

July 5, 2022

Members of the Metropolitan Council
Metro Historic Courthouse
One Public Square, Suite 204
Nashville, TN 37219

Dear Metro Council Members:

A new domed Titans stadium and associated redevelopment of the East Bank would represent the single largest investment in Metro's history. It would also be the largest corporate incentive ever provided in Metro history. We all love and cheer for the Titans, but that is not the question at hand. I am writing this letter to you as a private citizen to express my concern at the apparent lack of stewardship in this important negotiation and to urge a significant change of course. By all appearances, we are careening towards an agreement that will fleece Nashville taxpayers and Titans fans.

By way of background, I am the former Chief Operating Officer for AllianceBernstein. At AB, in addition to selecting Nashville over 30 other cities and being responsible for the company's move here, I oversaw thousands of employees in 50+ global offices, a multi-billion dollar budget, and led dozens of challenging and tough negotiations. I retired from AB at the end of 2020 and intend to live the rest of my days as a Nashville resident. I care deeply about our wonderful city, which is why I am involved with multiple philanthropic and civic organizations and have been since I arrived four years ago. I very much want to see this negotiation make sense for all parties, but I fear that is not the path we are on.

I am deeply appreciative of the work you do as Council Members and city leaders to make Nashville a better place for years to come. I also appreciate that you are asked to be experts in a myriad of topics, including stadium finance – a challenging task at best. Nevertheless, your leadership on this matter is critical to the future of Nashville.

While the stadium negotiation is occurring behind closed doors, we can surmise from the little we know and from the experience of other cities, who will likely win and who will lose if the Council does not assert its authority.

Titans Fans: Lose

Many current Titans fans may find themselves unable to afford to see the inside of a new domed stadium. NFL owners finance new stadiums by selling new PSLs (personal seat licenses, which give the holder the right to purchase season tickets), voiding the existing PSLs. The newest NFL stadium is in Las Vegas, where Raiders ownership raised [\\$549 million](#) through the sales of PSLs at an average of \$10,000 apiece; premium seats were \$75,000 a pop. Given the steep price of Raider PSLs, fully 40% of PSLs were sold to rich out-of-towners rather than residents of Nevada. But PSLs are only half the story: owners often raise the prices for tickets, parking, and concessions at new stadiums. The price of a Raiders ticket is on average 63% higher than a Titans ticket. It is quite possible that the average long-time Titans fan will be priced out of attending games. This has certainly proven to be the case in other cities with new stadiums such as [Dallas](#).

Nashville Taxpayers: Lose

The Nashville taxpayer will also be losers in this deal. Reports suggest the Titans will contribute \$700 million of the \$2.2 billion required to build a new domed stadium, leaving the taxpayer on the hook for the remaining \$1.5 billion. This is double the largest public subsidy of any current NFL stadium and \$650 million higher than what was just negotiated to build a new stadium in Buffalo. (A deal about which one sports economist [wrote](#), “I have studied stadium financing for over two decades – and the new Bills stadium is one of the worst deals for taxpayers I have ever seen.” Not surprisingly, this deal has proven unpopular with [voters](#).) For a domed Titans stadium, the state has agreed to contribute \$500 million, presumably leaving Nashville responsible for the remaining \$1 billion (by contrast, Buffalo’s portion of the tab is \$250 million).

We are being told that the new stadium won’t cost the Nashville taxpayer anything because it will be financed with revenue bonds. As we all know, a revenue bond is simply an arrangement where a dedicated “revenue” stream is used to pay the interest and principal on the bond. The city’s leadership is proposing to dedicate the taxes from a large portion of the East Bank to pay for the new stadium rather than have those taxes flow into the General Fund used to run the city. But right now, there is nothing on the East Bank. Therefore, the city is also proposing to spend what could ultimately amount to another \$1 billion to develop the East Bank to generate the tax revenue to pay for the stadium. This is a point astutely made numerous times by [Council Member Mendes](#).

It appears that city leadership will propose taking on nearly \$3,000 in debt for every man, woman, and child to fund the city’s share of the new stadium and the required East Bank Redevelopment. And we have yet to pay off the debt from Nissan Stadium.

Titans Ownership: Win

Titans’ ownership will be the big winner absent a course correction. The Titans majority owner is a billionaire who lives in Houston. After PSL sales, stadium naming rights (Allegiant reportedly is paying [\\$20-25 million](#) per year over 20+ years at the new Raiders stadium), the Titans may get a new \$2.2 billion stadium for no net investment. Indeed, a new stadium is so [lucrative](#) that the Titans could potentially finance it without Nashville taxpayer support by using the \$700 million the Titans have already committed, the \$500 million from the state, with the \$1 billion balance coming from a combination of PSL sales, sale of stadium naming rights, greater stadium revenues from higher prices, sponsorships, and more events, and by a sale of a portion of the team equity to private investors.

Nashville is being told it needs a new stadium because the current stadium is not “first-class.” At the time that Nissan stadium opened, it was the most expensive NFL stadium ever built. The current Tampa stadium opened one year prior to Nissan and cost [a third less to construct](#). The two stadiums shared the same principal architect. Tampa’s stadium hosted its third Super Bowl just 16 months ago. Clearly, the NFL considers Tampa stadium to be a sufficiently [first-class stadium](#) to host its premier event. Admittedly, there have been [\\$160 million in renovations](#) to the Tampa stadium (primarily paid by the Buccaneers), something that is sorely overdue at Nissan and that was detailed in a [2017 study](#). At that time, the [CEO of the Titans said](#), “We still think Nissan Stadium is a great place to play a football game...We’re very proud to call it home and intend to continue calling it home for much of the future.”

The Way Forward

We have known that we need to renovate Nissan Stadium for five years. Yet, here we are with negotiations on what could be the biggest investment in city history going on behind closed doors, with the matter now seemingly being positioned as urgent. However, this issue is too important for anything less than considered, independent analysis and a hard-nosed look at the numbers.

I applaud the Metro Council for insisting on an independent consultant. The time has come for the Council to assert its leadership, bring transparency to the negotiation, and prioritize taxpayers and Titans fans. Specifically, we must: (1) determine Metro's true obligations and responsibilities under the current lease agreement; (2) do a proper assessment of what would be required to bring Nissan to "first-class" status (including comparing future maintenance expenditures to future interest payments on bonds used to fund a new stadium); (3) assess by what amount a new domed stadium would increase the economic value of the Titans; (4) obtain an independent estimate of the potential money a new stadium would let the Titans raise from (a) PSL sales, (b) stadium naming rights, (c) new revenues from higher stadium prices, more luxury boxes, and sponsorships, (d) new revenues from a multitude of additional events; and (5) directly engage the community about the stadium and its standing among Nashville's many competing needs.

Before proceeding with a new stadium, we must challenge the Titans to use the dollars they raise from all these sources to increase their share of the required investment or to accelerate debt repayment. Just as with the Nashville SC stadium and its owners, Titans ownership should [financially guarantee](#) revenue bonds on any new stadium. Given the increased value of the Titans franchise with a new stadium, they should be challenged to raise money from private investors and contribute that to the kitty. Finally, the NFL's loan program should be leveraged. We need a process to make all the above transparent and understandable to Nashville citizens and solicit their input (our citizens had the opportunity to vote 26 years ago). We need to decide how we will balance the interests of the Titans and our robust tourist industry with the real needs of people in the city. An investment of this magnitude deserves nothing less.

We all love the Titans. They are an integral member of the Nashville community and a very important part of what makes this such a vibrant and great city. It is possible that intelligent, tenacious negotiation will result in a much better deal, making a new domed stadium the right thing for the city. However, in a city that needs to find funding for affordable housing, schools, crime prevention, transit, homelessness, infrastructure, and ensuring the reliability of city services, to name just a few, we need to put what is best for all Nashvillians first. Titan Up.

Thank you for your thoughtful consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Gingrich". The signature is fluid and cursive, with the first letter "J" being particularly large and stylized.

Jim Gingrich

This letter is available online [here](#).