MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Jon Cooper, Director
Metropolitan Council Office

DATE: **January 17, 2012**

RE: **Analysis Report**

Balances As Of:	**1/11/12**	**1/12/11**
GSD 4% RESERVE FUND	***$25,836,951**	$23,996,590
GENERAL FUND UNDESIGNATED FUND BALANCE		
GSD	$44,378,057	$34,801,459
USD	$8,556,677	$24,263,010
GENERAL PURPOSE SCHOOL FUND UNRESERVED FUND BALANCE		
	$34,449,193	$27,099,790

*** Assumes estimated revenues in fiscal year 2012 in the amount of $24,098,500**

– RESOLUTIONS –

RESOLUTION NO. RS2012-130 (MCGUIRE) – This resolution authorizes the issuance, sale, and payment of general obligation refunding bonds in a principal amount not to exceed $280 million. The primary purpose of this transaction is to achieve approximately $10.7 million in total interest savings over the life of the bonds, with a present value savings of $7.1 million.

These bond proceeds will refund all or a portion of five different bond series issued between 2005 and 2008, as well as a 2008 loan agreement from the Public Building Authority of the City of Clarksville. This debt refunding does not extend the overall maturity of the bonds, but simply lowers the interest costs to the Metropolitan Government. The anticipated final maturity date of the bonds is July 1, 2025, with an average maturity of just under 10 years. The lead underwriter on the refunding bonds will be Piper Jaffray & Co., with U.S. Bank National Association serving as the escrow agent for the bonds. The proceeds of the refunding bonds will be used to refund certain existing debt and to pay the costs of issuance. The resolution also approves the form of the bond purchase agreement, preliminary official statement, and the escrow agreement.

This resolution provides for an advance refunding of not more than $187,445,000 in general obligation fixed-rate bonds, and a refunding of not more than $52,650,000 of Metro's outstanding variable-rate debt resulting from the 2008 Tennessee Municipal Bond Fund loan. Metro entered into a variable-rate loan agreement with the Clarksville Public Building Authority through the Municipal Bond Fund. This 2008 loan agreement was related to a 2006 interest rate swap agreement to protect Metro from interest rate increases associated with variable-rate debt. In addition to the principal and interest payments on the loan, Metro incurs annual fees totaling approximately $463,000 that we will no longer have to pay once the debt is refunded. Further, due to today's extremely low interest rates, converting the variable-rate debt from the Municipal Bond Fund loan to fixed-rate debt will protect the Metropolitan Government from future interest rate increases.

Although Metro will be converting this variable-rate debt to fixed-rate through this refunding bond issue, Metro will remain a party to the interest rate swap agreement through May 15, 2026. This swap contract has an early termination, which as of December 31, 2011, amounted to $15,107,511.11. Metro's financial advisor, First Southwest, has advised that there is no benefit to terminating the swap agreement since we would be required to pay the $15 million termination fee to the counterparty to the agreement. The swap will be assigned to our commercial paper program, which provides short-term financing until long-term bonds are issued. Metro currently has approximately $105 million outstanding in commercial paper and has the authority to issue up to $295 million in new commercial paper. This essentially means that Metro would always have to keep a minimum amount of commercial paper outstanding over the life of the swap agreement to cover the principal amount remaining on the swap (currently $52,650,000).

The $7.1 million present value savings equates to 3.77% of the refunded bonds, which is consistent with Metro's debt management policy specifying a minimum savings of 3.5% in order to refund bonds.

RESOLUTION NO. RS2012-131 (LANGSTER & MCGUIRE) – This resolution approves an amendment to a contract between the Metropolitan board of health and Community Food Advocates to increase access to healthy food and physical activity opportunities in low-income neighborhoods. The amendment decreases the amount to be paid to Community Food Advocates by $188,884.30 from $640,156 to $451,271.70. The funds to pay for these services are provided through a federal stimulus grant received by the health department. These services include developing a comprehensive community garden and urban agricultural program for Nashville, creating a healthy corner store network of 29 stores that have committed to offering healthier food options, and to create a food policy council to build support for healthy eating initiatives.

RESOLUTION NO. RS2012-132 (MCGUIRE) – This resolution approves a second amendment to a grant from the state board of probation and parole to the state trial courts to fund the Davidson County community corrections program. This program provides alternative punishments for non-violent offenders consisting of offender supervision, residential programs, and day reporting center programs. The goal of the grant is to divert felony offenders from the prison system by providing community supervision and treatment services. This amendment increases the amount of the grant by $28,507.50 for a new grant total of $4,273,843.50. The grant expires June 30, 2013.

The council passed a similar resolution in June of 2011 which also approved a second amendment to this grant. However, since the state never executed the amendment, and since the terms of the amendment are slightly different, additional council action is required.

RESOLUTION NO. RS2012-133 (MCGUIRE) – This resolution approves an annual grant in the amount of $129,636 from the state commission on children and youth to the juvenile court for juvenile accountability incentive block grant program services to enhance court staffing. These funds are federal pass through dollars that are used to fund two full-time community-based probation officers and partial funding for an intake probation officer in the juvenile court's diversion program. The term of the grant is from October 1, 2011, through September 30, 2012.

The juvenile court will be required to provide a cash match of $14,404 from its operating budget.

RESOLUTION NO. RS2012-134 (MCGUIRE) – This resolution accepts a donation of $299.92 from Fred's Inc. for the benefit of the Metropolitan Nashville Fire Department for public fire safety education.

RESOLUTION NO. RS2012-135 (MCGUIRE) – This resolution authorizes the department of law to pay $25,000 to compromise and settle the personal injury claim of Christi Carter against the Metropolitan Government. On November 11, 2009, a Davidson County Sheriff's Office employee was involved in a motor vehicle accident with Ms. Carter while he was driving a prisoner transportation bus. The Metro employee attempted to make a left turn onto the southbound lane of Harding Place, but pulled out too far into the northbound lane. He put the

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RESOLUTION NO. RS2012-135 (continued)

bus in reverse and backed into Ms. Carter's vehicle. Ms. Carter had significant damage to the front of her vehicle and experienced soft tissue injuries to her neck and lower back resulting in medical expenses of $13,222.

The department of law recommends settling the personal injury claim for a total of $25,000. Because the employee was acting within the scope of his employment, the Metropolitan Government would likely be found liable for the accident. The department of law believes the settlement amount is fair and reasonable given the injuries incurred and damages sustained.

The Davidson County Sheriff's Office employee involved in this accident received a written reprimand.

This settlement amount is to be paid out of the self-insured liability fund.

– BILLS ON SECOND READING –

ORDINANCE NO. BL2011-49 (BLALOCK) – This ordinance amends the Metro Code to remove the minimum fee imposed on limousine services, allow the use of leased livery vehicles and to adjust the minimum requirements for vehicles to be used for livery services. In June 2010, the council enacted Ordinance No. BL2010-685 in order to have specific regulations applicable to non-taxi passenger vehicles for hire. In that ordinance, vehicles and services are divided into three categories: livery, shuttle, and special-purpose passenger vehicles for hire. The regulations in the 2010 ordinance included, in part, a minimum $45 fee for livery services, a prohibition on the use of leased vehicles, and age/mileage restrictions.

This ordinance would first remove the current $45 minimum fee that livery vehicles are required to charge. Second, this ordinance would amend the related vehicle permit process so that the providers are not required to hold the title to the vehicle in order to obtain a permit. This would allow providers to lease the vehicles that they use. The third portion of this ordinance adjusts the minimum requirements for vehicles used as a passenger vehicle for hire. Currently, vehicles past a certain age cannot be used as passenger vehicles for hire. Effective January 1, 2012, a vehicle could not begin service if it is more than five years old. Vehicles could not remain in service if they are more than seven or ten years old, depending on the category of the vehicle. This ordinance would remove the age limitation and rely solely upon the mileage limitation currently in the code. Under this limitation, vehicles cannot exceed 350,000 miles on their odometer. Finally, the ordinance adds a specific minimum time requirement of fifteen minutes for pre-arrangement of services.

The council office would point out that there is ongoing litigation regarding the subject matter of this ordinance. In February of this year, Metro Livery, Inc., among others, sued Metro alleging that the various restrictions in BL2010-865 are unconstitutionally arbitrary and are irrational regulations designed to eliminate competition. The challenged regulations are the minimum fee, the requirement that businesses must hold title to the vehicles, the requirement that they dispatch solely from their place of business, and the minimum age requirement, which is basically the entire subject matter of this ordinance.

ORDINANCE NO. BL2011-56 (TYGARD & WEINER) – This ordinance names the General Sessions Court Judicial Library in honor of Judge Leon Ruben. Judge Ruben passed away on October 7, 2011 after serving 30 years as a General Sessions Court judge. This ordinance names the General Sessions Court Library on the fourth floor of the Birch Building as the "Judge Leon Ruben Judicial Library."

The Metropolitan Code provides that no building of the Metropolitan Government may be named except pursuant to an ordinance duly adopted by the Metropolitan Council.

ORDINANCE NO. BL2011-82 (CLAIBORNE, HUNT & OTHERS) – This ordinance amends the Metropolitan Code to create a mechanism for the acceptance of incomplete infrastructure resulting from unfinished residential developments platted between 1999 and 2008. The code provides that public infrastructure such as streets, sidewalks, and storm water facilities must be

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ORDINANCE NO. BL2011-82 (continued)

built to certain standards before being accepted by the Metropolitan Government for public use and maintenance. As the council is aware, the 2008 recession had a significant negative impact on residential development in Davidson County, and a number of developments were abandoned mid-construction prior to the completion of the necessary infrastructure intended for dedication to public use.

In order to ensure the infrastructure improvements are built up to standards, state law enables the planning commission to either require the improvements to be built prior to approval of the final plat or to accept security in the form of a bond or letter of credit in lieu of the completion of the work to ensure performance. The planning department is the primary agency responsible for monitoring and managing Metro's performance bonds, though a number of other departments are involved to ensure the amount of the security is sufficient.

A 2009 Office of Financial Accountability monitoring report regarding the performance bond process identified a number of failures by the planning department to adequately monitor and administer the bonds. Specifically, the report noted the failure of the department to follow its own policies and procedures resulted in expired letters of credit and a backlog of 248 breached performance agreements exposing the Metropolitan Government to potential liability of $6.2 million. The monitoring report made a number of recommendations to prevent future occurrences, which have now been implemented by the planning department.

The department of law has done an excellent job negotiating with the banks to ensure many of these infrastructure projects will be completed, which has greatly reduced Metro's liability. However, there are still a number of subdivisions with incomplete infrastructure that pose a public health and safety concern. In order to begin to alleviate these problems, Metro needs to be able to accept the incomplete infrastructure. This ordinance will allow Metro, upon the adoption of a resolution by the council, to accept incomplete roads, streets, sidewalks, water/sewer lines, storm water lines, and other similar infrastructure, along with the related property interests, in limited circumstances if the following conditions are satisfied:

1. An application to have the public infrastructure and/or property rights accepted is filed with the planning department by a member of council or by the department of public works, department of Metro water services, health department, fire department, police department, planning department, or codes administration.
2. The department of public works, Metro water services, and the department of finance review the application and make recommendations to the planning department for inclusion as part of the recommendation to the council.
3. The planning commission makes a recommendation to the council stating the reasons why the incomplete infrastructure presents a public health or safety concern in its present condition, identifying the infrastructure that must be completed in order to abate the health or safety concern, and describing characteristics that make it unlikely the infrastructure will be completed within a reasonable time by any private entity.
4. The incomplete infrastructure to be accepted must be shown on a subdivision plat approved by the planning commission between November 23, 1999 and January 17, 2008.

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ORDINANCE NO. BL2011-82 (continued)

In addition to approval of the council by resolution to accept the incomplete infrastructure, the projects would have to be included as part of the capital improvements budget and capital funds would need to be allocated by the council before the department of public works or Metro water services could commence work on the project.

According to information provided by the planning department, there are eleven subdivisions where we have no security in place, and building permit holds have been placed on 132 lots. The department has advised the council office that five of those eleven will likely be resolved in the coming months. Assuming none of the infrastructure for these eleven subdivisions was completed, it would cost Metro approximately $2.5 million to complete the work. However, it is unlikely that Metro would have to complete all of this work, since Metro would hopefully be able to leverage private investment to finish some of the infrastructure.

Although this ordinance is somewhat of an extraordinary measure, the council office is of the opinion that it is in the best interest of the Metropolitan Government to provide a mechanism for the completion of the infrastructure for some of these residential developments where homeowners are currently forced to navigate unsafe roads, walk in areas without adequate sidewalks, and/or are subject to an increased risk of flooding.

ORDINANCE NO. BL2011-83 (STANLEY) – This ordinance amends the Metropolitan Code to allow Metro water services to extend water lines to residential properties currently served by private wells. The code currently provides that the entire cost of construction and inspection for water main extensions must be borne by the developer and that no Metropolitan Government funds may be utilized for the construction of such extension. According to information provided by the sponsor, there are currently 31 wells in Davidson County that serve as the water source for the property owners. Some of these wells have apparently been shown to have traces of *E. Coli* and other coliform bacteria, which if ingested at certain levels, could pose health problems.

The impetus for this ordinance is Hoggett Ford Road, which is a private residential street in District 14. Five or six of the homes on Hoggett Ford Road have no access to Metro water. This ordinance would enable Metro water services to construct extensions to the water system to serve existing private residential properties built prior to 2006 that are currently being served by well water upon obtaining the necessary rights-of-way and easements for the extensions. In order to ensure ratepayer funds and water/sewer bond funds are not used to improve private property, which could violate the bond covenants, this ordinance expressly provides that the costs for such extensions would be borne by the Metropolitan Government from other revenue sources such as the Metro general fund or general obligation bonds. According to Metro water services, it is estimated that extending the water line on Hoggett Ford Road to serve these five or six homes would cost approximately $550,000. The cost of extending water service to all 31 homes in Davidson County served by wells would be approximately $2 million.

The director of finance was unable to certify that funds are available to implement this ordinance. A copy of the finance director's letter is attached to this analysis.

ORDINANCE NOS. BL2011-84 & BL2011-85 – These two ordinances authorize the acquisition and acceptance of right-of-way easements for public works improvement projects. These ordinances have been approved by the planning commission.

Ordinance No. BL2011-84 (Harmon, Potts & Others) authorizes the acquisition and acceptance of right-of-way easements for sidewalk improvements on Harding Place from Nolensville Pike to Interstate 24.

Ordinance No. BL2011-85 (McGuire & Hunt) authorizes the acquisition and acceptance of right-of-way easements for the replacement of the Orlando Avenue bridge over Richland Creek.

ORDINANCE NO. BL2011-86 (LANGSTER & HUNT) – This ordinance abandons 450 feet of an 8-inch sewer line and associated easement and accepts the relocation of 234 feet of an 8-inch sewer main and manhole located at the corner of 28th Avenue North and Charlotte Avenue.

ORDINANCE NO. BL2011-87 (MOORE) – This ordinance authorizes Trevecca Nazarene University to install and maintain an underground cable encroachment in the public right-of-way between 93 and 86 Nance Lane. This encroachment will consist of the construction of 31 feet of conduit for fiber optic communication cable in order to connect the two buildings to the university's communication network. Trevecca has agreed to indemnify the Metropolitan Government from all claims in connection with the installation and maintenance of the encroachment, and is required to provide a certificate of public liability insurance of $1 million per occurrence naming the Metropolitan Government as an insured party. This ordinance has been approved by the planning commission.

ORDINANCE NO. BL2012-89 (MOORE) – This ordinance abandons a portion of Alley No. 1806 from Hagan Street to its terminus at the railroad right-of-way. The closure has been requested by Jay McDaniel of JJD, LLC for the purpose of expanding an existing building. This ordinance also abandons all existing utility easements within this portion of the right-of-way.

This abandonment has been approved by the planning commission.

ORDINANCE NO. BL2012-90 (EVANS) – This ordinance abandons a portion of Fransworth Avenue south of Post Road. The closure has been requested by H.G. Hill Realty. The mandatory referral application notes that access will not be needed from Post Road to Harding Pike since the City of Belle Meade has closed the road. This ordinance retains existing utility easements within this portion of the right-of-way.

This abandonment has been approved by the planning commission.

– BILLS ON THIRD READING –

ORDINANCE NO. BL2011-16 (BAKER) – This ordinance renames Centennial Place as "Wayne Wise Place". This road extends from Centennial Boulevard to its terminus at the John C. Tune Airport property. Mr. Wise was the founder of Western Express, whose headquarters is located on this road.

This ordinance was disapproved by the planning commission but was approved by the emergency communication district (ECD) board.

ORDINANCE NO. BL2011-47 (BENNETT, A. DAVIS & OTHERS) – This ordinance, commonly referred to as "the chicken bill", amends the zoning code provisions pertaining to the keeping of domesticated hens on residential property. The zoning code currently allows "domestic animals/wildlife" (including common domestic farm animals) as an accessory use in the residential zoning districts. There is no specific definition as to what constitutes a common domestic farm animal. The current conditions applicable to the keeping of domestic animals/wildlife in residential areas include the following:

1. The animals are only permitted as an accessory use in the R80, RS80, R40, RS40, R30, RS30, R20, and RS20 residential zone districts with a minimum lot size of five acres.
2. The property containing the residence and farm animals/wildlife cannot be located within the urban services district.
3. All pens, runs, paddocks, pastures and other open outdoor areas must be fully enclosed by fencing. Barns, stables, stalls, and similar shelters cannot be within 250 feet of a residence.
4. All required permits must be obtained from the Tennessee wildlife resources agency and/or the department of health.

The codes department has always interpreted these provisions to prohibit the keeping of chickens within the urban services district, and on lots within the general services district less than five acres in size. However, the health code provides that chickens may be kept as long as they do not create a nuisance, which has resulted in the board of zoning appeals overturning at least one of the zoning administrator's decisions regarding chickens when the appellant could prove the chickens were kept as pets and were not creating a nuisance.

This ordinance is an amendment to both the zoning code and the health code provisions to allow domesticated hens in residential (R and RS) zoning districts on a limited basis upon obtaining a permit from the department of health. The cost for the annual permit would be $25. The permit holder would be required to occupy the residence where the hens are kept as his/her personal, primary residence. An applicant for the permit must either be the owner of the property or obtain written permission from the property owner prior to filing the application.

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ORDINANCE NO. BL2011-47 (continued)

The number of hens that would be allowed on residential property is based upon the size of the lot, as follows:

Max. Number Hens	Parcel Area (sq. ft.)	Acreage
2	0 to 5,009	0.00 to .11
4	5,010 to 10,236	.12 to .23
6	10,237 to 87,119	.24 or more

In addition, the following conditions would apply:

- No roosters would be allowed.
- No hens would be permitted in the front yard.
- The hens must be kept in a predator-proof enclosure that is at least 25 feet away from any residence and 10 feet from the property line. This enclosure must consist of a fenced area with a covered henhouse. A minimum of two square feet per hen must be provided in the henhouse and a minimum of six square feet per hen in the fenced enclosure.
- No slaughtering would be permitted on the property.
- Chickens could not be raised for the purpose of fighting.
- No breeding of chickens would be permitted on the property.
- The fenced enclosure and henhouse must be kept clean and odor-free at all times.

There is a proposed substitute for this ordinance that addresses issues raised by councilmembers, Metro departments, the public, and the planning department. The substitute makes the following significant modifications:

1. All of the health-related provisions are moved from the zoning code section to the health code.
2. Allows for the submission of an affidavit of compliance at the time the application is filed to keep the health department from having to inspect every property before issuing an initial permit. Inspections by the health department would be "complaint-based" as they are with other codes violation complaints.
3. Deletes the requirement that a building permit be obtained for a henhouse.
4. Clarifies that the 25-foot setback from a residence would not apply to the permit holder's own residence.
5. Property owners would not be required to call public works before removing a dead hen.
6. Adds a two year "sunset" provision requiring council action by resolution to prevent the bill from expiring on March 1, 2014.

This ordinance has been approved by the planning commission.

ORDINANCE NO. BL2011-57 (PRIDEMORE, PARDUE & LANGSTER) – This ordinance names the Madison Police Precinct in honor of Officer Paul Scurry. Officer Scurry was killed in the line of duty in 1996 after 21 years of service, all in the East Sector.

SUBSTITUTE ORDINANCE NO. BL2011-58 (MCGUIRE, BANKS & JOHNSON) – This ordinance authorizes the industrial development board of the Metropolitan Government (IDB) to negotiate and accept payments in lieu of ad valorem taxes for the benefit of LifePoint Corporate Services General Partnership, which is a subsidy of LifePoint Hospitals, Inc. LifePoint is a publicly traded company on NASDAQ operating 54 hospitals in 18 states with 24,000 employees. NASDAQ's website estimates LifePoint's market capitalization to be $1.867 billion. According to LifePoint's annual report, the company had revenues in 2010 of $3.26 billion, with a net income of $155 million. The company currently employs 400 people at its corporate headquarters located in three separate buildings in the Maryland Farms development in Brentwood.

LifePoint plans to consolidate its corporate offices into one 203,000 square foot building to be located at Seven Springs Office Park on Old Hickory Boulevard in southern Davidson County. The new facility will be developed and managed by Highwoods Properties, which is a publicly traded real estate investment company that is the owner of the existing 130,000 square-foot office building in the Seven Springs Development. As part of the new seven-story office building, LifePoint plans to outfit a new data center that is estimated to result in 80 additional jobs. The development will also include an 885-car parking garage, of which 761 parking spaces will be designated for LifePoint. According to the recitals included in the ordinance, the estimated cost of the office building and garage is $37 million, which is to be completed in 2013. It is also anticipated that a 25,000 square foot retail building will be built as a result of LifePoint's relocation. This development is to be located on 3.7 acres of a 10.94-acre undeveloped parcel. This parcel is to be subdivided into roughly three equal-sized parcels, with the LifePoint building located on one, the retail development on another, and one undeveloped parcel. The 3.7-acre portion currently generates $18,654 in property taxes annually.

State law permits local governments to delegate the authority to industrial development boards to enter into payment-in-lieu-of-tax (PILOT) agreements provided that the payments are in furtherance of the public purpose of the board. PILOT agreements essentially provide tax abatements for real and/or personal property taxes the company would otherwise be required to pay to the Metropolitan Government. PILOT programs have been used by Metro 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 PILOT agreements from previous years include Columbia/HCA Healthcare Corporation, Inc., Dell Computer Corporation, Omni Hotel (for the convention center headquarters hotel), and Carlex. The amount of tax abatements over the life of the existing PILOT agreements totals approximately $94,000,000. This does not include any economic incentive grants approved by the council.

Pursuant to this ordinance, the council is delegating the authority to the IDB to negotiate and accept payments in lieu of both real and personal property taxes over a period of 15 years from the date the new building is completed. The personal property tax abatement would only apply to the equipment in the data center. The length of the PILOT agreement corresponds to the

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SUBSTITUTE ORDINANCE NO. BL2011-58 (continued)

lease term between LifePoint and Highwoods. The agreement will effectively result in a 100% tax abatement for 4 years, 60% abatement in years 5 through 11, and a 25% abatement for years 12 through 15. Added to the abatement for the personal property taxes associated with the data center, this PILOT would result in a total tax abatement of approximately $6 million over the 15 year term of the agreement. In the event LifePoint breaks its lease and leaves Davidson County within the 15 year term, it will not be required to reimburse Metro for the amount of the tax abatement the company received up to that point.

Trying to calculate the tax benefit to Metro is more difficult. A University of Tennessee economist hired by LifePoint estimates that the LifePoint relocation will result in additional tax revenues for Metro of $23,000,000 over a 20 year period, which assumes the company exercises an option to extend the 15 year lease for an additional five years. The study also assumes the construction cost of the building and garage to be $47,500,000 and the construction cost for the retail space to be $10,000,000. However, the ordinance itself estimates the construction costs for the office building and garage to be $37,000,000. Further, the council office has been advised that the industry average for small retail construction is $100 per square foot, which would only be $2,500,000 as opposed to $10,000,000. The economist also used a property tax rate of $4.52, as opposed to our current property tax rate of $4.13 per $100 in assessed value.

Since the amount of the abatement is tiered, Metro will receive approximately $4,100,000 in real and personal property taxes over the 15 year term directly as a result of the construction and furnishing of the new LifePoint building using today's tax rate and assuming no increase in property values. Using the more conservative figure of $2,500,000 as the estimated cost for the retail construction, this would generate $776,850 in real property taxes and approximately $260,000 in personal property taxes over the 15 year term. Assuming an average of $300 per square foot in annual sales from the retail space, this would also generate $2,207,250 in sales tax over 15 years.

Metro will also be entitled to all of the property taxes associated with the 124 parking spaces in the garage that will not be designated for LifePoint employees, which would generate between $350,000 and $520,000 over 15 years depending on the appraised value of the garage. Further, Metro would be entitled to the local option sales tax revenue generated by the purchases to equip the data center and from the purchase of building materials. It is impossible to determine how much of these purchases would be from Davidson County merchants, but the director of the Mayor's office of economic and community development has advised the council that LifePoint has committed to purchase materials for the data center in Davidson County. Using LifePoint's estimates that it will be purchasing $60,000,000 worth of software for the data center plus $30,000,000 in hardware with a useful life of five years (meaning it will be replaced twice over the life of the agreement), and that 100% of it is purchased in Davidson County, this would result in $3,750,000 in sales taxes to Metro.

Based on the foregoing, the LifePoint headquarters and the retail development would theoretically result in total taxes paid to the government over 15 years of approximately $11,400,000 compared to the $275,500 Metro would generate if the property remained (continued on next page)

SUBSTITUTE ORDINANCE NO. BL2011-58 (continued)

undeveloped for 15 years. Since this figure is based almost entirely upon assumptions, it is impossible to determine the total amount of tax dollars Metro would receive to a certainty. Further, neither this ordinance nor the PILOT agreement reference the retail component, so the projected taxes generated by the retail development are not guaranteed.

As a point of comparison, the 130,000 square foot office building Highwoods currently owns at the Seven Springs Development is appraised at $18,791,800, and generates $310,440 in annual real property taxes for Metro ($4,656,600 over 15 years).

The circumstances surrounding this PILOT agreement are different from the other corporate relocations where PILOTs have been provided. With the exception of Carlex, which only created 50 new jobs but retained 400 jobs that otherwise would not still be in Davidson County, the other relocations for which PILOT agreements have been provided as an incentive were projected to result in significantly more than 80 new jobs. Furthermore, this company is moving approximately three miles from its existing location. Of LifePoint's 400 employees at the corporate headquarters, 132 currently reside in Davidson County according to information provided by the company's attorney. It is doubtful that many more of the employees that currently live in Williamson County will move to Davidson County as a result of having to commute an additional three miles.

ORDINANCE NO. BL2011-59 (MITCHELL) – This ordinance approves a clinical affiliation agreement between the Metropolitan Nashville Fire Department, Division of Emergency Medical Services and Southeastern Institute to provide student clinical instruction and training to emergency medical technician (EMT) and paramedic students. This externship program will include 36 hours of training for EMT students and 324 hours for paramedic students. Students will not receive any compensation and there is no cost to the Metropolitan Government for providing this service. All students will be covered by professional liability insurance through the school.

The term of the agreement is through May 1, 2016, but may be terminated by either party upon 30 days written notice. The school agrees to assume responsibility for all of its students participating in the program. Metro is a participant in similar clinical experience programs through the Metro health department and the Davidson County drug court.

ORDINANCE NO. BL2011-60 (STEINE) – This is a routine ordinance that readopts the Metropolitan Code prepared by Municipal Code Corporation to include all ordinances enacted on or before August 16, 2011. 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. BL2011-61 (JERNIGAN) – This ordinance renames the portion of Sixth Street located between Jones Street and its terminus at the Lakeside Village Condominiums as "Jones Pointe". This portion of the street does not line up with the rest of Sixth Street. This name change has been requested by the residents of Lakeside Village Condominiums.

This name change has been approved by the planning commission and has been referred to the emergency communications district board.

ORDINANCE NO. BL2011-62 (MOORE) – This ordinance abandons a section of right-of-way located adjacent to property at 2516 12th Avenue South that is no longer needed by the Metropolitan Government. The closure has been requested by the property owner, Paul McRedmond. This ordinance also abandons all existing utility easements within this portion of the right-of-way.

This abandonment has been approved by the planning commission.

ORDINANCE NO. BL2011-63 (TODD & HUNT) – This ordinance abandons 102 feet of a storm sewer and a 10-foot public utility and drainage easement on properties located at 620 and 624 Belle Park Circle. This storm sewer and easement are no longer being used by the department of water and sewerage services. This ordinance has been approved by the planning commission.

ORDINANCE NO. BL2011-65 (GILMORE & BARRY) – This ordinance amends the Metropolitan Code as it pertains to noise levels outside businesses downtown. Currently, the code completely prohibits exterior speakers on downtown businesses and prohibits such businesses from aiming interior speakers toward the exterior opening when it would produce sounds above 85 decibels measured fifty feet from the wall of the business. This ordinance would amend the code so that the 85 decibel limit would apply while the business is open and a separate provision would apply while the business is closed. This separate provision would limit sounds to 70 decibels measured from the nearest public right-of-way or park.

ORDINANCE NO. BL2011-80 (CLAIBORNE) – This ordinance amends the adaptive reuse provisions in the Metropolitan zoning code provisions to allow such developments in commercial and industrial areas along arterial and collector streets within the urban services district (USD). The adaptive reuse ordinance (ARO) was approved in 2005 in an attempt to encourage residential development in vacant, underutilized, and distressed commercial areas. The ARO allows residential development that would otherwise be prohibited in certain existing commercial areas as long as the building has frontage on an arterial or collector street and at least 40% of the floor area is devoted to residential uses.

As proposed by the planning department in 2005, the ARO would have applied to such qualifying properties within the USD. However, the council amended the ordinance to limit its application to the smaller urban zoning overlay (UZO) district. This ordinance would use the USD boundary as originally proposed. To date, 340 residential units have been built in commercial areas using the ARO.

This ordinance has been approved by the planning commission.