

MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Jon Cooper, Director
Metropolitan Council Office

DATE: **June 9, 2009 – Adjourned Meeting**

RE: **Analysis Report**

– RESOLUTIONS –

RESOLUTION NO. RS2009-745 (FORKUM) – This resolution terminates the authority of the Metropolitan Government to issue general obligation bonds authorized by previous capital spending plans. Since 1999, the council has authorized the issuance of \$1,941,064,211 in general obligation bonds pursuant to the adoption of eleven G.O. bond resolutions. Of this amount, the Metropolitan Government has actually issued bonds in the aggregate amount of \$1,326,320,000. Thus, there remains \$614,744,211 in authorized bonds that have never been issued. Although long-term bonds may not have been issued, the Metropolitan Government has a commercial paper program, which provides the short term financing for capital projects until the long term debt is issued. Therefore, it has become increasingly difficult to monitor our various capital expenditures given the number of outstanding projects.

This resolution is simply a tool to de-authorize previously-approved projects that have never been started, and to “clean up the books” so that we can have a better handle on our capital expenditures. Pursuant to this resolution, Metro will not have the authority to issue additional general obligation bonds pursuant to these previous eleven bond resolutions except for the purpose of retiring outstanding commercial paper for projects that have been started. This resolution also repeals Resolution No. RS2004-328, which authorized the issuance of bond anticipation notes in the amount of \$109,741,299 for the GSD bonds, and \$32,274,762 for the USD bonds to provide the short term financing for the 2004-2005 mayor’s spending plan.

A detailed list of all capital projects to be “de-authorized” by this resolution, as well as a list of projects being reauthorized and new capital projects as part of Resolution No. RS2009-746, are attached to this analysis.

RESOLUTION NO. RS2009-746 (FORKUM) – This resolution determines to issue \$500,687,940 in GSD general obligation bonds and \$42,260,511 in USD general obligation bonds to provide funding for various projects contained in the mayor’s 2009-2010 capital spending plan. This is the first step in the process toward the ultimate sale of the bonds by public bid to provide the necessary financing for the projects. The general obligation bonds to be issued provide funding for some 49 GSD projects, and the USD bonds will provide funding for 5 projects. This debt will be paid from the debt service of the GSD and the USD.

Some of the projects to be financed with the bonds include:

- School construction and renovation
- Completion of the Fulton Complex project
- Redevelopment of the downtown riverfront
- Acquisition and installation of a traffic violation management system
- Design and construction of a police crime lab
- Planning funds for a new southeast community center and a new public health facility
- Construction, renovation and equipping of medical facilities at General Hospital
- Construction of a Goodlettsville branch library
- Grant to MDHA to fund \$10 million in capital costs for the African American Museum
- Renovations to the Nashville Children's Theatre, the Frist Center for the Visual Arts, the Adventure Science Center, and the Nashville Zoo, which properties are owned by the Metropolitan Government
- The purchase of vehicles for the Metropolitan transit authority
- Storm water capital projects
- Road construction, repair and maintenance
- Planning and construction of a 28th/31st Avenue connector

A detailed list of all capital projects to be funded by this bond issue, including the estimated cost for each project, is attached to this analysis.

Since some of the new projects included in this spending plan are not in the FY2008-2009 capital improvements budget, the capital improvements budget ordinance (BL2009-466) should be taken out of order and approved prior to the consideration of this resolution.

– BILLS ON THIRD READING –

ORDINANCE NO. BL2009-461 (TOLER) – This ordinance amends the Metro Code to extend the deadline for the submission of the storm water master planning district plan. In February 2009, the council enacted Ordinance No. BL2009-345 (the “Green Streets” ordinance) requiring the department of water and sewerage services to develop a stormwater master planning district. The purpose of this ordinance was to plan for environmentally friendly stormwater projects within the area of the combined sewer system (CSS), which includes a 14 square mile area consisting predominately of downtown Nashville.

Ordinance No. BL2009-345 required that the initial plan be submitted by the department of water and sewerage services to the council not later than 90 days after the enactment of the ordinance. This ordinance extends the deadline for submitting this plan until November 1, 2009, as requested by the water department.

ORDINANCE NO. BL2009-466 (FORKUM & GOTTO) – This ordinance adopts the capital improvements budget for 2009-2010 through 2014-2015. A separate analysis is being emailed to the council for the capital improvements budget, which includes a list of projects by council district. 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 9, 2009 at 6:30 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.