

MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Jon Cooper, Director
Metropolitan Council Office

DATE: **October 5, 2010**

RE: **Analysis Report**

Balances As Of:	<u>9/29/10</u>	<u>9/30/09</u>
<u>GSD 4% RESERVE FUND</u>	* \$29,959,991	\$28,272,406
<u>GENERAL FUND UNDESIGNATED FUND BALANCE</u>		
GSD	Unavailable	Unavailable
USD	Unavailable	Unavailable
<u>GENERAL PURPOSE SCHOOL FUND UNRESERVED FUND BALANCE</u>		
	Unavailable	Unavailable

* Assumes estimated revenues in fiscal year 2011 in the amount of \$23,440,100

– RESOLUTIONS –

RESOLUTION NO. RS2010-1345 (BENNETT, STEINE & TYGARD) – This resolution approves a contract between the Metropolitan board of health and Financial Marketing Concepts, Inc., (FMC) to provide a discount prescription drug card to residents of the Metropolitan Government. FMC has created a discount prescription drug card known as the Coast2Coast Rx card and wants to partner with the health department to provide the card to residents free of charge. Holders of the free card will be eligible to receive discounts on prescription drugs, as well as discounted imaging and lab tests. FMC will create a website regarding the program as a link from the Metro website. The contract provides that FMC agrees to pay Metro a royalty of fifty cents per filled prescription up to 6,000 per month. The royalty will increase to sixty cents from 6,001 to 10,000 filled prescriptions, to seventy cents for 10,001 to 15,000 prescriptions, and to seventy-five cents for more than 15,000 prescriptions. The amount of the royalty would drop to twenty-five cents per prescription in the event the Metropolitan Government endorses any other prescription discount card program. There is a typographical error in the schedule outlining the amount of royalties to be paid.

This agreement will renew automatically every year unless terminated by Metro with thirty days written notice to FMC.

There will be an amendment to this ordinance substituting the contract to address some legal concerns raised by the council office and the department of law. The new contract will reference FMC's desire to make an annual donation to Metro based upon the number of prescriptions filled using the card. The amount of the donation will not be tied to Metro's willingness not to endorse any other prescription drug discount program. Since the board of health has yet to consider the revised contract, this resolution should be deferred one more meeting.

RESOLUTION NO. RS2010-1397 (FORKUM & BARRY) – This resolution approves an amendment to an intergovernmental agreement between the Metropolitan Government and the Metropolitan Nashville hospital authority to make changes to the hospital authority's employee benefits system. The Metropolitan Government entered into a contract with the hospital authority when the authority was created in 1999 to facilitate the transfer of duties from the board of hospitals. The intergovernmental agreement stated that Metro was to provide the same services it provided to the board of hospitals, including benefits and civil service administration. The agreement was amended in March 2010 by Resolution No. RS2010-1109 to provide that all new employees hired after the effective date of the resolution would receive only group dental and optional medical insurance benefits administered by Metro. All pension, disability, injury-on-duty (workers compensation), life insurance, and retiree medical benefits for new employees were to be administered by the hospital authority under a new plan.

The hospital authority has now decided that it wants to remain in Metro's benefit system with the exception of pension and retiree medical benefits. This resolution approves another amendment to the intergovernmental agreement to provide that the hospital authority will provide pension benefits for all hospital authority employees hired after November 1, 2010. All other benefits will continue to be provided by Metro. It is not anticipated that this change will have any effect on the cost saving projections submitted by the hospital authority in March 2010.

RESOLUTION NOS. RS2010-1398 & RS2010-1399 (BARRY) – These two resolutions approve annual grants from the state department of labor and workforce development to the Nashville career advancement center (NCAC) to prepare adults, youth, and dislocated workers for re-entry into the labor force, and to provide training for those facing serious barriers to productive employment. The grant terms are from September 1, 2010 through March 31, 2011. These grants provide part of the operating funding for the NCAC.

Resolution No. RS2010-1398 approves a grant in the amount of \$11,000 to cover administrative costs for NCAC associated with providing programs and services to assist dislocated workers, adults, and youth facing barriers to employment.

Resolution No. RS2010-1399 approves a dislocated worker grant in the amount of \$220,000.

RESOLUTION NO. RS2010-1400 (FORKUM & BARRY) – This resolution approves a grant in the amount of \$70,000 from the Greater Nashville Regional Council to the Metropolitan social services commission to provide transportation to eligible senior citizens. These federal pass-through funds will be used to provide transportation to appointments and congregate meal sites for approximately 125 persons. The resolution provides that there is no local cash match required, but the grant budget shows a grantee participation amount of \$21,310. The term of the grant is from July 1, 2010, through June 30, 2011.

RESOLUTION NOS. RS2010-1401 & RS2010-1402 – These two resolutions approve standard business associate agreements between the board of health and private contractors to prevent the disclosure of protected health information. These business associate agreements are necessary in order to comply with HIPPA.

Resolution No. RS2010-1401 (Barry & Forkum) approves a business associate agreement with Nashville Public Television.

Resolution No. RS2010-1402 (Forkum & Barry) approves a business associate agreement with Belmont University.

RESOLUTION NO. RS2010-1403 (FORKUM & BARRY) – This resolution approves a contract between the Metropolitan board of health and Belmont University to provide funding for consultation, technical assistance, and guidance regarding health equity for the Communities Putting Prevention to Work grant. Nashville was one of 44 communities to receive this federal grant, with a purpose of implementing a campaign to facilitate healthy eating and active living. The health department will contract with Belmont to help develop culturally sensitive messages for the healthy eating/active living campaign. Belmont will be paid an amount not to exceed \$46,400 for its services. The term of the contract is from July 1, 2010 through June 30, 2011, but can be terminated by Metro without cause with 30 days written notice to Belmont.

RESOLUTION NO. RS2010-1404 (FORKUM & BARRY) – This resolution approves a grant in the amount of \$99,922 from the U.S. department of health and human services to the Metropolitan board of health to improve and enhance the IT infrastructure capacity to collect (continued on next page)

RESOLUTION NO. RS2010-1404 (continued)

and report data. A portion of these grant funds will be used to purchase computer hardware and software to enable the health department to collect, manage, and report data under the Ryan White AIDS treatment program. The majority of the funds will be used to increase the amount the United Way is paid for training the agencies that provide the services. There is a required in-kind match of \$3,390 to be provided by the health department. The term of the grant is from September 1, 2010, through August 31, 2011.

RESOLUTION NO. RS2010-1405 (FORKUM & BARRY) – This resolution approves an annual grant in the amount of \$1,398,900 from the state department of health to the Metropolitan health department for tuberculosis (TB) control, outreach and prevention services. These funds will be used to operate the health department's tuberculosis program consisting of direct patient care, the monitoring of existing and suspected TB cases, and operation of the TB clinic. The term of the grant is from July 1, 2010 through June 30, 2011. This grant is made up of \$554,100 in federal stimulus funding, \$329,335 in other federal funding, and \$515,465 in state funding. The majority of these funds will be used to pay the salaries and benefits of the health department employees providing these services.

RESOLUTION NO. RS2010-1406 (FORKUM & BARRY) – This resolution approves a contract between the Metropolitan board of health and Nashville Public Television (NPT) for the production and airing of a documentary on the epidemic of childhood obesity in Tennessee. The funding for this contract is being provided through the federal Communities Putting Prevention to Work grant. NPT will produce a one hour documentary focusing on childhood obesity as part of a series of seven documentaries on the challenges Tennessee children face in leading healthy lives. NPT will be paid \$35,000 to produce the documentary. The term of the contract is from October 1, 2010 through January 31, 2011, but can be terminated by Metro without cause with 30 days written notice to NPT.

RESOLUTION NO. RS2010-1407 (BARRY & FORKUM) – This resolution approves a contract between the Davidson County clerk and the state department of health to allow the county clerk to issue certified copies of birth certificates. The Metro health department, by contract, has had access to the state's computer birth record database for a number of years and is authorized to issue copies of birth certificates to citizens. The state law was recently amended to authorize the state health department to develop a pilot program whereby county clerks can issue birth certificates. Pursuant to this contract, the county clerk's office will remit the \$3.50 fee for the search and first copy of the birth certificate, and \$2.00 for each additional copy, to the Metropolitan health department. The contract provides that the county clerk may collect an additional fee to offset the costs of issuing the certificates. The remainder of the fees for obtaining the copies will be sent to the state. The term of this contract is from July 15, 2010, through June 30, 2014.

RESOLUTION NO. RS2010-1408 (BARRY & FORKUM) – This resolution approves an annual grant in the amount of \$4,143,700 from the state department of health to the Metro health department for operation of the Women, Infants and Children (WIC) program in Nashville to provide nutritious food to low-income women, infants, and children. These federal funds are used to pay the salaries and benefits of the health department employees administering the WIC program, as well as supplies and occupancy expenses for the program. The term of the grant is from October 1, 2010, through September 30, 2011.

RESOLUTION NO. RS2010-1409 (FORKUM, LANGSTER & BARRY) – This resolution approves an intergovernmental agreement between the Metropolitan Government and the Metropolitan transit authority (MTA) for the acquisition of the former Peterbilt site located at 430 Myatt Drive. At the last council meeting, the council approved the expenditure of \$16,000,000 as part of the mayor's 2010-2011 capital spending plan to be used for the acquisition of and improvements to this facility for the purpose of housing a new police precinct, crime lab, and police special operations division. Part of this \$16,000,000 capital investment included \$6,600,000 toward the purchase price of the property. The property is being purchased in partnership with MTA, who will contribute the remaining \$9,400,000 toward the purchase price. MTA will relocate its administrative and bus maintenance operations from its Nestor Street facility, which sustained substantial damage in the May 2010 flood. The property will be titled in the name of the Metropolitan Government for the use and benefit of MTA. MTA and Metro will occupy separate parts of the facility and will have separate utility accounts. The diagram of the facility shows Metro occupying 313,000 square feet in two separate buildings. MTA will occupy 202,650 square feet, plus use of a large bus parking lot as well as the old driver training course for future MTA expansion. A copy of the diagram is attached to this analysis.

Metro will be responsible for the maintenance and upkeep of the entire property, not just the portion used by Metro. This will include maintenance of the access roads, parking, roofs, windows, plumbing, and landscaping. Metro also agrees to add the facility to the government's insurance policy.

This resolution has been referred to the planning commission as a mandatory referral under the Metro Charter and should be deferred to allow the planning commission time to make a recommendation.

RESOLUTION NO. RS2010-1410 (LANGSTER & BARRY) – This resolution approves a grant in the amount of \$240,000 from the state department of finance and administration, office of criminal justice programs, to the Metropolitan police department for the Internet Crimes Against Children unit. This grant funds the salary and benefits for a computer forensic investigator as well as the overtime expenses for forensic technicians. The funds will also be used to purchase equipment and for travel expenses. The term of the grant is from July 1, 2010, through June 30, 2011.

- BILLS ON SECOND READING -

ORDINANCE NO. BL2010-760 (BARRY) – This ordinance establishes the property tax relief program for low-income elderly residents of the Metropolitan Government for fiscal year 2010-2011. State law allows county legislative bodies to appropriate funds for a tax relief program and establish guidelines for participation in the program and the disbursement of such funds. The council appropriated \$2,176,100 in the current fiscal year's operating budget for a property tax relief program for the elderly, which is approximately \$100,000 more than the previous fiscal year.

This ordinance authorizes the Metropolitan trustee to establish rules and procedures for implementation of the program and directs the trustee to disburse the funds accordingly to all eligible taxpayers. All persons who qualify for the state property tax relief program and whose income does not exceed \$26,830 annually will qualify for this program. As this budgetary appropriation is non-recurring funding, this program will expire on June 30, 2011.

This tax relief program, which is separate from the tax freeze for seniors, has been in place for a number of years.

ORDINANCE NO. BL2010-761 (BENNETT) – This ordinance amends the Metro Code to allow dogs in outdoor seating areas of restaurants. In 2009, the Tennessee General Assembly enacted legislation for the benefit of Knoxville and Knox County to allow counties and municipalities with a population of at least 100,000 people to authorize the presence of pet dogs in outdoor dining areas of restaurants upon enactment of an ordinance by the local legislative body. Both Knoxville and Knox County have enacted such an ordinance, and this ordinance is modeled after their ordinances.

Under this ordinance, restaurants desiring to allow dogs in their outdoor dining areas would be required to obtain a permit from the department of health upon paying a permit fee of twenty dollars. No dogs (other than service animals) would be allowed inside the restaurant. Dog owners will be responsible for exercising control over their dog and must keep the dog on a non-retractable leash at all times. Restaurant employees will be prohibited from petting or handling a dog while serving food or beverages. Dogs must be kept on the floor at all times, and will not be permitted to travel through the interior of the restaurant to get to the outdoor dining area. The restaurant must provide a kit with the appropriate materials for cleaning up dog waste.

Violations of this ordinance will be punishable by a fifty dollar fine plus revocation of the permit.

There is a proposed amendment to be offered for this ordinance at the request of the health department that will clarify that the restaurant permit is an annual permit, to require that all dogs on the property have a current rabies vaccination and license tag, and to clarify that the health department will have enforcement authority over both the restaurant and the dog owner.

ORDINANCE NO. BL2010-762 (JERNIGAN) – This ordinance amends the Metro Code prohibition on high grass, weeds, and debris to eliminate the requirement that the health department send a notice of violation for repeat offenders. The current excessive growth ordinance provides that all exterior property shall be maintained free from weeds in excess of twelve inches. “Weeds” are defined as all grasses, annual plants and vegetation, other than trees, shrubs, cultivated flowers, ornamental grasses and gardens. While the excessive vegetation provisions are included in both the health code and the property standards code, one key difference between the two is that the property standards code allows the codes department to dispense with the requirement that a repeat violator be sent a written notice prior to filing a court action. In an effort to help enforce the excessive growth ordinance against repeat offenders in a more timely manner, this ordinance essentially mirrors the provision in the property standards code and would allow the health department to forego the issuance of a notice of violation and immediately institute the appropriate court action whenever the health department has grounds to believe that a repeat violation has occurred. This ordinance also specifies that each violation of the excessive growth ordinance will be considered a separate offense and any continuing violation shall be considered a separate offense for each day the violation continues.

ORDINANCE NO. BL2010-763 (GILMORE) – This ordinance amends the Metropolitan Code regarding the application of the noise ordinance to two small areas of downtown Nashville. The noise ordinance was amended by Ordinance No. BL2008-259 in September 2008 to add a “plainly audible” standard for determining violations and adding certain restrictions pertaining to motor vehicle noise. However, Ordinance No. BL2008-259 retained the exemption for the downtown area from the noise ordinance restrictions. Subsequently, a new noise ordinance for downtown was adopted pursuant to Ordinance No. BL2008-306. The new downtown noise ordinance established some restrictions on exterior speakers and set a decibel limitation on pre-recorded music, but exempted live music from the noise restrictions.

This ordinance would impose the “plainly audible” standard for properties within the following two zones:

- Zone 1 would include those properties located within the boundaries of Sixth Avenue North to the west, Union Street to the north, Fifth Avenue North to the east, and Church Street to the south.
- Zone 2 would include those properties located within the boundaries of Korean Veterans Boulevard to the north, Third Avenue South to the east, Lea Avenue to the south, and Fourth Avenue South to the west.

ORDINANCE NO. BL2010-764 (RYMAN & BARRY) – This ordinance authorizes the industrial development board of the Metropolitan Government (IDB) to negotiate and accept payments in lieu of ad valorem taxes (PILOT) for the benefit of Omni Nashville, LLC as part of the incentive package for the development of the Omni convention center hotel. Omni plans to invest \$250 million in cash to build the hotel on property adjacent to the Country Music Hall of Fame. The administration has negotiated several financial incentives for Omni, including a partial property tax abatement for twenty years. Since the Metropolitan Government does not have the authority to abate taxes on its own, it is necessary to go through the IDB.

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ORDINANCE NO. BL2010-764 (continued)

State law permits local governments to delegate the authority to industrial development boards to enter such agreements provided that the payments are in furtherance of the public purpose of the board. PILOT programs have been used by the Metropolitan Government in the past to provide incentives to large employers to create more job opportunities, and are subject to approval by the council. Some of the more prominent PILOT agreements from previous years include agreements with Columbia/HCA Healthcare Corporation, Inc., and Dell Computer Corporation. Most recently, the council approved a PILOT for LKQ Automotive in August 2010. In addition, Ordinance No. BL2010-750, currently on third reading, would authorize a PILOT agreement for the benefit of HealthSpring.

Pursuant to this ordinance, the council would be delegating the authority to the IDB to negotiate and accept payments in lieu of both real and personal property taxes that would equate to a 62.5% abatement for twenty years. This will ensure that the Metro schools will not be losing out on any property taxes generated by the convention center hotel. The council office recommends that this ordinance designate the 37.5% portion of property taxes as being specifically for the public schools to reflect this intent.

Adding the \$250 million capital investment by Omni to the current appraised value of the property for tax purposes results in a total value of \$257,538,600, which would generate a real property tax bill of \$4,274,968 annually. Thus, a 62.5% real property tax abatement equates to \$2,659,086 per year. The value of the personal property for tax purposes is unknown at this time. This tax abatement would be in addition to the one-time \$25 million tax increment financing payment for the property provided through the metropolitan development and housing agency and the annual incentive payments to be provided by the Metropolitan Government for 20 years having a present value of \$103,000,000. A resolution approving an intergovernmental project agreement providing for the incentive payments and the pledge of the Metro non-tax revenues will likely be filed for the second meeting in October.

State law allows the council to require PILOT agreements to be submitted to the council for approval once they are negotiated. This ordinance does not provide for any subsequent council approval of the PILOT agreement. The council office recommends that PILOT agreement be submitted to the council for approval by resolution before it can take effect, or at least that the form of the agreement be attached to the ordinance for approval.

The council office is of the understanding that there is to be a substitute for this ordinance to incorporate the form of the PILOT agreement into the ordinance and to specify that the 37.5% payment is to be allocated for the benefit of the board of education.

ORDINANCE NO. BL2010-765 (BARRY, BAKER & OTHERS) – This ordinance authorizes the department of water and sewerage services (MWS) to acquire properties pursuant to a hazard mitigation grant program using federal and state funds upon adoption of a resolution receiving twenty-one affirmative votes. The Metro Code provides that prior to the acquisition of real property for any purpose other than as Metro right-of-way, the director of public property administration must first negotiate an option to purchase the property at a fixed price subject to the approval of the council by resolution. Since MWS has already determined the amount the
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ORDINANCE NO. BL2010-765 (continued)

government will pay for each property under the home buyout, and since this amount has been relayed to the property owners, it is unnecessary to go through the process of obtaining an option. This ordinance will allow MWS to acquire the properties upon approval of the council by resolution without first negotiating an option to sell as long as the resolution includes the specific parcels to be acquired and the amount to be paid for each property. This ordinance also authorizes MWS to administer the hazard mitigation grant program for the Metropolitan Government.

On September 21, 2010, the council approved the application for a grant from the state emergency management agency to the Metropolitan Government to acquire and demolish flood-prone properties in the Delray Drive and West Hamilton Avenue areas as part of the first round of anticipated home buyouts.

ORDINANCE NO. BL2010-766 (TOLER & RYMAN) – This ordinance provides that the former employees of the Metropolitan convention center commission that were transferred to the finance department will continue to hold positions in the non-classified service. Ordinance No. BL2010-690 approved an agreement between the Metropolitan Government and the convention center authority for the financial, administrative, and operational services for the existing convention center and for the construction phase of the new center. Pursuant to Ordinance No. BL2010-690, all employees of the convention center commission were to remain employees of the Metropolitan Government under the department of finance and be assigned to the convention center authority as contemplated by the state enabling legislation. However, Ordinance No. BL2010-690 did not specify that the employees would remain non-civil service. This ordinance simply clarifies that the transfer of the convention center commission employees to the finance department did not impact their status as non-classified service employees.

ORDINANCE NO. BL2010-767 (MATTHEWS & MAYNARD) – This ordinance names the Tucker Road bridge over Whites Creek in honor of Mr. Robert Woods. Mr. Woods lost his life during the May 2010 flood after being swept away from his front yard on West Hamilton Avenue near the Tucker Road bridge. This bridge sustained substantial damage during the flood and has been reconstructed. This ordinance names the bridge the “Robert Woods Memorial Bridge”. The Metropolitan Code provides that no Metropolitan Government building or structure may be named except pursuant to an ordinance enacted by the council.

– BILLS ON THIRD READING –

ORDINANCE NO. BL2010-747 (JAMESON & GILMORE) – This ordinance amends the Metropolitan Code to exempt artisan distilleries selling commemorative liquor bottles from the street requirements applicable to liquor stores. The code requires all establishments engaged in the retail sale of liquor to have their principal access to a major street. The zoning code was amended last year to add “artisan distillery” as a new use in the zoning code, which is permitted in the CC, CF, and industrial zoning districts. In order to qualify as an artisan distillery, the operator is limited to producing alcoholic beverages in quantities not to exceed 1,000 barrels per month, with one barrel holding 55 gallons. The purpose of this ordinance was to allow smaller-scale distilleries in the downtown area to serve as tourist attractions. However, the 2009 ordinance did not amend the retail liquor provisions in the code pertaining to street access.

This ordinance would exempt artisan distilleries from the major street access requirements as long as their liquor retail activity is limited to the sale of commemorative bottles of alcoholic beverages produced on site.

ORDINANCE NO. BL2010-748 (JERNIGAN) – This ordinance amends the Metropolitan Code to prohibit the parking of large trucks on streets with weight restrictions. The code currently prohibits the operation of vehicles in excess of the weight limits set by the traffic and parking commission. However, the code does not expressly prohibit the parking of such vehicles on these streets. The ordinance clarifies that parking or standing a truck on these streets is also prohibited.

This ordinance has been approved by the traffic and parking commission.

ORDINANCE NO. BL2010-749 (CRADDOCK) – This ordinance amends the Metropolitan Code to clarify that licensed booting companies are only allowed to engage in the practice of booting on commercial parking lots. In June 2009, the council enacted Ordinance No. BL2009-434 to prohibit private companies from engaging in the practice of “booting” vehicles. A few months later, the council enacted Ordinance No. BL2009-525 to allow booting, provided the company is licensed and follows the specific requirements of the code. Since the enactment of Ordinance No. BL2009-525, certain issues have arisen regarding booting companies operating at apartment complexes. The transportation licensing commission director has recommended that the council enact an ordinance to address these concerns.

This ordinance adds a new section to the booting provisions in the code to clarify that licensed booting companies are only allowed to engage in the practice of booting on commercial parking lots.

ORDINANCE NO. BL2010-750 (STEINE & HARRISON) – This ordinance, as amended, authorizes the industrial development board of the Metropolitan Government (IDB) to negotiate and accept payments in lieu of ad valorem taxes (PILOT) for the benefit of HealthSpring, Inc. HealthSpring is a Nashville-based company that provides coordinated care health plans with a primary focus on the Medicare Advantage market. The company currently leases office space in three buildings in the Metro Center complex and has approximately 750 employees at its Metro Center offices. HealthSpring is looking to consolidate their existing data center and information technology operations by constructing a new 170,000 square foot facility in Metro Center. HealthSpring will be partnering with Southeast Venture, who is constructing the building. It is anticipated that this new facility will add 315 jobs in Nashville. According to HealthSpring's recent filings with the securities and exchange commission, the company has entered into an agreement to purchase Bravo Health, Inc., for \$545 million in cash. HealthSpring's quarterly report shows total revenue in the amount of \$1.5 billion for the six month period ending June 30, 2010, with a net income of \$89.6 million for the same period.

As an incentive to HealthSpring, the administration has proposed that the council authorize the IDB to enter into a PILOT agreement with the company that will essentially provide them with a property tax abatement. State law permits local governments to delegate the authority to industrial development boards to enter such agreements provided that the payments are in furtherance of the public purpose of the board. PILOT programs have been used by the Metropolitan Government in the past to provide incentives to large employers to create more job opportunities, and are subject to approval by the council. Some of the more prominent PILOT agreements from previous years include agreements with Columbia/HCA Healthcare Corporation, Inc., and Dell Computer Corporation. Most recently, the council approved a PILOT for LKQ Automotive in August 2010.

Pursuant to this ordinance, the council would be delegating the authority to the IDB to negotiate and accept payments in lieu of both real and personal property taxes. The ordinance will effectively result in a 100% personal property tax abatement for the company for three years and a real property tax abatement for ten years. As a point of reference, HealthSpring's 2009 personal property tax bill was approximately \$23,000. The percentage of the real property tax abatement will be as follows:

- Years 0 – 4 100% real property tax abatement
- Years 5 – 7 60% real property tax abatement
- Years 8 – 10 40% real property tax abatement

This ordinance provides that HealthSpring will be making a \$16,000,000 capital investment in the real property for phase I and a \$12,000,000 - \$14,000,000 investment for phase II. In addition, the company will be investing \$10,000,000 - \$19,000,000 in personal property over the course of five years for a total capital investment of approximately \$53,000,000. Using these capital investment amounts as a basis for valuation of the property, the council would be approving a total tax abatement of approximately \$3,700,000 over the next ten years. A spreadsheet prepared by the council office showing this calculation is attached to this analysis. It is important to note that the cost of a project is only one factor the assessor of property considers in determining the appraised value of the property. Thus, the actual amount of tax revenue Metro will be foregoing could be higher or lower than the council office's projection. (continued on next page)

ORDINANCE NO. BL2010-750 (continued)

The council office would also point out that since HealthSpring will be vacating the existing space it is leasing in order to consolidate into one new facility, this could have a negative impact on the assessed value of the buildings being vacated.

State law allows the council to require the PILOT agreement to be submitted to the council for approval once it is negotiated. This ordinance does not provide for any subsequent council approval of the PILOT agreement. However, the ordinance does provide that the final version of the PILOT agreement must be approved as to legality by the Metro director of law.

ORDINANCE NO. BL2010-751 (RYMAN) – This is a routine ordinance that readopts the Metropolitan Code prepared by Municipal Code Corporation to include all ordinances enacted on or before February 16, 2010. Municipal Code Corporation has the contract with Metro to codify all ordinances enacted by the council, as well as to update and maintain the on-line version of the code. The council periodically readopts the code to make sure the printed and online versions are kept up to date.

ORDINANCE NO. BL2010-752 (GILMORE) – This ordinance abandons a portion of McGavock Street from 9th Avenue South to Alley No. 115. This portion of McGavock Street is no longer needed for government purposes. Metro will retain all easements. Consent of the affected property owners is included as an attachment to the ordinance. This closure has been requested by the U.S. general services administration as part of the widening of Demonbreun Street from 8th to 9th Avenues. This ordinance has been approved by the planning commission and the traffic and parking commission.

ORDINANCE NO. BL2010-755 (LANGSTER) – This ordinance approves a memorandum of understanding (MOU) between the Metropolitan police department and the International Association of Chiefs of Police (IACP) regarding participation in an officer injury study. The purpose of the MOU is to study how police officers get hurt and to provide the police department with information to address areas of vulnerability. The IACP will study the data and develop practical resources to assist the police department in identifying and responding to officer injury vulnerabilities. There is no cost to the Metropolitan Government for entering into this MOU.

SUBSTITUTE ORDINANCE NO. BL2010-756 (LANGSTER, HODGE & OTHERS) – This ordinance authorizes the acquisition of property by negotiation or condemnation necessary for the 28th/31st Avenue connector project. In June 2009, the council approved the planning of a 28th/31st Avenue connector as part of the mayor's 2009 capital spending plan. The connector will run from Park Plaza to the south side of the Nashville and Western railroad tracks east of Charlotte Pike. Funding for the construction of the connector is included as part of the mayor's proposed 2010-2011 capital spending plan, which is the subject matter of Resolution No. RS2010-1363.

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SUBSTITUTE ORDINANCE NO. BL2010-756 (continued)

This ordinance authorizes the acquisition of a portion of the following properties:

1. 2555 Park Plaza
2. 2545 Park Plaza
3. 331 28th Avenue North
4. 336 28th Avenue North
5. 350 28th Avenue North
6. 337 28th Avenue North
7. 341 28th Avenue North
8. 351 28th Avenue North
9. 28th Avenue, unnumbered
10. 2801 Charlotte Avenue
11. 3020 Charlotte Avenue
12. Charlotte Avenue, unnumbered

This ordinance does not provide an estimated cost for this property acquisition. The acquisition of additional easements for this same project may be approved by resolution.

This ordinance has been approved by the planning commission.

ORDINANCE NO. BL2010-757 (BENNETT, BARRY & HODGE) – This ordinance authorizes the acquisition and acceptance of three drainage easements and 25 temporary construction easements for the construction of sidewalks and associated improvements along the west side of Oakwood Avenue between Slaydon Avenue and Bullock Avenue. This ordinance has been approved by the planning commission.