

MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Jon Cooper, Director
Metropolitan Council Office

DATE: **February 19, 2013**

RE: **Analysis Report**

Balances As Of:	<u>2/13/13</u>	<u>2/15/12</u>
<u>GSD 4% RESERVE FUND</u>	*\$24,914,746	\$25,836,951
<u>GENERAL FUND UNDESIGNATED FUND BALANCE</u>		
GSD	\$61,358,778	\$44,378,057
USD	\$8,478,089	\$8,556,677
<u>GENERAL PURPOSE SCHOOL FUND UNRESERVED FUND BALANCE</u>		
	\$54,933,590	\$34,449,193

*** Assumes estimated revenues in fiscal year 2013 in the amount of \$25,514,400**

– RESOLUTIONS –

RESOLUTION NO. RS2013-584 (A. DAVIS) – This resolution sets the date for the 2013 State of Metro Address. The Charter requires the mayor to personally address the council regarding the state of the Metropolitan Government not later than May 25th of each year. This resolution sets the address for May 20, 2013, at 10:00 a.m. at the Music City Center.

RESOLUTION NO. RS2013-585 (MATTHEWS & BENNETT) – This resolution approves a grant in the amount of \$269,909.34 from the Tennessee emergency management agency to the Metropolitan Government for homeland security preparedness activities. These federal pass-through funds are used to implement the state homeland security strategy and the national preparedness goals through the purchase of equipment and training activities.

The term of the grant is from September 1, 2012 through May 31, 2014.

RESOLUTION NO. RS2013-586 (WEINER, MATTHEWS & LANGSTER) – This resolution approves a grant in the amount of \$5,000 from the James Stephen Turner Family Foundation to offset expenses of the Metro homelessness commission’s fifth annual Project Homeless Connect event. Project Homeless Connect is a one day event held at the fairgrounds to provide individuals and families that are homeless or are on the brink of homelessness with access to a wide range of services, including medical checkups, legal services, employment and housing assistance, food, and personal supplies. The homelessness commission partners with more than 70 other agencies in Nashville for Project Homeless Connect. These grant funds are to help cover the operating expenses for the event.

RESOLUTION NO. RS2013-587 (WEINER, MATTHEWS & LANGSTER) – This resolution approves an application for a grant in the amount of \$1,000 from Covenant Presbyterian Church to offset expenses for the Metro homelessness commission’s fifth annual Project Homeless Connect event. Although it is unusual for the Metropolitan Government to apply for grant funds from a religious entity, the homelessness commission’s grant application makes it clear that the funds would not be used for a religious purpose.

RESOLUTION NO. RS2013-588 (MATTHEWS) – This resolution approves a grant in the amount of \$27,083 from the state department of labor and workforce development to the Nashville career advancement center (NCAC) to provide scholarships for adults and dislocated workers. These scholarships will be used by eligible participants to obtain employment training and improve skills. The grant consists of \$24,375 for job training scholarships and \$2,708 for associated administrative costs. The term of the grant is from January 2, 2013 through December 31, 2013.

RESOLUTION NO. RS2013-589 (GILMORE & MATTHEWS) – This resolution approves a grant in the amount of \$140,618 from the Friends of Warner Park to the Metropolitan parks department to provide continued funding for staff positions. These funds will be used to pay the salaries of the following positions at the warner park center and the nature center:

- Office support specialist \$43,835
- Parks police officer overtime \$10,000
- 10 part-time maintenance positions \$49,855
- 3 part-time naturalists \$31,000
- 1 part-time office support \$5,928
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There will be a required match of \$28,443.70 to be provided through the parks department’s budget to cover the benefit costs for the full-time employees.

RESOLUTION NO. RS2013-590 (MATTHEWS) – This resolution authorizes the department of law to compromise and settle the Metropolitan Government’s property damage claim against Josette Amsilli for the amount of \$27,997.46. On December 27, 2009, Ms. Amsilli was traveling south on Bell Road when she lost control of her vehicle and struck two police cars traveling in the opposite direction. Both the 2009 Chevrolet Impala and the 2007 Impala police cars were totaled, resulting in a combined loss of \$27,997.46. This resolution accepts the full amount of the property damage claims.

RESOLUTION NO. RS2013-591 (MATTHEWS) – This resolution authorizes the department of law to compromise and settle the Metropolitan Government’s property damage claim against Amber Upton for the amount of \$7,443. On April 16, 2012, a Metro fire inspector was traveling south on Hermitage Avenue when Amber Hale ran a stop sign at Lindsley Avenue striking the right front of the Metro vehicle. The Ford Focus Metro vehicle, having a value of \$7,443, was a total loss. The Metro employee was injured in the accident, and Metro is pursuing its subrogation claims against Ms. Upton’s insurance company. This resolution accepts the full amount of Metro’s property damage claim.

RESOLUTION NO. RS2013-592 (MATTHEWS) – This resolution authorizes the department of law to compromise and settle the Metropolitan Government’s property damage claim against The Parke Company, Inc. for the amount of \$9,667.75. On November 29, 2011, a Parke Company employee failed to lower the boom on the company’s utility truck before driving on Centennial Boulevard. The boom struck power lines, a traffic light, and a utility pole at the intersection of Centennial and Cockrill Bend. This resolution accepts the full amount of the repair costs.

– BILLS ON SECOND READING –

ORDINANCE NO. BL2013-356 (S. DAVIS & MAYNARD) – This ordinance designates Cowan Street from Spring Street north to its terminus as “Production Row”. The purpose of this ordinance is to recognize the significant sound and video production activity taking place on Cowan Street. Ordinance No. BL2012-262 established a procedure for the use of honorary street signs whereby the council, by ordinance, can authorize and direct the department of public works to install honorary street signs beneath the official street name sign for any street identified on the official street and alley acceptance and maintenance map.

This ordinance does not officially rename Cowan Street, and property owners will not be required to change their address. The designation as “Production Row” is only honorary.

ORDINANCE NO. BL2013-357 (GILMORE & POTTS) – This ordinance abandons water, sewer, and stormwater mains and easement rights for the Music City Center project on property bordered by 5th Avenue South, Korean Veterans Boulevard, 8th Avenue South, and Demonbreun Street. This ordinance has been approved by the planning commission. Future amendments to this legislation may be approved by resolution.

ORDINANCE NO. BL2013-358 (MATTHEWS) – This ordinance approves an agreement between the Metro arts commission and Americans for the Arts for the 2014 Americans for the Arts convention in Nashville. The agreement sets forth the various duties and responsibilities of each party as it relates to the promotion and operation of the convention to be held June 12-15, 2014. Metro will be responsible for all costs associated with providing artists throughout the convention, offsite art-related tours, an opening reception, and a board and VIP dinner. The cost for Metro’s responsibilities is not to exceed \$250,000. The agreement provides that Metro arts commission staff is to work with the Americans for the Arts staff to raise money to cover the costs of the convention. However, in the event the fundraising efforts fall short, such funds would have to be provided as part of the Fiscal Year 2013-2014 operating budget. The Metro arts commission will also be responsible for assembling a local host committee of 10-15 members, as well as 15-20 volunteers per day to work during the convention.

ORDINANCE NO. BL2013-359 (MATTHEWS, GILMORE & DOWELL) – This ordinance approves various agreements associated with the transfer of the Renaissance Hotel located next to the existing convention center on Commerce Street. The Metropolitan Government is the owner of the land underneath the downtown Renaissance Hotel, which is currently leased to Ashford JV (“hotel”). The current lease agreement was entered into in 1987 and amended in 1989. The term of the lease was for 30 years, with seven 10-year renewal periods, for a total possible lease term of 100 years. The hotel leases the air rights, but is the owner of the hotel structure on top of the land. Under the lease, Metro currently receives \$500,000 per year in rent, which is currently applied as repayment of a MDHA urban development action grant (UDAG) loan to be used for economic development and affordable housing activities. In addition to the hotel lease, Metro leased the air rights above the hotel effective July 1, 1987 to Rodgers/Welch Ventures, Inc. to be used for office space. Approximately 118,000 square feet of (continued on next page)

ORDINANCE NO. BL2013-359, continued

office space exists above the hotel. Metro has been receiving \$5,000 per year in rent from the office space lease. Metro was also to receive 20% of the profits from the hotel operation, but no funds have been paid to Metro other than the base rent except for a onetime payment of \$2.3 million in 2006 resulting from the assignment of the lease.

The hotel lease requires Metro to continue to operate a first class convention center at 601 Commerce Street through June 30, 2017. Since the Music City Center will open this spring, Metro would be obligated to operate two convention centers for four years. In order to ensure the long term viability of the Renaissance, the hotel desires to use the existing meeting and ballroom space in the convention center on a long term basis. The hotel is willing to release Metro from its obligation to continue operating a convention center on the property in exchange for ownership of the property and a long term lease for the meeting and ballroom space. The hotel has also agreed to a room block agreement with the Metro convention center authority (CCA) to serve as an overflow hotel for large conventions.

This ordinance approves a master agreement, a meeting space lease, an ancillary facilities lease, assignment of the hotel lease, assignment of the office space lease, and a declaration of covenants and easements. The master agreement essentially outlines the various transactions and agreements associated with the transfer of the convention center property, the lease of space, and the room block agreement. Key provisions of the master agreement include the following:

- The hotel will prepare a subdivision plat for the property to be submitted to the planning commission, and Metro will quitclaim the property to the hotel.
- The hotel will have use of the pedway and other ancillary areas of the convention center for 99 years, plus the use of 180 parking spaces in the Metro-owned garage across the street.
- The hotel will have rent-free use of the convention center meeting space and the ballrooms in the northern part of the convention center for 30 years commencing January 1, 2014. Metro can cancel the lease agreement after January 1, 2029 with three years written notice.
- The hotel is to spend at least \$5 million to renovate the meeting space. Metro in turn will reimburse the hotel for these capital expenditures made during the first five years of the agreement up to the amount of leasehold property taxes paid on the meeting space.
- The hotel will invest at least \$20 million to renovate the hotel by December 31, 2014.
- A room block agreement is to be entered into between the hotel and the CCA giving the CCA the preferred right to reserve and book rooms in connection with events at the MCC.
- The CCA agrees to continue to operate the exhibit hall and to designate 40,000 square feet of exhibit hall space for public use, which the hotel can rent as it is available. The hotel will also be able to use the remainder of the exhibit hall space at market rates as it is available. At the CCA's request, the hotel will provide catering and audio/visual services for events, with 30% of the gross proceeds being paid to the CCA. Metro will be able to discontinue its operation of the exhibit hall space with 12 months written notice to the hotel in the event Metro decides to redevelop the property.
- Metro is released from its obligation to operate a convention center on the property through June 2017.

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ORDINANCE NO. BL2013-359

Other notable provisions of the negotiated deal are as follows:

Room Block Agreement

The hotel agrees to designate a block of rooms for a 20 year term. The terms of the agreement are similar to the CCA's room block agreement with the Omni convention center hotel currently under construction. The room block agreement provides that 400 rooms would be designated after the third year of the agreement. A total of 315 rooms would be part of the block between the 24th and 35th months of the agreement. The hotel will have the right to terminate the room block agreement if the meeting space lease is terminated. The authority to set the room rates and meeting space rates will belong solely to the hotel. The hotel can request a release from the room block agreement for future dates, which release cannot be unreasonably withheld by the CCA. The hotel will also have certain booking exceptions from the room block agreement.

Ancillary Hotel Facilities Lease

The hotel will be leasing certain ancillary space aside from the meeting room space for a term of 99 years. This includes the parking garage, pedway, kitchen, and ballroom. Metro will retain an easement to use these areas. The hotel will be leasing 180 parking spaces on the first floor of the garage at a usage rate of \$4 per space per day. The hotel will also have access to additional spaces in the garage as they are available at the standard parking rates. The \$4 daily rate is to be adjusted annually so that the parking charge to the hotel is 50% of the amount charged to the general public. If Metro ceases to operate the parking garage, then the hotel will have the right to lease it from Metro at market rates.

In summary, Metro will be giving the hotel ownership of the hotel property, assigning Metro's rights in the lease agreements to the hotel, foregoing the annual \$505,000 rent, and giving the hotel a long-term lease for meeting space/ballrooms/parking in exchange for a room block agreement, a release from the obligation to operate a convention center on the property, and a transfer of the hotel property to the tax rolls. This transaction will obviously have some offsetting operational savings to the CCA, though the amount of the savings has not been determined. In addition, Metro should start to receive the real property taxes on the land beneath the hotel. Metro has already been receiving the leasehold taxes for the hotel building, but not on the land itself since government property is not taxed.

This ordinance has been approved by the planning commission.

ORDINANCE NO. BL2013-361 (GILMORE & POTTS) – This ordinance authorizes the convention center authority to install and maintain aerial and underground encroachments in the right-of-way of 5th Avenue South, 6th Avenue South, and Demonbreun Street for the new Music City Center. The underground encroachments include two tunnels under 6th Avenue, an entry canopy over 5th Avenue, and a building over 6th Avenue. The Metro code provides that all aerial and underground encroachments must be approved by the council. This ordinance has been approved by the planning commission.

ORDINANCE NO. BL2013-362 (MOORE, S. DAVIS & OTHERS) – This ordinance declares 11 parcels of Metropolitan Government-owned property 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. The proceeds of the sales will be credited to the general fund. The properties to be sold are as follows:

Address	Council District
1105 Joseph Avenue	5
223 Treutland Avenue	5
4019 Lafayette Street	11
41 st Avenue North, unnumbered	21
1221 North 5 th Street	5
200 Stanley Street	19
34 North Hill Street	17
1129 North 2 nd Street	5
1209 Cline Avenue	5
702 North 2 nd Street	5
763 Lynwood Avenue	17

ORDINANCE NO. BL2013-363 (LANGSTER & POTTS) – This ordinance abandons the water and sewer easement rights that were retained by Ordinance No. 094-1115 when the Alley Nos. 583 and 585 right-of-way was abandoned at the northwest corner of Albion Street. There are no longer water and sewer lines within the easement area, and there is no reason for them to be retained. The abandonment of the easement rights is required to construct the Meharry Medical College Turner Family Center located at the intersection of Albion Street and 21st Avenue North.

ORDINANCE NOS. BL2013-364 through BL2013-368 – These four ordinances authorize the acquisition of permanent and temporary easements for various stormwater projects. The ordinances provide that future amendments to the ordinances may be approved by resolution. These ordinances have been approved by the planning commission.

Ordinance No. BL2013-364 (Todd & Potts) authorizes the acquisition of easements on property located at 212 and 214 Page Road.

Ordinance No. BL2013-365 (Mitchell & Potts) authorizes the acquisition of easements on nine properties located along Myhr Drive and Beech Bend Drive.

Ordinance No. BL2013-366 (Potts) authorizes the acquisition of easements on 33 properties located along Elizabeth Street, Harlin Drive, Louise Drive, Morton Avenue, Tanksley Street, Thompson Lane, and Timmons Street.

Ordinance No. BL2013-367 (Dominy & Potts) authorizes the acquisition of easements on 19 properties located along Bakertown Road, Ezell Road, Lallemond Drive, and Wharton Drive.

ORDINANCE NO. BL2013-368 (GILMORE, POTTS & CLAIBORNE) – This ordinance abandons a portion of the Division Street right-of-way and easements and authorizes the execution of a quitclaim deed to convey any remaining interest Metro may possess in the right-of-way at the intersection of Division and Broadway. This abandonment has been requested by Littlejohn Engineering Associates on behalf of Lagasse Family Partners, LLC to facilitate development of the property. This ordinance also abandons all utility easements.

ORDINANCE NO. BL2013-369 (A. DAVIS) – This is a routine ordinance that readopts the Metropolitan Code prepared by Municipal Code Corporation to include all ordinances enacted on or before October 2, 2012. 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.

– BILL ON THIRD READING –

ORDINANCE NO. BL2013-345 (HOLLEMAN) – This ordinance amends the official street and alley acceptance and maintenance map by abandoning a 1,841 square-foot portion of unpaved Wyoming Avenue right-of-way from the railroad right-of-way to the adjacent property line. All Metro easements are to be retained. This closure has been requested by Dale and Associates on behalf of the abutting property owner. This ordinance has been approved by the planning commission and the traffic and parking commission. Consent of the affected property owners is attached to the ordinance.