



METRO COUNCIL OFFICE

MEMORANDUM TO: All Members of the Metropolitan Council

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

COUNCIL MEETING DATE: July 6, 2017

RE: Analysis and Fiscal Notes

Unaudited Fund Balances as of 6/28/17:

4% Reserve Fund	\$32,237,877*
Metro Self Insured Liability Claims	\$4,711,680
Judgments & Losses	\$2,975,492
Schools Self Insured Liability Claims	\$3,962,547
Self-Insured Property Loss Aggregate	\$7,399,607
Employee Blanket Bond Claims	\$651,614
Police Professional Liability Claims	\$2,407,912
Death Benefit	\$1,391,697

*This assumes unrealized estimated revenues in Fiscal Year 2017 of \$1,370,796.

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

- RESOLUTIONS ON PUBLIC HEARING -

RESOLUTION NO. RS2017-767 (WITHERS) - This resolution would approve an exemption for Different Class , LLC / The Rosemary & Beauty Queen, located at 1102 Forrest Avenue , from the minimum distance requirements for obtaining a beer permit.

The Metro Code of Laws prevents a beer permit from being issued to an establishment located within 100 feet of a church, school, park, daycare, or one- or two-family residence. However, several exceptions exist to the distance requirements. Facilities within the USO separated from these protected establishments by state or federal four-lane highways are exempt, as are retailer on-sale beer permit holders in MUL districts and events catered by holders of caterers' permits. (See, Code Section 7.08.090(A)). Additionally, the Code provides a mechanism to exempt (a) restaurants or (b) any retail food store from Metro's minimum distance requirements, allowing each to obtain a beer permit upon the adoption of a resolution by the Council. (See, Code Section 7.08.090(E)).

A public hearing must be held by the Council prior to voting on resolutions brought under Section 7.08.090(E).

- ORDINANCES ON PUBLIC HEARING -

BILL NO. BL2017-704 (VERCHER, K. JOHNSON) - This ordinance would amend Section 17.28.100 of the Metro Code of Laws (MCL) by the addition of a new Subsection C.4 to prohibit the use of rope lighting in certain circumstances. Rope lighting consists of a variety of rope-shaped or flexible tubular lighting devices, typically in a single strand.

This ordinance would prohibit the use of rope lighting on any building, sign, or property located next to an arterial or collector street. However, this provision would not apply to properties zoned as OTC.

BILL NO. BL2017-720 (HAGAR) - This ordinance would make changes to Chapter 17.16.210 of the Metro Code of Laws (MCL) pertaining to setbacks for construction/demolition landfills, sanitary landfills, and waste transfer facilities.

Subsections A.2 (Construction/Demolition Landfill), B.2 (Sanitary Landfill), and C.2 (Waste Transfer facility) currently lists these setback requirements from any property line, residential zoning district boundary, residential structure, and property lines of any school or park. These setback requirements apply for all buildings, structures, storage containers and areas, and vehicle loading/unloading areas.

The ordinance under consideration would add additional setback restrictions for floodways. In each of these three subsections, a minimum setback of one hundred fifty feet (150') from any floodway would be added.

BILL NO. BL2017-721 (WEINER, HAGAR. & OTHERS) - This ordinance would replace Section 17.20.140 of the Metro Code of Laws (MCL) concerning requirements for traffic impact studies.

The new MCL language would require traffic impact studies for applications to the Metropolitan Planning Commission or Traffic engineer for developments containing the following:

1. Residential developments with more than seventy-five (75) dwelling units (reduced from 100 units);
2. Nonresidential developments of more than fifty thousand (50,000) square feet;
3. Combinations of residential and nonresidential uses expected to generate seven hundred fifty (750) or more vehicle trips per day (down from the current 1,000 trips per day) or one hundred (100) or more peak-hour trips; or
4. The Traffic Engineer or Planning Department otherwise determines a study is needed. (The current Code allows only the Traffic Engineer to opine that a TIS is necessary.)

The current Code provides three levels of traffic impact studies, based upon the number of trips a development is projected to generate within a 24-hour period (1,000 to 3,000 trips; 3,000 to 6,000 trips; or 6,000 or more trips). Under the proposed ordinance, a new regimen of differing levels of traffic impact studies would be required as follows:

1. Traffic Access Study for smaller scale projects that are not anticipated to have a significant impact on the overall transportation system, but would have impacts at the site access;
2. Traffic Impact Analysis of impacts at the site access points and appropriate nearby intersections ; and
3. Rezoning Analysis to analyze the capacity of the existing transportation system to accommodate potential new development in the absence of mitigation measures . The volume of typical and maximum potential trips generated by representative uses allowed in the existing zoning would be compared with the typical and maximum representative uses permitted under the requested zoning or through design-based districts.

If a development is built in phases, the sequence and timing of development would be incorporated into the traffic impact study. A comprehensive traffic impact study could be required, along with additional studies for a specific phase. Completing a traffic impact study for one phase of development does not preclude the need to complete additional studies.

Under the proposed ordinance, a property owner could request a waiver of a traffic impact study after they demonstrate that a development will not have a significant impact on the transportation system . The request must be made in writing to the Traffic Engineer and - for applications to the Planning Commission - to the Planning Department, together with documentation supporting the waiver request. Copies of the request must be submitted to the district Council member(s) in whose district the development is located. The Traffic Engineer would render a decision regarding the waiver request within 15 business days and may consider recommendations from the Planning Commission .

Traffic impact studies would be allowed to take into account the Capital Improvements Budget (CIB) and may rely on improvements for which funding has been appropriated.

BILL NO. BL2017-742 (SYRACUSE) - On May 2, 2017, the Metro Council approved adoption of the provisions of the "Jackson Law" per Ordinance No. BL2016-484, thereby requiring local approval of landfills, solid waste disposal facilities, and solid waste processing facilities prior to construction. The current ordinance represents the first application requesting approval of a solid waste facility following passage of BL2016-484.

CWM, LLC has submitted an application for the construction of a new Construction and Demolition (C&D) processing facility to be located at 511 Cave Road in Nashville. This location is currently zoned IR and is not within the 100-year floodplain. If approved , the facility would accept wood, drywall, metal, aggregate, brick, and cardboard . The amount of waste to be

handled, processed, and/or stored would total 100 to 150 cubic yards per day, with a maximum storage capacity of 800 cubic yards .

The ordinance now under consideration would approve the application for this C&D processing facility. Following final approval of this ordinance , the Solid Waste Region Board and Board of Zoning Appeals would be allowed to process related permit applications. The applicant would also be allowed to pursue approval through local, state, and federal agencies.

The state enabling legislation establishing the Jackson Law requires the municipal governing body to approve or disapprove the proposed new construction "[w]ithin thirty (30) days after notice and an opportunity for a public hearing." Tenn. Code Ann. §68-211-704(a). Accordingly , any deferral of third reading beyond 30 days after public hearing would prevent compliance with state law and require withdrawal of the ordinance .

BILL NO. BL2017-784 (SWOPE) - This ordinance would establish a maximum permitted height for electric fences in those zoning districts where such fences are permitted. The ordinance would amend the zoning code provisions of section 17.12.40 of the Metro Code to allow electric fences to reach a maximum height of ten (10) feet, subject to the restrictions set forth in section 16.04.200.

This is a companion bill to ordinance no. BL2017-688, currently deferred, which would amend the building code (Title 16) to permit the construction and use of electric fences in non-residential zoning districts, and in certain additional zoning districts (AG, AR2a, RS20 thru RS80 and R20 thru R40) under certain conditions, including limits on the allowed electrical charge, a required perimeter fence or wall, warning signs, and locations restricted to storage areas only.

The current ordinance is scheduled for Planning Commission consideration on July 27, 2017.

- RESOLUTIONS -

RESOLUTION NO. RS2017-768 (COOPER) - This resolution would make a technical correction to the Cooperation Agreement between Metro and the Metropolitan Development and Housing Agency (MDHA) which execution was authorized by Resolution No. RS2017-690, as amended.

Specifically , in section 4 c iii of the Cooperation Agreement (pertaining to parcels which might contain both for-profit commercial uses as well as residential uses), the words "parcel and" have been deleted before the word "improvements " so that the ratio would be determined based upon building improvements overall. In the same section, the word "building" has been deleted before "common areas." The intent of the prior version of the Cooperation Agreement is not changed by the proposed corrections; the deletions would simply make computations clearer.

Metro has previously executed cooperation agreements with MDHA in support of housing projects owned by the Agency pursuant to the Tennessee Housing Authorities Act, Tenn. Code Ann. §13-20-101, *et seq.* MDHA is in the process of converting its traditional public housing to allow MDHA to participate in various financial scenarios to ensure the long-term financial security of low-income housing. The new Cooperation Agreement was to allow for Metro to assist and cooperate with MDHA to operate, maintain , construct, and reconstruct mixed-income housing, including affordable and workforce housing.

The stated purpose of the agreement was to furnish to MDHA and its residents the same type and level of services and facilities that are provided without cost or charge to other dwellings and inhabitants of Metro. RS2017-690, as amended , was intended to terminate and replace all legacy cooperation agreements with this new single agreement that would apply to all MDHA properties and MDHA Payments In Lieu Of Taxes (PILOT) projects approved by the Council, either owned now or acquired in the future.

MDHA would be required to make annual payments to Metro in lieu of all real and personal property taxes and special assessments in payment for the public services and facilities furnished from time to time without other costs or charges.

Fiscal Note: Under the previous agreements , MDHA paid a total PILOT of \$285 ,795 in 2015 on a total inventory of 6,129 units, equating to a PILOT rate of Forty-Seven Dollars (\$47) per unit. The agreement per RS2017-690, as amended, established a standard PILOT rate of Fifty Dollars (\$50) per unit where residents are screened for an income eligibility requirement, creating a baseline PILOT payment of \$306 ,450 for 2017 and in units where residents are not so screened, the rate would be Eighty Dollars (\$80).

The PILOT for any for-profit parcel would be equal to the real-property taxes that would be due if the parcel were not owned by a housing authority. Under this agreement , MDHA would have the option of seeking approval from the Council for a different PILOT payment for a specific for-profit parcel.

Pursuant to RS2017-690, as amended, if a for-profit parcel also contains housing units, the PILOT due would be the full tax equivalent minus an amount equal to the full tax equivalent times the ratio determined by dividing the rentable square feet of housing units by the total square footage of the parcel plus \$50 or \$80 dollars per housing unit as applicable ; provided that the rentable square feet shall mean the actual usable square footage of the housing units plus a pro rata share of the building common areas. Depending on the facts and circumstances of a particular parcel, this calculation risked resulting in a PILOT that did not capture the full tax equivalent related to the commercial activity of a for profit parcel. The calculation for determining the PILOT due in the Agreement attached to this RS2017-768 is as follows : full tax equivalent minus an amount equal to the full tax equivalent times the ratio determined by dividing the rentable square feet of housing units by the total square footage of the improvements plus \$50 or \$80 dollars per housing unit as applicable; provided that the rentable square feet shall mean the actual usable square footage of the housing units plus a pro rata share of the common areas.

The PILOT rate would be adjusted by the applicable consumer price index (CPI) every four years in concurrence with the Property Assessor's schedule for reappraisals. The amount of the adjusted PILOTs to be paid to Metro would remain comparable to the 2017 baseline in that the per-unit rate after adjustments by the CPI would be further revised through an amendment to this agreement to generate PILOT payments to Metro no less than would have been generated under the legacy cooperation agreements for the upcoming four-year period.

No payment for any year was to be made in excess of the amount of real property taxes which would have been paid to Metro for such year if the Housing Project were not exempt from taxation.

For all Council-approved PILOT projects, the PILOT made to Metro would be in lieu of any annual payments approved by this agreement.

RESOLUTION NO. RS2017-769 (WITHERS) - This resolution would approve an agreement between the Metro Board of Health and the Martha O'Bryan Center to operate a mobile unit to provide services for current and potential Women Infants & Children (WIC) Program participants.

Under the Metro Charter, the Board of Health is required to contract for such services as will further the policies of the Board, subject to confirmation by the Council by resolution. (Charter, §10.104(8)). Pursuant to this obligation, the Health Department has negotiated agreements with several community organizations and churches to provide classes and services for WIC participants. The Martha O'Bryan Center, located at 711 South 7th Street, has agreed to make classroom space available to the Health Department for a two-hour period twice per month.

The term of the agreement would commence June 1, 2017 and continue for five (5) years, unless terminated sooner. Metro may terminate the agreement without cause upon giving ninety (90) days' written notice.

Fiscal Note: There would be no cost to the Health Department for the use of this space.

RESOLUTION NO. RS2017-770 (COOPER) - This resolution would approve a contract between the Tennessee Department of Health and the Metropolitan Board of Health. This would be to provide prenatal presumptive eligibility program enrollment assistance with TennCare/Medicaid and CoverKids applications.

Under the Metro Charter, the Board of Health is required to contract for such services as will further the policies of the Board, subject to confirmation by the Council by resolution. (Charter, §10.104(8)).

The term of the contract would be from July 1, 2017, through June 30, 2018.

Fiscal Note: The value of this contract is \$206,600.

RESOLUTION NO. RS2017-771 (WEINER) - This resolution would approve a contract between the Metropolitan Board of Health and the Mississippi State University College of Veterinary Medicine. The Health Department would provide clinical experience opportunities for the University's graduate veterinary program students, residents, and interns. The students would not be considered employees of Metro and would not receive any compensation.

The term of the agreement would be from February 1, 2017 through January 31, 2022, but may be terminated by either party upon 90 days written notice. The school would be required to provide assurance that the students are covered by professional liability and health insurance. Metro would not be responsible for any accidents or job-related injury or illness incurred by any student as a result of their participation in this program. The school would also agree to assume responsibility for all its students participating in the program.

Fiscal Note: There would be no cost to the Metropolitan Government for participating in this program.

RESOLUTION NO. RS2017-772 (PULLEY, HENDERSON, & COOPER) - See attached grant summary spreadsheet.

RESOLUTION NO. RS2017-773 (HENDERSON & COOPER) - See attached grant summary spreadsheet.

RESOLUTION NO. RS2017-774 (HENDERSON, ELROD, & COOPER) - See attached grant summary spreadsheet.

RESOLUTION NO. RS2017-775 (PARDUE, COOPER, & OTHERS) - The Old Shiloh Bridge over Mansker Creek at the boundary line between Davidson and Sumner Counties has fallen into disrepair and been closed. This bridge was used by Millersville and Nashville residents and its closure made travel between the two locations difficult.

The Tennessee Department of Transportation (TOOT) proposed that Metro enter into the Off-System Bridge Replacement Program for the replacement of this bridge. This agreement approved replacement of the bridge. Millersville was to take ownership and be responsible for maintenance of the bridge when the replacement was complete. Metro would continue to be responsible for maintaining the roadway in Davidson County from the edge of Tinnin Road to the west bridge abutment.

Resolutions No. RS2017-577 and 578 approved the intergovernmental agreements between Metro, the City of Millersville, and the Tennessee Department of Transportation (TOOT) for this project. Under those agreements, federal funds were to pay 80% of the costs, with the remaining 20% to be paid equally by Metro and Millersville. The proposed amendment to the agreements now under consideration would lower the percentage of the costs paid by Millersville and Metro to 0.4%, with the state paying 19.6% of the cost.

Fiscal Note: The total replacement cost of the bridge is estimated to be \$719,232. 80% of this cost would continue to be paid by the federal government. With the state paying 19.6% of the cost, and Metro and the City of Millersville sharing 0.4% of the cost, Metro would only be responsible to pay \$1,439.

The State holds money designated for Metro as state aid funds. This money is either placed there by state legislation, through federal legislation allocations, or through Metro contributions for specific project matches. In this case, the state will be performing all the work and will pull Metro's portion of the "match" money out of the Metro Bridge State Aid account.

RESOLUTION NO. RS2017-776 (ELROD, ALLEN, & COOPER) - This resolution would approve an intergovernmental agreement between the Tennessee Department of Transportation (TOOT) and the Department of Public Works for the acceptance of all phases of work in connection with the construction of the Interchange Modification on 1-24 East at Hickory Hollow Parkway.

Ordinance No. BL2017-565 approved a participation agreement between Metro and Century Farms, LLC for the construction of two phases of construction of the 1-24 Interchange at Hickory

Hollow Parkway. Century Farms agreed to pay the estimated costs associated with the Preliminary Engineering phases of NEPA (environmental compliance) and Design, which would be \$65,000 and \$1,940,000 respectively. Metro would also be responsible to pay the right-of-way cost of \$1,000.

Ordinance No. BL2017-746 approved a participation agreement between Metro and Century Farms, LLC for the shared cost of design and construction of local roads that will connect of the interchange project at \$24,000,000. Per that agreement, Century Farms and Metro would each pay \$12,000,000.

The resolution now under consideration would approve this new agreement between TOOT and Metro so that construction can occur. TDOT's participation in the project is contingent upon Metro's timely completion of the adjacent connector roads. These include Century Farms Parkway from Hickory Hollow Parkway to Cane Ridge Road, Hickory Hollow Parkway from interchange to Cane Ridge Road, and Cane Ridge Parkway from first section currently under construction to Hickory Hollow Parkway, completing the connection to Old Franklin Road.

This has been approved by the Planning Commission .

Fiscal Note: Per the prior agreements , Metro and Century Farms would pay the costs for the construction of local roads to connect to the interchange project. TOOT has agreed to pay 100% of the estimated construction cost of \$20,880,000 for the interchange.

The agreement would expire on the last day of scheduled completion if Metro were to fail in completing the required connector road projects according to the terms of the agreement, unless an extension of the time period is requested by Metro and granted by TOOT. This expiration would constitute termination of the project. If this were to occur, TOOT would not make any additional payments .

RESOLUTION NO. RS2017-777 (LEONARDO, HASTINGS, & OTHERS) - This resolution would approve Utility Relocation Contract No. 8712 between the Tennessee Department of Transportation (TOOT) and the Metropolitan Government for Project No. 19046-2214-14, SR-112 (Clarksville Highway), from SR-12 (Ashland City Highway) to SR-155 (Briley Parkway). This project would require the relocation of utilities as described in Utility Relocation Contract No. 8712, attached as Exhibit A to the resolution.

Fiscal Note: The total cost of the utility relocation is estimated to be \$582 ,050. 29% of this cost represents the pro-rata share to which Metro is entitled to reimbursement for relocation of utility facilities located on private utility right-of way. The remaining 71% represents the pro-rata share for relocation of utility facilities located on public highway right-of-way.

Since no betterment is expected to result to Metro's facilities from this project, 100% of the cost would be paid by TOOT to reimburse the Department of Water and Sewerage Services for their actual costs for this work.

RESOLUTION NO. RS2017-778 (LEONARDO, HASTINGS, & OTHERS) - This resolution would approve Utility Relocation Contract No. 8713 between the Tennessee Department of Transportation (TOOT) and the Metropolitan Government for Project No. 19046-2214-14 SR-112 (Clarksville Highway), from SR-12 (Ashland City Highway) to SR-155 (Briley Parkway). This project would require the relocation of utilities as described in Utility Relocation Contract No. 8713, attached as Exhibit A to the resolution.

Fiscal Note: The total cost of the utility relocation is estimated to be \$1,378,800. 8% of this cost represents the pro-rata share to which Metro is entitled to reimbursement for relocation of utility facilities located on private utility right-of way. The remaining 92% represents the pro-rata share for relocation of utility facilities located on public highway right-of-way.

Since no betterment is expected to result to Metro's facilities from this project, 100% of the cost would be paid by TOOT to reimburse the Department of Water and Sewerage Services for their actual costs for this work.

RESOLUTION NO. RS2017-779 (ELROD) - Ordinance No. BL2016-235 and Resolution No. RS2016-391 raised several fees charged by the Public Works Department which had not been increased during the last 12 to 27 years and were no longer sufficient to cover the actual costs of providing the services.

The resolution now under consideration would make additional changes to these fees by essentially doubling the fees for right-of-way closure permits in high impact areas. Section 3 of Ordinance No. BL2016-235 specified that permits for the temporary closure of rights-of-way within high impact areas would be \$100 per fifty linear feet closed for five days or less. For closures longer than five days, the rate would be \$20 per day. The resolution under consideration would double these amounts to \$200 and \$40 respectively.

Similarly, a processing fee of \$30 established under BL2016-235 would be doubled to \$60. An administrative fee of \$100 would remain the same in high impact areas, but be reduced to \$50 outside of high impact areas. Finally, a permit fee of \$230 for special events established in BL2016-235 would be doubled to \$460.

Generally, because fees are intended only to cover a department's actual costs of performing a particular function or service, any increase in fees should be justified by a cost assessment study to verify present-day cost levels. No such study has yet been performed in this instance.

Fiscal Note: If adopted , this Resolution would essentially double the various fees in high impact areas as set forth above. However, it should be underscored that Public Works is required to charge fees no higher than necessary to recover their costs for performing a specific function or service.

RESOLUTION NO. RS2017-780 (ELROD) - This resolution would add a new subsection 13.20.030.1 to the "Permits" Section of the Metro Code that would specify requirements for a right-of-way site management plan permit. Under this new subsection, permits requiring the temporary closure or obstruction of any right-of-way in Metro for a period of longer than twenty (20) calendar days would require a right-of-way site management plan permit.

Such site management plans would be required to include the following:

- a. Dates and/or times the right-of-way would be closed and/or obstructed;
- b. Reasons for the duration of the closure and/or obstruction;
- c. Considerations for using covered scaffolding in areas with high pedestrian traffic and commercial uses;
- d. Description of the equipment to be used and justifications for its use;
- e. Plan for coordinating site deliveries;
- f. Plan for communicating about updates and changes to the closure;
- g. Plan for regular removal and clean-up;
- h. Plan for signage and re-routing of pedestrians, cyclists, and vehicles; and
- i. Description of the fencing type to be used.

Public Works currently issues closure permits in five-day increments . It is possible that a twenty-day permit could increase right-of-way disruptions if permit holders felt less impetus to clear the right-of-way when projects were completed early.

The ordinance would further require that film permits and special events permits requiring closure or obstruction of rights-of-way for more than twenty (20) days must further obtain site management plan permits.

Fiscal Note: The new Subsection 13.20.030.1 would require a fee of fifty dollars (\$50) for a right-of-way site management plan permit.

Subsection 2.62.030 of the MCL specifies the duties and powers to regulate film activities. A new Subsection H would be added to require a right-of-way site management plan permit and a fee of fifty dollars (\$50) for film permits requiring the temporary closure or obstruction of a right-of-way within Metro for a period of longer than twenty (20) calendar days.

Subsection 2.62.040 of the MCL specifies the duties and powers to regulate special events. A new Subsection H would be added to require a right-of-way site management plan permit and a fee of fifty dollars (\$50) for special event permits requiring the temporary closure or obstruction of a right-of-way within Metro for a period of longer than twenty (20) calendar days.

Public Works is required to charge fees no higher than necessary to recover their costs for performing a specific function or service. It should be noted that no study has yet been performed regarding the fees proposed by this resolution.

RESOLUTION NO. RS2017-782 (COOPER) - This resolution would authorize the Department of Law to settle the personal injury claim of Mr. David Ray against the Metropolitan Government in the amount of \$11,500.

At the time of the accident, Mr. Ray was an inmate at the Criminal Justice Center assigned to the kitchen staff. On July 11, 2016 while he was being transported in a Davidson County Sheriff's Department transport van from the Criminal Justice Center, the van was struck on top by a roll-up door as the Sheriff's officer was backing out of the garage on Third Avenue North.

Mr. Ray was thrown to the floor of the van in the incident. He complained of head, neck, and back pain and was taken to Metro Nashville General Hospital. Initial consultation at the hospital indicated soft tissue injury.

The precise cause of the accident was not determined, though it would appear to be an electronic sensory error. No disciplinary action against the driver was indicated.

Mr. Ray has agreed to accept a total of \$11,500 in full settlement of this case, based upon \$6,549.50 in paid medical expenses and \$4,950.50 for pain and suffering.

The Department of Law recommends settlement of this claim for \$11,500.

Fiscal Note: This settlement would reduce the balance of the Self-Insured Liability Fund by \$11,500.

RESOLUTION NO. RS2017-783 (SHULMAN) - This resolution would approve the election of five hundred sixty-seven (567) Notaries Public in accordance with state law. Per Rule 27 of the Metro Council Rules of Procedure, the Davidson County Clerk has advised that each of the applicants meets the qualifications for the office.

-ORDINANCES ON SECOND READING-

BILL NO. BL2017-705 (SHULMAN & BLALOCK) - This ordinance would establish a new incentive program to provide awards to neighborhoods that meet all Codes requirements.

Some neighborhoods in Nashville experience persistent problem with Codes violations, including high weeds , accumulation of debris and trash, and vehicles parked in the front yard . Under the proposed ordinance, traditional methods of addressing these and other violations through enforcement would be supplemented by the establishment of a new incentive system.

Under the proposed plan, neighborhoods could request a review by the Codes Department of current violations without enforcement penalties. The neighborhood could then work to come into full compliance and, if successful, could obtain an incentive grant from the Metropolitan government for the further benefit of the neighborhood.

Awarded grants could not exceed \$5,000 per neighborhood, and no more than \$25,000 could be awarded in any single Council district per year. The Codes Department would be required to draft policies and procedures for this program, aiming for implementation of the program no later than September 30, 2017.

Fiscal Note: The potential cost of this program would be \$875,000 per year, although that assumes 100% participation by all Council districts as well as maximum grant awards within each district (\$25,000 per district). No money for this program was included in the FY18 operating budget for the incentive awards nor for any increased operational costs incurred by the Codes Department.

BILL NO. BL2017-706 (S. DAVIS) - The Metropolitan Government assesses a hotel occupancy or transient occupancy privilege tax that applies to short term rental properties. The portion of these taxes derived from STRPs is currently dedicated exclusively for appropriation to the Barnes Fund for Affordable Housing. (See, Metro Code, section 5.12.060.A(4)). This ordinance would direct a portion of the transient occupancy privilege taxes generated by STRPs to a new Metropolitan Neighborhood Improvement Fund (NIF) -- dividing the revenues equally between this new fund and the Barnes Fund, effective January 1, 2018

The Metro Code of Laws (MCL) would be further amended to establish a new Metropolitan Neighborhood Improvement Fund Commission. This would be composed of seven (7) members. One would be designated by the Board of the Metropolitan Development and Housing Agency (MDHA). Another would be a Metro Council member designated by the Vice-Mayor for a term of two (2) years . The remaining 5 would be appointed by the Mayor and approved by the Council.

The purpose of this commission would be as follows:

- A. Promote neighborhood stability by eliminating blight;
- B. Provide financing and other assistance for home ownership opportunities; and
- C. Oversee the management and operation of the Neighborhood Improvement Fund.

The commission would have the following powers and duties:

1. Enter into contracts with nonprofit agencies to assist the commission in carrying out these duties;
2. Elect a chairman and other officers;
3. Promulgate and maintain its own regulations and bylaws;
4. Conduct its affairs, to select advisory committees or panels of experts to assist the commission;
5. Accept gifts of funds, goods, and services donated to the commission and the NIF;
6. Receive and expend any money appropriated or donated for the purposes of the commission;
7. Make recommendations to the Council regarding the awarding of grants by contract from the NIF; and
8. Perform and additional functions consistent with the purpose of the commission.

Fiscal Note: Section 5.12.060 of the Metro Code of Laws (MCL) would be amended so that after January 1, 2018, the transient occupancy privilege tax revenue generated by short-term rental properties would be appropriated evenly between the Barnes Fund for Affordable Housing and this new Neighborhood Improvement Fund.

BILL NO. BL2017-741 (HURT & ALLEN) - Section 13.40.040 of the Metro Code of Laws (MCL) lists the restrictions currently in effect for the operation of public parking lots, parking garages, public parking decks, basement and underground garages. This section currently requires a sign to be displayed at the entrance that indicates the parking fee to be charged.

As amended, the ordinance under consideration would add a requirement to further post the amount of any fines or penalties that may be charged and to post such information not only at entrances but also at each automatic pre-payment station. The ordinance would take effect sixty (60) days following adoption, thereby allowing parking vendors time to comply.

The sign listing the fees and penalties would continue to be required to be of adequate size and design to be clearly visible and legible to the motoring public.

BILL NO. BL2017-743 (MENDES, SLEDGE, & OTHERS) - This ordinance would terminate an agreement approved in 1996 by the Metro Council, per the adoption of Ordinance No. 096-567, between the Metropolitan Government and the U.S. Marshal Service to house federal inmates.

The sponsors of BL2017-7 43 have announced their intent to withdraw this proposed ordinance.

BILL NO. BL2017-744 (O'CONNELL, ELROD, & OTHERS) - On November 15, 2016, Resolution No. RS2016-434 was adopted to approve an economic and community development incentive grant to the Industrial Development Board (IDB) for the benefit of Warner Music, Inc. Warner Music Group (WGM) had announced that it would open a new "center of excellence" for Shared Services in Nashville.

This center would initially employ up to 175 people in financial, legal, and administrative functions - resulting from WGM moving its Accounting Operations, Cash Management, and Recorded Music Rights Administration to Nashville. This center would be located in a build-out of approximately 30,000 square feet of office space at the Nashville City Center, due to open in mid-2017.

The ordinance now under consideration would permit Warner to enter and use up to thirty-five (35) parking spaces within the Library Parking Garage . At least sixty (60) days prior to the beginning of the term, the licensee would be required to provide written notice of the number of parking spaces that would be used per this agreement. After that, from time to time, the licensee would be allowed to increase or decrease this number upon not less than thirty (30) days written notice to the Parking Commission . At no time could this number exceed thirty-five spaces.

Cards would be issued for access to these spaces. For each access card, the licensee would pay an amount equal to the monthly parking rate charged to the general public for the month at issue.

The term of this agreement would be from July 1, 2017 through June 30, 2024. Future amendments to this agreement may be approved by Council resolution.

This agreement has been approved by the Planning Commission .

Fiscal Note: The rates under this agreement would remain the same as those charged to the general public. The only impact would be the reservation of these spaces for the exclusive use of Warner Music.

BILLS NO. BL2017-787 and BL2017-788 (O'CONNELL & COOPER) - According to the terms of the Central Business Improvement District Act of 1990, property owners within a specific confined area can petition the Council to create a Central Business Improvement District (CBID) to enhance the local business climate and to help manage the district. This requires the agreement of a majority of the real property owners within the proposed district having an assessed value of at least two thirds of the assessed value of all real property within the area . (See, Tenn. Code Ann. § 7-84-511.)

Nashville currently has two CBIDs -- the Downtown Central Business Improvement District (DCBID) and the Gulch Central Business Improvement District (GCBID).

Each district is governed by a District Management Corporation as defined in the ordinance. The Board of Directors in each of these corporations currently contracts with the Nashville Downtown Partnership to provide additional services, including trash removal, sidewalk sweeping and pressure washing, graffiti and handbill removal, public space management, security enhancement, beautification efforts, communications, and marketing. These services are in addition to, and do not replace, normal public services otherwise provided within the Urban Services District.

The revenue from the special assessments from each district are collected by Metro and posted in separate special revenue funds. The District Management Corporation in each CBID acts as an advisory board for the purpose of making and carrying out recommendations for the use of these funds. Both CBID annual budgets are approved as part of the overall Metro operating budget each year.

Fiscal Note: Following the recent reappraisal of property within Davidson County, including the property within the DCBID and GCBID, the special assessment rate for each district must now be lowered.

Under BL2017-787, the rate of levy for the GCBID would now be defined as \$0.1081 per \$100 dollars of assessed property value. This proposed rate is calculated by dividing the 2018 GBID budget of \$482,000 by the total assessed value of all taxable real property within the GCBID boundaries.

Under BL2017-788, the initial rate of levy for the DCBID would be defined as \$0.001294 per dollar of assessed value. This proposed initial rate of levy is calculated by dividing the 2018 CBID budget of \$2,474,943 by the total assessed value of all taxable real property within the CBID boundaries, including leaseholds on property owned by the Industrial Development Board.

The rates established under both ordinance were based on the May 16, 2017 records of the Metro Tax Assessor and will be used in the 2017 Metro tax billing to fund the respective 2018 CBID budgets. If approved, both rates will continue in force until changed by the Metropolitan Council.

BILL NO. BL2017 -789 (ALLEN & WITHERS) - This ordinance would amend section 2.20.130.A of the Metro Code of Laws (MCL) pertaining to the Office of Administrative Hearing Officer.

This section originally created the Metropolitan Office of Administrative Officer to hear violations of any of the provisions codified in Title 16 (Buildings and Construction) of the MCL. The ordinance now under consideration would add violations of any of the provisions codified in Title 17 (Zoning) to the authority of the Hearing Officer.

BILL NO. BL2017-790 (MENDES, FREEMAN & OTHERS) - This ordinance would modify the provision of health insurance benefits for Council members after they leave office .

Section 3.24.010 of the Metro Code of laws (MCL) currently allows Council members to participate in Metro's health insurance program under the same terms and conditions as are available to regular Metro employees. After leaving office, members who were participants in the health care plan are allowed to continue, provided they pay the full amount of the premium with no subsidy from Metro.

However, the MCL goes on to allow members who hold office for eight (8) years or more -- as well as members serving on or after August 31, 2007 that served part of one term and a full consecutive term -- to continue the health care plan, provided they pay the contribution rates equivalent to those paid by regular Metro employees.

The ordinance under consideration would modify this language to state that Council members holding office for less than eight (8) years prior to August 31, 2019 who were participants in the plan may continue coverage, provided they pay the full amount of the premium. Council members serving eight (8) years or more prior to August 31, 2019 would still be allowed to continue the health care plan, provided they pay the contribution rates equivalent to those paid by regular Metro employees.

Council members not covered by the above conditions would still be eligible to participate in the health care plan under the same terms and conditions as retired Metro employees at the following contribution rates:

- Former members who served at least eight (8) years , but less than fifteen (15) - Metro would contribute twenty-five percent (25%);
- Former members who served fifteen (15) years or more - Metro would contribute a portion of the contribution rate based on years of service as provided in Section 3.16.020c.3. of the MCL applicable to retired employees hired after January 1, 2013; and
- Members who would otherwise qualify for health care coverage at the contribution rates paid by regular Metro employees may elect to participate in the health care plan at the higher rates set forth in this section.

Except as detailed above , no Council member serving after August 31, 2019 would be eligible for the subsidized health care plan after leaving office .

It is the sponsors ' intent to defer second reading of this ordinance for three (3) meetings until the second meeting in August.

Fiscal Note: The contribution rates paid by retired Metropolitan Government employees who were hired after January 1, 2013, were approved by Ordinance No. BL2012-237 . Per this

ordinance, the rates would also apply to former members serving fifteen (15) years or more. These rates would be as follows:

<i>Time of Service</i>	<i>Former Council Member Responsibility.</i>	<i>Metro Responsibility</i>
8-15 years	75%	25%
15-16 years	50%	50%
16-17 years	45%	55%
17-18 years	40%	60%
18-19 years	35%	65%
19-20 years	30%	70%
20 or more years	25%	75%

There have been two relatively recent attempts to alter the insurance program for former Council members. Ordinances No. BL2012-320 and BL2015-1211 proposed virtually identical language, but neither was approved. The analysis for BL2015-1211 stated that the annual cost of premiums for former Council members at that time was approximately \$290,000.

There would be little immediate change to the annual costs of providing this health insurance since the changes would not take effect until August 31, 2019. However, over time, the entire annual cost would be eliminated.

For comparison purposes, a summary of the equivalent post-employment health benefits offered to Council employees in ten (10) peer cities is attached to this analysis.

BILL NO. BL2017-791 (LEONARDO, ELROD, & ALLEN) - This ordinance would authorize the acquisition of certain permanent and temporary easements by negotiation or condemnation for the Bordeaux Hills Stormwater Improvement Project for seven (7) properties located at 3300 Cocoa Drive, 1468 and 1495 County Hospital Road, and 3189, 3191, 3195, and 3197 Lagrange Drive.

This was approved by the Planning Commission on May 17, 2017. Future amendments to this ordinance may be approved by resolution.

BILL NO. BL2017-792 (ROBERTS, ELROD, & ALLEN) - This ordinance would abandon existing sanitary sewer main and easements and accept new water mains, fire hydrants, sanitary sewer mains, sanitary sewer manholes, and any associated easements for property located at 670 James Avenue.

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

BILL NO. BL2017-793 (ELROD & ALLEN) - This ordinance would abandon existing water main and easements and accept new water main, a fire hydrant, and any associated easements for property located at 463 Harding Industrial Drive.

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

BILL NO. BL2017-794 (ALLEN & ELROD) - This ordinance would abandon a portion of existing easement rights for property located at 1710 Belcourt Avenue. It has been determined that this easement is no longer needed.

Amendments to this legislation may be approved by resolution .

This has been approved by the Planning Commission.

BILL NO. BL2017-795 (O'CONNELL & ELROD) - This ordinance would authorize LC Germantown, LLC to install, construct, and maintain underground and aerial encroachments in the right-of-way located at 1226 2nd Avenue North. These would consist of awnings , building cornices, and balconies along Madison Street and the corner of 2nd Avenue , and a ground-mounted transformer and steps on Monroe Street encroaching the right-of-way.

LC Germantown, LLC has agreed to indemnify and hold the Metropolitan Government harmless from any and all claims in connection with the installation and maintenance of the encroachments, and would be required to provide a \$2 million certificate of public liability insurance naming the Metropolitan Government as an insured party.

This proposal has been approved by the Planning Commission.

- ORDINANCES ON THIRD READING -

BILL NO. BL2016-611 (BEDNE) - The ordinance under consideration would make a change to the requirements for the operation of a short-term rental property (STRP) found in newly established paragraph 17.16.250.E.

Currently, Section 17.16.250.E.2.v requires that an STRP application include a statement that "the applicant has confirmed that operating the proposed STRP would not violate any Home Owners Association agreement or bylaws, Condominium Agreement, Covenants, Codes and Restrictions or any other agreement governing and limiting the use of the proposed STRP property."

As amended, BL2017-611 would likewise require a statement that the applicant has notified in writing the Home Owners Association, Condominium Association, or other such community association governing the proposed STRP property. But it would further require the applicant to advise "the department of codes administration of any objection or opposition to the application by any such association of which the applicant is aware."

The Metro Planning Commission recommended disapproval of this Ordinance at its April 27, 2017 meeting.

A housekeeping substitute is anticipated by the sponsor to remove the caption reference to "consent", in conformity with the previous amendment.

BILL NO. BL2017-726 (MENDES, SWOPE, & OTHERS) - This ordinance would amend Title 5 of the Metro Code of Laws (MCL) to add a requirement for the Finance Department to maintain a written debt management policy.

Metro first issued a debt management policy in 2006. This was revised and accepted by the Council per Resolution No. RS2011-94 and approved by the state, but never codified. As a reference, a copy of this policy is attached to this analysis. Although this policy is current, there is no specific requirement in place that would mandate such policy be maintained in the future nor the content of such policy. Additionally, the ordinance under consideration would add certain specific requirements, as follows:

- The maximum amount of outstanding debt and debt service;
- Multiple metrics by which Metro's financial condition is monitored, measured, and evaluated;
- A discussion of available metrics for measuring the amount of debt as well as the reasons why the metrics in use are most appropriate;
- A discussion of available metrics for measuring debt service as well as the reasons why the metrics in use are most appropriate;

- A discussion of what factors regarding financial performance trends must be considered in determining the maximum outstanding amount of debt and debt service;
A discussion of the purposes for which each debt category may be utilized;
A strategy for managing Metro's net pension obligation ;
- A discussion of what impact, if any, the net pension obligation has on the amount of debt by category;
A strategy for managing Metro's unfunded Other Post-Employment Benefits (OPEB) obligation; and
A discussion of what impact, if any, the unfunded OPEB obligation has on the amount of debt by category.

The Finance Department would be required, per Title 5 of the Code, to maintain a debt management policy meeting the above criteria at all times. This policy would be required to be posted on the publicly-accessible portion of Metro's website.

Fiscal Note: Metro would be prohibited by this ordinance from issuing or incurring any debt in violation of the debt management policy currently in effect unless approved in advance by Council resolution.

BILL NO. BL2017 -737 (ELROD & PARDUE) - This ordinance would address the numerous types of motor vehicles known as "platform vehicles" currently operating as vehicles for hire in the downtown area that are not regulated by the Transportation Licensing Commission (TLC). Operators of these vehicles permit passengers to stand, walk, consume alcohol, and dance on open-air elevated platforms while the vehicles are in motion - posing a danger to public safety. The low speed of these vehicles also causes congestion throughout the downtown area .

As amended, the ordinance now under consideration would change the language in the Metro Code of Laws (MCL) to prohibit the operation of any vehicle for hire that is not specifically listed in Title 6 or Title 12. The limit on the number of passengers in a vehicle for hire would be increased from 15 to 21. The TLC currently has no authority over vehicles carrying more than 15 passengers, including the driver. By increasing this cap to 21, those unregulated vehicles would now fall under TLC jurisdiction.

BILL NO. BL2017-738 (SYRACUSE) - This ordinance is intended to address hotels and motels that offer "3-hour rates" or stays of similarly brief duration. The ordinance would place a restriction upon the minimum length of time required for the rental of a hotel room, adding Section 6.28.040 to the Metro Code.

Specifically, this ordinance would forbid any hotel, motel, or similar establishment from renting a room on an hourly basis or for a period of less than ten (10) hours. It would also forbid any of these establishments from offering a discount or other credit for early checkout within this same ten (10) hour period.

BILL NO. BL2017-739 (MENDES, SLEDGE, & OTHERS) - This ordinance would add Chapter 1134 to the Metro Code of Laws (MCL) to establish the limits of compliance with federal immigration enforcement requests. Section 11.34.020 would expressly prohibit Metro departments, boards, commissions, officers or employees from (a) using any Metro funds, resources, or facilities to assist in the enforcement of federal immigration laws, or (b) expending time or using resources to respond to inquiries from Immigration and Customs Enforcement (ICE) regarding a person's custody status or release or scheduled appearance dates -- unless specifically required by federal or state law or court order.

Additionally , section 11.34.030 would be added to require departments, boards, commissions, officers and employees not to request information about or assist in the investigation of the citizenship or immigration status of any person, unless required by federal or state law or court order.

The above notwithstanding , the ordinance provides that Metro would abide by any duty or obligation imposed by federal or applicable law, would respond to any properly issued warrant , and would honor immigration -related detention requests if accompanied by such warrant.

The sponsors of BL2017-739 have announced their intent to withdraw this proposed ordinance .

BILL NO. BL2017-740 (A. DAVIS) - Section 12.52.080 of the Metro Code of laws (MCL) lists restrictions applicable to pedestrians on highways. The ordinance under consideration would make several changes to these restrictions toward broadening "pedestrian rights".

When neither a sidewalk nor a shoulder is available, the pedestrian would now be defined as having the right-of-way. However, the pedestrian would be required to walk as near as practicable to the outside edge of the roadway. On a two-way roadway, the pedestrian would be required to walk only on the left side (facing oncoming traffic).

In these instances, pedestrians in a residential area would have the right-of-way to the use of a three (3) foot section of the street, measured from the edge of the street. When vehicle drivers overtake or pass a pedestrian complying with these requirements , drivers would be required to leave a distance of at least three (3) feet from the pedestrian. Vehicle drivers would also be required to slow to a reasonable speed and drive with reasonable and due care.

In all other instances not specified in the ordinance , pedestrians must continue to yield the right-of-way to vehicles upon the roadway.

Any person (pedestrian or vehicle driver) violating any of the terms of this section would be deemed guilty of a misdemeanor and subject to a fine between \$25 and \$50.

BILL NO. BL2017-745 (ALLEN & ELROD) - This ordinance would authorize Family and Children's Services , Inc. to install, construct, and maintain an underground encroachment in the right-of-way located at 2400 Clifton Avenue. This encroachment would consist of one staircase encroaching the public right-of-way by approximately two (2) feet on the southern facade of the existing building.

Family and Children's Services, Inc. has agreed to indemnify and hold the Metropolitan Government harmless from any and all claims in connection with the installation and maintenance of the encroachments, and would be required to provide a \$3 million certificate of public liability insurance naming the Metropolitan Government as an insured party.

This proposal has been approved by the Planning Commission.

BILL NO. BL2017-746 (DOWELL, COOPER, & OTHERS) - This ordinance would authorize Metro to enter into a participation agreement for the design and construction of access roads connecting Cane Ridge Road and Old Franklin Road to the 1-24 Interchange at Hickory Hollow Parkway with Century Farms, LLC.

Ordinance No. BL2017-565 approved the original participation agreement with Century Farms , LLC whereby they agreed to fund one hundred percent of the costs of the PE-N and PE-D phases of work on the 1-24 Interchange at Hickory Hollow Parkway. In order to continue the efforts to obtain state and federal funding to construct the interchange improvements, Metro must now agree to complete the adjacent connector roads project(s).

Century Farms would be required to complete the engineered drawings for the Connector Roads no later than April 1, 2018 or the date on which the construction contract for the project is let, whichever occurs first. Century Farms would then let the construction contract for the Connector Roads on or before the date on which construction of the interchange is let.

Century Farms would also be required to furnish separate performance and payment bonds for all work to Metro. Each bond would set forth a penal sum in an amount no less than the cost estimate of the project. If the cost estimate is changed by approved change orders, the bond amounts would be changed by the like amount.

Upon the completion of the construction and installation of the infrastructure improvements, Century Farms would convey ownership of the roads to Metro. Metro would then be responsible for ongoing operation and maintenance.

This ordinance would authorize Metro to contribute \$11,000,000 for their share of the costs of this project. This agreement may be amended in the future by Council resolution.

Fiscal Note: The costs necessary to complete the project(s) is expected to be \$22,000,000. Century Farms has agreed to pay one-half of this estimated cost, which would be \$11,000,000. Metro would be responsible for the remaining \$11,000,000.

BILL NO. BL 2017-747 (DOWELL, COOPER, & OTHERS) - This ordinance would authorize the acquisition of certain right-of-way easements, drainage easements, temporary construction easements, and property rights by negotiation or condemnation for public projects, initially for Cane Ridge Road , Old Franklin Road, Preston Road, and Cane Ridge Parkway Roadway Improvements, related to the multi-use development by Century Farms, LLC.

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. BL 2017-748 (VANREECE, COOPER, & OTHERS) - This ordinance would approve a lease agreement between Metro and Due West Towers, LLC for temporary office space at 610 Due West Avenue in Madison.

The Sheriff's Office needs additional office space . This agreement would lease a total of 18,600 square feet in three areas of the complex . This would include 5,350 square feet in Level 1, 8,769 square feet in Level 4, and 4,481 square feet in the mat room and storage level.

The term of this lease would be from August 1, 2017 through July 31, 2020. Metro would have the right to cancel the lease upon a 90-day written notice after the end of the second lease year on July 31, 2019.

This was approved by the Planning Department on May 17, 2017.

This agreement may be amended by Council resolution receiving at least twenty-one (21) votes.

Fiscal Note: The rate for this lease would be \$18.50 per square foot. Based on the total lease area of 18,600 square feet , the annual lease payment would be \$344,100. Due West Towers, LLC would remain responsible for the payment of all utility services , including water, gas, heat, electricity , sewer, and utilities used in common with other tenants. After the first year, the lease rate may be adjusted based on the actual cost of utilities.

BILL NO. BL 2017-749 (O'CONNELL , ELROD, & ALLEN) - This ordinance would authorize North Gulch Apartments, LLC to install, construct, and maintain underground encroachments in the right-of-way located at Jo Johnston Avenue and 11th Avenue North. These would consist of two (2) protective bollards and irrigation encroaching the right-of-way.

North Gulch Apartments, LLC has agreed to indemnify and hold the Metropolitan Government harmless from any and all claims in connection with the installation and maintenance of the encroachments, and would be required to provide a \$2 million certificate of public liability insurance naming the Metropolitan Government as an insured party.

This proposal has been approved by the Planning Commission.

BILL NO. BL2017-750 (SLEDGE, ELROD, & ALLEN)- This ordinance would amend the official Geographic Information Systems Street and Alley Centerline Layer by abandoning a portion of Wedgewood Avenue right-of-way.

This has been approved by the Traffic and Parking Commission and the Planning Commission.

BILL NO. BL2017-751 (HASTINGS, ELROD, & ALLEN) - This ordinance would amend the official Geographic Information Systems Street and Alley Centerline Layer by abandoning Fresno Avenue right-of-way.

This has been approved by the Traffic and Parking Commission and the Planning Commission.

BILL NO. BL2017-752 (SYRACUSE, ELROD, & ALLEN) - This ordinance would amend the official Geographic Information Systems Street and Alley Centerline Layer by abandoning a portion of McGavock Pike right-of-way.

This has been approved by the Traffic and Parking Commission and the Planning Commission.

BILL NO. BL2017-753 (FREEMAN, ELROD, & ALLEN) - This ordinance would amend the official Geographic Information Systems Street and Alley Centerline Layer by abandoning a portion of Alley No. 1897 right-of-way.

This has been approved by the Traffic and Parking Commission and the Planning Commission.

BILL NO. BL2017-754 (O'CONNELL, ELROD, & ALLEN) - This ordinance would amend the official Geographic Information Systems Street and Alley Centerline Layer by abandoning the J M Frost Plaza right-of-way . This was originally known as "Lifeway Plaza", but the name was changed per Ordinance No. BL2016-531.

This has been approved by the Traffic and Parking Commission and the Planning Commission.

BILL NO. BL2017-755 (HASTINGS , ELROD, & ALLEN) - This ordinance would abandon existing easement rights for former Alley No. 1078 on property located at 2508 Dickerson Pike. It has been determined that these easement rights are no longer needed.

Amendments to this legislation may be approved by resolution .

This was approved by the Planning Commission on April 25, 2017.

GRANTS AND DONATIONS LEGISLATION - JULY 6, 2017

Legislative Number	Parties	Amount	Local Cash Match	Term	Purpose
RS2017-772	From: Friends of Green Hills Softball To: Metro Parks and Recreation Department	Estimated value not to exceed \$21,200	\$0	2+ weeks, beginning April 28, 2017	This would approve accepting the materials and labor to be used in the construction and installation of a batting cage and bullpen area in support of the Green Hills Girls Softball League in Green Hills Park.
RS2017-773	From: Tennessee Arts Commission To: Metro Parks and Recreation Department	Not to exceed \$3,000	\$3,000	July 1, 2017 through June 30, 2018	The grant proceeds would be used to provide 12 Big Band Dances in Centennial Park.
RS2017-774	From: Keep America Beautiful and the United Parcel Service Foundation To: Metro Public Works Department	Not to exceed \$5,000	\$0	End no later than June 5, 2018	The grant proceeds would be used to provide funding for trees to be planted in the riparian zone along the greenway of the Mill Creek watershed.

Council Post-Employment Health Benefit Comparisons

Atlanta - The Council member is not vested until they have worked for 15 years and must be age 60 or older. The former member would then pay 50% of the premiums with Atlanta paying the other 50%.

Indianapolis - The Council member must serve for 10 consecutive years in order to vest in the plan. The former member then pays 100% of the premium (no subsidy). Also, coverage only stays in effect until age 65. Medicare is then expected to take over.

Kansas City, MO - After retiring from the Council, the employee pays 100% of the premiums. However, they do receive a \$200 credit towards the cost.

Louisville - Only COBRA continuation insurance is offered for a limited time.

Mecklenburg County - Only COBRA continuation insurance is offered for a limited time.

Memphis - If the Council member has served for less than 25 years, they are only offered COBRA continuation insurance for a limited time.

If they have enough service to be eligible for retirement as a regular employee and are under age 65, Memphis pays 30% of the premiums with the other 70% being paid by the former Council member.

If the employee has Medicare, Memphis will only pay 25% of the premiums with the other 75% being paid by the former Council member.

Milwaukee - It requires 5 years of service in order to vest in the plan. However, the former Council member pays 100% of the premiums. If they are not eligible to retire, they just receive COBRA continuation insurance for a limited time.

It is possible for the former Council member to receive 100% subsidization of their premiums, but they would need to have at least 15 years of service and have started employment before 1994.

Oklahoma City - After serving two terms (8 years), former Council members pay 42% of the premiums with the city paying the other 58%. This will go up 2% per year until the former member will be paying 50% by 2020.

San Antonio - Only COBRA continuation insurance is offered for a limited time.

St. Louis - Like all other employees, the Council member vests in the plan after 5 years of service. They can stay on the group plan after leaving the Council, but the former Council member pays 100% of the premiums.

RESOLUTION NO. RS2011-94

A resolution adopting the Debt Management Policy for the Metropolitan Government of Nashville and Davidson County as promulgated by the Metropolitan Department of Finance.

WHEREAS, *Tennessee Code Annotated*, Section 9-21-151(b)(1), authorizes the Tennessee State Funding Board to develop model financial transaction policies for local governments and local government instrumentalities; and

WHEREAS, in December 2010, the State Funding Board adopted a statement on debt management and directed local governments and government entities that borrow money to draft their own debt management policies with certain mandatory provisions not later than December 31, 2011; and

WHEREAS, the Metropolitan Government has had a debt management policy in place since 2006 that meets the spirit of the Model Finance Transaction Policies for Public Entities: Debt Management Policy adopted by the State Funding Board; and

WHEREAS, the Metropolitan Department of Finance recently revised the Debt Management Policy for the Metropolitan Government to include the State Funding Board mandatory language relative to transparency, professionals, and conflicts, a copy of which is attached hereto as Exhibit A; and

WHEREAS, the State Comptroller has suggested that the Metropolitan Council adopt the Debt Management Policy for the Metropolitan Government; and

WHEREAS, it is fitting and proper that the Metropolitan Council officially adopt the Debt Management Policy for the Metropolitan Government promulgated by the Department of Finance in September 2011.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. The Metropolitan County Council hereby goes on record as adopting the Debt Management Policy for the Metropolitan Government of Nashville and Davidson County attached as Exhibit A to this Resolution, and incorporated herein by reference.

Section 2. This Resolution shall take effect from and after its adoption, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

INTRODUCED BY:



Sean McGuire
Member of Council

Exhibit A

Metropolitan Government of Nashville and Davidson County	Subject: Debt Management Practices	Revision Date: Sept 2011
Finance Dept Policy Effective Date:	Sponsor: Metropolitan Treasurer	

Purpose

The purpose of this policy is to establish and document the objectives and practices for debt management for the Metropolitan Government and to assist all concerned parties in understanding the Metropolitan Government's approach to debt management.

Definitions

Arbitrage - The difference between the interest paid on the tax-exempt securities and the interest earned by investing the security proceeds in higher-yielding taxable securities. IRS regulations govern arbitrage on the proceeds from issuance of municipal securities.

Balloon Maturity - A later maturity within an issue of bonds which contains a disproportionately large percentage of the principal amount of the original issue.

Back Loading - Delaying repayment of principal until late in the financing term.

Bond Anticipation Notes (BANs) - Notes which are paid from the proceeds of the issuance of long-term bonds. Typically issued for capital projects.

Bullet Maturity - A maturity for which there are no principal and/or sinking fund payments prior to the stated maturity date.

Call Provisions - The terms of the bond giving the issuer the right to redeem all or a portion of a bond prior to its stated date of maturity at a specific price, usually at or above par.

Capitalized Interest - A portion of the proceeds of a bond issue which is set aside to pay interest on the same bond issue for a specific period of time. Interest is commonly capitalized for the construction period of the project.

Commercial Paper - Short-term Bond Anticipation Note issued to pay capital project expenses, secured either by a Letter of Credit or by Metro's own General Obligation Pledge.

Competitive Sale - A sale/auction of securities by an issuer in which underwriters or syndicates of underwriters submit sealed bids to purchase the securities. Contrast to a negotiated sale.

Conflicts of Interest - Situations where parties in a transaction have multiple interests or relationships that could possibly corrupt the motivation to act. The existence of a conflict of interest does not automatically indicate wrong doing.

Continuing Disclosure - The principle that accurate and complete information material to the transaction which potential investors would be likely to consider material in making investment decisions with respect to the securities be made available on an ongoing basis.

Costs - Fees and expenses of professionals and service providers and other similar fees and expenses at the time debt is incurred. Costs also means recurring and nonrecurring fees and expenses during the life of the debt.

Credit Enhancement - Credit support purchased by the issuer to raise the credit rating of the issue. The most common credit enhancements consist of bond insurance, direct or standby letters of credit, and lines of credit.

Debt service - Payments including interest and principal required on a debt over time.

Debt Service Coverage - Net Revenue available for debt service divided by debt service.

Debt Service Reserve Fund - The fund in which moneys are placed which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements.

Deep Discount Bonds - Bonds which are priced for sale at a substantial discount from their face or par value.

Derivatives - A financial product whose value is derived from some underlying asset value.

Designation Policies - Outline how an investor's order is filled when a maturity is oversubscribed when there is an underwriting syndicate. The Financial Advisor, senior managing underwriter and issuer decide how the bonds will be allocated among the syndicate. There are three primary classifications of orders which form the designation policy: Group Net orders; Net Designated orders and Member orders.

Escrow - A fund established to hold moneys pledged and to be used to pay debt service on an outstanding issue.

Expenses - Compensates senior managers for out-of-pocket expenses including: underwriters counsel, DTC charges, travel, syndicate expenses, dealer fees, overtime expenses, communication expenses, computer time and postage.

Letters of Credit - A bank credit facility wherein the bank agrees to lend a specified amount of funds for a limited term.

Management Fee - The fixed percentage of the gross spread which is paid to the managing underwriter for the structuring phase of a transaction.

Members - Underwriters in a syndicate other than the senior underwriter.

Moody's Median - Key financial, debt, economic and tax base statistics with median values for each statistic presented.

Negotiated Sale - A method of sale in which the issuer chooses an underwriter or a team of underwriters led by a Managing Senior Underwriter to negotiate terms pursuant to which such underwriter/underwriters will purchase and market the bonds.

Net Revenue - Defined in greater detail by the Metropolitan Government's Indenture. Net Revenue is the difference between gross revenue and operating and maintenance expenses.

Original Issue Discount - The amount by which the original par amount of an issue exceeds its public offering price at the time it is originally offered to an investor.

Pay-As-You-Go - An issuer elects to finance a project with existing cash flow as opposed to issuing debt obligations.

Paying Agent-A firm that transfers periodic interest and principal payments from the Metro to investors. Often the same firm as Registrar.

Present Value - The current value of a future cash flow.

Private Placement - The original placement of an issue with one or more investors as opposed to being publicly offered or sold.

Rebate - A requirement imposed by Tax Reform Act of 1986 whereby the issuer of tax-exempt bonds must pay the IRS an amount equal to its profit earned from investment of tax-exempt bond proceeds at rates exceeding the tax-exempt borrowing rate. The tax-exempt borrowing rate (or "bond yield") is calculated pursuant to the IRS code together with all income earned on the accumulated profit pending payment.

Registrar -A firm responsible for maintaining a record or list of owners or investors in debt. Often the same firm as the Paying Agent.

Remarketing Agent -A firm responsible for reselling debt instruments that have been tendered by their holders. Also responsible for resetting the Interest rate for variable rate debt.

Selling Groups - The group of securities dealers who participate in an offering not as underwriters but rather who receive securities less the selling concession from the managing underwriter for distribution at the public offering price.

Syndicate Policies - The contractual obligations placed on the underwriting group relating to distribution, price limitations and market transactions.

Underwriter - A dealer that purchases new issues of municipal securities from the Issuer and resells them to investors.

Underwriter's Discount - The difference between the price at which bonds are bought by the Underwriter from the Issuer and the price at which they are reoffered to investors.

Variable Rate Debt -An interest rate on a security which changes at Intervals according to an index or a formula or other standard of measurement as stated in the bond contract.

Verification Agent - An independent third party that determines the cash flow from investments purchased with proceeds of a refunding debt issues will be sufficient to pay the refunded bonds.

General Policies

Policy Statement

The Policy is intended to guide current and future decisions related to debt issued by the Metropolitan Government. The Metropolitan Government has the right to waive any of the policies included herein. Any such waiver shall be in writing stating the reason for the waiver.

The Policy has also been guided by the policies and practices reflected in the Metropolitan Government's financial planning, management, budget, and disclosure documents.

Since the guidelines contained in the Policy require regular updating in order to maintain relevance and to respond to the changes inherent in the capital markets, the Metropolitan Government will modify this Policy from time to time. Any such modification shall be in writing and shall be formally adopted by the Director of Finance.

In managing its debt, it is the Metropolitan Government's policy to:

- Achieve the lowest cost of capital
- Ensure high credit quality
- Assure access to the capital credit markets
- Preserve financial flexibility
- Manage interest rate risk exposure

Goals & Objectives

Debt policies and procedures are tools that ensure that financial resources are adequate to meet the Metropolitan Government's financing objectives. In addition, the Policy helps to ensure that financings undertaken by the Metropolitan Government satisfy certain clear objective standards which allow the Metropolitan Government to protect its financial resources in order to meet its short-term financing and long-term capital needs. The adoption of clear and comprehensive financial policies enhances the internal financial management of the Metropolitan Government.

The Policy formally establishes parameters for issuing debt and managing a debt portfolio to meet the Metropolitan Government's specific financing needs; assure the ability to repay financial obligations; and provide for consideration of existing legal, economic, and financial and debt market conditions. Specifically, the policies outlined in this document are intended to assist in the following:

- To guide the Metropolitan Government and its managers in policy and debt issuance decisions;
- To maintain appropriate capital assets for present and future needs;
- To promote sound financial management;

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- To protect and enhance the Metropolitan Government's credit rating;
 - To ensure the legal use of funds obtained through the Metropolitan Government's debt issuance;
 - To promote cooperation and coordination with other stakeholders in the financing and delivery of services;
 - To avoid conflicts of interest and promote full disclosure of aspects of the transaction and
 - To ensure evaluation of debt issuance options.

Issuance Process

All debt issuance will conform to requirements of the Charter of the Metropolitan Government and Title 9, Chapter 21 of the Tennessee Code Annotated. Other sections of the Tennessee Code Annotated and the Federal Tax Code may govern issuance or structure of the Metropolitan Government's bonds. Each bond issuance resolution of the Metropolitan Council will contain information, in the form of a Preliminary Official Statement, to ensure transparency of cost and use of professionals for the bond issue. The Preliminary Official Statement and the resulting Official Statement will be published on the Finance Department's Investor Relations section of the Metro Web site.

The Metropolitan Government prefers a competitive issuance process for debt issuances. The Metropolitan Government will consider negotiated issuance or private placement where it is clear that such process is in the best interests of the Metropolitan Government. A brief description of preferences for each sale process is listed below:

1. **Competitive Sale.** Bonds are awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale.
2. **Negotiated Sale.** The Metropolitan Government will consider negotiated sales if they are in its best interest.
3. **Private Placement.** The Metropolitan Government may elect to privately place its debt. Such placement shall be considered if it is demonstrated to result in a cost savings relative to other methods of debt issuance.

Without regard to the type of sale the Metropolitan Government will comply with all required disclosures including information on cost of the transaction.

These provisions serve as a basis for the Metropolitan Government's affordability guidelines described later in this policy.

Credit Quality and Credit Enhancement

The Metropolitan Government's debt management activities will be conducted to receive the highest credit ratings possible, consistent with the Metropolitan Government's financing objectives. The Director of Finance will be responsible for maintaining relationships and communicating with the rating agencies that assign ratings to the Metropolitan Government's debt. The Director of Finance will provide the rating agencies with periodic updates of the general financial condition of the Metropolitan Government. Full disclosure of operations and open lines of communication shall be maintained with the rating agencies. The Metropolitan Government, together with the Financial Advisor, shall prepare

presentations to the rating agencies to assist credit analysts in making an informed decision. The Director of Finance shall be responsible for determining whether or not a rating shall be requested on a particular financing, and which of the major rating agencies will be asked to provide such rating.

The Metropolitan Government will consider the use of credit enhancements on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when clearly demonstrable savings can be shown shall an enhancement be considered. The Metropolitan Government will consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancements:
Metropolitan Government of Nashville Davidson Co.

Bond Insurance - The Metropolitan Government may purchase bond insurance when such purchase is deemed prudent and advantageous for negotiated sales. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest on insured bonds versus uninsured bonds. For competitive sales, the purchaser of the bonds will determine whether bond insurance will be used.

The Metropolitan Government will solicit quotes for bond insurance from interested providers, or in the case of a competitive sale, allow bidders to request bond insurance. In a negotiated sale, the Metropolitan Government will competitively select a provider who is most cost effective and whose terms and conditions governing the guarantee are satisfactory to the Metropolitan Government. The winning bidder in a competitive sale will determine the provider of bond insurance.

Letters of Credit - The Metropolitan Government may enter into a letter-of-credit (LOC) or standby bond purchase agreement when such an agreement is deemed prudent and advantageous. The Metropolitan Government will prepare and distribute a request for qualifications to qualified banks which includes terms and conditions that are acceptable to the Metropolitan Government.

Debt Affordability -It is the Intent of the Metropolitan Government to promote the most efficient and cost-effective use of debt financing in order to facilitate long-term access to capital while ensuring that financial leveraging decisions do not negatively impact the Metropolitan Government's annual operations. To this end, the government will periodically review basic measures of debt affordability, including but not limited to, average life of new debt, percentage of principal paid within 10 years, per capita debt/per capita income, per capita debt/per capita assessed value, and debt service/general fund operating expenses.

Bond Structure -The Metropolitan Government shall establish all terms and conditions relating to the issuance of bonds, and will invest all bond proceeds pursuant to the terms of the Metropolitan Government's Investment Policy.

Unless otherwise authorized by the Metropolitan Government, the following shall serve as bond requirements:

1. **Term.** Capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful life of the improvements with a maximum of twenty (20) years. In certain circumstances where the debt meets legal requirements and is in the best interest of the Metropolitan Government this period may be extended to a maximum of thirty (30) years.

2. **Capitalized Interest.** From time to time certain financings may require the use of capitalized interest from the issuance date until the Metropolitan Government has beneficial use and/or occupancy of the financed project. Interest shall not be funded (capitalized) beyond three (3) years or a shorter period if further restricted by statute. Interest earnings may, at the Metropolitan Government's discretion, be applied to extend the term of capitalized interest but in no event beyond the term statutorily authorized or three years, whichever is shorter.

3. **Debt Service Structure.** Debt issuance shall be planned to achieve relatively level debt service for an individual bond issue, while still matching debt service to the useful life of the capital asset financed by the debt. The Metropolitan Government shall avoid the use of bullet or balloon maturities except in those instances where these maturities serve to make existing overall debt service level or match a specific income stream.

4. **Call Provisions.** In general, the Metropolitan Government's securities will include a call feature, which is no later than ten (10) years from the date of delivery of the bonds. The Metropolitan Government will avoid the sale of long-term non-callable bonds absent careful evaluation by the Metropolitan Government with respect to the value of the call option.

5. **Original Issuance Discount/Premium.** - Bonds with original issuance discount/premium will be permitted.

6. **Deep Discount Bonds** - Deep discount bonds may provide a lower cost of borrowing in certain markets. The Metropolitan Government will carefully consider their value and effect on any future refinancing as a result of the lower-than-market coupon.

7. **Synthetic Debt** - The Metropolitan Government will consider the limited use of swaps, derivatives and other forms of synthetic debt as a hedge against future interest rate risk when appropriate and in accordance with state guidelines. The Metropolitan Government will not use structured products for speculative purposes. The Metropolitan Government will consider the use of structured products when it is able to gain a comparative borrowing advantage and is able to quantify and understand the potential risks or to achieve fixed and/or variable rate exposure targets.

Types of Debt

When the Metropolitan Government determines that the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.

Structure

1. **General Obligation Bonds** - The Metropolitan Government may issue general obligation bonds supported by the full faith and credit of the Metropolitan Government. General obligation bonds shall be used to finance capital projects that do not have independent creditworthiness and significant ongoing revenue streams. The Metropolitan Government may also use its general obligation pledge to support other bond issues, if such support improves the economics of the other bond issue and is used in accordance with these guidelines.

2. **Revenue Bonds** - The Metropolitan Government may issue revenue bonds, where repayment of the bonds will be made through revenues generated from other sources. Revenue bonds will typically be issued for capital projects which can be supported from project or enterprise-related revenues.

Duration

1. **Long-Term Debt** - The Metropolitan Government may issue long-term debt where it is deemed that capital improvements should not be financed from current revenues or short-term borrowings. Long-term borrowing will not be used to finance current operations or normal maintenance. Long-term debt will be structured such that financial obligations do not exceed the expected useful life of the project.

a) Serial and Term Bonds may be issued in either fixed or variable rate modes to finance capital infrastructure projects with an expected life of five years or greater.

b) Capital Outlay Notes may be issued to finance capital infrastructure projects with an expected life of three to twelve years.

2. **Short-Term Debt** - Short-term borrowing may be utilized for construction financing, the temporary funding of operational cash flow deficits or anticipated revenues (defined as an assured source with the anticipated amount based on conservative estimates) subject to the following policies:

a) Bond Anticipation Notes (BANs) in the form of Commercial Paper shall be used only for the purpose of providing financing for the cost of all or any of the public purposes for which Bonds have been authorized and for the payment of principal of outstanding commercial paper.

b) Revenue Anticipation Notes (RANs) and Tax Anticipation Notes (TANs) shall be issued only to meet cash flow needs consistent with a finding by bond counsel that the sizing of the issue fully conforms to Federal IRS and state requirements and limitations.

c) Lines of Credit shall be considered as an alternative to other short-term borrowing options. The lines of credit shall be structured to limit concerns as to the Internal Revenue Code.

d) Other Short-Term Debt may be used when it provides an interest rate advantage or as interim financing until market conditions are more favorable. The Metropolitan Government will determine and utilize the least costly method for short-term borrowing. The Metropolitan Government may issue short-term debt when there is a defined repayment source or amortization of principal.

Interest

1. **Fixed Rate Debt** - To maintain a predictable debt service burden, the Metropolitan Government will generally give preference to debt that carries a fixed interest rate.

2. **Variable Rate Debt** - The Metropolitan Government, however, may consider variable rate debt if it is in the best interest of the government. The percentage of net variable rate debt outstanding (excluding debt which has been converted to synthetic fixed rate debt and debt matched to assets) shall not exceed 30% of the Metropolitan Government's total outstanding debt.

Synthetic Debt

The Director of Finance will determine whether the use of synthetic debt, such as interest rate swaps or options, is appropriate and will comply with the state statutes regulating the use of synthetic debt.

Swaps may be considered to lock-in a current market fixed rate, produce interest rate savings, alter the pattern of debt service payments, asset/liability matching purposes, or to cap, limit or hedge variable rate payments.

Options granting the right to commence or cancel an underlying swap may be considered to the extent the swap itself is in the best interest of the Metropolitan Government.

Synthetic debt, like all other debt, is subject to the approval of the Metropolitan Council and Mayor .

Guidelines for the Use of Swaps and Options

In connection with the use of any swaps, the Director of Finance shall make a finding that the authorized swaps contemplated herein are designed to reduce the amount or duration of the interest rate risk or result in a lower cost of borrowing when used in combination with the issuance of the Bonds or enhance the relationship between the risk and return with respect to the Metropolitan Government's investments or program of investment.

1. Rationale for Using Swaps and Options. The use of derivative financial products should provide a higher level of savings benefit relative to a non-synthetic structure to the Metropolitan Government, or otherwise help the Metropolitan Government to meet the objectives outlined herein, as the Metropolitan Government may determine in its sole discretion .

2. Limitations. The Metropolitan Government may not use financial instruments that in the Metropolitan Government's sole discretion:

- Are speculative or create extraordinary leverage or risk
- Lack adequate liquidity to terminate at market
- Provide insufficient price transparency to allow reasonable valuation

3. Understanding the Risks. The Metropolitan Government will consider all risk factors in determining whether to enter into a swap or other derivative transaction, including, but not limited to:

- Market or Interest Rate Risk
- Tax Risk
- Liquidity Risk
- Termination Risk
- Risk of Uncommitted Funding (Put Risk)

- Legal Risk
- Counterparty Risk
- Rating Agency Risk
- Basis Risk
- Tax Exemption Risk
- Accounting Risk
- Administrative Risk
- Amortization Risk
- Subsequent Business Conditions

4. **Qualified Swap Counterparties.** The Metropolitan Government shall be authorized to enter into interest rate swap transactions only with qualified swap counterparties. The Director of Finance, in consultation with the Metropolitan Council and the Metropolitan Government's Financial Advisor, shall identify the qualified swap counterparties for each transaction.

5. **Reporting.** A report providing the status of all interest rate swap agreements entered into by the Metropolitan Government will be provided in accordance with the State Funding Board's Guidelines for Interest Rate and Forward Purchase Agreements.

Refinancing Outstanding Debt

The Director of Finance for the Metropolitan Government, with assistance from the Metropolitan Government's Financial Advisor, shall have the responsibility to analyze outstanding bond issues for refunding opportunities.

The Metropolitan Government will consider the following issues when analyzing possible refunding opportunities:

1. **Debt Service Savings** - The Metropolitan Government establishes a minimum present value savings threshold of 3.5% of the refunded bond principal amount. The present value savings will be net of all costs related to the refinancing. If present value savings is less than 3.5%, the Metropolitan Government may consider the option value captured as a percent of total savings. If the option value exceeds 70% and present value savings is less than 3.5%, the Metropolitan Government may opt to complete a refunding. The decision to take savings on an upfront or deferred basis must be explicitly approved by the Metropolitan Government.

2. **Restructuring** - The Metropolitan Government will refund debt when it is in the best financial interest of the Metropolitan Government to do so. Such refunding will be limited to restructuring to meet unanticipated revenue expectations, achieve cost savings, mitigate irregular debt service payments, release reserve funds or remove unduly restrictive bond covenants.

3. **Term of Refunding Issues** - The Metropolitan Government will refund bonds within the term of the originally issued debt. However, the Metropolitan Government may consider maturity extension, when necessary to achieve a desired outcome, provided that such extension is legally permissible. The Metropolitan Government may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.

4. **Escrow Structuring** - The Metropolitan Government shall utilize the least costly securities available in structuring refunding escrows. A certificate will be provided by a third party agent, who is not a broker-dealer stating that the securities were procured through an arms-length, competitive bid process (in the case of open market securities), that such securities were more cost effective than State and Local Government Obligations (SLGS), and that the price paid for the securities was reasonable within Federal guidelines. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the Metropolitan Government from its own account.

5. **Arbitrage** - The Metropolitan Government shall take all necessary steps to optimize escrows and to avoid negative arbitrage in its refunding.

Professionals/Consultants

The Metropolitan government will use various professionals/ consultants as necessary depending upon the type of debt transaction anticipated. These professionals/consultants include:

- **Bond Counsel** - Metropolitan Government debt will include a written opinion by legal counsel affirming that the Metropolitan Government is authorized to issue the proposed debt, that the Metropolitan Government has met all legal requirements necessary for issuance, and a determination of the proposed debt's federal income tax status. The approving opinion and other documents relating to the issuance of debt will be prepared by counsel with extensive experience in public finance and tax issues. The counsel will be selected by the Metropolitan Government.
- **Counterparty**
- **Financial Advisor** - The Metropolitan Government shall select a financial advisor (or advisors) to assist in its debt issuance and debt administration processes. The financial advisor will assist the Metropolitan Government with the structuring, analysis, planning and execution of debt transactions. The financial advisor will not act as underwriter and/or be permitted to bid on issues. The financial advisor will also assist the Metropolitan Government in assessing debt capacity and other long term debt planning.
- **Paying Agent**
 - Registrar
 - Remarketing Agent
 - Swap Advisor
 - Swap Counsel
 - Trustee
 - Underwriter
 - Verification Agent

Conflict of Interest - The Metropolitan Government requires that its consultants and advisors provide objective advice and analysis and be free from any conflicts of interest.

Disclosure by professionals/consultants - All professionals/consultants will be required to provide full and complete disclosure, relative to agreements with other professionals/consultants, financing team members and outside parties. The extent of disclosure may vary depending on the nature of the transaction and will always include disclosure of all compensation (including "soft costs") and considerations received related to the transaction. However, in general terms, no agreements shall be permitted which could compromise the firm's ability to provide independent advice which Metropolitan Government of Nashville Davidson County is solely in the Metropolitan Government's best interests or which could reasonably be perceived as a conflict of interest. Consultants will provide an annual affirmative statement that no such conflicts of interest exist.

Disclosure

The Metropolitan Government will provide annual financial and economic information to all Nationally Recognized Municipal Information Repositories (NRMSIRs) designated by the SEC and the State Information Depository (SID).

The Metropolitan Government will also maintain a system of record keeping and reporting which complies with the arbitrage rebate compliance requirements of the federal tax code.

Applicable Local, State or Federal Regulations Charter of the Metropolitan Government of Nashville and Davidson County- Article 7 Bond Issue Tennessee Code Annotated - Title 9 Chapter 21 Local Government Public Obligations Law Internal Revenue Code - TITLE 26, Subtitle A, CHAPTER 1, Subchapter B, PART IV, Subpart B, Sec. 148 Arbitrage

Effective Date

This Policy Statement - shall become effective upon issuance and shall be applied to all Metro departments and agencies.

ORIGINAL

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METROPOLITAN
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METROPOLITAN COUNTY COUNCIL

Resolution No. RS2011-94

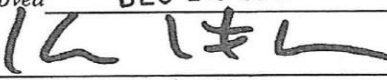
A RESOLUTION ADOPTING THE DEBT
MANAGEMENT POLICY FOR THE
METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY AS
PROMULGATED BY THE METROPOLITAN
DEPARTMENT OF FINANCE.

Introduced DEC 06 2011

Amended _____

Adopted DEC 06 2011

Approved DEC 12 2011

By 
Metropolitan Mayor