

MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Donald W. Jones, Director
Metropolitan Council Office

DATE: **June 10, 2008 – Adjourned Meeting**

RE: **Analysis Report**

– BILLS ON THIRD READING –

ORDINANCE NO. BL2008-225 (COLE) – This ordinance approves a clinical affiliation agreement between the Davidson County drug court and Vanderbilt University to provide student clinical instruction and training to nursing students. Students will not receive any compensation and there is no cost to the Metropolitan Government for providing this service. The term of the agreement is for five years, but may be terminated by either party upon 30 days written notice. Vanderbilt University will be required to provide assurance that the students are covered by health and professional liability insurance, and the schools agree to assume responsibility for all of their students participating in the program. Metro is a participant in similar clinical experience programs through the Metro health department.

ORDINANCE NO. BL2008-226 (COLE) – This resolution approves a lease agreement between the Metropolitan Government and Square Investment Holdings, L.P., for the lease of office space in the Washington Square building. Metro has been leasing 40,222 square feet of space in the Washington Square building for the district attorney's office since 1993. The current lease agreement is set to expire on November 30, 2008.

Under the new agreement, Metro will continue to lease 40,222 square feet on the fourth and fifth floors of the Washington Square building for the district attorney's office, plus an additional 18,800 square feet on the sixth floor for the department of law. The new term of the lease will be from December 1, 2008, through November 30, 2018, with an option to renew for an additional five year term. The base rent for the additional term will be \$14.85 per square foot for the first three years (\$876,476.70 annually), and \$15.85 per square foot for the years 2012 and 2013, and \$17.85 per square foot thereafter. As part of this lease agreement, Investment Holdings will make several improvements to the premises consisting of the following: replacement of the carpet and baseboards on the fourth and fifth floors; repainting the fourth and fifth floors; replacement of the millwork in the kitchen; upgrade the public restrooms on the fourth and fifth floors; renovation of Metro's reception space on the fourth floor to accommodate additional work stations; and extensive renovation to the sixth floor to accommodate the department of law.

The landlord is to provide air conditioning and janitorial services, but all other utility expenses will be paid by Metro. Metro will have three parking spaces in the basement at a cost of \$150 per month per space, and ten additional parking spaces in the garage across the street at a monthly cost of \$135 per space. Metro will also have access to a storage bin in the basement at a cost of \$85 per month.

The lease also grants Metro two options to expand the leased square footage. The first option, which has an exercise date of January 1, 2009, will be to lease 2,858 additional square feet. The second option will be to lease 2,859 square feet, with an exercise date of September 1, 2012. If the options are exercised, Metro will be given an improvement allowance of \$15 per square foot for the first option space and \$18 per square foot for the second. Further, Metro will have the continuing right of first refusal to lease this additional space outside of the option exercise periods.

In the event funding for the lease is discontinued by Metro after 2013, Metro has the right to terminate the lease upon six months written notice and payment of the unamortized portion of the improvements made by Investment Holdings, LP. Under the previous lease, Metro had the right to terminate upon six months notice without being tied to the termination of funding. This lease agreement has been approved by the planning commission.

ORDINANCE NO. BL2008-227 (BAKER & COLE) – This ordinance declares a parcel of Metropolitan Government-owned property located off of Cockrill Bend Boulevard to be surplus and authorizes the director of public property administration to sell the property in accordance with the standard procedures for the disposition of surplus property. This parcel was owned by the former Metropolitan port authority, which was dissolved in 1999. All of the port authority's property was transferred to the Metropolitan Government, but Metro has no need for this parcel. The proceeds of the sale will be credited to the general fund. This ordinance has been approved by the planning commission.

ORDINANCE NO. BL2008-228 (GILMORE & EVANS) – This ordinance abandons an 84-inch brick combination sewer line and easement in connection with the Griffin Plaza project located at 12th Avenue South and Pine Street. This sewer line and easement is no longer being used by the department of water and sewerage services. This ordinance has been approved by the planning commission.

ORDINANCE NO. BL2008-229 (COLE, GOTTO & RYMAN) – This ordinance adopts the capital improvements budget for 2008-2009 through 2013-2014. The capital improvements budget is a planning document and does not in itself appropriate any money. All capital projects must be provided for in this document before a capital improvement can be approved by the council, except in the case of a public emergency.

This budget is amendable on third and final reading. The Charter requires the council to adopt the capital improvements budget not later than June 15th of each year. An adjourned meeting of the Council will be held June 10, 2008 at 6:00 p.m. for the purpose of approving the capital improvements budget within the time limit required by the Charter. Once adopted, future amendments to the capital improvements budget must be approved by the planning commission, be recommended by the Mayor, and then be adopted by resolution of the council receiving twenty-seven (27) affirmative votes. A separate analysis of the capital improvements budget has previously been provided to the Council.