

# NASHVILLE SOCCER HOLDINGS LLC

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January 31, 2020

The Honorable John Cooper  
Mayor, The Metropolitan Government of Nashville and  
Davidson County  
Historic Courthouse  
Nashville, Tennessee 37201

Re: Nashville Soccer Club

Dear Mayor Cooper:

I greatly appreciate you making the time to come to New York yesterday to discuss the stadium for Nashville SC.

We are and have long been deeply committed to the City of Nashville. We love our City. We, along with others, have worked vigorously to bring Major League professional soccer to Nashville. From the beginning, we wanted to do this in Nashville, with Nashville, and for Nashville. In partnership with Nashville SC, the City made commitments to help bring soccer to Nashville. Those are commitments that have been made to our soccer club, to me, to MLS, and ultimately to the citizens and fans in Nashville. Those are commitments on which we and MLS have relied and already invested hundreds millions of dollars. Those are commitments that were expressly adopted by the Metro Council. Those are commitments which we urge you to live up to today.

During your campaign and since you were sworn in as Mayor, you and I have talked many times about the future soccer stadium at the Fairgrounds. On August 14, 2019, you personally assured me that the stadium deal was finished business and you planned to move forward to make soccer a success in Nashville. We have also met for many hours over the past four months to discuss the project further and I have listened to the issues Nashville faces.

Nashville Soccer Holdings has worked hard to be a true community partner since the Metro Council overwhelmingly passed the resolutions for the soccer stadium. We have been working closely with the Sports Authority, Fair Board, Metro Council, Stand Up Nashville and the community at large to honor our commitments. We have hired more than eighty front office employees and signed a full roster of players. Based on surging ticket sales and highly attended events, Nashvillians are overwhelmingly supportive of our efforts.

As you know, the Team has an agreement with Metro as reflected in the various legislative and other governmental actions taken over the past three years, and in the documents negotiated by the Team and Metro. It was only after agreement was reached

with Metro, that the Team ownership group committed to pay Major League Soccer \$150 Million for the Nashville expansion team.

Nevertheless, the Team was willing to enter into discussions with your Administration to augment the existing agreement to try to accommodate your demands, taking into account the city's current financial situation. You asked us to accommodate additional conditions beyond the original binding commitments. We assumed more of the finances. As a result, what we proposed would mean no taxpayer burden for the stadium and still reflect a good path forward for Nashville SC. We went those extra steps above and beyond the existing deal, to be a good partner and citizen.

I do believe there should be some record of the state of affairs. For this reason, I am setting forth the terms of the Team's proposal as communicated to you personally on January 18 and to Kevin Crumbo and Larry Papel at your request on January 20:

1. Cost of Stadium. The cost of the Stadium was initially estimated at \$250 Million. Since then, the estimate has increased to \$335 Million. The Team will be responsible for the total cost of the stadium. As agreed, the Team has committed to pay any stadium construction cost overruns and, although no one expected costs to soar by \$85 Million before construction even began, the Team will live up to its commitment to cover all stadium costs.
2. Infrastructure. The existing deal contemplated that stadium related infrastructure improvements would be required. The Fairgrounds infrastructure was in need of upgrades and any activation of the site would require infrastructure improvements no matter who or how the site was developed. This cost was to be borne by Metro, and General Obligation bonds of \$25 Million were issued by Metro to pay for the infrastructure. In our discussions, you indicated that the \$25 Million was not enough to cover infrastructure costs. In the spirit of cooperation, the Team offered to pay an additional \$19 Million to Metro for infrastructure in the immediate vicinity of the stadium.
3. \$35 Million Metro Guarantee. The existing deal required Metro to pay up to \$35 Million to defray the Team's stadium lease payment obligation if ticket and sales tax collections associated with the stadium was not sufficient. The Team, at your Administration's request, is willing to forego this guarantee.
4. 10 Acre Lease. The existing deal contemplated that Metro would lease 10 acres at the Fairgrounds to a Team entity for mixed-use development. As discussed, the Team and Major League Soccer believe that this development was critical to both agreeing to a stadium located at the Fairgrounds. The League had prior experience with stadiums built without fan amenities nearby—these sites were not successful. A venue offering a positive all-around experience for the fans and community amenities is a must and is something we have heard loud and clear from the residents. Under the agreed upon deal, the Team will provide Metro and its residents more than fair value for the 10 acres—the lease payments, the Team's obligation to build affordable housing on the site, and other community benefits to be provided by the Team are valued at a minimum of \$26 Million.

You have indicated that expanding the race track is important to the Administration. Even though there is no deal in place to expand the track, the Team told you that we would be willing to modify its boundaries for the 10 acre site to accommodate future racing expansion possibilities.

In summary, at the request of the Administration, the Team said in our discussions that we would be willing to agree to supplemental project terms in which we would pay an additional \$19 Million; at the request of the Administration, the Team said in our discussions that we would give up the \$35 Million of Metro lease payment guarantees; at the request of the Administration, the Team said in our discussions that we would redesign our 10 acre development to ensure the 100 foot barrier to accommodate possible racing expansion.

Our offer clearly addresses any assertion that the soccer stadium and mixed-use development will take away from teacher pay. It will not. In fact, it will add millions in recurring revenue to the Metro general fund to be used for that very purpose if you wish.

Yesterday, you made it clear that parcel 8C of the mixed-use development would have to be removed from consideration as part of our plan. We agreed to review, in good faith, if we could go forward without parcel 8C. I regret to inform you we cannot meet that request. We believe keeping parcel 8C out of this plan would mean we could not fulfill our commitments under the Community Benefits Agreement (CBA). That is unworkable. We intend to honor our commitments to the community.

Nashville needs to keep its commitments.

We hope this will help us reach a solution to allow stadium construction to begin immediately.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'JE R J', is positioned above the typed name of John Ingram.

John Ingram  
Chief Executive Officer and President