



METRO COUNCIL OFFICE

MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Jon Cooper, Director
Metropolitan Council Office

COUNCIL MEETING DATE: **December 2, 2014**

RE: **Analysis Report**

Unaudited Fund Balances as of 11/12/14:

4% Reserve Fund	\$37,564,576*
Metro Self Insured Liability Claims	\$4,899,346
Judgments & Losses	\$3,345,966
Schools Self Insured Liability Claims	\$2,321,495
Self-Insured Property Loss Aggregate	\$6,247,173
Employee Blanket Bond Claims	\$667,549
Police Professional Liability Claims	\$2,747,479
Death Benefit	\$976,309

*Assumes unrealized estimated revenues in fiscal year 2015 of \$24,255,816

– RESOLUTION ON PUBLIC HEARING –

RESOLUTION NO. RS2014-1301 (EVANS) – This resolution approves an exemption for Asahi Japanese Restaurant located at 5133 Harding Pike, Suite C-1, from the minimum distance requirements for obtaining a beer permit. The Metro code 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, the code provides a mechanism to exempt restaurants that already have a state on-premises liquor consumption license from Metro's minimum distance requirements to obtain a beer permit upon the adoption of a resolution by the council. A public hearing must be held by the council prior to voting on this resolution.

– BILL ON PUBLIC HEARING AND SECOND READING –

ORDINANCE NO. BL2014-947 (A. DAVIS) – This ordinance amends the Metro code to clarify that fees, assessments, or payments related to single or multi-phase developments are to be determined by the fee or rate at the time of assessment or payment, whichever is later. The purpose of this ordinance is to ensure that a recent change in state law effective January 1, 2015 pertaining to the vesting of development rights in a building permit does not result in developers claiming they are also vested in the fee structure in place at the time the permit was approved. This ordinance clarifies that Metro may update fees and rates over time to reflect current standards and/or changes in market rates.

This ordinance has been referred to the planning commission.

- RESOLUTIONS -

RESOLUTION NO. RS2014-1289 (PRIDEMORE & GILMORE) – This resolution approves an economic and community development incentive grant to the industrial development board (IDB) for the benefit of Bridgestone Americas, Inc., and its subsidiaries. In February 2011, the council enacted Substitute Ordinance No. BL2010-806 to allow incentive grants to be provided as a result of the location or relocation of the international, national, or regional headquarters of a large company comparable to companies on the Fortune 500 listing, which is expected to result in the creation of at least 500 additional jobs in Nashville during the first five years of operations. This was an extension of the program enacted in 1999 for the benefit of Dell Corporation.

Bridgestone is the world's largest manufacturer of tires and rubber products. Bridgestone currently maintains the headquarters for its North American, South American, and Central American tire operations in Nashville at a site near the airport. Approximately 1,100 employees work at the existing Nashville headquarters. Bridgestone intends to move its Nashville operations from its existing facility, as well as several other divisions located in other cities, to a new office tower to be constructed in the SoBro area of downtown Nashville on Fourth Avenue South. Bridgestone recently conducted a multi-state site selection process for a new headquarters, and, based in part on the economic development incentives proposed by Metro and the state, chose downtown Nashville as the new headquarters site. Highwoods Realty Limited Partnership will develop the 30-story, 514,000 square foot building, and will lease approximately 506,000 square feet to Bridgestone. The new building is expected to open in the second half of 2017. In addition to Bridgestone Americas operations currently in Nashville, Bridgestone will be relocating its retail operations from Bloomington, IL and its industrial and building products divisions from Carmel, IN. This is expected to increase the number of Bridgestone employees in Nashville from 1,100 to 1,700. The new development is expected to exceed \$200 million.

This resolution provides a grant in the amount of \$500 per employee for a period of seven years for all employees over and above the existing 1,100 already working in Nashville. The resolution also approves the corresponding grant contract among Metro, the IDB, and Bridgestone. The agreement provides that full-time Bridgestone incremental employees, as well as outsourced employees that are paid in excess of the average wage for all occupations in Nashville, will be included in the grant amount calculation. The agreement defines "full-time" as working 32 or more hours per week for at least 26 weeks out of the year. Bridgestone will have the right to specify the date on which the grant period commences. The company will be required to submit annual settlement statements to the IDB and the department of finance showing the calculation of the number of incremental positions from the previous year in order to receive the grant. Assuming the job creation estimates are met, Metro would be providing \$300,000 per year to Bridgestone under the grant agreement for seven years for a total grant of \$2,100,000.

Both the resolution and the grant agreement provide that the grant is contingent upon the annual appropriation of funds for this purpose by the council. However, the grant agreement also provides that the payment of the grant is a "legal requirement of the Metropolitan Government" and that the promised grant operated as an inducement to the Bridgestone company entities to relocate their corporate headquarters to downtown Nashville.

RESOLUTION NO. RS2014-1289, continued

This resolution is a companion to Ordinance No. BL2014-953 on second reading, which would approve a 20 year property tax abatement for the benefit of Bridgestone. This resolution should be deferred to track with Ordinance No. BL2014-953.

RESOLUTION NO. RS2014-1302 (GILMORE, PRIDEMORE & OTHERS) – This resolution authorizes the acquisition of property located at 1606 Jefferson Street for use as part of the Jefferson Street stormwater project. This is a former daycare property that was impacted by the May 2010 flood. The purchase price for the 0.34 acre property is \$475,000, which is within \$4,000 of the value shown on the property assessor's website. The funding source for the purchase price is from Metro stormwater capital funds.

The Metro code allows for the acquisition of property through the exercise of a negotiated option to sell at a fixed price, which is subject to approval of the council by resolution. This resolution has been approved by the planning commission.

RESOLUTION NO. RS2014-1303 (GILMORE, PRIDEMORE & OTHERS) – This resolution authorizes the director of public property administration to exercise an option to purchase a half acre parcel of property located at 608 – 18th Avenue North for the benefit of the board of education. This property is needed in order to expand the Martin Luther King, Jr. Academic Magnet School. The value listed on the Metro property assessor's website for the property is \$151,400. The option to purchase this property is for a purchase price of \$485,000, which is consistent with the value shown in the outside appraisal obtained by Metro.

Pursuant to the Metropolitan Code, the director of public property administration is authorized to negotiate for the purchase of property for public purposes and to seek to obtain an option to purchase from the owner, which is subject to approval of the council by resolution.

This resolution has been approved by the board of education and by the planning commission.

RESOLUTION NO. RS2014-1304 (LANGSTER, PRIDEMORE & OTHERS) – This resolution authorizes the director of public property administration to exercise an option to purchase two parcels of property located on 27th Avenue North from HCA Realty, Inc. to be used for the construction of a new fire station. The purchase price for the property is \$1,500,000, which is based upon an outside appraisal obtained by Metro. The purchase price is to be paid from Metro capital funds.

This resolution has been approved by the planning commission.

RESOLUTION NO. RS2014-1305 (PRIDEMORE, GILMORE & BAKER) – This resolution approves a contract between the state department of mental health and substance abuse services and the Nashville fire department for the payment of emergency transportation services for patients at the state's mental health institute. The state will pay Metro for uninsured patients transported from the facility at the rates established by the Medicare Part B fee schedule. This agreement is simply to enable the state to be able to pay Metro for these services provided. The amount to be paid under the contract is not to exceed \$10,000 for fiscal year 2015.

RESOLUTION NO. RS2014-1306 (PRIDEMORE & BENNETT) – This resolution approves a grant in the amount of \$7,322 from the Tennessee state library and archives to the Nashville public library to purchase tablet computers. These funds will be used to purchase 26 ASUS Vivo Windows tablets and 24 Google Nexus 7 Android tablets to “assist customers in accessing technology as a means of closing the digital divide”. There is a required local match of \$7,322.

RESOLUTION NO. RS2014-1307 (PRIDEMORE, BENNETT & LANGSTER) – This resolution approves a grant in the amount of \$100,000 from the Friends of Centennial Park and the Parthenon to the Metropolitan parks department to provide funding for a full-time Metro parks employee. This continuation grant will be used to pay the salary for the position of President of the Conservancy for calendar year 2015. There is a required local match of \$37,337 to cover the fringe benefit costs associated with the position.

RESOLUTION NO. RS2014-1308 (PRIDEMORE, BENNETT & LANGSTER) – This resolution approves a grant in the amount of \$56,937.32 from the Sports 4 All Foundation to the Metro board of parks and recreation to provide activities and supplies for the disabilities program. There is no required local match for this grant. Acceptance of the grant has been approved by the parks board.

RESOLUTION NO. RS2014-1309 (PRIDEMORE & A. DAVIS) – This resolution approves an amendment to a contract with Waste Industries of Tennessee, Inc., for the collection of municipal solid waste within the urban services district of the Metropolitan Government. The council approved competitively-bid contracts with Hudgins Disposal, Inc., Red River Service Corporation, and Waste Industries of Tennessee, LLC in 2004 for the collection of solid waste in various areas of the urban services district. The terms of the contracts were for ten years with the option of extending the contracts for two additional five year terms. The contract with Hudgins was subsequently cancelled and the Red River contract was extended by the council last year.

This resolution extends the term of the Waste Industries of Tennessee contract through December 31, 2019, and reduces the monthly rate charged by twenty cents per home. The amendment further provides that there will be no consumer price index increase in the contract amount for fiscal year 2015. The amendment also removes a requirement in the contract that trucks must be taken out of service once they reach seven years of age, which is consistent with the terms in the Red River contract extension. The \$500,000 performance and payment bond is being substituted with a new bond in the same amount. All other provisions of the contract remain unchanged.

The Metropolitan Code provides that all contracts related to solid waste collection and disposal in excess of \$500,000 must be approved by resolution of the council receiving at least 21 affirmative votes. The value of this contract for the five year renewal term is \$5,200,000.

RESOLUTION NO. RS2014-1310 (PRIDEMORE & A. DAVIS) – This resolution ratifies a local government investment pool (LGIP) agreement between the state treasury department and the Metropolitan Government for drainage improvements to Murfreesboro Pike from Vultee Boulevard to Jupiter Drive. In October 2014, the council approved an agreement with the state department of transportation (TDOT) for a project consisting of drainage correction, removal of the Vultee Boulevard Bridge, and intersection improvements at the Kermit Drive intersection. The total cost of the project is estimated to be \$5,700,000 with the state providing \$1,200,000, the federal government providing \$2,500,000, and Metro contributing \$2,000,000. Metro's share will be evenly divided between public works capital funds and Metro water services funds.

This resolution approves the agreement with the state treasury department in order to deposit local funds relative to the project into the LGIP. Pursuant to state law, local funds to be used for TDOT projects can be deposited into the LGIP so that interest may be earned on the funds until they are used by the state. LGIP agreements are subject to ratification by a resolution approved by the council.

RESOLUTION NO. RS2014-1311 (BENNETT, PRIDEMORE & A. DAVIS) – This resolution approves an application for a Transportation Enhancement Program grant in the amount of \$1,555,894.20 from the state department of transportation to the department of public works for the construction of sidewalks along Hart Lane near Jere Baxter Middle School. If awarded, the grant will cover eighty percent of the costs to construct approximately 900 linear feet of sidewalk that was closed due to falling rock. The remaining twenty percent (\$388,973.55) would be provided by Metro using capital funds designated for sidewalks.

This same grant was applied for last December but was not funded by the state.

RESOLUTION NO. RS2014-1312 (GILMORE) – This resolution authorizes Arcade Company, Inc., to install and maintain an aerial sign encroachment at 226 5th Avenue North. The encroachment will consist of a 2'6" x 5"1" blade sign overhanging the sidewalk for the benefit of Walgreens. The applicant agrees to indemnify the Metropolitan Government from all claims in connection with the construction and maintenance of the sign, and is required to post a certificate of public liability insurance with the Metropolitan clerk in the amount of \$2 million naming the Metropolitan Government as an insured party.

This resolution has been approved by the planning commission.

– **BILLS ON SECOND READING** –

ORDINANCE NO. BL2014-909 (ALLEN, TYGARD & OTHERS) – This ordinance amends the Metro zoning code to regulate short term rental properties (STRP), commonly referred to as vacation rentals by owner. The zoning code currently does not include any provisions specific to STRPs. Thus, the zoning administrator has determined they are allowed in residential areas without conditions as long as they do not meet the specific definitions of a hotel, bed and breakfast, or boarding house. Given the rise in popularity of vacation rental websites and the popularity of Nashville as a vacation destination, hundreds of homes in Nashville are currently being offered as vacation rentals.

This ordinance defines STRP as a dwelling unit containing not more than three sleeping rooms that is used and/or advertised for rent for transient occupancy by guests for a period of less than 30 continuous days. STRPs would be permitted as an accessory use in all zoning districts that permit residential use. The ordinance includes a requirement that STRP owners/operators obtain an annual STRP use permit with the codes department. The application for the permit must provide the name, telephone number, address, and email address of the owner and of a person or business residing or located within 25 miles of the STRP that is responsible for addressing all maintenance and safety concerns. The application must also include proof of liability insurance coverage with limits of not less than \$1,000,000 per occurrence. If the STRP unit shares a common wall or a common driveway with another property owner, written notice must be given to the neighboring property owner prior to submitting the application. No more than one STRP permit could be issued for any one individual, and the permit would not be transferable to another person or entity.

The ordinance includes prohibitions regarding signage, noise, recreational vehicle parking, and food service for STRPs. The principal renter of a STRP unit must be at least 21 years old. The maximum number of paying adult guests permitted on a STRP property at any one time cannot exceed more than twice the number of sleeping rooms.

The ordinance includes a provision making the permit holder responsible for collecting and remitting all applicable room, occupancy, and sales taxes required by state law or the Metropolitan Code. Regardless of this ordinance, STRP owners are legally required to collect and remit such taxes, though only a few owners are currently doing so.

This ordinance was disapproved by the planning commission as submitted, but the commission did recommend approval of a substitute bill that moves most of the restrictions from the zoning code to the business regulation section of the code, which is the subject matter of Ordinance BL2014-951 on second reading.

ORDINANCE NO. BL2014-925 (A. DAVIS) – This ordinance amends the Metro Code to adopt regulations for pedicabs and pedal carriages. State law allows local governments to regulate and control the commercial use of pedal carriages and rickshaws as modes of transportation for hire within entertainment, dining, scenic, and/or historic areas of the center city. Pedicabs and pedal carriages have been operating in the downtown area of Nashville for the past couple of years without any regulation. Pedicabs are three-wheeled, non-motorized, bicycles operated by
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ORDINANCE NO. BL2014-925, continued

one person. Rickshaws fall within the definition of pedicab. Pedal carriages are non-motorized bicycles having four or more wheels capable of transporting passengers on a platform. These vehicles are commonly referred to as party bikes and pedal taverns. The Tennessee cities of Knoxville and Chattanooga currently have specific regulations in place for pedal carriages and pedicabs.

This ordinance provides a regulatory mechanism for the commercial operation of these vehicles through the Metro transportation licensing commission (MTLC). This ordinance is the result of stakeholder meetings with pedicab and pedal carriage operators. The ordinance would regulate these vehicles much in the same manner as other passenger vehicles for hire such as livery services. Pedicab and pedal carriage operators would be required to obtain an annual certificate of public convenience and necessity from the MTLC. The MTLC would determine the number of certificates to be issued taking into consideration the number in operation and whether that number is adequate to meet public demand. An applicant for a certificate of public convenience and necessity must be at least 21 years old and have a clean criminal record.

Certificate holders must maintain insurance with a minimum limit of \$1 million per pedicab/pedal carriage. In addition, certificate holders that allow alcohol on the vehicles must also maintain \$1 million in liquor liability insurance. Pedicab and pedal carriage operators would not be permitted to provide alcoholic beverages to passengers. Alcohol could only be consumed from plastic or foam cups. No glass containers would be allowed. No passengers under 21 years of age would be permitted if alcohol is to be consumed.

All drivers would be required to obtain a driver permit from the MTLC in order to operate a pedicab or pedal carriage. Drivers must undergo a fingerprint background check and have a clean criminal and driving record. All drivers must wear a uniform and a visible identification card. Rate cards must be visibly posted on the pedicab.

The ordinance includes various safety requirements for pedal carriages and pedicabs, such as headlights, taillights, turn signals, reflectors, and front and rear brakes that are unaffected by wet conditions. Electric motor-assist would be permitted for pedicabs but not pedal carriages. All vehicles must undergo an annual mechanical inspection by an approved mechanic, and periodic mechanical inspections must be performed by the certificate holders. All vehicles must be made available to the MTLC for physical inspection upon request.

The ordinance also includes various operational requirements for pedal carriages and pedicabs pertaining to the receiving and discharging of passengers, a prohibition on street hails, and parking restrictions. The MTLC would have the authority to designate specific areas of the roadway for use as a loading/unloading zone for pedal carriages. The MTLC could also adopt guidelines for operation during inclement weather. Certificate holders would be required to notify the MTLC of accidents involving injury or property damage in excess of \$400 within 72 hours. Drivers involved in accidents would be required to undergo a drug test within 24 hours.

There is a proposed amendment that would allow electric-assist motors on pedal carriages in addition to the pedicabs.

This ordinance has been recommended by the MTLC.

ORDINANCE NO. BL2014-927 (EVANS) – This ordinance amends the Metropolitan Government geographical information systems map to name the private road accessing the Harpeth Trace Condominiums south of Harpeth Trace Drive as "Harpeth Trace Summit". This name change has been requested by the Summit Trace Homeowners Association, Metro public works, and Metro emergency communications in an effort to improve emergency response to the area. Private streets and roads are named and included on our maps for purposes of providing emergency services, although the roadways are not maintained by the Metropolitan Government. This ordinance has been approved by the planning commission and the ECD board.

ORDINANCE NO. BL2014-951 (ALLEN & TYGARD) – This ordinance amends the Metro code to regulate short term rental properties (STRP), commonly referred to as vacation rentals by owner. This is a companion ordinance to Ordinance No. BL2014-909, which would amend the zoning code to include STRPs as an accessory use to a primary residential use. Given the rise in popularity of vacation rental websites such as vrbo.com, airbnb.com, and homeaway.com, and the popularity of Nashville as a vacation destination, hundreds of homes in Nashville are currently being offered as vacation rentals.

The planning and codes departments suggested that the regulatory conditions for STRPs in the original version of BL2014-909 be removed and included in a new bill amending the business regulation provisions found in Title 6 of the Metro code as opposed to the zoning code. In addition to making the changes requested by the codes and planning departments, this ordinance modifies some of the conditions in response to concerns and issues raised at the public hearing for BL2014-909 on November 4, 2014. The primary changes from the previous version are as follows:

1. The ordinance clarifies that bed and breakfast establishments and boarding houses are not to be considered STRPs, as those establishments are regulated separately.
2. Smoke alarm requirements have been added based upon the recommendation of the fire marshal.
3. The actual owner of the STRP would be required to apply for and obtain the operating permit.
4. The maximum number of sleeping rooms has been increased from three to four.
5. The occupancy limits have been increased to two persons per sleeping room plus an additional four guests.
6. No more than 3% of the single-family or detached two-family dwellings within each census tract could be used as non-owner-occupied STRPs. This limitation would not apply to owner-occupied STRPs. This provision is modeled after the Austin, Texas STRP ordinance.
7. The implementation date for the ordinance has been delayed. The codes department will begin accepting STRP applications on March 31, 2015, and will begin enforcement on July 1, 2015.

Although the ordinance includes a provision making the permit holder responsible for collecting and remitting all applicable room, occupancy, and sales taxes, the council office would point out that STRP owners are currently legally required to collect and remit such taxes. The recent efforts of the Metropolitan Government to collect these taxes from STRPs are unrelated to this legislation.

ORDINANCE NO. BL2014-952 (PRIDEMORE, HARRISON & A. DAVIS) – This ordinance provides for the regulation of transportation network companies (TNCs) as non-taxi vehicles for hire. In June 2010, the council approved regulations for non-taxi vehicles for hire, such as livery and shuttle services. All companies operating non-taxi passenger vehicles for hire, as well as their drivers, must obtain licenses through the Metropolitan transportation licensing commission (MTLC), much in the same manner as taxicab companies and drivers have been licensed for many years. However, the existing law does not specifically cover rideshare services that use personal vehicles to transport passengers for compensation or gratuity through an online or mobile app. Thus, companies such as Uber and Lyft have been operating in Nashville for approximately one year with no Metro governmental oversight or regulation.

This ordinance essentially incorporates the TNCs into the existing regulatory system for non-taxi passenger vehicles for hire, and makes some modifications to the regulations applicable to all non-taxi passenger vehicle for hire services. First, the ordinance adds a new classification to the law for TNCs, which are defined in the ordinance as companies that use a digital platform to connect passengers with prearranged transportation services for hire provided by drivers using their personal vehicles. TNCs would only be permitted to operate by pre-arrangement, which means the vehicles cannot accept street hails like taxis. The ordinance requires these vehicles to be insured by a commercial liability insurance policy issued either through the operator's insurance carrier or as part of a TNC company's master policy. If the operator's insurance policy is used, the limits are to be set by a rule adopted by the MTLC. If the TNC's insurer is responsible for insuring the vehicles, the policy must have minimum coverage of \$1 million combined single limit. Failure to maintain the required insurance coverage would be cause for the revocation of the TNC's certificate of public convenience and necessity.

One of the points of contention regarding the regulations for non-taxi passenger vehicles for hire has been the minimum fare provision. When the law was originally enacted in 2010, the minimum fare was set at \$45. The council amended the code in January of this year to provide that the minimum fare for non-taxi passenger vehicles for hire cannot be less than three times the rate a taxicab can charge for activating a taxi meter, which resulted in a minimum fare of approximately \$9. This ordinance modifies this provision once again for all non-taxi passenger vehicles for hire (including TNCs) to allow the MTLC to set the minimum fare subject to approval of the council by resolution.

This ordinance also removes the requirement that non-taxi passenger vehicle for hire services have a fixed place of business from which vehicles are dispatched. Further, the ordinance would allow livery and shuttle vehicles to be leased. The current law requires the vehicles to be titled and registered to the certificate holder with no allowance for leases. There would also be no ownership/registration requirements or lease restrictions for TNC vehicles.

The vehicle and safety requirements are similar to the existing requirements for livery vehicles with a few notable exceptions. The age restriction on the vehicles has been relaxed. The current law requires livery and shuttle vehicles to be no more than 5 years old when they go into service, and must be taken out of service after they reach the age of 7 years or 350,000 miles. This ordinance would increase the age limitation to ten years and 350,000 miles for all non-taxi passenger vehicles for hire. The waiver mechanism from this requirement through the MTLC will remain in effect. TNC vehicles would not be permitted to transport more than the manufacturer's rated seating limit, which is the same requirement for livery and shuttle vehicles.

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ORDINANCE NO. BL2014-952, continued

Mechanical inspection requirements would be shifted from the MTLC to the companies themselves. All vehicles would be required to be inspected by an approved mechanic at least once a year and are subject to random inspection by the MTLC. The companies would be responsible for performing the required cosmetic inspections.

All drivers would be required to undergo a criminal background check, but the fingerprint background check has been removed. The ordinance adds convictions for domestic violence to the list of convictions that will disqualify a driver from obtaining a permit. The driver's permit fee is to be established by the MTLC and approved by the council by resolution.

This ordinance has been approved by the MTLC.

There is a proposed amendment for this ordinance submitted by the administration that makes a few clarifications regarding the required insurance coverage.

ORDINANCE NO. BL2014-953 (PRIDEMORE & GILMORE) – This ordinance authorizes the industrial development board of the Metropolitan Government (IDB) to negotiate and accept payments in lieu of ad valorem taxes for the benefit of Bridgestone Americas, Inc., and its subsidiaries. As described in the analysis for Resolution No. RS2014-1289, Bridgestone Americas and three of its subsidiaries plan to relocate to a new 30-story office tower to be constructed in the SoBro area of downtown Nashville bringing an estimated 600 new jobs to Nashville for a total company workforce presence in the city of 1,700 employees. Bridgestone estimates that the 600 new jobs will have an average annual salary of \$93,000.

State law permits local governments to delegate the authority to industrial development boards to enter into payment-in-lieu-of-tax (PILOT) agreements with private companies, which essentially act as a tax abatement for real and/or personal property taxes. PILOTs are a tool utilized by Metro to provide incentives to large employers to create more job opportunities and are subject to approval by the council.

Pursuant to this ordinance, the council would be granting the authority to the IDB to enter into an agreement for a 100% abatement of real property taxes on the new building for 20 years. Highwoods Realty Limited Partnership will be the owner of the building that is to be constructed by Brassfield and Gorrie. Highwoods in turn would sublease 506,000 square feet of the 514,000 square-foot building to Bridgestone. The development will also include the construction of a 1,125 space parking garage. The press release regarding the proposed relocation estimates that the development will cost in excess of \$200 million.

There is no way to accurately predict what the total value of the property tax abatement will be, as it will depend on the tax rate and the appraised value of the property. Using an appraised value of \$200 million, which is the estimated development cost, would result in a tax abatement of approximately \$3.6 million per year, or \$72.2 million over 20 years. However, based on comparable property in the area, it is likely that the property would be appraised for property tax purposes at less than \$200 million. Using an appraised value of \$150 million would result in a total tax abatement over 20 years of approximately \$54.2 million. This PILOT agreement does not include an abatement of personal property taxes, which are estimated to be in excess of \$250,000 per year to Metro.

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ORDINANCE NO. BL2014-953, continued

No performance milestones have been incorporated into the proposed PILOT agreement, and Bridgestone has not committed to a specific job creation number. However, if Bridgestone fails to maintain at least 1,375 employees, the tax abatement each year will be reduced by 2% for each ten employees less than 1,375. For example, if in the year 2020 Bridgestone only had 1,200 employees, Bridgestone would be required to pay 34% of the property taxes that would otherwise be owed instead of a 100% abatement.

The terms of this property tax abatement are very similar to those approved by the council for the benefit of HCA and its affiliates in 2012. One difference between the two is that the HCA PILOT agreement provides for a \$3 million annual cap in the amount of the abatement, which is not part of the Bridgestone agreement. However, the actual amount of the abatement would likely be slightly less than \$3 million per year (at least initially) depending on the tax assessor's valuation of the building and the tax rate.

Bridgestone hired a University of Tennessee economist to perform an economic impact study associated with the Bridgestone headquarters relocation. This study estimates that the total increase in regional incomes over the 20 year term of the PILOT as a result of the relocation will be \$4.8 billion, plus a total net increase in local tax revenues of \$98.5 million.

Highwoods will be required to manage a diversified business enterprise (DBE) program to assist small, minority-owned, and women-owned businesses regarding participation in the construction of the project. The DBE program is to set a minimum participation target of 20% of the project's hard construction costs. Highwoods will be required to provide a quarterly report to the council regarding the status of DBE participation in the construction of the project.

There is an amendment for this ordinance substituting the PILOT agreement to clarify that HCA would not get the benefit of the tax abatement for any portion of the office building or parking garage that it subleases to a non-company entity or to a company that is not solely providing outsourced services to Bridgestone.

ORDINANCE NO. BL2011-954 (GILMORE, PRIDEMORE & OTHERS) – This ordinance approves a contract between Metro and Live Nation Worldwide, Inc. for management of the new amphitheater currently under construction at Riverfront Park. It is estimated that the amphitheater, which will have a sellable seat capacity of 6,800, will be ready for operation in June 2015. Live Nation is one of the country's largest performance venue managers and concert promoters. The company currently operates 84 venues, including 44 amphitheaters. Live Nation was selected to manage the new amphitheater pursuant to a competitively-bid RFP process.

The term of this agreement is for 125 months beginning August 1, 2015. Live Nation will be the exclusive operator and promoter for the venue. This will include managing the facility, booking concerts, and securing concessionaires and other vendors. Live Nation will have the right to all revenues derived from the operation of the amphitheater, including ticket sales, sponsorships, naming rights, and the sale of food/beverages and merchandise. Live Nation will be required to make annual payments of \$400,000 to Metro for the duration of the contract, as well as \$2.00 (continued on next page)

ORDINANCE NO. BL2011-954, continued

per ticket sold for each of the first 150,000 tickets in any calendar year, and \$5.00 per ticket for tickets sold in excess of 150,000. Live Nation is also required to remit fifty cents from the sale of each ticket to an organization to be created for the support of Riverfront park similar to the various "Friends of the Parks" groups, and fifty cents per ticket to the Community Foundation of Middle Tennessee to support a fund dedicated to the acquisition, maintenance, and operation of parks in Davidson County. Live Nation will also be required to pay Metro 50% of all concessions for non-concert events.

Live Nation will construct improvements to the amphitheater at its own expense that are necessary for operation of the facility such as concession equipment, sales kiosks, furniture, and equipping the VIP rooms, hospitality areas, and dressing rooms. It is estimated that Live Nation will spend \$1.5 million to \$1.75 million for these improvements. Live Nation will be required to hire a general manager for the facility who is experienced in the management of comparable facilities. The company will be required to cover all operating and maintenance expenses, including utilities and security. Metro parks will be responsible for maintaining the landscape and mowing the grassy areas within the amphitheater.

Metro will have the right to use the amphitheater on July 4, December 31, CMA Fest week, and seven other "civic events" to be determined by Metro. Live Nation is not to charge any rent for any of the civic events, but the party responsible for the event (whether Metro or another organization) will be responsible for the operating expenses associated with the event. In addition to up to six performances of the Nashville Symphony, Live Nation is required starting with the second year of the agreement to book and ensure that at least 15 concerts take place at the amphitheater per year. Failure to put on at least 15 concerts will result in a monetary penalty to Metro of \$12,000 for each concert event less than 15.

Live Nation is required to maintain commercial general liability insurance coverage in an amount not less than \$1 million single limit, plus additional insurance with a limit of not less than \$5 million per occurrence. The contract includes the standard indemnification language for the protection of Metro.

ORDINANCE NO. BL2014-955 (GILMORE & PRIDEMORE) – This ordinance approves an agreement between the Metropolitan Government and MFP Real Estate, LLC (the Nashville Sounds) necessary for the construction of the new ballpark at Sulphur Dell. This transaction was contemplated at the time the council approved the financing for the ballpark last December. Metro will be deeding portions of two parcels totaling 0.57 acre to the Sounds, and the Sounds will be deeding portions of two lots totaling 0.79 acre to Metro. No funds will be exchanging hands as part of the transaction.

This ordinance has been approved by the planning commission.

ORDINANCE NO. BL2014-956 (GILMORE, PRIDEMORE & OTHERS) – This ordinance authorizes the acceptance of permanent right-of-way and greenway easements from the State of Tennessee in connection with the development of the new Sounds ballpark at Sulphur Dell. This transaction includes a 0.06-acre right-of-way easement and a 0.26-acre greenway easement. The greenway easement is needed for the installation and maintenance of landscaping materials to support the adjacent public greenway. Metro will be responsible for maintaining the property within the greenway easement and keeping the area in a clean and attractive condition. There is no cost to Metro for acquiring these easements.

This ordinance has been approved by the planning commission.

ORDINANCE NO. BL2014-957 (GILMORE & HUNT) – This ordinance authorizes the director of public property administration to accept the donation of a tenth (0.10) of an acre of property located at the southeast corner of the intersection of Korean Veterans Boulevard and 1st Avenue South. This property is being acquired from the Metropolitan development and housing agency at no cost. This property is needed as right-of-way for the construction of a new through lane at 1st Avenue-Hermitage Avenue and Korean Veterans Boulevard.

This ordinance has been approved by the planning commission.

ORDINANCE NO. BL2014-958 (HARRISON, PRIDEMORE & OTHERS) – This ordinance authorizes the director of public property administration to accept the donation of 28 acres of property from Harding Corporation to be used as part of the parks system. This property is located next to the Trinity Hills Village apartments. The appraised value of the property according to the assessor of property records is \$217,900. This ordinance has been approved by the parks board and the planning commission.

ORDINANCE NO. BL2014-959 (TODD, PRIDEMORE & OTHERS) – This ordinance authorizes the director of public property administration to accept the donation of 319 acres of property from the Friends of The Warner Parks, Inc. (FOWP) to be used as an extension of Edwin Warner Park. In 2009, the council authorized the purchase of the 124-acre "Burch Reserve" property to extend Warner Park at an acquisition cost of \$1.5 million. This 319 acre property is known as the Hill Old Growth Forest, which is a separate tract next to the Burch Reserve. The donation does not include a five acre farmhouse tract, which will remain under the ownership and control of FOWP. However, Metro will have a perpetual easement across the farmhouse property for ingress and egress to the Hill Old Growth Forest, as well as for parking to serve the property. Metro will be responsible for maintaining and repairing this driveway. FOWP will have the right to name the property, though the deed recognizes that it is the intent of the parties that either "The Hill Forest" or "The Hill Old Growth Forest" is to be the primary name ascribed to the property. Metro parks will be required to consult with FOWP when preparing a plan for the use of the property.

(continued on next page)

ORDINANCE NO. BL2014-959, continued

The property must always be used and maintained by Metro as open space, and no school buildings/facilities, libraries, athletic fields, golf courses, pools, public safety buildings, residential buildings, or commercial facilities may be constructed on the premises. If Metro ever ceases to use the property for park open space, and FOWP notifies Metro of such cessation, Metro will have six months to cure the deficiency. Failure to cure within six months will result in an automatic reversion of the property to FOWP.

The deed also provides that Metro will be responsible for absorbing the property taxes on the property owed for 2014. The estimated value of the property according to the assessor of property records is approximately \$516,000, which includes the value of the farmhouse tract that is being retained.

This transaction has been approved by the board of parks and recreation and by the planning commission.

ORDINANCE NO. BL2014-960 (PRIDEMORE, GILMORE & A. DAVIS) – This resolution approves the continuation of an agreement between Metro water services (MWS) and the Cumberland River Compact (CRC) to fund initiatives established by the consent decree with the department of justice regarding water quality. In 2007, the council approved a consent decree to settle legal action brought by the U.S. department of justice and the state of Tennessee against the Metropolitan Government regarding sewage overflows in violation of the Clean Water Act and the Tennessee Water Quality Control Act. Part of this consent decree required MWS to make a grant to the CRC in the amount of \$282,019 to address water quality issues. The CRC is a nonprofit organization whose mission is to enhance the water quality of the Cumberland River through education and by promoting cooperation with citizens, businesses, and agencies. As a nonprofit, the CRC is better able to apply for grants and provide services to private homeowners than the government. The grant funds required by the consent decree have been used for small stream restoration projects, the building of 60 rain gardens per year, and the planting of 10,000 trees. The CRC has also been involved in projects with Metro for the removal of two dams and improving area stream buffers. The CRC is on track to meet or exceed all of the goals set by the initial agreement.

This ordinance extends the agreement for another five years with a total payment to the CRC of \$250,000. The CRC will continue to provide consultations, classes, and plants to residents interested in building rain gardens. They will also help facilitate the stream adoption program, host the rain gardens website, and promote recreational activities on the Cumberland River. This will result annually in the construction of at least 50 rain gardens, the planting of 2,500 trees, the adoption of five streams, and recreation opportunities for 2,500 people on the river per year.

The state department of environment and conservation has endorsed the continuation of this arrangement with the CRC.

ORDINANCE NO. BL2014-961 (PRIDEMORE & BAKER) – This ordinance grants CSX Transportation, Inc., access to the 800-MHZ emergency radio dispatch and response system. The Metropolitan Government and NES jointly own and operate the emergency radio dispatch and radio response system utilizing 800-MHZ radio frequencies licensed by the Federal Communications Commission (FCC). This system was jointly funded by Metro and NES, with Metro general services now maintaining the system and NES contributing funds to help pay for its maintenance.

This agreement will allow the CSX police department to interface directly with Metro's system. CSX agrees to pay a monthly usage and access fee as determined annually by the department of general services and the finance department. The term of this agreement begins upon approval by the council and extends through June 30, 2024, but may be terminated by either party with 90 days written notice.

ORDINANCE NO. BL2014-962 (LANGSTER) – This ordinance authorizes the installation and maintenance of an underground irrigation line to serve plantings along 19th Avenue North and located within the right-of-way at 1820 West End Avenue for the Renasant Bank Tennessee Headquarters property. Renasant Bank has agreed to indemnify the Metropolitan Government from all claims in connection with the installation and maintenance of the encroachments, and is required to provide a \$2 million certificate of public liability insurance naming the Metropolitan Government as an insured party. This ordinance has been approved by the planning commission

– BILLS ON THIRD READING –

ORDINANCE NO. BL2014-926 (PRIDEMORE, A. DAVIS & BENNETT) – This ordinance authorizes Metro water services (MWS) to subsidize the cost of rain barrels for Metro residents. In an effort to help reduce stormwater runoff, MWS has agreed to pay \$20 of the cost of the first 1,000 rain barrels sold through the program. It is estimated that the total cost of the rain barrels will be somewhere in the range of \$65 a piece, so this subsidy would reduce the resident's cost to \$45. MWS will select a company through a competitive bid process to manage the subsidized rain barrel program. This ordinance authorizes the creation and implementation of the program.

ORDINANCE NOS. BL2014-928 through BL2014-933 – These six ordinances authorize the acceptance of permanent and temporary easements for various stormwater projects. There is no cost associated with acquisition of the easements identified in the ordinances. Future amendments to these ordinances may be approved by resolution. These ordinances have all been approved by the planning commission.

Ordinance No. BL2014-928 (Dowell, A. Davis, & Hunt) authorizes the acquisition of easements for properties located at 550 and 554 Bell Road.

Ordinance No. BL2014-929 (Bennett, A. Davis, & Hunt) authorizes the acquisition of easements for properties located at 602, 603, and 605 Tuckahoe Drive and 114 Rhine Drive.

Ordinance No. BL2014-930 (Harrison, A. Davis, & Hunt) authorizes the acquisition of easements for 14 properties located along County Hospital Road, Doak Avenue, and Manchester Avenue.

Ordinance No. BL2014-931 (Johnson, A. Davis, & Hunt) authorizes the acquisition of easements for 13 properties located along Rural Hill Road, Rural Hill Circle, and Wildwood Drive.

Ordinance No. BL2014-932 (Evans, A. Davis, & Hunt) authorizes the acquisition of easements for properties located at 6517 and 6525 Brownlee Drive and 6541 Cornwall Drive.

Ordinance No. BL2014-933 (A. Davis & Hunt) authorizes the acquisition of easements for 9 properties located along Kenner Avenue and Ensworth Place.