent-free, for civic-oriented events. Any additional events must be approved by the Team.

EXHIBIT A

Revenues Available For Stadium Capital Funding

- Eight revenue streams generate ~$23 million in FY 2023
- Annual revenue grows to ~$36 million by FY 2030 assuming i) inflationary growth, ii) expiration of the State stadium tax withholding, and iii) Council implementation of area sales tax diversion and development of non-Metro owned land
- Total funding capacity: ~$368 million (assuming debt issued with a term matching current Lease term)
- Funding capacity increases to ~$519 million if debt is issued on 30-year basis (17 years beyond term of Lease)
- Most, if not all, debt issued would require a General Fund backstop

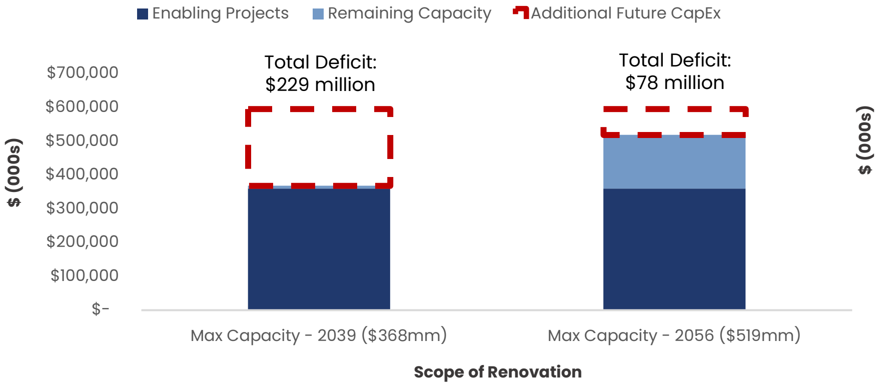
Projected Annual Revenue

	FY 2023 ($000s)	FY 2030 ($000s)
100% Stadium State and Local Sales Tax	$13,197	$20,351
50% Area State and Local Sales Tax	-	5,800
$3 Per Ticket Tax on Stadium Events	3,780	3,780
Water & Sewer PILOT	4,000	4,000
General Fund Contribution	1,000	1,000
TSU Rent	132	132
Parking Revenue	235	289
Authority Share of CMA Revenues	612	753
Total	$22,956	$36,105

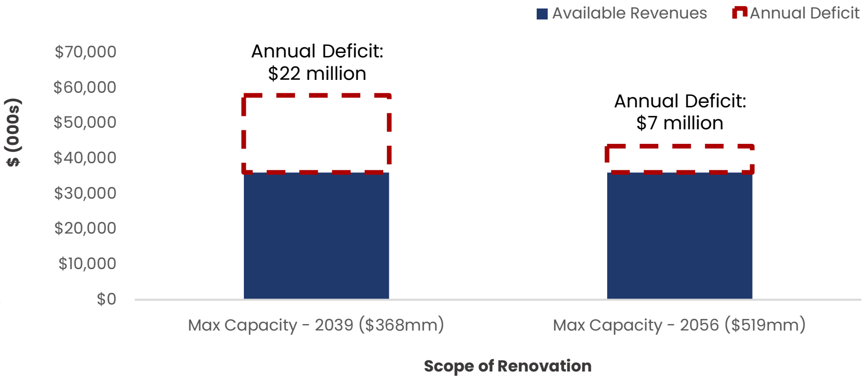
Capacity to Fund Basic Stadium Improvements

- VSG identified ~$597 million of projects needed to keep the Stadium in "*good condition and repair*"
  - $362 million of enabling projects to return the Stadium to "*good condition and repair*", comprised of $257 million in hard construction costs and $105 million in architectural / engineering, soft costs, and contingency
  - $235 million of ongoing projects to maintain it in this condition
- This does not include additional improvements required to keep up with Comparable Facilities or any additional future capital expenses

Projected Construction Funding Deficit



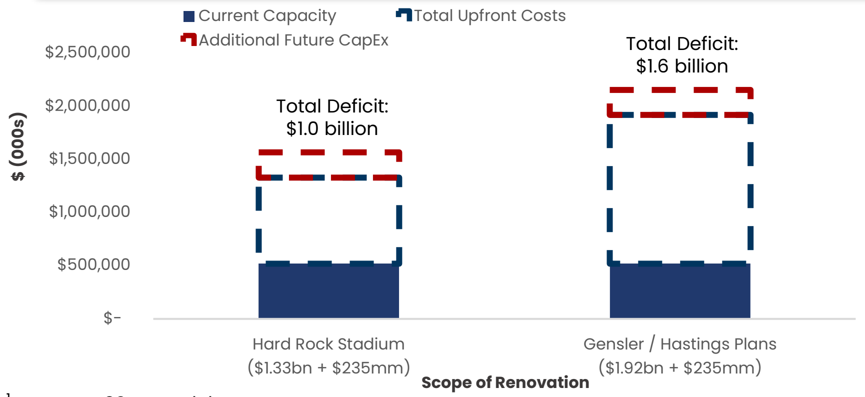
Projected Annual Debt Service Deficit



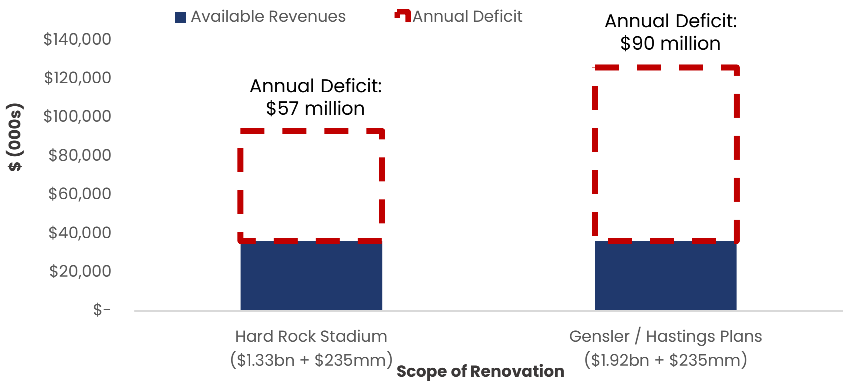
Capacity to Fund Complete Stadium Renovation

- VSG analyzed the Gensler / Hastings Plans and estimated the upfront costs to be $1.92 billion with an additional $235 million of ongoing capital expenses through 2039
- VSG also analyzed the cost of recent renovations to one of the listed Comparable Facilities (Hard Rock Stadium in Miami) and estimated the upfront costs to be $1.33 billion, before any additional ongoing capital expenses

Projected Construction Funding Deficit



Projected Annual Debt Service Deficit[1]



[1] Assumes 30-year debt structure

EXHIBIT B

Available Stadium Financing Revenues

******* Preliminary - For Discussion Purposes Only *******

	Revenue Sources Specific to Stadium Construction and Debt Service										Also Available for Stadium-Related Infrastructure			
	Existing Revenue Sources							New Revenue Sources						
	100% Metro In-Stadium Sales Tax	100% State In-Stadium Sales Tax	Minus: State Holdbacks	Net In-Stadium Sales Tax	Water/Sewer PILOT	Ticket Tax	Total Existing Revenue Sources	Hotel Occupancy Tax	Team Rent	Total New Revenue Sources	50% Metro Campus Sales Tax	50% State Campus Sales Tax	Total Campus Sales Tax	Total Revenues
Footnotes:	(1)	(1)				(2)		(3)	(2)		(4)	(4)		
2023	$ 4,804,000	$ 11,743,000	$ (3,350,000)	$ 13,197,000	$ 4,000,000	$ 3,780,000	$ 20,977,000	$ 18,997,500	$ -	$ 18,997,500	$ -	$ -	$ -	$ 39,974,500
2024	4,948,120	12,095,290	(3,500,000)	13,543,410	4,000,000	3,780,000	21,323,410	19,377,450	-	19,377,450	-	-	-	40,700,860
2025	5,096,564	12,458,149	(3,300,000)	14,254,712	4,000,000	3,780,000	22,034,712	19,764,999	-	19,764,999	-	-	-	41,799,711
2026	5,249,461	12,831,893	(3,300,000)	14,781,354	4,000,000	3,780,000	22,561,354	20,160,299	-	20,160,299	1,700,000	3,400,000	5,100,000	47,821,653
2027	5,406,944	13,216,850	(3,300,000)	15,323,794	4,000,000	3,780,000	23,103,794	20,563,505	1,800,000	22,363,505	2,900,000	5,800,000	8,700,000	54,167,299
2028	5,569,153	13,613,355	(3,200,000)	15,982,508	4,000,000	3,780,000	23,762,508	20,974,775	1,800,000	22,774,775	3,366,667	6,733,333	10,100,000	56,637,283
2029	5,736,227	14,021,756	(3,200,000)	16,557,983	4,000,000	3,780,000	24,337,983	21,394,271	1,800,000	23,194,271	3,466,667	6,933,333	10,400,000	57,932,254
2030	5,908,314	14,442,409	-	20,350,723	4,000,000	3,780,000	28,130,723	21,822,156	1,800,000	23,622,156	3,966,667	7,933,333	11,900,000	63,652,879
2031	6,085,563	14,875,681	-	20,961,245	4,000,000	3,780,000	28,741,245	22,258,599	1,800,000	24,058,599	4,500,000	9,000,000	13,500,000	66,299,844
2032	6,268,130	15,321,951	-	21,590,082	4,000,000	3,780,000	29,370,082	22,703,771	1,800,000	24,503,771	4,833,333	9,666,667	14,500,000	68,373,853
2033	6,456,174	15,781,610	-	22,237,784	4,000,000	3,780,000	30,017,784	23,157,846	1,800,000	24,957,846	5,266,667	10,533,333	15,800,000	70,775,631
2034	6,649,860	16,255,058	-	22,904,918	-	3,780,000	26,684,918	23,621,003	1,800,000	25,421,003	6,300,000	12,600,000	18,900,000	71,005,921
2035	6,849,355	16,742,710	-	23,592,065	-	3,780,000	27,372,065	24,093,423	1,800,000	25,893,423	7,200,000	14,400,000	21,600,000	74,865,489
2036	7,054,836	17,244,991	-	24,299,827	-	3,780,000	28,079,827	24,575,292	1,800,000	26,375,292	7,866,667	15,733,333	23,600,000	78,055,119
2037	7,266,481	17,762,341	-	25,028,822	-	3,780,000	28,808,822	25,066,798	1,800,000	26,866,798	8,100,000	16,200,000	24,300,000	79,975,620
2038	7,484,475	18,295,211	-	25,779,687	-	3,780,000	29,559,687	25,568,134	1,800,000	27,368,134	8,333,333	16,666,667	25,000,000	81,927,821
2039	7,709,010	18,844,068	-	26,553,077	-	3,780,000	30,333,077	26,079,496	1,800,000	27,879,496	8,566,667	17,133,333	25,700,000	83,912,574
2040	7,940,280	19,409,390	-	27,349,670	-	3,780,000	31,129,670	26,601,086	1,800,000	28,401,086	8,866,667	17,733,333	26,600,000	86,130,756
2041	8,178,488	19,991,671	-	28,170,160	-	3,780,000	31,950,160	27,133,108	1,800,000	28,933,108	9,133,333	18,266,667	27,400,000	88,283,268
2042	8,423,843	20,591,422	-	29,015,265	-	3,780,000	32,795,265	27,675,770	1,800,000	29,475,770	9,366,667	18,733,333	28,100,000	90,371,035
2043	8,676,558	21,209,164	-	29,885,723	-	3,780,000	33,665,723	28,229,286	1,800,000	30,029,286	9,666,667	19,333,333	29,000,000	92,695,008
2044	8,936,855	21,845,439	-	30,782,294	-	3,780,000	34,562,294	28,793,871	1,800,000	30,593,871	9,933,333	19,866,667	29,800,000	94,956,166
2045	9,204,961	22,500,802	-	31,705,763	-	3,780,000	35,485,763	29,369,749	1,800,000	31,169,749	10,266,667	20,533,333	30,800,000	97,455,512
2046	9,481,110	23,175,826	-	32,656,936	-	3,780,000	36,436,936	29,957,144	1,800,000	31,757,144	10,566,667	21,133,333	31,700,000	99,894,080
2047	9,765,543	23,871,101	-	33,636,644	-	3,780,000	37,416,644	30,556,287	1,800,000	32,356,287	10,900,000	21,800,000	32,700,000	102,472,931
2048	10,058,509	24,587,234	-	34,645,743	-	3,780,000	38,425,743	31,167,412	1,800,000	32,967,412	11,200,000	22,400,000	33,600,000	104,993,156
2049	10,360,264	25,324,851	-	35,685,116	-	3,780,000	39,465,116	31,790,761	1,800,000	33,590,761	11,533,333	23,066,667	34,600,000	107,655,876
2050	10,671,072	26,084,597	-	36,755,669	-	3,780,000	40,535,669	32,426,576	1,800,000	34,226,576	11,866,667	23,733,333	35,600,000	110,362,245
2051	10,991,205	26,867,135	-	37,858,339	-	3,780,000	41,638,339	33,075,107	1,800,000	34,875,107	12,266,667	24,533,333	36,800,000	113,313,447
2052	11,320,941	27,673,149	-	38,994,089	-	3,780,000	42,774,089	33,736,610	1,800,000	35,536,610	12,633,333	25,266,667	37,900,000	116,210,699
2053	11,660,569	28,503,343	-	40,163,912	-	3,780,000	43,943,912	34,411,342	1,800,000	36,211,342	13,000,000	26,000,000	39,000,000	119,155,254
2054	12,010,386	29,358,443	-	41,368,829	-	3,780,000	45,148,829	35,099,569	1,800,000	36,899,569	13,400,000	26,800,000	40,200,000	122,248,398
2055	12,370,698	30,239,197	-	42,609,894	-	3,780,000	46,389,894	35,801,560	1,800,000	37,601,560	13,800,000	27,600,000	41,400,000	125,391,454
2056	12,741,818	31,146,373	-	43,888,191	-	3,780,000	47,668,191	36,517,591	1,800,000	38,317,591	14,200,000	28,400,000	42,600,000	128,585,782
	$ 277,335,768	$ 677,925,463	$ (23,150,000)	$ 932,111,231	$ 44,000,000	$ 128,520,000	$ 1,104,631,231	$ 912,522,146	$ 54,000,000	$ 966,522,146	$ 268,966,667	$ 537,933,333	$ 806,900,000	$ 2,878,053,377

Footnotes

1 - Projected Metro and State In-Stadium Sales Tax Based on 2023 In-Stadium Sales Tax levels and 3% growth. Changes due to new stadium activation have not been fully analyzed and are not presented.

2 - Based on 2022 attendance. Changes due to new stadium activation have not been fully analyzed and are not presented.

3 - Based on 2022 Hotel Occupancy Tax collections at 1%, with growth at 2%.

4 - Campus Sales Tax as projected by RCLCO through 2030 and 3% growth thereafter. Based on assumed development program and phasing, and therefore preliminary and subject to change.