



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: **January 19, 2016**

RE: **Analysis Report**

Unaudited Fund Balances as of 1/13/16:

4% Reserve Fund	\$36,477,396*
Metro Self Insured Liability Claims	\$4,181,097
Judgments & Losses	\$2,887,623
Schools Self Insured Liability Claims	\$2,993,156
Self-Insured Property Loss Aggregate	\$6,455,050
Employee Blanket Bond Claims	\$662,378
Police Professional Liability Claims	\$2,613,810
Death Benefit	\$1,181,890

*Assumes unrealized estimated revenues in Fiscal Year 2016 of \$22,847,719.

– RESOLUTIONS –

RESOLUTION NO. RS2016-86 (HASTINGS & PRIDEMORE) – On August 4, 2015, Ordinance No. BL2015-1281 was enacted authorizing the Metropolitan Development and Housing Agency (MDHA) to negotiate and accept payments in lieu of taxes (PILOT) from operators of low income housing tax credit (LIHTC) properties. PILOT agreements essentially provide tax abatements for real and/or personal property taxes that would otherwise be owed to the Metropolitan Government. PILOTs are a tool that have been utilized by Metro to provide incentives through the Industrial Development Board (IDB) to large employers to create more job opportunities. MDHA now has the authority to enter into PILOTs to create affordable rental housing.

MDHA developed this PILOT program to provide an additional financial incentive to developers considering construction or rehabilitation of affordable housing units through a federally funded LIHTC program. Subsidized low income housing tax credit developments serve those at or below 60% of the average median income (AMI) for the Nashville area, which results in an income cap of \$28,140 for an individual and \$40,140 for a family of four. Once negotiated by MDHA, each PILOT agreement must be approved by the Council by resolution.

The maximum term for a PILOT lease under this program is 10 years, and there would be an annual cap for all PILOTs in this program of \$2 million per year. The PILOT would only be available for additional tax liability over and above the pre-development assessed value of the property. The PILOT program would be available for both existing and new developments based on financial need. The PILOT lease will be terminated if the property sits vacant for two years.

MDHA is required to file an annual report with the Council, Assessor of Property, and State Board of Equalization identifying the values of the properties subject to PILOTs, the date and term for each PILOT, the amount of PILOT payments made, and a calculation of the taxes that would otherwise be owed.

The Paddock at Grandview is a proposed 240 unit apartment project at Trinity Lane near Interstate 65. The Paddock at Grandview LP (controlled by LDG Development) applied to MDHA and received HOME Investment Partnerships Program funds of \$1,700,000 through a previous competitive process. Additionally, they have applied for and received approval for FHA financing and have approval for a 4% low income housing tax credit from THDA. They submitted an application to MDHA for a PILOT agreement to make the project affordable to households below 60% AMI for 30 years. That application and the PILOT agreement was approved by the MDHA Board of Commissioners in its meeting in December, 2015.

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RESOLUTION NO. BL2016-86, continued

This PILOT request is the first to come to MDHA since the state, Metropolitan Council, and MDHA Board approved the PILOT program. It would require LDG Development to make a first year payment of \$53,472 in lieu of property taxes, which will increase annually by 3% for the 10 year period. This PILOT was determined to be the maximum payment that could be sustained based on projected cash flows to the rent restricted property as projected in the developer's underwritten pro forma, and is approximately equal to the 2015 taxes of the undeveloped project site plus \$115 per unit in the project.

The construction cost of this project is estimated to be \$24,307,130. Assuming the final assessed value agrees with this amount, the standard ad valorem property tax would be \$439,084. The abatement of \$385,612 in the first year equates to 87.8% of the tax that would otherwise be owed.

Over the 10-year life of this PILOT agreement, a total of \$3,777,846 would be abated. Metro would still receive \$612,994 in new property taxes from this project. According to the MDHA analysis, this is the maximum the developer can pay and still have the project be viable to provide the 240 apartments for low-income households.

RESOLUTION NO. RS2016-87 (PRIDEMORE) – This resolution approves a sole source contract with JusticeTrax to provide maintenance and support for software utilized by the Metro Nashville Police Department (MNPd). Sole source contracts can be awarded under the Metro procurement code when it is determined that there is only one source for the supply or services rendered. The Purchasing Agent has determined that the services to be provided by JusticeTrax meet the requirements for the use of a sole source contract.

The Metro Code requires all sole source contracts having a total value in excess of \$250,000 to be approved by the Council by resolution. The term of the contract will be from the date of contract approval until June 30, 2020. The total value of the contract over the term is estimated to be \$283,957, including 3% cost increases each year and \$24,000 for contingency expenses.

RESOLUTION NO. RS2016-88 (PRIDEMORE & GILMORE) – This resolution approves a grant in the amount of \$2,500 from the U.S. Food and Drug Administration to the Metropolitan Board of Health. These federal pass-through funds are to be used to fund food inspection self-assessment to comply with Standard One of the FDA Voluntary Retail Food Program Standards – a regulatory program to administer the FDA *Food Code*.

All tasks outlined in the approved grant application must be completed no later than September 30, 2016 unless a written exception is granted.

RESOLUTION NO. RS2016-89 (PRIDEMORE & GILMORE) – This resolution approves a grant in the amount of \$3,000 from the U.S. Food and Drug Administration to the Metropolitan Board of Health. These federal pass-through funds are to be used to provide funding for travel expenses for food inspectors to attend the “FD 312 Special Processes at Retail” course.

The course must be completed no later than September 30, 2016 unless a written exception is granted.

RESOLUTION NO. RS2016-90 (PRIDEMORE & GILMORE) – This resolution approves a renewal of an annual grant in the amount of \$512,400 from the State Department of Health to the Metropolitan Board of Health for implementation of the state immunization program. The term of this grant is from January 1, 2016 through December 31, 2016. This grant, consisting of \$157,800 in state funds and \$354,600 in federal pass-through funds, will be used for the salaries and benefits of Health Department employees who provide the immunization services. This is the same amount as in the previous year’s grant.

RESOLUTION NO. RS2016-91 (PRIDEMORE & GILMORE) – This resolution approves the second amendment to a grant from the State Department of Health to the Metropolitan Board of Health to provide family planning services. Local health departments are required by state law to provide family planning services consisting of contraceptive supplies and information to all persons eligible for free medical services. The term of the grant is from July 1, 2012 through June 30, 2017. This grant originally consisted of \$4,273,000 in federal funds and \$200,500 in state funds.

The first amendment to the grant eliminated the \$200,500 state portion of the funding, leaving the \$4,273,000 federal funding intact. This was to provide \$854,600 during each year of the five-year grant.

The second amendment now being approved increases the grant amount by \$86,800 for a new total of \$4,359,800. This \$86,800 increase comes from state pass-through TennCare dollars and will be completely spent during Fiscal Year 2016. The term of this five-year grant remains from July 1, 2012 through June 30, 2017.

RESOLUTION NO. RS2016-92 (PRIDEMORE & GILMORE) – This resolution accepts a grant of \$11,001 from Ms. Linda Rising to the Metropolitan Nashville Social Services Commission. The grant is to be designated to benefit the “How’s Nashville” Project. There are no other restrictions on the use of this grant.

RESOLUTION NO. RS2016-93 and 94 (GILMORE) – These two resolutions approve a contract between the Metropolitan Board of Health and Village Learning Center, LLC I and II, for the implementation of the Project Diabetes Gold Sneaker program. In September 2013, the Health Department received a grant from the State Department of Health for the Gold Sneaker Program, a program to encourage child care providers to implement physical activity each day, food portion control, and to limit the amount of high calorie and high fat foods. The grant funds are to be used to provide the program at 20 childcare centers in north and northeast Nashville. The program consists of a nutrition education course for the childcare employees and parents, as well as in-class instruction for children.

Under the terms of this contract, Village Learning Center, LLC I and II will schedule monthly parent meetings for nutrition training, participate in staff surveys about exercise and nutrition, and promote the community center fitness classes offered. The Health Department will be responsible for conducting weekly preschool classroom nutrition education sessions, providing parent nutrition training sessions, and providing an opportunity for teachers and families to participate in free exercise classes at community centers. The term of the contract expires on June 30, 2016. There is no monetary compensation associated with this contract.

The Council has previously approved contracts with several other childcare providers for this program.

RESOLUTION NO. RS2016-95 (PRIDEMORE & HENDERSON) – This resolution approves a grant in the amount of \$5,177 from the Tennessee State Library and archives to the Nashville Public Library to purchase tablet computers. These funds will be used to purchase computer hardware, software, and peripherals to “assist customers in accessing technology as a means of closing the digital divide.” There is a required local cash match of \$5,177.

RESOLUTION NO. RS2016-96 (KINDALL, ELROD, & ALLEN) – This resolution authorizes The Connor Group to install and maintain an aerial encroachment for three signs at 2300 Elliston Place. The first sign per this encroachment will consist of two sections. The first section will be 3’ x 18’, extending 2’ 6” from the building. The second section will be 2’ x 12’ and attached to the front of the first section. The lowest point of the two attached sections will be 16’ 11” above the sidewalk.

The second and third signs will be suspended from a balcony, consisting of an existing post-tension concrete slab. Each of these two signs will be 3’ x 12’. The height above the sidewalk is not specified in the drawings attached to the resolution.

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RESOLUTION NO. BL2016-96, continued

The applicant must indemnify the Metropolitan Government from all claims in connection with the construction and maintenance of the signs, and is required to post a certificate of public liability insurance with the Metropolitan Clerk naming the Metropolitan Government as an insured party.

This resolution has been approved by the Planning Commission.

RESOLUTION NO. RS2016-97 (SHULMAN) – This resolution approves the election of certain Notaries Public in accordance with state law.

– BILLS ON SECOND READING –

ORDINANCE NO. BL2016-99 (MURPHY) – Members of the Metropolitan Human Relations Commission are restricted by the Metropolitan Code of Laws (MCL) to serving no more than two consecutive three-year terms. (See, MCL § 2.132.030). At the end of a second consecutive term, members are not eligible to be reappointed for at least one year.

Terms for the 17 members of the Commission are staggered so that the entire membership is never being replaced at the same time. The term for eleven of the current members will expire in 2016. The terms of the other six members will not expire until 2018.

This ordinance will delete the limiting language from the MCL so that members of the Commission may be reappointed for an unlimited number of consecutive terms. If this is approved, all current members of the Commission would be eligible for reappointment when their terms expire.

ORDINANCE NO. BL2016-100 (HAGAR, K. JOHNSON, & BEDNE) – This ordinance would require the Codes Department to notify the Metropolitan Council of all building permits and applications. These reports have been provided to individual Council members in the past, but some gaps in the reports have been reported.

Section 16.04.70 of the Metropolitan Code of Laws (MCL) currently requires a record of “all such permits and notices and all other business transactions” to be available for public inspection during the regular business hours of the department. The revision proposed by this ordinance would add an ongoing requirement to provide this information to Council members each month.

ORDINANCE NO. BL2016-101 (HURT) – This ordinance designates the 28th/31st Avenue connector bridge as “The Francis S. Guess connector”. Mr. Guess served on the U. S. Civil Rights Commission, the Tennessee Commission on Human Rights, and as the Commissioner for the Tennessee Department of labor and General Services. He provided volunteer support to more than 100 organizations in his lifetime, serving as an ardent and effective proponent of equal opportunity in the public and private sectors. Most recently, he served on the Board of Directors of the Convention Center Authority.

Mr. Guess received numerous awards and recognitions for his public service, including the prestigious Tree of Life Award from the National Jewish Fund and the Joe Kraft Humanitarian Award from the Community Foundation of Middle Tennessee.

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ORDINANCE NO. BL2016-101, continued

Ordinance No. BL2012-262 established a procedure for the use of honorary street signs whereby the Council, by ordinance, can authorize and direct the Department of Public Works to install honorary street signs beneath the official street name sign for any street identified on the official Street and Alley Centerline Layer map.

The honorary designation for Mr. Guess will be the first such approval during 2016. Up to five honorary designations may be approved during each calendar year. Any additional honorary designations beyond these five approved by the Council in the same year would require the identification of a new funding source to pay for the signs.

This ordinance does not officially rename the connector. There will be no change of official street address for any residents or businesses on 28th Avenue North or 31st Avenue North.

ORDINANCE NO. BL2016-102 (SYRACUSE, PRIDEMORE, & OTHERS) – This ordinance authorizes the Director of Public Property Administration to sell a portion of the right-of-way of Briley Parkway, north of Two Rivers Parkway. This property includes a frontage road known as Gaylord Drive.

The total tract, including this right-of way, was acquired in 1966. This was used to build a Briley Parkway extension, Two Rivers Golf Course and Park, McGavock High School, Wave Country, and McGavock Mansion renovations. In 1970, Metro and the Tennessee Department of Transportation (TDOT) signed an agreement under the Local Interstate Connector Program to construct Briley Parkway, including interchanges at McGavock Pike and Two Rivers Parkway. The costs of this program were shared on a 50/50 basis by Metro and TDOT.

Ryman Hospitality Properties, Inc. has now requested to purchase a portion of this property. The request has been evaluated by the Department of Transportation's Excess Land Committee. They concluded the property is no longer needed by the state or Metro for any purpose.

All parties agree the fair market value is \$137,000. Since Metro and the state jointly obtained this property, each will receive one-half of the proceeds from this quitclaim deed, amounting to \$68,500.

This sale was approved by the Planning Commission at their meeting on December 9, 2015.

ORDINANCE NO. BL2016-103 (SLEDGE, ELROD, & ALLEN) – This ordinance abandons an existing sewer main and accepts new sewer main and easements for four properties located along Franklin Pike.

This ordinance was approved by the Planning Commission on November 18, 2015. Future amendments to this ordinance may be approved by resolution.

– BILLS ON THIRD READING –

ORDINANCE NO. BL2015-90 (GREENE, ELROD, & ALLEN) – This ordinance abandons an existing water main and accepts new water mains and easements for properties located along Bidwell Road.

This ordinance was approved by the Planning Commission on October 28, 2015. Future amendments to this ordinance may be approved by resolution.

ORDINANCE NO. BL2015-91 (HENDERSON, ELROD, & ALLEN) – This ordinance abandons an existing water main and easements and accepts new and replacement water mains and easements for properties located along Priest Road, East Ashland Drive, Maplemere Drive, Priest Drive, and Otter Valley Lane.

This ordinance was approved by the Planning Commission on October 28, 2015. Future amendments to this ordinance may be approved by resolution.

ORDINANCE NO. BL2015-92 (WITHERS, ELROD, & ALLEN) – This ordinance abandons an existing sewer main and easements and accepts a new water main, sewer main, and easements for properties located along Woodland and Russell Streets.

This ordinance was approved by the Planning Commission on October 28, 2015. Future amendments to this ordinance may be approved by resolution.

ORDINANCE NO. BL2015-94 (ALLEN & WITHERS) – This ordinance would make four changes to the current Short-Term Rental Properties (STRP) regulations in Metro Code of Laws Section 6.28.030.

The first change would limit the number of Detached Accessory Dwelling Units (DADUs) that can be used for short term rental. This change would subject new permits for DADU properties to the current 3% cap that applies to non-owner occupied STRP properties. Existing permits would be unaffected.

Paragraph B of Section 6.28.030 of the Metro Code of Laws (MCL) presently defines "owner-occupied" as including "the principal residential unit with which the STRP is associated on the same lot." The ordinance under consideration would change the definition of "owner-occupied"

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ORDINANCE NO. BL2015-94, continued

to mean that the owner of the property permanently resides in the STRP. Detached Accessory Dwelling Units shall not be eligible for owner-occupied ["STRP permit"] status unless the owner permanently resides in the Detached Accessory Dwelling Unit.

The second proposed change is the addition of a provision for the possible revocation of the owner's permit for advertising a STRP for more occupants than allowed by this regulation. Under existing regulations, the Codes Department must physically enter a property and count occupants to establish that the property is rented to too many occupants. The proposed change would allow advertisements to serve as documentation of such violations. Paragraph K would add a new sentence at the end of the current language stating: "Advertising a STRP for more occupants than allowed by this regulation shall be grounds for revocation of the permit."

Third, the word "detached" would be deleted from subsection Q of Code section 6.28.030 to avoid confusion in its reference to two-family homes. The definition of a two-family home includes either two homes on one lot separated by at least six feet, or a single structure with a common wall for two separate families. Removal of the word "detached" is intended to eliminate confusion.

The final change would allow no more than one permit per lot for single and two-family homes. Permits that have already been issued would not be subject to this limit.

ORDINANCE NO. BL2015-95 (ELROD & O'CONNELL) – Regulations for the commercial use of pedicabs and pedal carriages within certain portions of Nashville and Davidson County were approved by Ordinance No. BL2014-925 on December 16, 2014. The ordinance under consideration will amend these regulations by providing for restrictions on the hours of operation.

Section 6.75.410 of the Metro Code of Laws (MCL) currently states, "Pedal carriages and pedicabs shall operate upon the streets within the metropolitan area on routes or zones established by the MTLC [Metro Transportation Licensing Commission] or its staff. Any deviation from these approved routes or zones must be approved by the MTLC or its staff. Any approved deviation must be reported to the MTLC or the MTLC director staff prior to beginning of operations."

The revised language will add the provision that "hours of operation" are also subject to regulation by the MTLC.