



METRO COUNCIL OFFICE

MEMORANDUM TO: Members of the Metropolitan Council

FROM: Mike Jameson, Director
Mike Curl, Finance Manager
Metropolitan Council Office

DATE: June 6, 2017

RE: **Analysis & Fiscal Notes for Adjourned Council meeting
of June 13, 2017 at 6:00 pm**

Note: No fiscal note is included for any legislation without significant financial impact.

– RESOLUTIONS –

RESOLUTION NO. RS2017-713 (COOPER & ALLEN) – This resolution would issue up to \$288 million in GSD general obligation bonds to provide funding for various projects contained in the Mayor’s FY18 Capital Spending Plan, submitted as Exhibit A to the resolution. This would include \$199 million for general government, \$85 million for MNPS, and the remaining \$4 million for contingencies.

This is the first step in the process toward the ultimate sale of the bonds by public bid to provide necessary financing for the listed projects. The initial bond resolution is required by state law to be approved by the Metro Council in order to expend money on proposed projects.

Approval of this initial resolution would allow the Metropolitan Government to use its commercial paper program to provide short term financing to commence construction prior to the sale of the long term bonds. Some of the capital projects to be financed would include:

- \$85 million for MNPS projects that include a Phase 2 of Hillsboro High School, Hillwood land acquisition, School of the Arts land acquisition, sidewalks, and other district-wide projects
- \$80 million for Public Works projects that include paving sidewalks, bikeways, and roads
- \$36.5 million for MTA for replacements and upgrades, grant matches, fare collection system, TSU circulator, and engineering studies
- \$25 million for affordable housing
- \$16 million for Parks projects, including a Hadley Tennis Bubble and Antioch Community Center, fairgrounds (soccer / greenway), planning and design of new projects, and the Bellevue Community Center / Ice Rink.
- \$15 million for Metro Police body / dash cameras
- \$12 million for Enterprise Business Solutions (EBS) replacement
- \$7.5 million for General Services fleet and the planning / design of the ECC Center / Juvenile Justice Center / Public Works relocation
- \$4 million for ITS system upgrades and improvements
- \$2.5 million for Metro Action Commission (MAC) repairs and maintenance
- \$0.5 million for Public Library planning of the Hadley Branch

A more detailed list of capital projects to be funded through the spending plan, including the estimated cost for the projects, is attached to the June 2, 2017 analysis. Each of these capital projects is listed within the Capital Improvements Budget currently under consideration per companion Ordinance No. BL2017-736. The amount proposed in this Capital Spending Plan is significantly lower than the Fiscal Year 2017 Plan -- a result of efforts on the part of the Department of Finance to submit projects deemed critical for approval. In the event budgeted expenditures and revenues meet or exceed projections, the Department of Finance anticipates submission of a second Capital Spending Plan at a later date during Fiscal Year 2018.

– BILLS ON THIRD READING –

BILL NO. BL2017-729 (COOPER & ELROD) – This Ordinance would amend an agreement previously approved in 2015 between the Metropolitan Government and Piedmont Natural Gas Company (“Piedmont”) in order to extend a closing deadline.

Ordinance No. BL2015-1308 approved an agreement between Metro and Piedmont for the payment of \$159,617 and the conveyance of Metro-owned property to reimburse Piedmont for its costs to relocate a gas line during the construction of the downtown ballpark. After financing for the ballpark was approved, it was determined that a natural gas line had to be moved in order to construct the ballpark. Piedmont relocated the gas line at a cost of \$529,901.40. This cost was not factored into the construction price of the ballpark at the time the financing was approved.

Metro owned three (3) parcels of property totaling approximately 80 acres near County Hospital Road in the Bordeaux area that were located next to a Piedmont natural gas plant. Piedmont had been previously advised that larger buffers areas surrounding its plant were recommended for security purposes. The adjacent Metro property was declared surplus per Ordinance No. BL2015-1308. The appraised value of this property was \$273,383. Metro had been using a portion of this property for a mulching facility, operated by Red River. The contract with Red River for operation of the facility extended through November 20, 2016. The remainder of the property was open space. To address the costs incurred by Piedmont’s relocation of the gas line, Metro agreed to transfer the property to Piedmont per BL2015-1308, and add a payment of \$159,617 to partially make up the difference between the appraised value and Piedmont’s costs.

Red River was unable to remove all of the accumulated mulch within the time contemplated by the original agreement. The ordinance under consideration would therefore amend the 2015 agreement to give additional time for the removal of the mulch and re-establish times for closing of the sale of the property to Piedmont.

The closing date for the sale of the property per this agreement to Piedmont would now be no later than July 31, 2017. All remaining mulch, equipment, structures, buildings, waste debris, or other materials related to the mulching operation would be removed from the property no later than June 1, 2017. (The Department of Public Works confirms that these materials have now been removed.)

Fiscal Note: If Metro were to fail to remove all items related to the mulching operation by June 1, 2017 or was otherwise unable to close the sale of the property by July 31, 2017, Piedmont would have the right to terminate the agreement. Metro would then be liable to Piedmont for their actual and reasonable costs, including reasonable attorney fees to the extent permitted by Tennessee law, incurred by Piedmont as a result of the extension of the original closing date of December 20, 2016 through July 31, 2017.

BILL NO. BL2017-730 (COOPER, ELROD & ALLEN) – This ordinance would authorize a participation and maintenance agreement between the Metro Department of Water and Sewerage Services ("Metro") and Meritage ("Clover Glen").

Meritage wishes to provide public pressure sewer extension through construction of a sewerage pump station and force main for its development at Clover Glen. Metro would be responsible for inspecting the construction and for the ongoing operation and maintenance.

Future amendments to this agreement may be approved by resolution.

Fiscal Note: Davenport would pay \$290,418 to Metro prior to filing for final plat approval or as soon as possible to obtain sewer availability. This would be used to pay for Metro's additional operational and maintenance costs.

BILL NO. BL2017-731 (PULLEY, COOPER, & OTHERS) – This ordinance would authorize the acquisition of certain right-of-way easements, drainage easement, temporary construction easements, and property rights by negotiation or condemnation for public projects for Lone Oak Sidewalk Improvements.

This has been approved by the Planning Commission.

Fiscal Note: The price to be paid for the easements and property rights has not yet been determined. This would be paid from the FY16 Capital Projects Fund.

BILL NO. BL2017-732 (ELROD & ALLEN) – This ordinance would abandon existing sanitary sewer main, sanitary sewer manholes and easements and to accept a new sanitary sewer manhole and any associated easements, for property located at 2400 Gallatin Pike.

This has been approved by the Planning Commission. Future amendments to this ordinance may be approved by resolution.

BILL NO. BL2017-733 (SHULMAN) – This ordinance would readopt the Metro Code prepared by Municipal Code Corporation (MCC) to include supplemental and replacement pages for ordinances enacted on or before February 22, 2017. Per contract with the Metropolitan Government, the MCC provides Metro Code updates four (4) times annually. This Ordinance is simply a routine re-adoption to ensure the Metro Code is up to date.

BILL NO. BL2017-736 (COOPER & ALLEN) – This ordinance would adopt the Capital Improvements Budget (CIB) for FY18 through FY22. A listing of the CIB new projects for FY18, as well as removed and redirected projects -- organized by district -- was distributed to Council members on May 26, 2017. The CIB is a planning document and does not in itself appropriate

any money. All capital projects must be provided for in this document before a capital improvement can be approved by the Council, except in the case of a public emergency.

The Charter requires the Mayor to submit the CIB to Council by May 15 of each year, and the Council must adopt the CIB no later than June 15 of each year. (Charter, se. 6.13). The Council is therefore conducting an adjourned meeting on June 13, 2017 in order to approve the CIB on third reading prior to this June 15 Charter deadline.

This budget is amendable on third and final reading, but no amendment may be entertained by the Council unless such amendment has been first submitted to the Budget and Finance Committee for recommendation. (Rule 15, Metro Council Rules of Procedure).

Once adopted, any future amendments to the CIB would need to be approved by the Planning Commission, recommended by the Mayor, and then adopted by resolution of the Council receiving at least twenty-seven (27) affirmative votes.