ITEM #_____

PREPARED BY: Commissioner Ritz

APPROVED BY: Christy L. Kinard
Assistant County Attorney

Resolution conditionally authorizing the sale to the City of Memphis of Shelby County's interest in the Pyramid, Mid-South Coliseum, and land under the Liberty Bowl for $5,000,000 and authorizing the Mayor to enter into a contract for this purpose with the City of Memphis. Sponsored by Commissioner Mike Ritz.

WHEREAS, The Pyramid, Liberty Bowl and the Mid-South Coliseum are located in the City of Memphis; and

WHEREAS, The Pyramid is closed and Shelby County owns a 50% interest in the Pyramid and is sharing the cost of maintaining this facility with the City of Memphis; and

WHEREAS, The County in 2004 allowed the City to take the lead role in developing an alternative use for the Pyramid; and

WHEREAS, The City of Memphis owns 50% of the Pyramid and owns all of the parking lots around the Pyramid and the City of Memphis may have a greater interest in, and more to gain from, any future use of the Pyramid property than Shelby County Government; and

WHEREAS, The Mid-South Coliseum is closed and Shelby County owns a 40% interest in the Coliseum and may be responsible for future costs related to this facility; and

WHEREAS, The City of Memphis owns 60% of the Mid-South Coliseum and is working towards redeveloping the Fairgrounds area around the Mid-South Coliseum; and

WHEREAS, Shelby County owns some land under the Liberty Bowl and Memphis owns the Liberty Bowl; and

WHEREAS, there is no purpose in Shelby County continuing to own a portion of the land under the Liberty Bowl; and

WHEREAS, Shelby County Government does not desire to finance nor to provide financial guarantees or financial incentive(s) for the development, demolition and/or construction of public and/or private development of the Pyramid, Liberty Bowl, the Mid-South Coliseum and/or their environs; and

WHEREAS, Shelby County Government is concerned with the City's presentation of the Bass Pro agreement relative to (1) the proposed perpetual property tax exemption to be granted Bass Pro and all other uses (hotel, museum, aquarium, restaurants, etc.) on the Pyramid site; (2) the proposed perpetual requirement for the landlord (City and County or City only) to be responsible for structural and/or seismic repairs/corrections to the Pyramid; (3) the proposed $30,000,000 gift to Bass Pro without typical tenant cross obligations to stay open and pay rent; and (4) the proposed Bass Pro entity is apparently a special purpose **no net worth** entity with **no** financial guarantor by an entity having a substantial net worth; and

WHEREAS, Shelby County Government appreciates the advantages of one government dealing with a use or user for the Pyramid, and that The City of Memphis owns the land around the Pyramid and has the most to gain from a successful use of the Pyramid and has more frequent access to some Federal programs which may facilitate private use of the Pyramid, the County is concerned with how the a private use deal will be implemented to the best interests of the citizens and taxpayers of Shelby county, most of whom also are citizens and taxpayers in Memphis.

NOW THEREFORE BE IT RESOLVED, BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That the Shelby County Mayor is hereby authorized to contract with the City of Memphis to sell Shelby County's interest in the Pyramid, the Mid-South Coliseum and land under the Liberty Bowl to The City of Memphis for the price of $5,000,000.

BE IT FURTHER RESOLVED, That the price is to be paid not later than June 30, 2009.

BE IT FURTHER RESOLVED, However, that Shelby County Government will consider assistance in financing of a private use of the Pyramid with the state's portion of Sales Tax incremental growth in the Downtown Tourist Development Zone as long as (1) such assistance does not put at risk the County's ability to pay the County's portion of the debt relative to the Convention Center and/or the Fedex Forum or (2) the City accepts and assumes the responsibility for the county's share of those bond issues.

BE IT FURTHER RESOLVED, That the City of Memphis will hold Shelby County harmless and indemnify Shelby County from the obligations in the agreement(s) with HOOPS related to providing a back-up location to the Fedex Forum for the Memphis Grizzlies to play NBA basketball games.

BE IT FURTHER RESOLVED, That Shelby County Government will not agree to approve the use of Center City Revenue Finance Corp PILOT extension funds to finance a garage for the user(s) of the Pyramid the County desiring instead to support other downtown investments more in need of parking such as the University of Memphis Law School at the old Post office on Front street at Madison.

BE IT FURTHER RESOLVED, That Shelby County Government will not agree to amend the Uptown Tax Increment Financing (TIF) arrangement whereby increases in property tax collections in the Uptown district will fund any expenditures on the Pyramid premises nor access from Interstate 40 without (1) first reserving such TIF financing for the public improvements in the Uptown District and (2) assurance to Shelby County that the user(s) of the Pyramid will pay property taxes to the County and City.

BE IT FURTHER RESOLVED, That Shelby County Government will not agree to financially support improvements to, or demolition of, the Pyramid or authorize Tax Increment Financing for any part of the Coliseum or Liberty Bowl and/or development of their environs.

BE IT FURTHER RESOLVED, That Shelby County Government will not agree to assist in financing any improvements to the Liberty Bowl.

BE IT FURTHER RESOLVED, That Shelby County Government encourages the City of Memphis to negotiate an agreement with Bass Pro that will be more fair to the citizens and taxpayers of Memphis and Shelby County by (1) requiring Bass Pro to accept the Pyramid "as is"; (2) placing the Pyramid on the property tax rolls by selling the Pyramid premises to Bass Pro; and (3) either (a) reducing the $30,000,000 gift to Bass Pro, or (b) if the Pyramid is not sold to Bass Pro, require Bass Pro to pay rent for the whole initial 20 year term of the proposed lease and that said requirement to pay rent be guaranteed by the parent company of Bass Pro, or (c) require Bass Pro to reimburse the City for the $30,000,000 gift if they do not stay open for business for 20 years.

BE IT FURTHER RESOLVED, That Shelby County Government will agree to this sale provided that the Chairman of the County Commission and the Chairman of the City Council appoint a Pyramid Oversight Committee to be composed of at least two County Commissioners and two City Councilmen who will review and assure that the private use and development of the Pyramid meets County and City expectations and standards for minority employment, plans for the Uptown District, Riverfront, St. Jude's Hospital, Convention Center, and Center City, access and signage from Interstate 40, and other matter critical to maintaining and protecting the physical iconic image of, and public investment in, the Pyramid.

BE IT FURTHER RESOLVED, That the Shelby County Mayor is authorized to take all other legal actions required to effectuate this resolution.

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A C Wharton, Jr.
County Mayor

Date:_____

ATTEST:

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Clerk of County Commission

Adopted:_____