Embargoed until 2pm CT, October 17, 2022

New Stadium Proposal Relieves Taxpayer Burden of at Least $1.75 Billion

Mayor John Cooper and the Tennessee Titans Agree on Terms That Return 66 Acres of Land Surrounding the Stadium for Future Park, Affordable Housing, Multi-Modal Boulevard, Greenways, and More

NASHVILLE, TN -- Today, Nashville and Davidson County Mayor John Cooper and the Tennessee Titans announced they have agreed to terms for a new enclosed stadium that would relieve a nearly $2 billion burden on Nashville taxpayers by voiding the current lease agreement.

The lease for Nissan Stadium, signed in 1996, legally obligates Nashville to provide a “first-class” stadium until 2039. The Mayor’s Office worked with Metro Council to hire Venue Solutions Group (VSG), an independent and nationally recognized public facility consulting firm, to assess the condition of Nissan Stadium and estimate Metro’s financial obligation to the Titans. VSG estimates that renovating and maintaining Nissan Stadium would cost between $1.75 billion and $1.95 billion over the remaining 17 years of the current stadium lease. This liability would require general fund dollars that could otherwise support essential priorities like public schools and first responders.

Faced with the challenge of a $1.75B-1.95B unfunded liability on an aging stadium, Mayor Cooper pursued other options to shift the cost off the general fund. After months of negotiation, and with a generous contribution from the Tennessee State Legislature, the city and team have agreed to terms that would bring a new, enclosed stadium to Nashville at no cost to the city’s general fund. The enclosed option unlocks two revenue sources that wouldn’t otherwise be available – investments from the state and the hospitality industry.

“This new stadium proposal protects Metro taxpayers by not spending a single dollar that could be spent elsewhere on our core priorities like education and public safety,” said Mayor John Cooper. “Doing nothing was not a legal option for us, and renovating the current stadium proved to be financially irresponsible, so we are proposing a new stadium paid for by the team, the state, tourists and spending around the stadium -- not by your family.”

Additionally, the team agrees to waive $32 million of outstanding bills owed by the city for construction and maintenance performed on Nissan Stadium over the past four years. As part of the overall project budget, the team also agrees to pay off the remaining $30 million in
bonds owed on Nissan Stadium. This represents $62 million in additional unfunded liabilities relieved as part of the agreement.

The proposed stadium would be built directly east of Nissan Stadium on land that is currently parking lots. As part of the proposal, Metro would regain control of over 66 acres of land, including the existing Nissan Stadium site. Land that would have remained surface parking for the next 17 years can now serve Nashville with a large park, greenways, affordable housing, a multi-modal boulevard, local businesses and more – all without selling any public land.

“I’m grateful to Amy Adams Strunk, Burke Nihill and the entire Titans organization for their commitment to Nashville,” added Mayor Cooper. “Residents’ tax dollars can go to core city services because the Titans have stepped up to cover future ongoing maintenance on the new stadium. I’d also like to thank Governor Lee and our partners at the state legislature for recognizing the Titans’ enormous economic contributions. Together, we are making sure that the Titans stay in Tennessee for generations to come.”

“When my father brought this team to Tennessee 25 years ago, I don’t think he could have imagined a better home for our organization,” said Titans controlling owner Amy Adams Strunk. “The way the people of Tennessee have embraced this team as their own is truly something special, and I am thrilled that with this new agreement, we will cement our future here in Nashville for another generation.”

Funding for the new stadium comes from four separate revenue sources, described in detail below. The Titans, the NFL, and personal seat license (PSL) sales combined represent the largest source of funding for the new stadium. General obligation bonds are not a part of the proposal, and zero dollars are required from Metro’s operating budget.

Sources of funding for the new stadium:

1) Football-Related Sources: Titans, NFL (subject to final NFL approval), and PSL sales;
2) State: a one-time contribution contingent on the building of a new, enclosed stadium;
3) Hospitality: Tourists and visitors through a new 1% hotel/motel tax contingent on the building of a new, enclosed stadium; and
4) Stadium/ Campus: Sales and use taxes collected at the stadium and on its campus.

$840 million for the new stadium and any construction overruns will come from the Titans, NFL, and PSL sales. $500 million will come from the one-time state contribution. The remaining $760 million will come from revenue bonds issued by the Metro Sports Authority to be repaid through the revenue streams described above, all of which, per state statute, can only be used for this project or other stadium-related costs.

The Titans have agreed to maintain and backstop upkeep over the life of the lease, and Metro will own the stadium when the lease expires– creating a multi-billion dollar asset for the city.
"Nashville’s new stadium will be a game changer for the community, enhancing the national and international reputation of our great city and state and delivering world-class events to our doorstep that we could never have dreamed of 25 years ago,” said Titans President and CEO, Burke Nihill. “We couldn’t be more appreciative of Mayor Cooper’s commitment to prioritizing the taxpayers of Nashville and his vision for a bold future on the East Bank. We look forward to the discussion of these terms with Metro Council and the Sports Authority, and hearing from our neighbors in the community as this process continues.”

Additional key facts:

- The new stadium will be home to up to FOUR Tennessee State University home games each year, and TSU will have a dedicated locker room in the facility. **TSU will pay no rent** under this new deal.
- Venue Solutions Group (VSG) will be providing a full report to Metro Council of their findings that details their methodology and approach by November 1. A summary of their initial findings thus far was provided to Mayor Cooper Friday, at his request.
- The new lease will run for a minimum of 30 years, and the new stadium could be ready as early as the 2026 NFL season.
- The Titans have agreed to cover any construction cost overruns.
- The Titans will expand their current impact programs and launch a new community benefits platform with economic inclusion, small business and workforce development and direct support for community priorities. That plan will be detailed on Thursday, Oct. 20.
- Local businesses, goods, and labor will be prioritized in construction and vendor contracts.
- Costs of stadium-related infrastructure and demolition of the old stadium are built into the deal.
- The new stadium will also feature other world-class, iconic events to take place right in our backyard, such as CMA Fest, concerts, and potentially major sporting events like the Super Bowl, NCAA Playoff Games, WrestleMania and more.

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